

Notice of Violation

(3AAC 306.805)

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

Date: March 8th, 2018

License #/Type: #11966 Retail Marijuana Store

Licensee: Great Northern Cannabis, Inc

Address: 541 W. 4th Ave. Anchorage, AK

DBA: GREAT NORTHERN CANNABIS

AMCO Case #: AB18-0251

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana 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 March 8, 2018 at approximately 1:15 PM, I conducted a walk through site visit to Great Northern Cannabis Retail Store and spoke with Anita Bradbury who had a question about a digital scale the retail store had been using. Anita stated that the digital scale was not in use for weighing marijuana product because it had been not working correctly. I asked Anita if Great Northern Cannabis had been using a scale to weigh the incoming marijuana product and she advised they had not because it all came in packages previously weighed by the cultivators and the scale had not been giving accurate weight readings.

This is a violation of:

3 AAC 306.730. Marijuana inventory tracking system

(a) A marijuana establishment shall use a marijuana inventory tracking system capable of sharing information with the system the board implements to ensure all marijuana cultivated and sold in the state, and each marijuana product processed and sold in the state, is identified and tracked from the time the marijuana is propagated from seed or cutting, through transfer to another licensed marijuana establishment, or use in manufacturing a marijuana product, to a completed sale of marijuana or a marijuana product, or disposal of the harvest batch of marijuana or production lot of marijuana product.

(b) Marijuana delivered to a marijuana establishment must be weighed on a scale registered in compliance with 3 AAC 306.745.

3 AAC 306.745. Standardized scales

A marijuana establishment shall use registered scales in compliance with AS 45.75.080 (Weights and Measures Act). A marijuana establishment shall

- (1) maintain registration and inspection reports of scales registered under AS 45.75.080 and 17 AAC 90.920 - 17 AAC 90.935; and
- (2) upon request by the board or the director, provide a copy of the registration and inspection reports of the registered scales to the board or the director for review.

3 AAC 306.805 provides that upon receipt of a Notice of Violation, a licensee may request to appear before the board and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice. A licensee may respond, either orally or in writing, to the Notice. 3 AAC 306.810(3)(A)(B)(C) failed, within a reasonable time after receiving a notice of violation from the director, to correct any defect that is the subject of the notice of violation of AS 17.38 or this chapter, a condition or restriction imposed by the board or other applicable law.

IT IS RECOMMENDED THAT YOU RESPOND IN WRITING TO DOCUMENT YOUR RESPONSE FOR THE MARIJUANA CONTROL BOARD.

*Please send your response to the address below and include your Marijuana Establishment License Number in your response.

Alcohol & Marijuana Control Office

ATTN: Enforcement

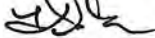
550 W. 7th Ave, Suite 1600

Anchorage, Alaska 99501

amco.enforcement@alaska.gov

Issuing Investigator: K. Whiteman

Received by:

SIGNATURE: 

SIGNATURE:

Delivered VIA: Mail

Date:

Article # 7017 0530 0000 9548 8238



Birch Horton Bittner & Cherot
a professional corporation

Jason Brandeis

Respond to Anchorage Office
T 907.263.7243 • F 907.276.3680
jbrandeis@bhbc.com

April 2, 2018

VIA ELECTRONIC DELIVERY
AND U.S. MAIL

Alcohol & Marijuana Control Office
Attn: Enforcement
550 W. 7th Avenue, Suite 1600
Anchorage, AK 99501

RE: Great Northern Cannabis, Inc.
Response to Notice of Violation for Great Northern Cannabis (License #11966)
AMCO Case #: AB18-0251
Our File No.: 507,568.6

Dear Sir/Madam:

This office represents Great Northern Cannabis, Inc. (GNC), a retail marijuana store licensed by the State of Alaska (License #: 11966). We are writing in response to a Notice of Violation (NOV) received from AMCO dated March 8, 2018 (Case # AB18-0251).

This NOV alleges violations of 3 AAC 306.730(a) and (b) and 3 AAC 306.745. While it may at first appear troubling to learn that a retail marijuana store might have a malfunctioning scale, a closer look reveals that there were no violations of any state law or regulation. The facts contained in the NOV do not support the listed violations, and for the reasons explained below, this NOV should be rescinded and dismissed. At most, an advisory report is warranted in this matter.

