



**Marijuana Control Board  
Meeting Agenda  
Third Judicial District**

**May 4, 2021 at 9:00 am**

Join Zoom Meeting

<https://amco-alaska-gov.zoom.us/j/91208765684?pwd=bXFqemtFbTY1end4eDQ1eVhRaU5SQTO9>

**Meeting ID: 912 0876 5684**

**Passcode: 215514**

Dial by your location

+1 346 248 7799 US

+1 669 900 6833 US

**May 5, 2021 at 9:00 am**

Join Zoom Meeting

<https://amco-alaska-gov.zoom.us/j/91550161475?pwd=bzFkYitsOEJtcFNqUGtGTXRra3Q2Zz09>

**Meeting ID: 915 5016 1475**

**Passcode: 617959**

Dial by your location

+1 346 248 7799 US

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**All times are approximate. Lunch break from 12:00 noon to 1:00 pm.**

**The Board may go into executive session at any time when appropriate  
under AS 44.62.310(b) and (c).**

● **ADMINISTRATION**

**9:00 am**

**A. Call to Order**

9:04 meeting called to order

## B. Roll Call

*Nick Miller present*  
*Casey Dschaak present*  
*Christopher Jaime absent*  
*Bruce Schulte present*

*Staff: Glen Klinkhart, Director; Joan Wilson, Counsel; Jane Sawyer, Regulations Specialist.*

## C. Approval of Agenda

***Bruce Schulte motions to approve***  
***Casey Dschaak seconds***  
***No objections. Motion passes 3-0.***

## D. AMCO Meeting Code of Conduct

**TAB 1**

## E. Top 10 Zoom FAQ

**TAB 2**

## ● BOARD GOVERNANCE

*No changes for any board members present.*

## ● DELIBERATIVE SESSIONS: OAH HEARING MEDIATION PRESENTATIONS

*Nick Miller summarizes Calm N Collective's tab, he yields the floor to Joan. Joan Wilson gives explanation of what a deliberation process is with the OAH judges who helped in these mediations: the board is acting in its quasi-judicial role; Open Meetings Act do not apply to this type of session because you are not acting in a public officiating session. Quasi-judicial processes are not subject to Open Meetings Act; how did the board get here; the roll of the Administrative Judge; how does the judge get assigned; what can the board ask during a mediation hearing, the rules, etc.*

*Bruce Schulte to Joan Wilson: you mentioned you could recommend another AAG to answer questions, so, at what point do we address our questions to you and at what point do we address it to someone else? Joan W.: one answer is that you cannot address any questions to me. I am not your attorney, and if you were to call me in and ask specific questions and asked how AMCO reached the settlement it would be an ex parte communication...(a bit more explanation by Joan W.). Bruce S.: In general, if we are presented with an agreement, what are our options? Joan W. states they are accept or reject....*

*Bruce S.: is it a problem that there are only three board members? Joan W. states that as long as the vote is 2-1 decision it should be fine but in any case they may want to think of their decision.*

## 1. MEDIATION SETTLEMENT PRESENTATIONS

<b>A. License #10799</b>	<b>Calm N Collective</b>
Licensee:	Calm N Collective LLC
License Type:	Standard Marijuana Cultivation Facility
Premises Address:	13886 West Parks Highway Houston, AK 99694
Local Government:	City of Houston, Matanuska-Susitna Borough
<b>For Consideration:</b>	<b>OAH Mediation Settlement with Judge Kennedy</b>

*9:33 a.m. board goes into deliberative session with Judge Kennedy.*

*10:57 a.m. out of deliberative session. Judge Kennedy states they do not have a result on the deliberation. Judge Kennedy will follow up with Joan Wilson and Glen Klinkhart in a separate zoom room.*

*At about 3:48 p.m. (and after the board met with Judge Kennedy in break-out session).*

***Bruce Schulte moves to accept the agreement that has been drawn up by OAH as presented and as amended this afternoon with some additional language. Casey Dschaak seconds.***

