



MEMORANDUM

TO: Chair and Members of the Board DATE: December 23, 2020
FROM: Jacqlene Drulis, Occupational RE: Juneau's Green Market #12313
Licensing Examiner

This is a renewal application for a Retail Marijuana Store in the City and Borough of Juneau by ISG, Inc. DBA Juneau's Green Market.

Local Government Protest: Yes – 12/17/2020
LG Protest Period Ends: N/A
Objection(s) Received/Date: Yes - 10/19/2020
Notice of Violation(s): No
MJ-17a Temp Ownership Change Report: No
MJ-20a Residency Exemption Affidavit: Yes – for Elizabeth Romanoski
Staff questions for Board: None



OFFICE OF THE MUNICIPAL CLERK
Ph: (907)586-5278 Fax: (907)586-4552
e-mail: city.clerk@juneau.org

December 4, 2020

Via certified, regular mail & email

Attn: Elizabeth Romanoski
ISG, Inc. dba Juneau's Green Market
PO Box 21974
Juneau AK 99802
Elizabethromanoski28@yahoo.com

Re: AMCO Retail Marijuana Store License #12313 Protest Recommendation

Dear Ms. Romanoski,

The City and Borough of Juneau has received notice of your Retail Marijuana Store License #12313 located at 263 Marine Way, Juneau AK 99801 from the Alcohol Marijuana Control Office.

As is our practice in these matters, staff from the Fire, Finance, Police, Community Development and Engineering/Public Works Departments have reviewed your establishments to insure compliance with CBJ Code 20.30.020.

The Finance Department recommends the Assembly protest the issuance of this license renewal based on the following: a balance due of \$74,763.82 for 2019 2nd, 3rd and 4th Quarter and 2020 1st Quarter Sales Tax, unfiled 2020 2nd and 3rd Quarter returns and unremitted sales tax, marijuana tax, late fees, penalties and interest. The protest recommendation will remain in effect until your sales tax accounts are in full compliance.

Staff from the Community Development, Engineering/Public Works, Fire and Police Departments recommend the Assembly waive its right to protest the issuance of these licenses.

The Community Development Department (CDD) noted the CBJ Business License for the operation is valid until December 31, 2020 and must be renewed by that date in order for the business to continue to operate in the Borough.

CBJ Code 20.30 provides you with the right to an informal hearing before the Assembly to address this issue. **This matter will be considered at the Monday, December 14, 2020 Assembly Human Resources Committee (HRC) meeting at 5:30 p.m. via Zoom Webinar and the HRC will then forward a recommendation to the Assembly for action at its regular meeting that same evening at 7:00 p.m. also via Zoom Webinar.** You will be given the opportunity to participate in an informal hearing before the Assembly during these meetings if you wish to do so.

Copies of the CBJ Code and Alaska Statutes pertaining to the protest process are enclosed for your reference. In the meantime, I urge you to work with Finance staff to ensure all issues are resolved prior to this appearing before the Assembly on December 14.

Sincerely,

Diane Cathcart

Diane Cathcart
Deputy Municipal Clerk

Enclosures
cc via email: Assembly & Staff Reviewers



OFFICE OF THE MUNICIPAL CLERK
Ph: (907)586-5278 Fax: (907)586-4552
email: City.Clerk@juneau.org

December 16, 2020

Sent via e-mail

State of AK Alcohol & Marijuana Control Office (AMCO)
The Atwood Building
550 West 7th Ave., Suite 1600
Anchorage, AK 99501

Re: CBJ Assembly Action on Marijuana License within City/Borough of Juneau

Greetings AMCO Staff,

At its meeting on Monday, December 14, 2020, the City and Borough of Juneau Assembly recommended protest of the following marijuana license due to non-filing/non-payment of CBJ Sales Tax.

MARIJUANA LICENSE RENEWAL

Retail Marijuana Store, License #12313

Licensee: ISG Inc., d/b/a Juneau's Green Market

Location: 263 Marine Way, Juneau

MOTION: by Ms. Gladziszewski to recommend that the Assembly protest this license until their tax accounts are brought into full compliance. *Motion passed 8:0* (Assemblymember Loren Jones was recused from discussion and voting due to his role on the Marijuana Control Board). City staff will notify AMCO staff as soon as protest is lifted.

Thank you for the opportunity to comment. If you have any questions, please the Municipal Clerk's Office.