To begin, 3 AAC 306.730(a) addresses only the use of a marijuana inventory tracking system and is not related to the factual allegations contained in the NOV. The regulation states:

A marijuana establishment shall use a marijuana inventory tracking system capable of sharing information with the system the board implements to ensure all marijuana cultivated and sold in the state, and each marijuana product processed and sold in the state, is identified and tracked from the time the marijuana is propagated from seed or cutting, through transfer to another licensed marijuana establishment, or use in manufacturing a marijuana product, to a completed sale of marijuana or a marijuana product, or disposal of the harvest batch of marijuana or production lot of marijuana product.

The factual statement in the NOV contains no reference to any failure to properly use a marijuana inventory tracking system. The only facts listed relate to an employee's statement that the scale in the store was not accurate. Despite the lack of any factual foundation, the NOV concludes that there was a violation of this section. Since this section does not mention the use of a scale, and is not connected to the factual circumstances underpinning the NOV, any reference to a violation of this section is inappropriate and must be stricken from the NOV. There can be no violation of 3 AAC 306.730(a) if the facts do not mention any impropriety regarding a marijuana inventory tracking system.

Next, 3 AAC 306.730(b) requires that "Marijuana delivered to a marijuana establishment must be weighed on a scale registered in compliance with 3 AAC 306.745." Again, the stated facts do not support a finding that this regulation was violated. The regulations require that any marijuana delivered to an establishment must be weighed, and in this case all marijuana received at the GNC retail store was weighed by the cultivator prior to receipt at the retail store. There is no requirement that marijuana must be weighed upon receipt of delivery, only that delivered marijuana was properly weighed at some point in the supply chain process.

It is improper to issue an NOV concerning failure to properly weigh marijuana when no investigation was conducted to determine whether any improperly weighed marijuana had been received or sold by the licensee. This is an important point because this particular retail establishment sells only pre-packaged marijuana and marijuana products. Marijuana and marijuana products are packaged, delivered to the store, and sold as such without repackaging. GNC does not conduct packaging activities on site, nor does it offer "deli style" service to its customers. Such practices are consistent with the regulations and it would be impractical and inefficient for AMCO to now require retailers to weigh all pre-packaged marijuana received from a cultivation facility. It may be good business practice for retailers to spot-check received shipments and weigh random selections, but that is not a regulatory requirement.¹ All that is required is that the weight of any delivered marijuana has been confirmed at some point using a certified scale and properly logged in Metrc. However, in this case no investigation was conducted to determine if any marijuana delivered to GNC was not weighed on a certified scale or improperly or inaccurately logged. Therefore, any allegation of a violation of 3 AAC 306.730(b) must be dismissed.

Finally, while GNC may not be required to weigh all incoming pre-packaged marijuana, we agree that the regulations require GNC to have a scale on the premises that is registered in compliance with the Alaska Weights and Measures Act. However, we do not agree that the facts as stated in the NOV support a finding that the requirements of 3 AAC 306.745 were violated. This section imposes several requirements on licensees: they must use registered scales, they must maintain registration and inspection reports for said scales, and upon request must submit copies of such reports to the board or director for review. Taking each item in turn,

¹ GNC's practice is that, upon arrival at the retail store, all of the prepackaged marijuana and marijuana products are counted to verify an exact match with the accompanying manifest and each unit is examined to ensure that it contains marijuana in order to avoid acceptance of any empty packages. Packages may be weighed as part of this process to ensure accuracy.

it is clear that GNC did not violate any of the conditions imposed under this section: GNC had a registered scale available for use, GNC had all required documentation regarding the scale available, and GNC was not asked to provide any information to the board or director for review. On its face this is primarily a record-keeping regulation, and the facts as stated in this NOV do not involve any wrongdoing with respect to such records. With respect to the allegation that there was a violation of 3 AAC 306.745, the facts and the alleged violation do not line up.

Ultimately, this NOV was issued because a GNC employee said that the scale on the premises was not working properly. However, the AMCO Investigator on site did not inspect the scale and no official determination was made as to whether the scale was or was not in good working order. All that can be confirmed is that the scale was certified and registered and was not in use because GNC sells only pre-packaged marijuana and marijuana products that are weighed elsewhere in the supply chain.

It is unclear why an NOV was even issued in this matter. According to the GNC employee who spoke with the AMCO Investigator, the Investigator stated that this matter did not rise to the level of an NOV and that only an Advisory Notice recommending replacement of the scale would be issued.² That seems appropriate given the lack of foundation for the allegations and no clear fit between the alleged impropriety and the regulations cited in the NOV.