*Discussion: Bruce S.: I'm going to vote in favor of accepting this agreement. I don't like it. If I had my say, the sanctions would be significantly greater, the fines would be significantly higher. He states that however it came about the use of these pesticides on products that are sold to the public is completely unacceptable, and the selling of contaminated product through retail stores is equally unacceptable. He doesn't know how to put it any stronger than that other than if this kind of thing were to happen again with anybody he would be happy to see their license being revoked in a heartbeat. He thinks the board is in a position that this is the best they are going to get, it's been dragging on for about a year.*

*Casey D.: no comments except that he thinks is a large fine and it sends a strong message. He appreciates all the work that went into the mediation of this.*

*Nick M. echos Mr. Schulte's comments he doesn't think there is anything worse this industry can do than to violate the public's trust, and he thinks that happened with the use of pesticides.*

***Vote: Bruce S., yes. Casey D., yes. Nick M., yes. No further discussion. Motion passes 3-0***

## 2. TESTING FACILITIES DELIBERATIVE SESSIONS

<b>A. License #15124</b>	<b>Fairbanks Analytical Testing, LLC</b>
Licensee:	Fairbanks Analytical Testing, LLC
License Type:	Marijuana Testing Facility
Premises Address:	1521 Stacia Street, Suite A Fairbanks, AK 99701
Local Government:	City of Fairbanks, Fairbanks North Star Borough
<b>For Consideration:</b>	<b>OAH Mediation Settlement with Judge Pederson</b>

*11:59 a.m. Judge Pederson and board members go into deliberative session.*

*11:17 a.m. back into regular meeting. Judge Pederson left the meeting. Board joined breakout room for 10009.*

*After lunch: Bruce Schulte moves to accept the agreement as presented. Casey Dschaak seconds. No discussion. Bruce S. yes; Casey D. yes; Nick M., yes. Motion passes 3-0.*

- B. License #10009 CannTest, LLC (TENTATIVE - PENDING FINAL AGREEMENT)**  
Licensee: **CannTest, LLC**  
License Type: Marijuana Testing Facility  
Premises Address: 620 East Whitney Road, Suite B  
Anchorage, AK 99501  
Local Government: Municipality of Anchorage  
**For Consideration: OAH Mediation Settlement with Judge Fredrick**

*About 11:20 a.m. Judge Fredrick and board members went into breakout room*

*11:34 a.m. out of deliberative session. The board breaks for lunch until 1:00 p.m.*

*After lunch: Bruce Schulte moves to accept the mediation settlement as presented. Casey Dschaak. seconds. No discussion. Bruce S., yes; Casey D., yes; Nick M., yes. Motion passes 3-0.*

*1:00 p.m. roll called and back on record.*

*Nick Miller present  
Casey Dschaak present  
Christopher Jaime absent  
Bruce Schulte present*

*Nick Miller asks about the board's questions regarding Calm N Collective. Joan Wilson states the judge will come back to the meeting to provide answers later in the day.*

*Back to the decision the board made on the mediation matters for FAT and CannTest (see above).*

- ~~**C. License #15590 Peak Analytical LLC On Hold Until June Meeting**~~  
~~Licensee: Peak Analytical LLC~~  
~~License Type: Marijuana Testing Facility~~  
~~Premises Address: 2208 Tongass Avenue~~  
~~Ketchikan, AK 99901~~  
~~Local Government: City of Ketchikan, Ketchikan Gateway Borough~~  
~~**For Consideration: OAH Mediation Settlement with Judge Lebo**~~

### 3. OTHER OAH DELIBERATIVE SESSIONS

A. ~~Licensee: R.C. Tinderbox, LLC~~ On Hold Until the June Meeting

~~For Consideration: OAH Mediation Settlement with Judge Kennedy~~

1. ~~License #10299 R.C. Tinderbox, LLC~~  
~~License Type: Standard Marijuana Cultivation Facility~~  
~~Premises Address: 7801 King Street~~  
~~\_\_\_\_\_ Anchorage, AK 99518~~  
~~Local Government: Municipality of Anchorage~~
  