Sincerely,

Diane Cathcart

Diane Cathcart
Deputy Municipal Clerk

Enclosures: letter to Licensee recommending protest
cc via email: Licensees & CBJ Staff Reviewers

From: Mariam Swanson
To: [Elizabeth Romanoski](#)
Cc: [Marijuana Licensing \(CED sponsored\)](#)
Subject: FW: Objection for License #12313 Juneau's Green Market/ ISG, Inc.
Date: Wednesday, October 21, 2020 3:17:26 PM

Elizabeth,
I want to you be aware that I have filed the complaint formally.

Mariam Swanson

From: Mariam Swanson
Sent: Monday, October 19, 2020 9:41 AM
To: Marijuana Licensing (CED sponsored) <marijuana.licensing@alaska.gov>
Subject: Objection for License #12313 Juneau's Green Market/ ISG, Inc.

I am objecting any license application submitted by Juneau's Green Market, ISG, Inc., Elizabeth Romanoski, Aaron Bean, and Michael Scarcelli. Juneau's Green Market is selling cannabis that they procured without payment. Juneau's Green Market contracted with Tundra Jane to purchase 2,113 grams of cannabis on July 7, 2020 and to date, have not paid for the product despite multiple attempts to collect.

Mariam Swanson

From: /o=First Organization/ou=Exchange Administrative Group(FYDIBOHF23SPDLT)/cn=Recipients/cn=0003000005521CB6
To: [Elizabeth Romanoski](#)
Subject: FW: Juneau's Green Market License 12313 and ISG, Inc.

Elizabeth,

As of this morning I have not received payment for the product that was delivered to your retail shop on July 9th. Last Thursday I reported your license to AMCO Enforcement for refusal to pay and I will pursue further action against your application with their advice. I've also contracted my lawyer to file Lien paperwork against you.

I did get your voice message last Saturday and no, no one other than you has called me. I called you back within an hour but the call was disconnected on your end so I was unable to leave you a message. What I did get are the following texts from your representatives:

For the record:

MMS received from +19077388923 at 11:16 AM on Wednesday, September 23, 2020:

Quote: Hi Miriam, this is Aaron Bean with Juneau Green Market. We have been trying to facilitate making a payment to Tundra Jane but have had a hard time dealing with Dakota. Are you going to have anyone in Juneau anytime soon? If not is there a good mailing address we can send a money order to? End Quote

and,

MMS received from +19077388923 at 11:16 AM on Wednesday, September 23, 2020:

Quote: I added my business partner Mike Scarcelli to this text as well. End Quote.

Message sent from 19075758143 at 11:27 AM on Wednesday, September 23, 2020:

Quote: The mailing address is Mariam Swanson, PO Box 113355, Anchorage, AK 99511. I will look for the full payment to arrive within the next 5 days before taking further action. End Quote.

Message received from 19077387388 at 11:28 AM on Wednesday, September 23, 2020:

Quote: Hi Miriam. If you have the time to chat I would love too. We had really appreciated the product. We had posted some cool ads and videos and promoted tundra and jane during our first weeks open. Clients were happy in our new, just opened store. And then things went very sour, and awkwardly south, with Dakota. I also observed some other things during his trip to Juneau. However, my hope is to resolve at least some of these issues. Hope to chat, Mike 9077387388 End Quote.

Message received from +19077388923 at 11:38 AM on Wednesday, September 23, 2020:

Quote: Great. Threats don't sit well with me. We have tried making payment several times, and as I explained to your worker the product isn't moving as fast as we had thought. That aside, I'll be sure to send a certified check you me way. It will be a payment, but not in full. If you feel the need to take further action suit yourself, but I wouldn't suggest that. We are trying to build friendships not enemies. End Quote.

As you can see, your representatives are again making promises that they are not keeping. I am not

happy with this outcome. I did expect that you and I would be able to resolve this business transaction in a professional business manner. Having completed hundreds of cannabis business sales in the past three years I have been fortunate and, until working with Juneau's Green Market, I have never had to deal with this type of corrupt behavior so frankly, I'm confused as to why you are allowing it. This industry is fragile, strict, and challenging, 'friendships' are not built on broken contracts.

Written communication is the only communication I will accept going forward for our protection. All correspondence is being forwarded to my lawyer.

Please remit full payment today.

Mariam

From: Mariam Swanson
Sent: Wednesday, September 23, 2020 9:40 AM
To: Elizabeth Romanoski <elizabethromanoski28@yahoo.com>
Subject: Juneau's Green Market License 12313 and ISG, Inc.

Elizabeth,

I am writing to give you a fair warning that I am preparing to file an objection with AMCO and Juneau Borough against your establishment license, as well as a Lien against your assets.