While GNC understands the concerns expressed in the NOV and agrees that retail marijuana stores must have certified scales available for use, the facts alleged do not support a finding that GNC violated any section of 3 AAC 306.730 or 3 AAC 306.745. GNC does not utilize "deli style" service; all marijuana delivered to the GNC retail store is weighed by a certified scale and entered into Metrc; there is no conclusive evidence that the scale at issue was actually measuring weight inaccurately; and to err on the side of caution, a new scale has been installed and certified per the suggestion of the AMCO Investigator.

Great Northern Cannabis is very serious about maintaining a compliant business and values its reputation. Since the facts of this case do not substantiate any violation of state law, we respectfully request that AMCO rescind and dismiss this NOV. If the NOV is not rescinded or dismissed, GNC requests the opportunity to appear before the Board.

² The day after the inspection, GNC ordered a new scale and paid extra for express shipping. The new scale was certified and on-site with the required documentation at the Great Northern Cannabis retail store before this NOV arrived in the mail on March 22, 2018.

Thank you for your time and attention. Please do not hesitate to contact this office if you have any questions or if you need any additional information.

Sincerely,

BIRCH HORTON BITTNER & CHEROT

A handwritten signature in black ink, appearing to read 'J. Brandeis', with a stylized flourish at the end.

Jason Brandeis

JMB:dsg



Alcohol & Marijuana Control Office
550 West 7th Avenue, Suite 1600
Anchorage, Alaska 99501

• Sender: Please print your name, address, and ZIP+4® in this box

United States
Postal Service

02 5024 9612 122E 204b 065b

First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10



#GNDKNG TRACKING

SENDER: COMPLETE THIS SECTION

- ☐ Complete items 1, 2, and 3.
 - ☒ Print your name and address on the reverse so that we can return the card to you.
 - ☐ Attach this card to the back of the mailpiece, or on the front if space permits.
1. Article Addressed to:

COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☒ Agent
- B. Received By (Printed Name) ☐ Addressee
- C. Date of Delivery 3/22/14
- D. Is delivery address different from item 1? ☐ Yes ☒ No
If YES, enter delivery address below:

Great Northern Cannabis
2341 Cinnabar Loop
Anchorage, AK 99507-3150

2. Article Number (Transfer from service label)

7037 0530 0000 9548 8238

3. Service Type

- | | |
|--|---|
| <input type="checkbox"/> Adult Signature | <input type="checkbox"/> Priority Mail Express® |
| <input type="checkbox"/> Adult Signature Restricted Delivery | <input type="checkbox"/> Registered Mail™ |
| <input type="checkbox"/> Certified Mail® | <input type="checkbox"/> Registered Mail Restricted Delivery |
| <input type="checkbox"/> Certified Mail Restricted Delivery | <input type="checkbox"/> Return Receipt for Merchandise |
| <input type="checkbox"/> Collect on Delivery | <input type="checkbox"/> Signature Confirmation™ |
| <input type="checkbox"/> Collect on Delivery Restricted Delivery | <input type="checkbox"/> Signature Confirmation Restricted Delivery |

Notice of Violation

(3AAC 306.805)

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

Date: 04-03-18

Licensee: RCFC, LLC

DBA: Rosie Creek Farm

License #/Type: 10005/Standard Marijuana Cultivation Facility

Address: 2659 Livingston Loop, Fairbanks, AK 99709

AMCO Case #: AB17-0000445

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana 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 07/13/2017 I was with Alaska Department of Revenue Investigator Imes conducting a walk-through of Rosie Creek Farm, license # 10005, standard marijuana cultivation facility, when I discovered marijuana plants over 8-inches tall that were not tagged. I found ten plants between 9-11" tall planted in plastic pots on top of wooden pallets in the field which had not been tagged.

This is a violation of 3 AAC 306.435(a).

3 AAC 306.435: MARIJUANA INVENTORY TRACKING SYSTEM;

(a) A marijuana cultivation facility shall use a marijuana inventory tracking system in compliance with 3 AAC 306.730 to ensure all marijuana propagated, grown, or cultivated on the marijuana cultivation facility's premises is identified and tracked from the time the marijuana is propagated through transfer to another licensed marijuana establishment or destruction. The marijuana cultivation facility shall assign a tracking number to each plant over eight inches tall.

3 AAC 306.805 provides that upon receipt of a Notice of Violation, a licensee may request to appear before the board and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice. A licensee may respond, either orally or in writing, to the Notice. 3 AAC 306.810(3)(A)(B)(C) failed, within a reasonable time after receiving a notice of violation from the director, to correct any defect that is the subject of the notice of violation of AS 17.38 or this chapter, a condition or restriction imposed by the board or other applicable law.

