



MEMORANDUM

TO: Alcoholic Beverage Control Board

DATE: June 9, 2020

FROM: Glen Klinkhart, Interim Director

RE: 5613 Alaskan Spirits Distillery

Requested Action: Renewal Application

Statutory Authority: AS 04.06.090(b): “The board shall review all applications for licenses made under this title and may order the director to issue, renew, revoke, transfer, or suspend licenses and permits authorized under this title.”

AS 04.11.480(a): “A local governing body may protest the issuance, renewal, relocation, or transfer to another person of a license by sending the board and the applicant a protest and the reasons for the protest within 60 days of receipt from the board of notice of filing of the application... The board shall consider a protest and testimony received at a hearing conducted under AS 04.11.510(b)(2) or (4) when it considers the application... If an application or continued operation is protested, the board shall deny the application or continued operation unless the board finds that the protest is arbitrary, capricious, and unreasonable.”

AS 04.11.510(b)(2): “The board may review an application for the issuance, renewal, transfer of location, or transfer to another person of a license without affording the applicant notice or hearing, except... (2) the board may, on its own initiative or in response to an objection or protest, hold a hearing to ascertain the reaction of the public or a local governing body to an application if a hearing is not required under this subsection;”

Staff Rec.: Hold a public hearing; rescind prior approval with delegation and deny the application with a 180 day abeyance.

Background: The renewal application was approved with delegation at the March 31 and April 1, 2020 meeting. The Municipality of Anchorage protests due to pending payment in full of taxes owed to the Municipality and certification from the Building Safety Official.

The licensee should be notified that under 3 AAC 304.145(h), this abeyance period may not be extended or renewed.

Attachment: Municipality of Anchorage protest
Renewal application



Municipality of Anchorage

P.O. Box 196650 Anchorage, Alaska 99519-6650 Telephone: (907) 343-4316 Fax: (907) 249-7533 www.muni.org/clerklicensing

Office of the Municipal Clerk Licensing

May 6, 2020

Ms. Carrie Craig
Alaska Alcohol and Marijuana Control Office
550 W 7th Ave. Ste. 1600
Anchorage, Alaska 99501

RE: Anchorage Assembly Action on Liquor Licenses

Dear Ms. Craig:

The Anchorage Municipal Assembly at its regular meeting on **May 5, 2020** took the following final actions:

WAIVE OF PROTEST

RENEWAL LIQUOR LICENSE – AM 240-2020

Beverage Dispensary

Firetap Alehouse & Restaurant, LL#4891
Seward's Folly Bar & Grill, LL#4692
The Rock Wood Fired Pizza & Spirits, LL#3009

Beverage Dispensary-Tourism

Sushi on the Fly, LL#5455

Restaurant/Eating Place

Turkish Delight, LL#5437

Package Store

Holiday 607, LL#264
Holiday 631, LL#660
Party Time Food Mart, LL#2385
The Liquor Store, LL#469

Recreational Site-Seasonal

Anchorage Glacier Pilots, LL#1314

Wholesale Malt Beverage & Wine

K & L Distributors Alaska, LL#4594

RENEWAL LIQUOR LICENSE – AM 241-2020

Beverage Dispensary

Sullivan's Steakhouse, LL#3412

Restaurant/Eating Place

Da Mi, LL#4456
Muse with Laura Cole, LL#5317

TRANSFER LIQUOR LICENSE

Beverage Dispensary

Serrano's Mexican Grill, LL#4835 – AM 242-2020
Los Arco's Restaurant, LL#3953 – AM 243-2020

PROTEST

RENEWAL LIQUOR LICENSE

Restaurant/Eating Place

- The Writer's Block Bookstore & Café LL#5610 – AR 2020-134

Pending payment in full of taxes owed to the Municipality.

-Per 3 AAC 304.145(d) the applicant was given the opportunity to defend their application by public hearing at the May 5, 2020 Assembly Meeting.

- Seoul Casa LL#5637 – AR 2020-137

Pending certification from the Building Safety Official.

-Per 3 AAC 304.145(d) the applicant was given the opportunity to defend their application by public hearing at the May 5, 2020 Assembly Meeting.

- AK Fresh Seafood (Bubbly Mermaid) LL#5165 – AR 2020-139

Pending certification from the Building Safety Official and the Anchorage Fire Department.

-Per 3 AAC 304.145(d) the applicant was given the opportunity to defend their application by public hearing at the May 5, 2020 Assembly Meeting.

Distillery

- Alaskan Spirits Distillery LL#5613 – AR 2020-135

Pending payment in full of taxes owed to the Municipality and certification from the Building Safety Official.

-Per 3 AAC 304.145(d) the applicant was given the opportunity to defend their application by public hearing at the May 5, 2020 Assembly Meeting.

- Anchorage Distillery LL#5462 – AR 2020-136

Pending certification from the Building Safety Official.

-Per 3 AAC 304.145(d) the applicant was given the opportunity to defend their application by public hearing at the May 5, 2020 Assembly Meeting.

Brewery

- Cynosure Brewing LL#5359 – AR 2020-138

Pending certification from the Building Safety Official.

-Per 3 AAC 304.145(d) the applicant was given the opportunity to defend their application by public hearing at the May 5, 2020 Assembly Meeting.