In July our licenses entered into a contract for the legal sale and delivery of 2,113 grams of cannabis. The term of this contract was \$12,508.00 due within 30 days. The contract is now 46 days in arrears despite numerous attempts to collect from either of your representatives, Mike Scarcelli and Aaron Bean. As it is still illegal to sell cannabis that you have procured for free, I will be informing AMCO Enforcement of this issue in an effort to expose such business practices as a stain upon the industry.

I would much prefer to be paid than to have to get lawyers involved. Payment arrangements can be made with my sales representative Dakota Martin at 907.538.9093, myself or Jana Weltzin.

Mariam Swanson
Tundra Jane
907.575.8143

(e.) tundra.jane@outlook.com | (i) @tundra.jane | (f) @tundrajane

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Alaska Marijuana Control Board

Form MJ-20a: Residency Exception Affidavit

What is this form?

This residency exception affidavit may be submitted with a marijuana establishment renewal application for each licensee whose residency status has changed so that the licensee is no longer considered a resident of the state as defined at 3 AAC 306.015(e)(2).

Section 1 – Establishment Information

Enter information for the licensed establishment, as identified on the license application.

Licensee:	ISG	License Number:	12313		
License Type:	Dispensary				
Doing Business As:	Juneau Green Market				
Premises Address:	263 Marine Way				
City:	Juneau	State:	AK	ZIP:	99801

Section 2 – Individual Information

Enter information for the individual licensee who is completing this form.

Name:	Elizabeth Romanoski
Title:	President

Section 3 – Changes to Residency

Read each line below, and then sign your initials in the box to the right of all statements:

I certify that my primary residence is in Alaska.

Initials

I certify that I have good cause, as stated below, for not meeting the requirements to be a resident of the state as defined at 3 AAC 306.015(e)(2).

Yes, I contracted Covid which turned in to walking pneumonia.

I certify that the cause of not meeting the requirements to be a resident of the state as defined at 3 AAC 306.015.(e)(2) is temporary.

I anticipate being able to meet the requirements to be a resident of the state as defined at 3 AAC 306.015(e)(2) at the following time:

1/1/21



Form MJ-20a: Residency Exception Affidavit

Section 4 – Certifications

Read the statement below, and then sign your initials in the box to the right:

Initials

I certify that I understand that providing a false statement on this form or any other form provided by or to AMCO is grounds for rejection or denial of this application or revocation of any license issued.



As a marijuana establishment licensee, I declare under penalty of unsworn falsification that this form is true, correct, and complete. I agree to provide all information required by the Marijuana Control Board in support of this form and understand that failure to do so by any deadline given to me by AMCO staff may result in action upon the license by the Board.

Elizabeth A. Romanoski

Signature of licensee

Judith K. Nelson

Notary Public in and for the State of ~~Alaska~~ *Arizona*

Elizabeth Romanoski

Printed name of licensee

My commission expires: 4 Oct 2021

Subscribed and sworn to before me this 8th day of October, 2020.



OFFICIAL SEAL
JUDITH K. NELSON
Notary Public - State of Arizona
NAVAJO COUNTY
My Comm. Expires Oct. 4, 2021

Alcohol & Marijuana Control Office

License Number: 12313**License Status:** Active-Operating**License Type:** Retail Marijuana Store**Doing Business As:** JUNEAU'S GREEN MARKET**Business License Number:** 1049316**Designated Licensee:** Elizabeth Romanoski**Email Address:** elizabethromanoski28@yahoo.com**Local Government:** Juneau (City and Borough of)**Local Government 2:****Community Council:****Latitude, Longitude:** 58.173000, -134.241000**Physical Address:** 263 Marine Way
Juneau, AK 99801
UNITED STATES**Licensee #1****Type:** Entity**Alaska Entity Number:** 10051352**Alaska Entity Name:** ISG, Inc.**Phone Number:** 907-738-7388**Email Address:** michael.scarcelli77@gmail.com**Mailing Address:** PO Box 21974
Juneau, AK 99802
UNITED STATES**Entity Official #1****Type:** Individual**Name:** Elizabeth Romanoski**SSN:** [REDACTED]**Date of Birth:** [REDACTED]**Phone Number:** 520-548-4668**Email Address:** elizabethromanoski28@yahoo.com**Mailing Address:** PO Box 21974
Juneau, AK 99802
UNITED STATES**Note:** No affiliates entered for this license.



Alaska Marijuana Control Board
Form MJ-20: Renewal Application Certifications

What is this form?