IT IS RECOMMENDED THAT YOU RESPOND IN WRITING TO DOCUMENT YOUR RESPONSE FOR THE MARIJUANA CONTROL BOARD.

*Please send your response to the address below and include your Marijuana Establishment License Number in your response.

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

Issuing Investigator: M. Chiesa

Received by:

SIGNATURE:



SIGNATURE:

Delivered VIA: Email

Date:

Article #

However, upon listening to the investigators' concerns when they visited the farm, I promptly removed the key, and subsequently made a copy.

Untagged plants – NOV Number 14

This is true and is entirely our fault. We had about 80 small plants in pots, 10 of the 80 plants were 9-11 inches and should have been tagged.



Notice of Violation

(3AAC 306.805)

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

Date: 04-03-18

Licensee: RCFC, LLC

DBA: Rosie Creek Farm

License #/Type: 10005/Standard Marijuana Cultivation Facility

Address: 2659 Livingston Loop, Fairbanks, AK 99709

AMCO Case #: AB17-0000445

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana 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 07/13/2017 I was with Alaska Department of Revenue Investigator Imes conducting a walk-through of Rosie Creek Farm, license # 10005, standard marijuana cultivation facility, when I saw the licensee did not have video surveillance coverage covering a large metal storage container where the licensee was storing marijuana. The container was not listed on the approved premise diagram, the container was unlocked and there were no cameras covering the interior of the container where the marijuana was being stored.

This is a violation of 3 AAC 306.430(d), 3 AAC 306.720(b) and 3 AAC 306.705(c):

3 AAC 306.430: RESTRICTED ACCESS AREA

(d) A marijuana cultivation facility shall have full video surveillance of the licensed premises as required under 3 AAC 306.720, including any area where marijuana is grown, processed, packaged, or stored, or where marijuana waste is destroyed.

3 AAC 306.720: VIDEO SURVEILLANCE

(b) At a marijuana establishment, a required video camera must be placed in a way that produces a clear view adequate to identify any individual inside the licensed premises, or within 20 feet of each entrance to the licensed premises. Both the interior and the exterior of each entrance to the facility must be recorded by a video camera.

3AAC 306.705: LICENSED PREMISE; ALTERATION

(c) A holder of a marijuana establishment license may not alter the functional floor plan or reduce or expand the area of the licensed premises without first obtaining the director's written approval.

3 AAC 306.805 provides that upon receipt of a Notice of Violation, a licensee may request to appear before the board and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice. A licensee may respond, either orally or in writing, to the Notice. 3 AAC 306.810(3)(A)(B)(C) failed, within a reasonable time after receiving a notice of violation from the director, to correct any defect that is the subject of the notice of violation of AS 17.38 or this chapter, a condition or restriction imposed by the board or other applicable law.

IT IS RECOMMENDED THAT YOU RESPOND IN WRITING TO DOCUMENT YOUR RESPONSE FOR THE MARIJUANA CONTROL BOARD.

***Please send your response to the address below and include your Marijuana Establishment License Number in your response.**

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

Issuing Investigator: M. Chiesa

Received by:

SIGNATURE:



SIGNATURE:

Delivered VIA: Email

Date:

Article #

Surprisingly, I just received a telephone call from DOT's Department of Weights and Measures just now, letting us know they would be in town in the coming weeks to re-certify our scales. I used the call as an opportunity to question, Marjory (Gidget), Sanders (DOT's field officer in Anchorage) on this very topic. She thought that there had been a new determination made by AMCO that did specifically state that scales used to weight freshly harvested plants must be certified. She thought that these scales had to be accurate to within an ounce, however she ultimately was unsure and directed me back to Donald Brewer, who I just got off the phone with. Mr. Brewer was unaware that there had been any change of policy from AMCO since we had last spoken in August of 2016. He did say he had certified a few similar spring type hanging scales used by marijuana cultivators this year and that they were accurate to within 10 grams, but had not been told that this was mandatory for all cultivators. He reiterated that his department only regulates scales used for commercial transactions and that there are many other industries who are required to use certified scales for such transactions but not for initial weights (i.e. commercial fishing industry). Mr. Brewer said he was available to further discuss with issue directly with you if you wish.

I firmly believe that I approached this issue with due diligence and proceeded in a way that was in accordance with the directions given by METRC, AMCO and the DOT. We purchased top-of-the-line spring scales to use for harvest and attempted to weigh plants accurately, which I believe we have done. If there are other areas in which we have not performed to satisfaction, I apologize, but I do not believe this to be one."