NEW LIQUOR LICENSE

Restaurant/Eating Place

- Corks & Hops LL#5892 – AR 2020-140

Pending certification from the State of Alaska Fire Marshal and pending a special land use permit approved by the Director of the Planning Department.

-Per 3 AAC 304.145(d) the applicant was given the opportunity to defend their application by public hearing at the May 5, 2020 Assembly Meeting.

If you require additional information or if I can be of any assistance, please call me.

Cordially,

Mandy Honest

Mandy Honest

Business License Official

CC: The Writer's Block – Via Email
T&C Dynasty, LLC – Via Email
AK Fresh Seafood, LLC – Via Email
Alaskan Spirits, LLC – Via Email
Anchorage Distillery, LLC – Via Email
Clapp Liquid Industries, LLC – Via Email
Corks & Hops, LLC – Via Email



Alaska Alcoholic Beverage Control Board

Form AB-17: 2020/2021 Renewal License Application

What is this form?

This renewal license application form is required for all individuals or entities seeking to apply for renewal of an existing liquor license that are is due to renew by December 31, 2019. All fields of this form must be complete and correct, or the application will be returned to you in the manner in which it was received, per AS 04.11.270 and 3 AAC 304.105. The Community Council field only should be verified/completed by licensees whose establishments are located within the Municipality of Anchorage or outside of city limits within the Matanuska-Susitna Borough.

This form must be completed and submitted to AMCO's main office before any license renewal application will be reviewed. Receipt and/or processing of renewal payments by AMCO staff neither indicates nor guarantees that an application will be considered complete, or that a license will be renewed.

Section 1 – Establishment and Contact Information

Enter information for the business seeking to have its license renewed. If any populated information is incorrect, please contact AMCO.

Licensee:	Alaskan Spirits LLC	License #:	5613
License Type:	Distillery		
Doing Business As:	Alaskan Spirits Distillery		
Premises Address:	7605 King Street #B		
Local Governing Body:	Municipality of Anchorage		
Community Council:	Taku/Campbe!!		

Mailing Address:	2711 Pelican Dr.				
City:	Anchorage	State:	Alaska	ZIP:	99502

Enter information for the individual who will be designated as the primary point of contact regarding this application. This individual **must be a licensee** who is required to be listed in and authorized to sign this application.

Contact Licensee:	Hilary Lockhart	Contact Phone:	274-0000
Contact Email:	Hilary.Lockhart@akreba.com		

Optional: If you wish for AMCO staff to communicate with an individual who is not a licensee named on this form (eg: legal counsel) about this application and other matters pertaining to the license, please provide that person's contact information in the fields below.

Name of Contact:		Contact Phone:	
Contact Email:			



Form AB-17: 2020/2021 Renewal License Application

Section 2 – Entity or Community Ownership Information

Licensees who directly hold a license as an individual or individuals should skip to Section 3. General partnerships and local governments should skip to the second half of this page. All licensees that are **corporations** or **LLCs** must complete this section. Corporations and LLCs are required to be in good standing with the Alaska Division of Corporations, Business & Professional Licensing (CBPL). The CBPL Entity # below is **neither** your EIN/tax ID number, **nor** your business license number. You may view your entity's status or find your CBPL entity number by using the following site: <https://www.commerce.alaska.gov/cbp/main/search/entities>

Alaska CBPL Entity #:	10063047
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You must ensure that you are able to certify the following statement before signing your initials in the box to the right: Initials

I certify that this entity is in good standing with CBPL and that all current entity officials and stakeholders (listed below) are also currently and accurately listed with CBPL.

This subsection must be completed by any **community** or **entity**, including a corporation, limited liability company, partnership, or limited partnership, that is applying for renewal. If more space is needed, please attach additional completed copies of this page.

- If the applicant is a **corporation**, the following information must be completed for each **shareholder who owns 10% or more** of the stock in the corporation, and for each **president, vice-president, secretary, and managing officer**.
- If the applicant is a **limited liability organization**, the following information must be completed for each **member with an ownership interest of 10% or more**, and for each **manager**.
- If the applicant is a **partnership**, including a limited partnership, the following information must be completed for each **partner with an interest of 10% or more**, and for each **general partner**.

Important Note: The information provided in the below fields (including spelling of names, specific titles, and percentages held) must match that which is listed with CBPL. If one individual holds multiple titles mentioned in the bullets above, all titles must be listed for that individual on this application and with CBPL. Failure to list all required titles constitutes an incomplete application. You must list **ALL** of your qualifying officials, additional copies of this page or a separate sheet of paper may be submitted if necessary.

Name of Official:	Hilary Lockhart		
Title(s):	member	Phone:	274-0000
Mailing Address:	2711 Pelican Dr.		
City:	Anchorage	State:	AK
		ZIP:	99502

Name of Official:	John Lockhart		
Title(s):	member	Phone:	6027409055
Mailing Address:	2711 Pelican Dr.		
City:	Anchorage	State:	AK
		ZIP:	99502

Name of Official:	Josh Scherer		
Title(s):	member	Phone:	9073178820
Mailing Address:	10550 W. Jewell Ave #302		
City:	Lakewood	State:	Colorado
		ZIP:	80232

Jason Wooten 10%
3030 Denali St. #9
Anchorage, AK 99503
member

907 7278800



Form AB-17: 2020/2021 Renewal License Application

Section 3 – Sole Proprietor Ownership Information

Entities, such as corporations or LLCs, should skip this section. This section must be completed by any licensee who directly holds the license as an individual or multiple individuals and is applying for license renewal. If more space is needed, please attach a separate sheet that includes all of the required information.