This renewal application certifications form is required for all marijuana establishment license renewal applications. Each person signing an application for a marijuana establishment license must declare that he/she has read and is familiar with AS 17.38 and 3 AAC 306. A person other than a licensee may not have direct or indirect financial interest (as defined in 3 AAC 306.015(e)(1)) in the business for which a marijuana establishment license is issued, per 3 AAC 306.015(a).

This form must be completed and submitted to AMCO's main office by each licensee (as defined in 3 AAC 306.020(b)(2)) before any license renewal application will be considered complete.

Section 1 – Establishment Information

Enter information for the licensed establishment, as identified on the license application.

Licensee:	ISG Inc. Elizabeth Romanoski	License Number:	12313		
License Type:	Retail Marijuana Store				
Doing Business As:	Juneau's Green Market				
Premises Address:	263 Marine Way				
City:	Juneau	State:	Alaska	ZIP:	99801

Section 2 – Individual Information

Enter information for the individual licensee who is completing this form.

Name:	Aaron D. Bean POA Elizabeth Romanoski
Title:	Manager

Section 3 – Violations & Charges

Read each line below, and then sign your initials in the box to the right of any applicable statements:

Initials

I certify that I have **not** been convicted of any criminal charge in the previous two calendar years.

I certify that I have **not** committed any civil violation of AS 04, AS 17.38, or 3 AAC 306 in the previous two calendar years.

I certify that a notice of violation has **not** been issued to this license between July 1, 2019 and June 30, 2020.

Sign your initials to the following statement **only if you are unable to certify one or more of the above statements:**

Initials

I have attached a written explanation for why I cannot certify one or more of the above statements, which includes the type of violation or offense, as required under 3 AAC 306.035(b).



Section 4 – Certifications

Read each line below, and then sign your initials in the box to the right of each statement:

Initials

I certify that no person other than a licensee listed on my marijuana establishment license renewal application has a direct or indirect financial interest, as defined in 3 AAC 306.015(e)(1), in the business for which the marijuana establishment license has been issued.

EB

I certify that I meet the residency requirement under AS 43.23 or I have submitted a residency exception affidavit (MJ-20a) along with this application.

EB

I certify that this establishment complies with any applicable health, fire, safety, or tax statute, ordinance, regulation, or other law in the state.

EB

I certify that the license is operated in accordance with the operating plan currently approved by the Marijuana Control Board.

EB

I certify that I am operating in compliance with the Alaska Department of Labor and Workforce Development's laws and requirements pertaining to employees.

EB

I certify that I have not violated any restrictions pertaining to this particular license type, and that this license has not been operated in violation of a condition or restriction imposed by the Marijuana Control Board.

EB

I certify that I understand that providing a false statement on this form, the online application, or any other form provided by or to AMCO is grounds for rejection or denial of this application or revocation of any license issued.

EB

As an applicant for a marijuana establishment license renewal, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide all information required by the Marijuana Control Board in support of this application and understand that failure to do so by any deadline given to me by AMCO staff may result in additional fees or expiration of this license.

EB

Elizabeth Romanoski

POA

Signature of licensee

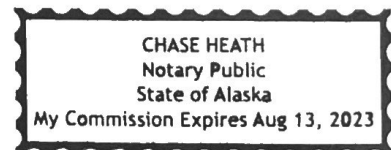
Chase Heath

Notary Public in and for the State of Alaska

Elizabeth Romanoski
Printed name of licensee

My commission expires: Aug 13, 2023

Subscribed and sworn to before me this 24 day of July, 2020.



MEMORANDUM



DATE: January 4, 2021

TO: Rorie Watt, City Manager

THROUGH: Jeff Rogers, Finance Director

FROM: Erin Russell, Revenue Officer

SUBJECT: Request to Replace Estimates with Actuals for ISG Inc's (ISG) Delinquent Sales Tax

155 Municipal Way
Juneau, AK 99801
Phone: (907) 586-5215
Fax: (907) 586-0358

Summary:

As a result of a valid protest of their Retail Marijuana License, ISG has reached out to the Sales Tax Office to take the necessary steps to bring their account into compliance. ISG representatives have now submitted the previously missing Sales Tax Return Forms and required documentation to justify their sales and request that the City & Borough of Juneau accept their actual sales figures as a replacement of previously estimated and recorded Sales Tax liability. **The CBJ Sales Tax Office recommends acceptance of the actuals with a revised total due of \$11,473.34 for all outstanding sales tax, marijuana tax, interest and penalties for 1Q 2019 through 3Q 2020.**

Background:

After significant compliance efforts failed to result in submittal of returns or payments, ISG was sent a notice that their 2Q 2019 – 1Q 2020 returns were prepared using estimates. On August 13, 2020 they were notified that these amounts were to become final on September 14, 2020 per CBJ Ordinance 69.05.100 (a). These estimates were prepared using large-scale marijuana retail operations as a comparable retailer. The deadline passed with no communication from the merchant making the estimates legally final.