Camera-contractors – NOV Number 6

This happened on August 22, 2017. We heard no concerns about it until this April 3, 2018 NOV. We did have camera coverage in the exact place where the contractors were working but not in the walkway where they would enter and exit from the trimming area. Upon discussion with the Enforcement officers, they helped us determined the best placement for the new cameras and we followed their direction immediately, installed the camera, and remedied the situation.

As for the repositioning of the cameras, we had redundancy on coverage and moved some cameras to provide better overall coverage of the facility.

Camera-Connex - NOV Number 7

This event occurred on 7/13/17. We heard no concerns about it till this April 3, 2018 NOV. At that time, and contrary to what is in the NOV, we did not have marijuana stored in the connex on this date since harvesting of marijuana did not start until July 21st 2017. We installed a camera in that connex in late July and began storing marijuana there in late August 2017. The NOV is accurate that we had the connex on the premises prior to having it approved on our licensed premises.

Camera-Gates – NOV Number 8



Notice of Violation

(3AAC 306.805)

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

Date: 04-03-18

Licensee: RCFC, LLC

DBA: Rosie Creek Farm

License #/Type: 10005/Standard Marijuana Cultivation Facility

Address: 2659 Livingston Loop, Fairbanks, AK 99709

AMCO Case #: AB17-0000445

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana 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 07/13/2017 I was with Alaska Department of Revenue Investigator Imes conducting a walk-through of Rosie Creek Farm, license # 10005, standard marijuana cultivation facility, when I saw the licensee did not have video surveillance coverage to covering each entrance and exit for the licensed premises. Two of the three gates accessing through the perimeter fence of the licensed premises did not have adequate video surveillance coverage.

This is a violation of 3 AAC 306.430(d) and 3 AAC 306.720(b):

3 AAC 306.430: RESTRICTED ACCESS AREA

(d) A marijuana cultivation facility shall have full video surveillance of the licensed premises as required under 3 AAC 306.720, including any area where marijuana is grown, processed, packaged, or stored, or where marijuana waste is destroyed.

3 AAC 306.720: VIDEO SURVEILLANCE

(b) At a marijuana establishment, a required video camera must be placed in a way that produces a clear view adequate to identify any individual inside the licensed premises, or within 20 feet of each entrance to the licensed premises. Both the interior and the exterior of each entrance to the facility must be recorded by a video camera.

3 AAC 306.805 provides that upon receipt of a Notice of Violation, a licensee may request to appear before the board and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice. A licensee may respond, either orally or in writing, to the Notice. 3 AAC 306.810(3)(A)(B)(C) failed, within a reasonable time after receiving a notice of violation from the director, to correct any defect that is the subject of the notice of violation of AS 17.38 or this chapter, a condition or restriction imposed by the board or other applicable law.

IT IS RECOMMENDED THAT YOU RESPOND IN WRITING TO DOCUMENT YOUR RESPONSE FOR THE MARIJUANA CONTROL BOARD.

*Please send your response to the address below and include your Marijuana Establishment License Number in your response.

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

Issuing Investigator: M. Chiesa

Received by:

SIGNATURE:



SIGNATURE:

Delivered VIA: Email

Date:

Article #

Surprisingly, I just received a telephone call from DOT's Department of Weights and Measures just now, letting us know they would be in town in the coming weeks to re-certify our scales. I used the call as an opportunity to question, Marjory (Gidget), Sanders (DOT's field officer in Anchorage) on this very topic. She thought that there had been a new determination made by AMCO that did specifically state that scales used to weight freshly harvested plants must be certified. She thought that these scales had to be accurate to within an ounce, however she ultimately was unsure and directed me back to Donald Brewer, who I just got off the phone with. Mr. Brewer was unaware that there had been any change of policy from AMCO since we had last spoken in August of 2016. He did say he had certified a few similar spring type hanging scales used by marijuana cultivators this year and that they were accurate to within 10 grams, but had not been told that this was mandatory for all cultivators. He reiterated that his department only regulates scales used for commercial transactions and that there are many other industries who are required to use certified scales for such transactions but not for initial weights (i.e. commercial fishing industry). Mr. Brewer said he was available to further discuss with issue directly with you if you wish.

I firmly believe that I approached this issue with due diligence and proceeded in a way that was in accordance with the directions given by METRC, AMCO and the DOT. We purchased top-of-the-line spring scales to use for harvest and attempted to weigh plants accurately, which I believe we have done. If there are other areas in which we have not performed to satisfaction, I apologize, but I do not believe this to be one."