2. ~~License #10301 R.C. Tinderbox, LLC~~  
~~License Type: Standard Marijuana Cultivation Facility~~  
~~Premises Address: 7801 King Street~~  
~~\_\_\_\_\_ Anchorage, AK 99518~~  
~~Local Government: Municipality of Anchorage~~

#### ● EXECUTIVE SESSION

A. **License #10073 Alaskan Blooms, LLC**  
Licensee: Alaskan Blooms, LLC  
License Type: Standard Marijuana Cultivation Facility  
Premises Address: 2448 Arvilla Street, Buildings A, B & C  
Fairbanks, AK 99709  
Local Government: Fairbanks North Star Borough  
**For Consideration: Tax Consideration & request for other license(s)**

*After lunch: Bruce Schulte motions to go into executive session to discuss 10073 Alaskan Blooms, LLC. Casey Dschaak seconds. No objections.*

*Joan Wilson is dealing with another matter. She needs 10 minutes. She suggests the board to go into executive session and then she will join the executive session as soon as she is done.*

*2:19 back into regular session and on the record.*

*Bruce Schulte states that the board tabled the consideration of this application at the March meeting (speaking of 27122). Bruce Schulte moves to take up the consideration of license application 27122 Alaska Blooms for marijuana product manufacturing facility. Casey Dschaak seconds.*

*Discussion: Bruce S. thanks the applicant for taking the time for her effort in educating the board on her situation. He recognizes that she is in a tough spot and that the board is an equally awkward position and the industry deserves some clarity. He states his position on the issue: the amount of cash they owe to the state is just too great, it's a massive chunk of the total of all outstanding taxes to date, he appreciates that they have gone through some challenges, he empathizes to a point but the board also has the responsibility to make sure everybody is playing the same game. Their (applicant's) obligation to the state is just too great. He is going to vote to not approve the application. He also states that he will not vote to renew*

*their cultivation license in the fall if that amount of taxes is still owed. Bruce states he is just one vote but he is pretty firm on his position.*

*Casey D.: similar thing that he previously talked, where the board has been trying to get to a point where they are as uniform and as just as they can be with every licensee. The board has tended toward more leniency during the renewal process. They have tried to stake out a much more transparent process on the new application, and the new application process and that application process has been traditionally where they deny an application with outstanding taxes. Nick M. echoes the comments of the other board members, the board has been talking about this for the past six or eight meetings that taxes are becoming a serious issue and the board needs to make sure they are doing their job to treat all the business as fairly as possible but also make sure that everyone is meeting their obligation to the State.*

***Bruce Schulte moves to approve new application 27122.***

***Casey Dschaak seconds.***

***Bruce S., no. Casey D., no. Nick M., no. Motion fails 3-0.***

*Joan Wilson states for the record that this is a final decision and you will receive a letter from AMCO on how to appeal it.*

***Bruce Schulte moves to approve operating plan change for 10073 tabled from the March meeting Tab 23. Casey Dschaak seconds.***

*Comment: Bruce S.: housekeeping thing. This would be done to accommodate the license the board has turned down. He understands the licensee's situation. Bruce suggests to find an investor who can help them get out of the hole-giving up some equity in the business-or finding another way to structure it (the business)-he doesn't want to see the licensee fail, he doesn't want to see anybody fail, but he does feel the board has an obligation to the rest of the licensees to hold you guys with your feet to the fire (figuratively speaking).*

***Bruce S., No. Casey D., no. Nick M., no. Motion fails 3-0.***

*Question from licensee re: Renewal time: If we can demonstrate payment plan and if they are staying current. Is that in line with what you are saying in being current on all taxes.*

*Bruce doesn't think a payment plan will do it for him. He states the taxes and the penalties on the outstanding taxes are so significant, he doesn't see how the board can hold other licensees accountable when they (this licensee) owe three quarters of a million dollars in obligation to the State.*