In early December 2020, the Sales Tax Office moved to protest the renewal of the ISG's Retail Marijuana License based upon a balance due of \$74,763.82 for the periods estimated plus 2 additional unreported periods' sales tax, marijuana tax, late fees, penalties and interest. Upon notification of the protest, ISG representatives made contact with the Sales Tax Office to bring the account into compliance. They questioned the portion of the outstanding balance based on the estimated returns. Since this could not be resolved prior the Assembly meeting, the protest was upheld. The merchant was informed that the CBJ will rescind the protest prior to the January 6, 2021 AMCO meeting provided all outstanding returns are filed and all periods are paid in full.

Since then, ISG has submitted returns for all periods to bring the account current, including the periods previously estimated. The supporting documentation was closely reviewed by our Sales Tax Compliance Accountant II and the noticeably smaller reported sales appeared to be reasonable in comparison with other small-scale marijuana retailers.

A quote based on actuals good through December 31, 2020 was calculated and the total outstanding sales tax, marijuana tax, interest and penalties for all periods from 1Q 2019 to 3Q 2020 was \$11,072.63 of which \$9,226.26 is actual tax due. The merchant was provided this amount and failed to remit payment. Additional penalties and interest accrued as of January 1, 2021 bringing the total to \$11,473.34. A representative of ISG indicated he believed the Administrator/Manager would waive interest and penalties. Given the long history and efforts to collect on this account, including the efforts of our Law Department, Clerks Office and Assembly, I do not

support waiving the interest and penalties incurred on the actual taxes due during the period of delinquency. I recommend collection of the full amount due based on actuals provided, including the accrued interest and penalties.

It is the opinion of the Sales Tax Office that we should accept the actuals and reduce the balance due. The purpose of estimating the Sales and Marijuana tax liability is to force the merchant to come to the table and submit the required documentation and taxes, and allow us further collections options if the merchant fails to comply. ISG is now making efforts to bring the account into compliance. While it is true that the merchant has an obligation to communicate with our offices and submit timely reports and taxes and failed to do that on many occasions in the last 12 months, it could also be said that our economic and social climate was also far from standard during this time. With the end goal in mind and all required reports, calculated taxes, penalties and interest due based on actual sales submitted by the merchant, it feels severe to hold the merchant to the higher tax liability.

Even so, the Law Department has concerns about accepting the actuals after the estimates have become final under CBJ 69.05.100(a) without more justification. In doing so, we could be setting a precedent for the future. If we have a full record of what occurred leading up to the finalizing of the estimates, then we should be holding them to the estimates and resulting balances. If so, we have to be prepared to go to court to defend that. Based on what we know, the Finance Director believes our case would be strong but not clean and thus we might not prevail. His recommendation supports the Sales Tax Office's of accepting the actuals in lieu of the estimates for 2Q 2019 thru 1Q 2020.



OFFICE OF THE MUNICIPAL CLERK
Ph: (907)586-5278 Fax: (907)586-4552
email: City.Clerk@juneau.org

December 16, 2020

Sent via e-mail

State of AK Alcohol & Marijuana Control Office (AMCO)
The Atwood Building
550 West 7th Ave., Suite 1600
Anchorage, AK 99501

Re: CBJ Assembly Action on Marijuana License within City/Borough of Juneau

Greetings AMCO Staff,

At its meeting on Monday, December 14, 2020, the City and Borough of Juneau Assembly recommended protest of the following marijuana license due to non-filing/non-payment of CBJ Sales Tax.

MARIJUANA LICENSE RENEWAL

Retail Marijuana Store, License #12313

Licensee: ISG Inc., d/b/a Juneau's Green Market

Location: 263 Marine Way, Juneau

MOTION: by Ms. Gladziszewski to recommend that the Assembly protest this license until their tax accounts are brought into full compliance. *Motion passed 8:0* (Assemblymember Loren Jones was recused from discussion and voting due to his role on the Marijuana Control Board). City staff will notify AMCO staff as soon as protest is lifted.

Thank you for the opportunity to comment. If you have any questions, please the Municipal Clerk's Office.

Sincerely,

Diane Cathcart

Diane Cathcart
Deputy Municipal Clerk

Enclosures: letter to Licensee recommending protest
cc via email: Licensees & CBJ Staff Reviewers