Camera-contractors – NOV Number 6

This happened on August 22, 2017. We heard no concerns about it until this April 3, 2018 NOV. We did have camera coverage in the exact place where the contractors were working but not in the walkway where they would enter and exit from the trimming area. Upon discussion with the Enforcement officers, they helped us determined the best placement for the new cameras and we followed their direction immediately, installed the camera, and remedied the situation.

As for the repositioning of the cameras, we had redundancy on coverage and moved some cameras to provide better overall coverage of the facility.

Camera-Connex - NOV Number 7

This event occurred on 7/13/17. We heard no concerns about it till this April 3, 2018 NOV. At that time, and contrary to what is in the NOV, we did not have marijuana stored in the connex on this date since harvesting of marijuana did not start until July 21st 2017. We installed a camera in that connex in late July and began storing marijuana there in late August 2017. The NOV is accurate that we had the connex on the premises prior to having it approved on our licensed premises.

Camera-Gates – NOV Number 8



This NOV notes that Enforcement noticed this issue on July 13, 2017. We heard no concerns about it until this April 3, 2018 NOV. Although we did have cameras pointed at all of the gates from within the facility, we did not have them positioned outside two of the three gates and facing outwards. The camera placement on the gates has been the same since our initial inspection in July of 2016. Since this was not identified as a violation at our initial inspection, we assumed that we were compliant. We wish that Enforcement had notified us at our initial inspection (2016) that they were not satisfied with the camera placement. We remedied this situation immediately after the July 13, 2017 inspection on one of the gates and on the far gate (where the distance is too great to run wire, we chained that gate shut so that it is no longer an entrance).

Camera HT-1 – NOV number 9

According to the NOV, Enforcement noticed this event on July 13, 2017. We heard no concerns about it until this April 3, 2018 NOV. High Tunnel 1 did collapse (due to snow) in December of 2016 and the cameras were offline as a result. Since there was no marijuana in it and the farm isn't in use during the winter, we did not inform Enforcement. We realize now that we should have. We did assemble the wreckage in the early summer of 2017 and rebuilt it. At that time, we also installed new cameras that were inspected by AMCO in August of 2017.

Premises Change Sept 2017 – NOV Number 10

Please see attached correspondence from my counsel explaining which structures were in use and when that was presented at the April 2018 MCB.

Premises Change – Propagation House – NOV Number 11

Please refer to the same exhibit referenced in NOV Premises change NOV number 10

Please see attached correspondence from my counsel explaining which structures were in use and when that was presented at the April 2018 MCB.

Restricted Access ID – NOV Number 12

It is true that the contractors did not have visitor or employee badges. However, their state issued marijuana cards were in a copy on file in the office - we should have either had them wear visitor badges and this is our mistake.



Unsecured Recording Equipment – NOV number 13

We kept the key for the recording equipment in the recording box for fear of losing it. Since the office is locked after hours and people are going in and out all day, we felt sure of its safety.

Notice of Violation

(3AAC 306.805)

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

Date: 04/03/18

Licensee: RCFC, LLC

DBA: Rosie Creek Farm

License #/Type: 10005/Standard Marijuana Cultivation Facility

Address: 2659 Livingston Loop, Fairbanks, AK 99709

AMCO Case #: AB17-0000445

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana 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 07/13/2017 I was with Alaska Department of Revenue Investigator Imes conducting a walk-through of Rosie Creek Farm, license # 10005, standard marijuana cultivation facility, when we went into the Rosie Creek Farm office and found the video surveillance recording equipment in a lockable metal storage box that had the key to the lock inside of the lock thus leaving the lockable box and the recording device unsecured. The door leading into the office was also unlocked. The licensee stated he did not want to lose the key which is why he kept in the lock.

This is a violation of 3 AAC 306.720(d)

3 AAC 306.435: VIDEO SURVEILLANCE;

(d) Surveillance recording equipment and video surveillance records must be housed in a locked and secure area or in a lock box, cabinet, closet or other secure area that is accessible only to a marijuana establishment licensee or authorized employee, and to law enforcement personnel including a peace officer or an agent of the board. A marijuana establishment may use an offsite monitoring service and offsite storage of video surveillance records if security requirements at the offsite facility are at least as strict as onsite security requirements as described in this section.

3 AAC 306.805 provides that upon receipt of a Notice of Violation, a licensee may request to appear before the board and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice. A licensee may respond, either orally or in writing, to the Notice. 3 AAC 306.810(3)(A)(B)(C) failed, within a reasonable time after receiving a notice of violation from the director, to correct any defect that is the subject of the notice of violation of AS 17.38 or this chapter, a condition or restriction imposed by the board or other applicable law.