*Licensee clarifies the amount: about 690K.*

*Bruce states \$0 is ideal, something closer to \$0 might be acceptable, he doesn't know what that number is, but 690K, he can't. He is trying to look at this from the perspective of other licensees who do set aside \$800 a pound and while he agrees that needs to change (tax structure) everybody at the moment is working under the same burden and he thinks is only fair everyone*

*be held to the same standard. For him, personally, a payment plan is not going to do it because that can last 10 years.*

*Licensee clarifies is 12 months.*

*Bruce: you got another two, three, four months to figure it out. He remains open to being convinced but he is going to be a hard sale.*

- A. License #11611      Kushtopia**  
Licensee: Prestige Worldwide Management, LLC: Kenneth Izon at 100%  
License Type: Standard Marijuana Cultivation Facility  
Premises Address: 1044 S. Old Glenn Highway  
Palmer, Alaska 99645  
Local Government: Matanuska-Susitna Borough  
Transferor: Prestige Worldwide Management, LLC: Kenneth Izon at 50%  
and Phillip Izon at 50%  
**For Consideration: Incomplete Renewal and Transfer Applications; Four NOV's for tax delinquency.**
- B. License #17068      Outpost**  
Licensee: Outpost, LLC: Kenneth Izon at 100%  
License Type: Retail Marijuana Store  
Premises Address: 1044 S. Old Glenn Highway (Cabin)  
Palmer, Alaska 99645  
Local Government: Matanuska-Susitna Borough  
Transferor: Outpost, LLC: Kenneth Izon at 41%, Phillip Izon at 41%, and Jason Reynolds at 18%  
**For Consideration: Incomplete Renewal and Transfer Applications**

*5/6/21: 2:31 p.m. into executive session.*

*5/6/21: 3:31 p.m. back into the record.*

***Bruce Schulte moves to approve transfer for 11611 Kushtopia.***

***Casey Dschaak seconds.***

***Bruce amends the motion to move to table until tomorrow (5/6/21) both license 11611 and 17068. Casey Dschaak seconds.***

***No discussion. No objections. Motion carries 3-0.***

*(more about this matter at the end)*

*Judge Kennedy (judge for Calm N Collective matter) back on the line. The board and the Judge go back into breakout room. (Go back to the top under Calm N Collective for minutes).*

*3:54 p.m. meeting recesses until tomorrow morning (5/6/21) 9:00 a.m.*

## ● BOARD CONSIDERATION

*Meeting called to order: 9:00 a.m. (5/6/21)*

*Roll call:*

*Nick Miller present*

*Casey Dschaak present*

Bruce Schulte present  
Christopher Jaime absent

Staff: Glen Klinkhart, Director; Joan Wilson, counsel; Jane Sawyer, regulations specialist.

<b>A. Licensee: For Consideration:</b>	<b>Destiny Neade, Nick Neade Settlement Issue</b>	<b><u>TAB 3</u></b>
<b>1. License #10006</b>	<b>Frozen Budz</b>	
License Type:	Revoked Retail Marijuana Store	
Premises Address:	3915 Peger Road Fairbanks, AK 99709	
<b>2. License #10012</b>	<b>Frozen Budz</b>	
License Type:	Revoked Marijuana Product Manufacturing Facility	
Premises Address:	3915 Peger Road Fairbanks, AK 99709	

*10:04 a.m. went into executive session to address 10006 and 10012 due to possible damage to reputation.*

*10:53 a.m. back from executive session and on the record. **Bruce Schulte moves to revise the consent agreement that was entered into with the Neads referencing accusation number 217-05, the change would be that the fine be revised to the greater of \$1500 or fines paid to date, and further, that once the fine issue has been resolved the state remove the lien on their (the Neads) property in Fairbanks. Casey Dschaak, seconds.***

*Additional comments: Bruce S. states this stems back to an issue that occurred very, very early on in the industry and there was fine issues and a settlement agreement entered into. Now, we are looking at a more systematic fine structure that the Director and many industry members have been going over for months, and essentially we are revising the fines in this case to be more in line with the proposed fine structure. He believes this is more reasonable to current industry members, and fair to the formal licensees who were named in this agreement. For those reasons, he thinks, this a reasonable action to take.*