The following information must be completed for each licensee and each affiliate.

This individual is an: applicant affiliate

Name:				Contact Phone:	
Mailing Address:					
City:		State:		ZIP:	
Email:					

This individual is an: applicant affiliate

Name:				Contact Phone:	
Mailing Address:					
City:		State:		ZIP:	
Email:					

Section 4 – Alcohol Server Education

This section must be completed only by the holder of a beverage dispensary, club, or pub license or conditional contractor's permit. The holders of all other license types should skip to Section 5.

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

Initials

I certify that all licensees, agents, and employees who sell or serve alcoholic beverages or check identification of a patron have completed an alcohol server education course approved by the ABC Board and keep current, valid copies of their course completion cards on the licensed premises during all working hours, as set forth in AS 04.21.025 and 3 AAC 304.465.

Section 5 – License Operation

Check a single box for each calendar year that best describes how this liquor license was operated:

2018 2019

The license was regularly operated continuously throughout each year.

The license was regularly operated during a specific season each year.

The license was only operated to meet the minimum requirement of 240 total hours each calendar year.

If this box is checked, a complete copy of Form AB-30: Proof of Minimum Operation Checklist, and all necessary documentation must be provided with this application.

The license was not operated at all or was not operated for at least the minimum requirement of 240 total hours each year, during one or both of the calendar years.

If this box is checked, a complete copy of Form AB-29: Waiver of Operation Application and corresponding fees must be submitted with this application for each calendar year during which the license was not operated for at least the minimum requirement, unless a complete copy of the form (including fees) has already been submitted for that year.

AMCO
DEC 23 2019



Form AB-17: 2020/2021 Renewal License Application

Section 6 - Violations and Convictions

Applicant violations and convictions in calendar years 2018 and 2019:

Yes No

Have any notices of violation (NOVs) been issued for this license in the calendar years 2018 or 2019?

Has any person or entity named in this application been convicted of a violation of Title 04, of 3 AAC 304, or a local ordinance adopted under AS 04.21.010 in the calendar years 2018 or 2019?

If "Yes" to either of the previous two questions, attach a separate page to this application listing all NOVs and/or convictions.

Section 7 - Certifications

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

Initials

I certify that all current licensees (as defined in AS 04.11.260) and affiliates have been listed on this application, and that in accordance with AS 04.11.450, no one other than the licensee(s) has a direct or indirect financial interest in the licensed business.

I certify that I have not altered the functional floor plan or reduced or expanded the area of the licensed premises, and I have not changed the business name or the ownership (including officers, managers, general partners, or stakeholders) from what is currently approved and on file with the Alcoholic Beverage Control Board.

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

As an applicant for a liquor license renewal, I declare under penalty of perjury that I have read and am familiar with AS 04 and 3 AAC 304, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide all information required by the Alcoholic Beverage Control Board or AMCO staff in support of this application and understand that failure to do so by any deadline given to me by AMCO staff will result in this application being returned to me as incomplete.

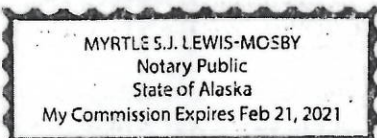
Hilary Laxhart
Signature of licensee

Myrtle S.J. Lewis-Mosby
Signature of Notary Public

Hilary Laxhart
Printed name of licensee

Notary Public in and for the State of Alaska

My commission expires: February 21, 2021



Subscribed and sworn to before me this 20th day of December, 2019.

Seasonal License? Yes No

If "Yes", write your six-month operating period: _____

License Fee:	\$ 1000.00	Application Fee:	\$ 300.00	TOTAL:	\$ 1300.00
Miscellaneous Fees:					<u>—</u>
GRAND TOTAL (if different than TOTAL):					<u>1300</u>



Department of Commerce, Community, and Economic Development
**CORPORATIONS, BUSINESS &
PROFESSIONAL LICENSING**

SOA / DCCED / CBPL / Search / Corporations / Entity Details

ENTITY DETAILS

Name(s)

Type:	Legal Name
Name:	Alaskan Spirits LLC

Entity Type:

Limited Liability Company

Entity #:

10063047

Status:

Good Standing

AK Formed Date:

7/6/2017

Duration/Expiration:

Perpetual

Home State:

ALASKA

Next Biennial Report Due:

1/2/2021

Entity Mailing Address:

1120 HUFFMAN RD., #24-457, 1120 HUFFMAN RD., #24-457, ANCHORAGE, AK 99515

Entity Physical Address:

7605 KING ST #B, 7605 KING ST #B, ANCHORAGE, AK 99518

AMCO

DEC 23 2019

Registered Agent

Agent Name:

Hilary Lockhart

Registered Mailing Address:

1120 HUFFMAN RD., #24-457, 1120 HUFFMAN RD., #24-457, ANCHORAGE, AK 99515

Registered Physical Address:

1120 HUFFMAN RD., #24-457, 1120 HUFFMAN RD., #24-457, ANCHORAGE, AK 99515

Officials

Show Former

AK Entity #:	
Name:	Adam Heafner
Titles:	Member
Owned:	5.00
AK Entity #:	
Name:	Hilary Lockhart
Titles:	Member
Owned:	40.00
AK Entity #:	
Name:	Jason Wooten
Titles:	Member
Owned:	10.00
AK Entity #:	
Name:	John Lockhart
Titles:	Member
Owned:	30.00
AK Entity #:	
Name:	Joshua Scherer
Titles:	Member
Owned:	15.00

Filed Documents

Date Filed:	7/06/2017
Type:	Creation Filing

AMCO

DEC 23 2019

Filing:	Click to View
Certificate:	Click to View
Date Filed:	8/30/2017
Type:	Initial Report
Filing:	Click to View
Certificate:	
Date Filed:	1/22/2019
Type:	Biennial Report
Filing:	Click to View
Certificate:	

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Department of Commerce, Community, and Economic Development
**CORPORATIONS, BUSINESS &
PROFESSIONAL LICENSING**

State of Alaska / Commerce / Corporations, Business, and Professional Licensing / Search & Database
Download / Corporations / Entity Details

ENTITY DETAILS

Name(s)

Type	Name
Legal Name	Alaskan Spirits LLC

Entity Type: Limited Liability Company

Entity #: 10063047

Status: Good Standing

AK Formed Date: 7/6/2017

Duration/Expiration: Perpetual

Home State: ALASKA

Next Biennial Report Due: 1/2/2021

Entity Mailing Address: 1120 HUFFMAN RD., #24-457, 1120 HUFFMAN RD., #24-457,
ANCHORAGE, AK 99515

Entity Physical Address: 7605 KING ST #B, 7605 KING ST #B, ANCHORAGE, AK 99518

Registered Agent

Agent Name: Hilary Lockhart

Registered Mailing Address: 1120 HUFFMAN RD., #24-457, 1120 HUFFMAN RD., #24-457,
ANCHORAGE, AK 99515

Registered Physical Address: 1120 HUFFMAN RD., #24-457, 1120 HUFFMAN RD., #24-457,
ANCHORAGE, AK 99515

Officials

 Show Former

AK Entity #	Name	Titles	Owned
	Adam Heafner	Member	5.00
	Hilary Lockhart	Member	40.00
	Jason Wooten	Member	10.00
	John Lockhart	Member	30.00
	Joshua Scherer	Member	15.00

Filed Documents

Date Filed	Type	Filing	Certificate
7/06/2017	Creation Filing	Click to View	Click to View
8/30/2017	Initial Report	Click to View	
1/22/2019	Biennial Report	Click to View	

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Notice of Violation

(3AAC 304.525)

This form, all information provided and responses are public documents per Alaska Public Records ACT AS 40.25

Date: 2/7/19

License #/Type: Distillery / #5613

Licensee: Alaskan Spirits LLC

Address: 7605 King Street, Anchorage, AK

DBA: Alaskan Spirits Distillery

AMCO Case #: AM19-0524

This is a notice to you as licensee that an alleged violation has occurred. If the Alcoholic Beverage Control Board decides to act against your license, under the provisions of AS 44.62.330 - AS 44.62.630 (Administrative Procedures Act) you will receive an Accusation and Notice of your right to an Administrative Hearing.

Note: This is not an accusation or a criminal complaint.

On 1-26-19 you participated an event called The Best of Alaska. The event did have a Special Events Permit which was obtained by Beans Cafe. Having a Special Events Caterer's Permit allows the holder to sell or serve beer and wine at the event. It does not allow for the selling or serving spirits. When questioned whether you sold and served spirits, you admitted to serving vodka based beverage samples and selling eight 750ml bottles of your product for off premises consumption. The organizer of the event was the Anchorage Daily News. Due to the lack of your due diligence regarding the type of permit that had been obtained, you violated Title IV.

Your attention is directed to AS 04.11.170: Distillery license, AS04.11.240: Special events permit, AS04.16.150: Licensee responsible for violation, AS04.21.030: Responsibility of licensee, agent, and employees and Anchorage Municipal Code 10.50.015: Prohibited acts (section S)

*We were told this was handled by ADN.
See printed email and letter.*

You are directed to respond in writing to this Notice of Violation within 10 days of receipt to explain what action you have taken to prevent a re-occurrence of this violation. FAILURE TO RESPOND TO THIS NOTICE OF VIOLATION WITHIN 10 DAYS WILL RESULT IN YOUR APPEARANCE, EITHER IN PERSON OR TELEPHONICALLY, BEFORE THE ABC BOARD AT THEIR NEXT REGULARLY SCHEDULED BOARD MEETING.

***Please send your response to the address below and include your alcohol license number in your response.**

3 AAC 304.525 (B) provides that upon receipt of a Notice of Violation, a licensee may request to appear before the Director and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice and the Director must grant an appearance within ten days after receipt of a request. A Licensee shall respond, either orally or in writing, to the Notice.