IT IS RECOMMENDED THAT YOU RESPOND IN WRITING TO DOCUMENT YOUR RESPONSE FOR THE MARIJUANA CONTROL BOARD.

*Please send your response to the address below and include your Marijuana Establishment License Number in your response.

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

Issuing Investigator: M. Chiesa

Received by:

SIGNATURE:



SIGNATURE:

Delivered VIA: Email

Date:

Article #

This NOV notes that Enforcement noticed this issue on July 13, 2017. We heard no concerns about it until this April 3, 2018 NOV. Although we did have cameras pointed at all of the gates from within the facility, we did not have them positioned outside two of the three gates and facing outwards. The camera placement on the gates has been the same since our initial inspection in July of 2016. Since this was not identified as a violation at our initial inspection, we assumed that we were compliant. We wish that Enforcement had notified us at our initial inspection (2016) that they were not satisfied with the camera placement. We remedied this situation immediately after the July 13, 2017 inspection on one of the gates and on the far gate (where the distance is too great to run wire, we chained that gate shut so that it is no longer an entrance).

Camera HT-1 – NOV number 9

According to the NOV, Enforcement noticed this event on July 13, 2017. We heard no concerns about it until this April 3, 2018 NOV. High Tunnel 1 did collapse (due to snow) in December of 2016 and the cameras were offline as a result. Since there was no marijuana in it and the farm isn't in use during the winter, we did not inform Enforcement. We realize now that we should have. We did assemble the wreckage in the early summer of 2017 and rebuilt it. At that time, we also installed new cameras that were inspected by AMCO in August of 2017.

Premises Change Sept 2017 – NOV Number 10

Please see attached correspondence from my counsel explaining which structures were in use and when that was presented at the April 2018 MCB.

Premises Change – Propagation House – NOV Number 11

Please refer to the same exhibit referenced in NOV Premises change NOV number 10

Please see attached correspondence from my counsel explaining which structures were in use and when that was presented at the April 2018 MCB.

Restricted Access ID – NOV Number 12

It is true that the contractors did not have visitor or employee badges. However, their state issued marijuana cards were in a copy on file in the office - we should have either had them wear visitor badges and this is our mistake.



Unsecured Recording Equipment – NOV number 13

We kept the key for the recording equipment in the recording box for fear of losing it. Since the office is locked after hours and people are going in and out all day, we felt sure of its safety.

However, upon listening to the investigators' concerns when they visited the farm, I promptly removed the key, and subsequently made a copy.

Untagged plants – NOV Number 14

This is true and is entirely our fault. We had about 80 small plants in pots, 10 of the 80 plants were 9-11 inches and should have been tagged.



Notice of Violation

(3AAC 306.805)

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

Date: 04/03/2018

Licensee: RCFC, LLC

DBA: Rosie Creek Farm

License #/Type: 10005/Standard Marijuana Cultivation Facility

Address: 2659 Livingston Loop, Fairbanks, AK 99709

AMCO Case #: AB17-0000445

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana 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 07/13/2017 I was with Alaska Department of Revenue Investigator Imes conducting a walk-through of Rosie Creek Farm, license # 10005, standard marijuana cultivation facility, when I discovered a high tunnel on the licensee's licensed premises was no longer standing and the surveillance cameras that had been covering the high tunnel and surrounding area where marijuana or marijuana product is moved on the licensed premises were no longer operational. leaving the area no longer covered by video surveillance cameras. The licensee's agent stated high tunnel 1 came down sometime in the winter. The licensee never contacted AMCO to advise of the building collapsing and the video surveillance cameras being off-line.

This is a violation of 3 AAC 306.430(d) and 3 AAC 306.720(b) :

3 AAC 306.430: RESTRICTED ACCESS AREA

(d) A marijuana cultivation facility shall have full video surveillance of the licensed premises as required under 3 AAC 306.720, including any area where marijuana is grown, processed, packaged, or stored, or where marijuana waste is destroyed.

3 AAC 306.720: VIDEO SURVEILLANCE

(b) At a marijuana establishment, a required video camera must be placed in a way that produces a clear view adequate to identify any individual inside the licensed premises, or within 20 feet of each entrance to the licensed premises. Both the interior and the exterior of each entrance to the facility must be recorded by a video camera.

3 AAC 306.805 provides that upon receipt of a Notice of Violation, a licensee may request to appear before the board and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice. A licensee may respond, either orally or in writing, to the Notice. 3 AAC 306.810(3)(A)(B)(C) failed, within a reasonable time after receiving a notice of violation from the director, to correct any defect that is the subject of the notice of violation of AS 17.38 or this chapter, a condition or restriction imposed by the board or other applicable law.