*Casey D. states for the record that he wants to make sure that the revocation of the license referenced in the consent agreement remains intact.*

***Vote: Bruce S., yes. Casey D., yes. Nick M. yes. Motion passes 3-0.***

*Joan Wilson to modify the consent agreement. The lien will be removed when the payment in full is satisfied.*

*10:56 a.m. Board takes a break*

*11:15 a.m. back on the record. (go down to Tab 4)*

<b>B. License #12313:</b>	<b>Juneau's Green Market</b>
Licensee:	ISG, Inc.
License Type:	Retail Marijuana Store
Premises Address:	263 Marine Way



Local Government: Juneau, AK 99801  
City and Borough of Juneau  
**For Consideration:** **Will require Executive Session. Tabled from January 2021 meeting; Local Government Protest for unpaid taxes; timely Objection received; public comment received; and consideration of MJ-20a Residency Exemption Affidavit for Elizabeth Romanoski.**

*9:02 am: Nick Miller asks if they need to go into executive session. Joan Wilson states, yes, due to potential damage to reputation.*

***Bruce Schulte moves to go into executive session to protect reputation. Casey Dschaak seconds. None opposed.***

*10:02 a.m. Back from executive session and on the record. Nick Miller asks that license 12313 Juneau's Green Market be put on the agenda for the next regular board meeting, and send out public notice for public hearing on the protest and the objection for this license/licensee.*

*(go back to Tab 3)*

● **OWNERSHIP TRANSFER APPLICATIONS TABLED FROM PREVIOUS MEETING**

*11:15 back on the record.*

- A. License #15015: Cotton Mouth Cannabis Co. TAB 4**  
Licensee: The Fire Supply, LLC: Nicholas Holbrook at 100%  
License Type: Limited Marijuana Cultivation Facility  
Premises Address: 1705 N Winding Brook Loop, #A3  
Palmer, AK 99645  
Local Governments: Matanuska-Susitna Borough  
Transferor: The Fire Supply, LLC: Nicholas Holbrook at 50% and Joshua Boots at 50%  
**For Consideration: Residency verification pending**

*Glen Klinkhart summarizes the memo.*

*Steve Mahoney, attorney on the line for Mr. Boots in this transfer. In all respects, he believes is in compliance with the regulations and the law. It has been reviewed by staff. Parties properly executed. It's been (the application) notarized. They would like it to move forward.*

*Nicholas Holbrook on the line.*

***Bruce Schulte moves to approve the transfer with delegation. Casey Dschaak, seconds. Nicholas Holbrook states he is allowing this to move forward and settle his disputes in civil court.***

***Vote: Bruce S., yes. Casey D., yes. Nick M., yes. Motion passes.***

- B. License #15019: The Tree House AK TAB 5**  
Licensee: B2H, LLC: Joshua Boots at 100%  
License Type: Retail Marijuana Store  
Premises Address: 341-d Boniface Parkway  
Anchorage, AK 99504  
Local Governments: Municipality of Anchorage  
Transferor: B2H, LLC: Nicholas Holbrook at 50% and Joshua Boots at 50%

*Glen Klinkhart summarizes the memo*

Steve Mahoney on the line for Mr. Boots. He believes is in compliance with the regulations. It has been reviewed by staff. Parties properly executed. It's been notarized. They would like to move forward. Nicholas Holbrook agrees to move forward.

**Bruce Schulte moves to approve with delegation. Casey Dschaak, seconds.**

**Vote: Bruce S., yes. Casey D., yes. Nick M., yes. Motion passes 3-0.**

- **REGULATIONS PROJECT (TIME PERMITTING)** - There are no regulation projects to be addressed.