Alcohol & Marijuana Control Office
ATTN: Enforcement
550 W. 7th Ave, Suite 1600
Anchorage, Alaska 99501
amco.enforcement@alaska.gov

*Responded orally via
phone 2.*

Issuing Investigator: J. Hamilton

Received by:

SIGNATURE:

SIGNATURE:

Delivered VIA: Mail

Date:



Hilary Lockhart <info@alaskanspirits.com>

Fwd: Booth at Best of Alaska

Alaska Proof ~ Premium Potato Vodka <info@alaskanspirits.com>
To: "Hamilton, Joe (CED)" <joe.hamilton@alaska.gov>

Tue, Feb 5, 2019 at 4:20 PM

This is the email from my contact at ADN. You will see where she told us that sales for off site consumption were fine.

We sold 7 bottles as well. I am looking who we met with this summer now and will have to you next.

~ Hilary

Find us on Facebook

HILARY LOCKHART
CEO / Founder
907.290.7177
Info@AlaskanSpirits.com
ALASKA PROOF POTATO VODKA - Where the Spirit of Alaska is in every bottle!

----- Forwarded message -----

From: **Karolin Anders** <kanders@adn.com>
Date: Mon, Jan 7, 2019 at 2:13 PM
Subject: Re: Booth at Best of Alaska
To: Alaska Proof ~ Premium Potato Vodka <info@alaskanspirits.com>

Hello Hillary,

Thank you for reaching out to us. We would be very happy to have you at The Best of Alaska Showcase. We are having a beer garden at the event and the booth is free of charge in exchange for sampling food or in your case drinks (2 oz. per serving). I attached our agreement to this email for more information and also the Welcome Letter. Basically, we are having our VIP hour from 12 - 1 p.m. on Saturday, January 26th and other time slots available for you to chose from. You can decide to be there the entire time or during particular periods.

I also thought that you might be a interested in having a mixology demo for some extra exposure. We have three demos spots available (1:45pm, 3:15pm, 4:45pm). The demos will take place in the beer garden and were a great hit last year.

Also, you're welcome to sell merchandise, gift cards, and gift baskets at the event. Basically, all prepackaged type item that are clearly for offsite consumption. For this type of event, the rules and regulations of the Dena'ina Center only allow for food/drink sampling as opposed to selling.

Please feel free to contact me if you have any other questions.

Best,

Karolin



Karolin Anders
Marketing & Events Coordinator

kanders@adn.com | 907-257-4277

Anchorage Daily News | adn.com

ANCHORAGE DAILY NEWS

Anchorage Daily News
300 W. 31st Ave
Anchorage, AK 99503

Alaskan Spirits Distillery
7605 King Street
Anchorage, AK 99518

RE: Best of Alaska

February 22nd, 2019

To Whom It May Concern:

It was brought to our attention that your establishment was issued a Notice of Violation for your participation in the Best of Alaska event. We do understand the seriousness of the situation and I apologize for putting your license at risk. We understand that this honest mistake carries massive implications for our vendors. This was in no way our intention and I hope you know that we do understand the severity of the situation and that we are working on processes so that this does *NOT* happen in the future.

Here is what happened, and the plan we have put into motion to prevent this from happening in the future:

ADN obtained a special event permit with our charity partner. When the permit was approved, we filed it and continued planning the event. It wasn't until after the event, that we realized the oversight on our part, that it was a 'beer/wine' only event permit.

After conversations with AMCO we have a better understanding on how this permit works, and which type of permit we need to use for events when serving spirits in addition to beer/wine. We know who to contact for questions and plan on having a meeting with an AMCO representative, our licensee partner with all vendors (either collectively or individually, if needed) prior to the event. In future years, we will share the permit with all vendors, and in the event they need something additional, we can work together to assure everyone is operating within the correct regulations.

On behalf of the Best of Alaska Event and ADN, I would like to apologize that this mistake happened. Please let us know if there is anything that we can do to assist in this process.

Best, Sarah Boice
Director of Events, ADN

Notice of Violation

(3AAC 304.525)

This form, all information provided and responses are public documents per Alaska Public Records ACT AS 40.25

Date: 1/11/19

License #/Type: Distillery

Licensee: Alaskan Spirits LLC

Address: 7605 King Street, Anchorage, AK

DBA: Alaska Spirits Distillery

AMCO Case #: AM19-0046

This is a notice to you as licensee that an alleged violation has occurred. If the Alcoholic Beverage Control Board decides to act against your license, under the provisions of AS 44.62.330 - AS 44.62.630 (Administrative Procedures Act) you will receive an Accusation and Notice of your right to an Administrative Hearing.

Note: This is not an accusation or a criminal complaint.

On 1-10-19 AMCO Enforcement learned that your establishment has created a membership club. As part of the membership, the member gets a bottled product once a month to be consumed off the premises which is fine. Those members who enter your establishment for on premises consumption, receive 10% off the purchase price of a drink. This is a violation.

Your attention is referred to AS 04.16.015: Pricing and marketing

*I received this notice 1/22/19 from my po box.
This information is inaccurate. We give 10%
off merchandise only.*

You are directed to respond in writing to this Notice of Violation within 10 days of receipt to explain what action you have taken to prevent a re-occurrence of this violation. FAILURE TO RESPOND TO THIS NOTICE OF VIOLATION WITHIN 10 DAYS WILL RESULT IN YOUR APPEARANCE, EITHER IN PERSON OR TELEPHONICALLY, BEFORE THE ABC BOARD AT THEIR NEXT REGULARLY SCHEDULED BOARD MEETING.

