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**BEFORE THE ALASKA OFFICE OF ADMINISTRATIVE HEARINGS ON REFERRAL BY THE MARIJUANA CONTROL BOARD**

In the matter of:

CANNTEST, LLC

)  
) OAH No. 20-0974-MCB  
) Agency Reference No. AM20-784

**MEDIATED SETTLEMENT AGREEMENT**

The parties, Canntest, LLC (Respondent), by and through Jonathan Strong and Mark Malagodi, and the Alaska Alcohol and Marijuana Control Office (AMCO) by and through its attorney of record Richard R. Moses with Alaska Attorney General's Office agreed to mediate the above-captioned matter.

On April 13, 2021, the parties participated mediation, via zoom, before Administrative Law Judge Kathleen Frederick from the Office of Administrative Hearings. The parties reached an agreement to resolve this entire matter subject to board approval as follows:

**PROPOSED DECISION AND ORDER**

- I. Respondents agree that the Marijuana Control Board (Board) has jurisdiction over this matter.
- II. Respondents agree that this decision and order is the complete agreement and that no one has compelled them to enter into it.
- III. Respondents understand that they have a right to a contested hearing. They further understand and agree that by signing this agreement, they waive all rights to a contested hearing in the above-captioned matter. Specifically, they agree and understand that by signing this agreement they have voluntarily

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relieved AMCO and its Director of the duty to present evidence and prove one or more of the allegations in the accusation.

**IV.** Respondents understand and agree that by signing this agreement they voluntarily waive any right to present evidence in the above-captioned matter.

**V.** Respondents understand and agree that this agreement ends the litigation in the above-captioned matter in its entirety.

**VI.** Respondents admit to all non-terpenes related allegations in the accusation that stem from the Alaska Department of Environmental Conservation Environmental Health Lab's (DEC) May 27-28, 2020 onsite evaluation. It is understood by the parties that this agreement specifically omits any admissions and/or findings related to deficiencies from the two prior inspections/audits by the American Association of Laboratory Accreditation (A2LA) in 2016 and 2019.

**VII.** The Board will place Respondent on probation for a period of two years. The term of probation will not begin until the Board accepts this agreement.

**VIII.** Respondent's testing license—10009—will be suspended by the Board for two months, but the period of suspension will be fully suspended during the probationary period pursuant to the terms and conditions set forth below.

**IX.** The Board will fine Respondent \$2,500.

**a.** The fine must be paid to AMCO within thirty calendar days of the Board's acceptance of this agreement.

**b.** Failure to pay the fine within thirty calendar days constitutes a violation of this agreement and can be the basis for a probation violation.

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**X.** Respondent will be subject to random audits from DEC acting on behalf of AMCO while on probation. Respondent will be audited by DEC at least once per probation year. It is understood by the parties that the first of these audits will be the already-scheduled audit currently set to take place in June 2021.

**XI.** Respondent will be responsible for the cost of one audit per probation year. The cost will be capped at \$5,000 per audit, for a total maximum cost of \$10,000. AMCO will be responsible for any costs in excess of \$5,000 for an individual audit and/or any costs associated with second or subsequent audit in a given probation year.

**XII.** In addition to conditions described in sections IX and XIV, a future probation violation(s) can be based upon the following:

- a.** A finding in an audit described above conducted by DEC acting on behalf of AMCO.
- b.** The failure of Respondents to timely respond to an audit information request. A timely response is defined as thirty or fewer calendar days.
- c.** The Respondents' failure to timely correct any finding mentioned above. A timely correction is defined as thirty or fewer calendar days.

**XIII.** It is understood by the parties that these provisions encompassed in section XII include all applicable cannabis statutes, regulations, and the Cannabis Testing Laboratory Compliance Document that has been adopted by the Board via regulation.

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XIV. It is also understood by the parties that any violation of these mentioned statutes and/or regulations can constitute a probation violation whether the violation is related to a DEC audit or not.

XV. Any proven and/or admitted alleged probation violation could result in the imposition of all, part, or none of the suspended period of license suspension.

XVI. The period of probation will toll while any probation revocation proceedings are pending.

IT IS HEREBY FURTHER ORDERED that this Proposed Decision and Order shall take effect immediately upon its adoption by the Board and is a public record of the Board and the State of Alaska. The state may provide a copy of it to any person or entity, including other licensing boards, federal, state, or local governments, or other entity making a relevant inquiry.

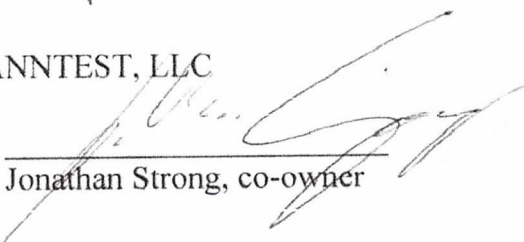
DATED this 27<sup>th</sup> day of April, 2021

ALCOHOL & MARIJUANA CONTROL OFFICE

By:   
Glen Klinkhart, Director


DATED this 27<sup>th</sup> day of April, 2021

CANNTTEST, LLC

  
Jonathan Strong, co-owner

DATED this 27<sup>th</sup> day of APRIL, 2021

CANNTEST, LLC

  
Mark Malagodi, co-owner

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**CERTIFICATE OF SERVICE**

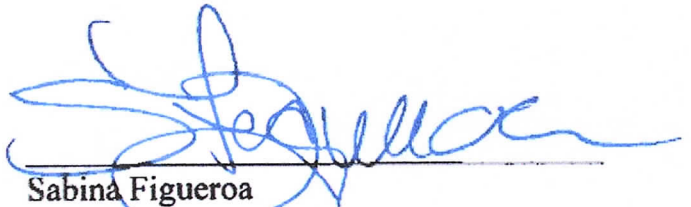
I certify that on April 27, 2021, true and correct copies of the **MEDIATED SETTLEMENT AGREEMENT** and this *Certificate of Service* were served on the following via email:

CannTest, LLC  
[jonathan.rupp@gmail.com](mailto:jonathan.rupp@gmail.com)

Jonathan Strong  
[jonathan@canntest.com](mailto:jonathan@canntest.com)

Mark Malagodi  
[mark@connetest.com](mailto:mark@connetest.com)

Glen Klinkhart  
[glen.klinkhart@alaska.gov](mailto:glen.klinkhart@alaska.gov)

  
\_\_\_\_\_  
Sabina Figueroa  
Law Office Assistant

Law.oah.ecf@alaska.gov

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**ORDER**

The Marijuana Control Board (Board) for the State of Alaska, having examined the Mediated Settlement Agreement and Proposed Decision and Order, signed by the Respondents and the Director of the Alcohol & Marijuana Control Office, hereby adopts the Mediated Settlement Agreement and Proposed Decision and Order in this matter.

This Mediated Settlement Agreement and now Final Decision and Order take effect immediately upon signature of this Order in accordance with the approval of the Board.

This Order is a public document.

DATED this 5<sup>th</sup> day of MAY, 2021

Marijuana Control Board

By: *Deed Miller*

Chair

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