## **Marijuana Fine Schedule**

**TAB 6**

Director Klinkhart and Ryan Tunseth briefly summarize. The Director would like to at least move this into opening a regulations project. Bruce wants to take steps to put this out for public comment or to move forward with this project. Joan states she wants to see if this can be in regulation as a reference and see if it can be amended without going out for public comment or it being reviewed annually. After a discussion regarding the presentation, **Bruce Schulte moves to put this out for public comment with delegation to Joan and Jane to come up with the language for regulation language and formatting (what is going out for public comment, do we have to open a regulations project every time the board wants to update the document, can the board adopt language that allows for it not to be regulations project with every amendment, perhaps review it biannually, etc.). Casey Dschaak, seconds. All vote yes. 30-day public comment period. No objections.**

11:48 a.m. board recesses until 4:00 p.m. today for Department of Revenue to come on to the meeting.

5/6/21: 4:00 pm. Back on the record.

Nicole Reynolds and Kelly Mazzei from Revenue on the line. Joan Wilson prefaces the conversation in regards to past-due taxes by licensees. Joan Wilson, and Nicole Reynolds and Kelly Mazzei have a conversation about the issue.

Board goes back to discuss on 11611 Kushtopita and 17068 Outpost: renewal and transfers. Jason Brandeis discusses the issues with these renewals and transfer applications, and the issues around the tax issue and the lack of remediation. He goes on to provide comments about entity liability vs personal liability. He asks the board for these businesses (11611 and 17068) to continue with a temporary until the tax issue on these applications is resolved, and encourages the board to look into how to allow ineligible people to be removed – he provides examples.

Joan Wilson states to the board that with the regulation in place, she cannot advise it to approve the transfer, the board would be violating the regulation. She, however, thinks, that Mr. Brandeis has the stronger argument that the board cannot pierce the corporate veil to collect taxes from members of an LLC, but she is not going to advise the board to take that step until she talks to Department of Revenue's attorney to get his/her read on it. For that reason, Joan recommends to keep it status quo until next meeting. She acknowledges that is a difficult regulation.

Bruce Schulte does not want to go against legal counsel, he would like to hear more from Revenue's attorney, but that Jason makes valid points and he would like to see that clarified. Bruce is fine with continuing to let them operate under a temporary status until this gets clarified.

Casey Dschaak agrees with Bruce on his comment about legal counsel. Casey goes on to give examples of circumstances where the regulation might be a problem.

*Nick is supportive to leave this issue where it is until the board hears from counsel at the next meeting, but he would like to see a regulation to remove ineligible members hoping that this would not be a problem in the future. Bruce discusses further.*

***Bruce S. moves to extend the temporary until there is a final action on these licenses by the board. Casey D. seconds. No objections. Motion passes 3-0.***

*Nick asks for a motion to open a regulations project to remove ineligible members from the license. Bruce would like to hear from the lawyer from DOR so they can understand better where the issues are unless the board needs a regulations project to do that.*

*Nick states that he was trying to take it out of the transfer category altogether because it's not really a transfer, they are just trying to remove ineligible members and to make the process simpler for the licensees and AMCO. But he still wants to hear from Revenue.*

*Joan thinks that is a good idea to open a regulations project because the Department of Revenue may still take the position that removing ineligible members cannot be removed unless those members have paid past-due taxes and we need to hear that in public comment, so that would be an opportunity to hear from everyone on that point, and hopefully come up with a resolution in that limited sector.*

***Casey thinks we need to have a modification section: licensee modification where a licensee passes away, moves away, etc. and not get wrapped around the tax issue. Bruce S. seconds as a motion Casey's comment. No objections.***

## ● BOARD COMMENTS

*Bruce S.: concerns about saturation. Thanks everyone for the hard work.*

*Casey D.: may not be available in the near future. May have to step away from the board.*

*Nick M.: disappointed by Casey potentially leaving. Thanks the staff, DOR, the public.*

## ● NEXT MARIJUANA CONTROL BOARD MEETING

The next meeting is scheduled for June 23 - 24, 2021 in Fairbanks. All applications must be deemed complete and all other information for inclusion in the board's packets must be received by June 4, 2021.

## ● ADJOURN

*4:49 p.m. adjourned.*