***Please send your response to the address below and include your alcohol license number in your response.**

3 AAC 304.525 (B) provides that upon receipt of a Notice of Violation, a licensee may request to appear before the Director and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice and the Director must grant an appearance within ten days after receipt of a request. A Licensee shall respond, either orally or in writing, to the Notice.

Alcohol & Marijuana Control Office
ATTN: Enforcement
550 W. 7th Ave, Suite 1600
Anchorage, Alaska 99501
amco.enforcement@alaska.gov

Issuing Investigator: J. Hamilton

Received by:

SIGNATURE: *J.R. Hamilton*

SIGNATURE:

Delivered VIA: Mail

Date:

AMCO

JAN 24



THE STATE
of **ALASKA**
GOVERNOR MICHAEL J. DUNLEAVY

Department of Commerce, Community,
and Economic Development

Alcohol and Marijuana Control Office

550 West 7th Avenue, Suite 1600
Anchorage, AK 99501
Main: 907.269.0350

January 24, 2019

James Hoelscher, Chief Enforcement Officer
550 W. 7th Ave, Suite 1600
Anchorage, AK 99501

This memo is in response to a notice of violation (NOV) issued to Alaskan Spirits, LLC, AM19-0046, relating to pricing and marketing violations. On 1-10-19 I went to Alaska Spirits Distillery in response to an anonymous complaint regarding the giving away of free alcohol with the purchase of a shot glass.

Once I arrived at the establishment, I purchased the shoot glass and was given a tasting of three types of vodka. My further instructions were to see if they are serving more than 2 ounces, which they were not. While settling my bill, the bartender told me about their club. If you joined, you received a bottle of their product a month and 10% of drinks. Nothing was mentioned about merchandise.

After I left, I received a text message from Alaskan Distillery stating I had 29 points. For every \$1.00 spent, you received one point. "Members \$1.00 of Craft Cocktails, 1 Point". The message also depicted that members do receive 10% off merchandise. Also advertised in violation of pricing and marketing, for 100 points, "Cocktail on us!"

Alaskan Spirits LLC, responded to the on 1-24-19, that the notice was inaccurate and they give 10% off merchandise only. In print her response is accurate. When the program was being explained to me, I heard 10% of drinks when you come in.

In closing, I could have heard her wrong at the premises, but in print, they are advertising members get a \$1.00 of Craft Cocktails and a free Cocktail upon reaching 100 points. All violations of pricing and marketing.

Sincerely,

Joe Hamilton

Joe Hamilton
Special Investigat

 squareup.com 



Alaskan Spirits LLC

Overview

Account

29

Points

Rewards

Earn 1 Point for every \$1 spent.



***Member \$1.00 off Craft Cocktails**

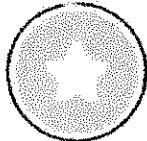
1 Point





***Member 10% off any item
in Merchandise**

10 Points



***Member 1 bottle/month**

30 Points



Cocktail on us!

100 Points

Activity

JAN
10

Sent Loyalty Account Status

JAN
10

Earned 29 Points

+29 Points

JAN
10

Enrolled in Loyalty with Phone Number

Notice of Violation

(3AAC 304.525)

This form, all information provided and responses are public documents per Alaska Public Records ACT AS 40.25

Date: 2/7/19

License #/Type: Distillery / #5613

Licensee: Alaskan Spirits LLC

Address: 7605 King Street, Anchorage, AK

DBA: Alaskan Spirits Distillery

AMCO Case #: AM19-0524

This is a notice to you as licensee that an alleged violation has occurred. If the Alcoholic Beverage Control Board decides to act against your license, under the provisions of AS 44.62.330 - AS 44.62.630 (Administrative Procedures Act) you will receive an Accusation and Notice of your right to an Administrative Hearing.

Note: This is not an accusation or a criminal complaint.

On 1-26-19 you participated an event called The Best of Alaska. The event did have a Special Events Permit which was obtained by Beans Cafe. Having a Special Events Caterer's Permit allows the holder to sell or serve beer and wine at the event. It does not allow for the selling or serving spirits. When questioned whether you sold and served spirits, you admitted to serving vodka based beverage samples and selling eight 750ml bottles of your product for off premises consumption. The organizer of the event was the Anchorage Daily News. Due to the lack of your due diligence regarding the type of permit that had been obtained, you violated Title IV.

Your attention is directed to AS 04.11.170: Distillery license, AS04.11.240: Special events permit, AS04.16.150: Licensee responsible for violation, AS04.21.030: Responsibility of licensee, agent, and employees and Anchorage Municipal Code 10.50.015: Prohibited acts (section S)

*We were told this was handled by ADN.
See printed email and letter.*

You are directed to respond in writing to this Notice of Violation within 10 days of receipt to explain what action you have taken to prevent a re-occurrence of this violation. FAILURE TO RESPOND TO THIS NOTICE OF VIOLATION WITHIN 10 DAYS WILL RESULT IN YOUR APPEARANCE, EITHER IN PERSON OR TELEPHONICALLY, BEFORE THE ABC BOARD AT THEIR NEXT REGULARLY SCHEDULED BOARD MEETING.

*Please send your response to the address below and include your alcohol license number in your response.

3 AAC 304.525 (B) provides that upon receipt of a Notice of Violation, a licensee may request to appear before the Director and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice and the Director must grant an appearance within ten days after receipt of a request. A Licensee shall respond, either orally or in writing, to the Notice.

Responded orally via phone 2.

Alcohol & Marijuana Control Office™
ATTN: Enforcement
550 W. 7th Ave, Suite 1600
Anchorage, Alaska 99501
amco.enforcement@alaska.gov

Issuing Investigator: J. Hamilton

Received by:

SIGNATURE:

SIGNATURE:

Delivered VIA: Mail

Date:



Hilary Lockhart <info@alaskanspirits.com>

Fwd: Booth at Best of Alaska

Alaska Proof ~ Premium Potato Vodka <info@alaskanspirits.com>
To: "Hamilton, Joe (CED)" <joe.hamilton@alaska.gov>

Tue, Feb 5, 2019 at 4:20 PM

This is the email from my contact at ADN. You will see where she told us that sales for off site consumption were fine.

We sold 7 bottles as well. I am looking who we met with this summer now and will have to you next.

~ Hilary

Find us on Facebook

HILARY LOCKHART
CEO / Founder
907.290.7177
Info@AlaskanSpirits.com
ALASKA PROOF POTATO VODKA - Where the Spirit of Alaska is in every bottle!

----- Forwarded message -----

From: **Karolin Anders** <kanders@adn.com>
Date: Mon, Jan 7, 2019 at 2:13 PM
Subject: Re: Booth at Best of Alaska
To: Alaska Proof ~ Premium Potato Vodka <info@alaskanspirits.com>

Hello Hillary,

Thank you for reaching out to us. We would be very happy to have you at The Best of Alaska Showcase. We are having a beer garden at the event and the booth is free of charge in exchange for sampling food or in your case drinks (2 oz. per serving). I attached our agreement to this email for more information and also the Welcome Letter. Basically, we are having our VIP hour from 12 - 1 p.m. on Saturday, January 26th and other time slots available for you to choose from. You can decide to be there the entire time or during particular periods.

I also thought that you might be interested in having a mixology demo for some extra exposure. We have three demo spots available (1:45pm, 3:15pm, 4:45pm). The demos will take place in the beer garden and were a great hit last year.

Also, you're welcome to sell merchandise, gift cards, and gift baskets at the event. Basically, all prepackaged type items that are clearly for offsite consumption. For this type of event, the rules and regulations of the Denaina Center only allow for food/drink sampling as opposed to selling.

Please feel free to contact me if you have any other questions.

Best,

Karolin



Karolin Anders
Marketing & Events Coordinator

kanders@adn.com | 907-257-4277

Anchorage Daily News | adn.com

ANCHORAGE DAILY NEWS

Anchorage Daily News
300 W. 31st Ave
Anchorage, AK 99503

Alaskan Spirits Distillery
7605 King Street
Anchorage, AK 99518

RE: Best of Alaska

February 22nd, 2019

To Whom It May Concern:

It was brought to our attention that your establishment was issued a Notice of Violation for your participation in the Best of Alaska event. We do understand the seriousness of the situation and I apologize for putting your license at risk. We understand that this honest mistake carries massive implications for our vendors. This was in no way our intention and I hope you know that we do understand the severity of the situation and that we are working on processes so that this does *NOT* happen in the future.

Here is what happened, and the plan we have put into motion to prevent this from happening in the future:

ADN obtained a special event permit with our charity partner. When the permit was approved, we filed it and continued planning the event. It wasn't until after the event, that we realized the oversight on our part, that it was a 'beer/wine' only event permit.

After conversations with AMCO we have a better understanding on how this permit works, and which type of permit we need to use for events when serving spirits in addition to beer/wine. We know who to contact for questions and plan on having a meeting with an AMCO representative, our licensee partner with all vendors (either collectively or individually, if needed) prior to the event. In future years, we will share the permit with all vendors, and in the event they need something additional, we can work together to assure everyone is operating within the correct regulations.

On behalf of the Best of Alaska Event and ADN, I would like to apologize that this mistake happened. Please let us know if there is anything that we can do to assist in this process.

Best, Sarah Boice
Director of Events, ADN

Notice of Violation

(3AAC 304.525)

This form, all information provided and responses are public documents per Alaska Public Records ACT AS 40.25

Date: 2/5/19

License #/Type: Distillery / #5613

Licensee: Alaskan Spirits Distillery LLC

Address: 7605 King Street, Anchorage, AK

DBA: Alaskan Spirits Distillery

AMCO Case #: AM19-0238

This is a notice to you as licensee that an alleged violation has occurred. If the Alcoholic Beverage Control Board decides to act against your license, under the provisions of AS 44.62.330 - AS 44.62.630 (Administrative Procedures Act) you will receive an Accusation and Notice of your right to an Administrative Hearing.

Note: This is not an accusation or a criminal complaint.

On 1-26-19, your establishment was a vendor at The Best of Alaska show which held at the Denaina Civic and Convention Center in Anchorage. During the event a poster was displayed advertising your Annual Family Membership. As part of the membership, it is advertised that when you come to the establishment, you get a dollar off your beverage and that you have free tastings on every new release. This is also advertised on your premises in a notebook at each table.

Your attention is directed to AS 04.16.015: Pricing and Marketing of alcoholic beverages

This is your second violation of this statute within a month.

*Notebooks were changed already.
We will no longer have in writing that someone gets free tastings - this will be verbal from now on, or paired with a shot glass as a combo package. No reduced drinks will be offered.*

You are directed to respond in writing to this Notice of Violation within 10 days of receipt to explain what action you have taken to prevent a re-occurrence of this violation. FAILURE TO RESPOND TO THIS NOTICE OF VIOLATION WITHIN 10 DAYS WILL RESULT IN YOUR APPEARANCE, EITHER IN PERSON OR TELEPHONICALLY, BEFORE THE ABC BOARD AT THEIR NEXT REGULARLY SCHEDULED BOARD MEETING.

*Please send your response to the address below and include your alcohol license number in your response.

3 AAC 304.525 (B) provides that upon receipt of a Notice of Violation, a licensee may request to appear before the Director and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice and the Director must grant an appearance within ten days after receipt of a request. A licensee shall respond, either orally or in writing, to the Notice.

Alcohol & Marijuana Control Office
ATTN: Enforcement
550 W. 7th Ave, Suite 1600
Anchorage, Alaska 99501
amco.enforcement@alaska.gov

*Received 2/21/19 - mailed 2/22/19
Responded orally via phone too.*

Issuing Investigator: J. Hamilton

Received by:

SIGNATURE: *J.R. Hamilton*

SIGNATURE:

Delivered VIA: Mail

Date:

Notice of Violation

(3AAC 304.525)

This form, all information provided and responses are public documents per Alaska Public Records ACT AS 40.25

Date: 1/7/19

License #/Type: Distillery / 5613

Licensee: Alaskan Spirits LLC

Address: 7605 King Street, Anchorage, AK

DBA: Alaska Proof

AMCO Case #: AM19-0017

This is a notice to you as licensee that an alleged violation has occurred. If the Alcoholic Beverage Control Board decides to act against your license, under the provisions of AS 44.62.330 - AS 44.62.630 (Administrative Procedures Act) you will receive an Accusation and Notice of your right to an Administrative Hearing.

Note: This is not an accusation or a criminal complaint.

On 1-7-19, AMCO learned that you have a social media ad (Facebook) advertising "FREE VODKA TASTING PURCHASE A \$5 SHOT GLASS AND GET A FREE TASTING OF 3 LOCALLY MADE VODKAS". This is a violation.

Your attention is referred to AS 04.16.015: Pricing and marketing

This notice was received 1/22/19 from the post office. When reading Title 4, it stated I could give away samples unless prohibited by AS 16.030. I didn't see that "unless prohibited by AS 04.16.015". I will no longer market free alcohol, with the purchase.

You are directed to respond in writing to this Notice of Violation within 10 days of receipt to explain what action you have taken to prevent a re-occurrence of this violation. FAILURE TO RESPOND TO THIS NOTICE OF VIOLATION WITHIN 10 DAYS WILL RESULT IN YOUR APPEARANCE, EITHER IN PERSON OR TELEPHONICALLY, BEFORE THE ABC BOARD AT THEIR NEXT REGULARLY SCHEDULED BOARD MEETING.

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Alcohol & Marijuana Control Office
ATTN: Enforcement
550 W. 7th Ave, Suite 1600
Anchorage, Alaska 99501
amco.enforcement@alaska.gov

Issuing Investigator: J. Hamilton

Received by:

SIGNATURE:

J.R. Hamilton

SIGNATURE:

Delivered VIA: Mail

Date:

AMCO

JAN 24 2019

Notice of Violation

(3AAC 304.525)

This form, all information provided and responses are public documents per Alaska Public Records ACT AS 40.25

Date: 1/7/18

License #/Type: Distillery / 5613

Licensee: Alaskan Spirits LLC

Address: 7605 King Street, Anchorage, AK

DBA: Alaska Proof

AMCO Case #: AM19-0018

This is a notice to you as licensee that an alleged violation has occurred. If the Alcoholic Beverage Control Board decides to act against your license, under the provisions of AS 44.62.330 - AS 44.62.630 (Administrative Procedures Act) you will receive an Accusation and Notice of your right to an Administrative Hearing.

Note: This is not an accusation or a criminal complaint.

On 1-7-19, AMCO learned that your DBA on your building says you are Alaskan Spirits Distillery. Your DBA on your license indicates you should be operating as Alaska Proof. You were advised of the name change issue during your initial inspection in September of 2018. Investigator Bankowski sent you the necessary form to correct this violation after the inspection.

Your attention is referred to 3 AAC 304.185: Licensed premises

*This notice was received from po box on 1/22/19.
I was aware I needed to remove my DBA and was waiting till my current license expired. It has now expired and my new DBA matches the sign, "Alaskan Spirits Distillery".*

You are directed to respond in writing to this Notice of Violation within 10 days of receipt to explain what action you have taken to prevent a re-occurrence of this violation. FAILURE TO RESPOND TO THIS NOTICE OF VIOLATION WITHIN 10 DAYS WILL RESULT IN YOUR APPEARANCE, EITHER IN PERSON OR TELEPHONICALLY, BEFORE THE ABC BOARD AT THEIR NEXT REGULARLY SCHEDULED BOARD MEETING.

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Issuing Investigator: J. Hamilton

Received by:

SIGNATURE:

J.R. Hamilton

SIGNATURE:

Delivered VIA: Mail

Date:

AMCO

JAN 24 2019