IT IS RECOMMENDED THAT YOU RESPOND IN WRITING TO DOCUMENT YOUR RESPONSE FOR THE MARIJUANA CONTROL BOARD.

***Please send your response to the address below and include your Marijuana Establishment License Number in your response.**

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

Issuing Investigator: M. Chiesa

Received by:

SIGNATURE:



SIGNATURE:

Delivered VIA: Email

Date:

Article #

This NOV notes that Enforcement noticed this issue on July 13, 2017. We heard no concerns about it until this April 3, 2018 NOV. Although we did have cameras pointed at all of the gates from within the facility, we did not have them positioned outside two of the three gates and facing outwards. The camera placement on the gates has been the same since our initial inspection in July of 2016. Since this was not identified as a violation at our initial inspection, we assumed that we were compliant. We wish that Enforcement had notified us at our initial inspection (2016) that they were not satisfied with the camera placement. We remedied this situation immediately after the July 13, 2017 inspection on one of the gates and on the far gate (where the distance is too great to run wire, we chained that gate shut so that it is no longer an entrance).

Camera HT-1 – NOV number 9

According to the NOV, Enforcement noticed this event on July 13, 2017. We heard no concerns about it until this April 3, 2018 NOV. High Tunnel 1 did collapse (due to snow) in December of 2016 and the cameras were offline as a result. Since there was no marijuana in it and the farm isn't in use during the winter, we did not inform Enforcement. We realize now that we should have. We did assemble the wreckage in the early summer of 2017 and rebuilt it. At that time, we also installed new cameras that were inspected by AMCO in August of 2017.

Premises Change Sept 2017 – NOV Number 10

Please see attached correspondence from my counsel explaining which structures were in use and when that was presented at the April 2018 MCB.

Premises Change – Propagation House – NOV Number 11

Please refer to the same exhibit referenced in NOV Premises change NOV number 10

Please see attached correspondence from my counsel explaining which structures were in use and when that was presented at the April 2018 MCB.

Restricted Access ID – NOV Number 12

It is true that the contractors did not have visitor or employee badges. However, their state issued marijuana cards were in a copy on file in the office - we should have either had them wear visitor badges and this is our mistake.



Unsecured Recording Equipment – NOV number 13

We kept the key for the recording equipment in the recording box for fear of losing it. Since the office is locked after hours and people are going in and out all day, we felt sure of its safety.

Notice of Violation

(3AAC 306.805)

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

Date: 04-03-18

Licensee: RCFC, LLC

DBA: Rosie Creek Farm

License #/Type: #10005 Standard Cultivation

Address: 2659 Livingston Loop, Fairbanks, AK

AMCO Case #: AB17-0000445

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana 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 07/13/17 Mr. Emers was requested to provide business records: transfer invoices in and out, invoices from contractors and/or any investors, records of expenses going in and out, and payroll records. What was provided included very minimal amount of hard copy invoices from contractors and none from investors, electronic transfer invoices out, two years of payroll spreadsheets, and a excel spreadsheet for master expenses.

After review of the documents, I requested the following business records on 8/22/17: Invoices in and out with payment receipts, canceled checks, or credit card receipts; completed transport manifests; proof of workers compensation insurance; current employee list; and security monitoring contracts with invoices for monthly services. Mr. Emers was given time to produce the documents.

On 8/28/17 more invoices from 2016, copies of employees and trimming contractor handler permits, electronic harvest batch spreadsheets, security contracts, and completed manifests. Mr. Emers admitted not all invoices were available to match to the master expenses spreadsheet because he had to still get documents from credit card statements, checkbook, electronic receipts, and some receipts were lost. He was advised the documents needed to be readily available as they are documents used for tax related purposes.

On 09/21/17 I requested promissory notes from undisclosed investors discovered during the investigation and written harvest log notebook copies. Mr. Emers provided the documents on 10/3/17. Several promissory notes were missing based on copies of canceled investment checks we had received from the Department of Homeland Security.

Mr. Emers admitted on 7/13/17 and 8/28/17 he compiled the expenses spreadsheets periodically by going through his bank and credit card statements, emails, and boxes of documents. He did not have business records organized in a manner to easily find, and had them mixed in with documents from his other LLC, Rosie Creek Farms, LLC, a vegetable farm business resulting in his inability to provide all invoices from purchases/contractors immediately on 7/13/17, 8/22/17, and 8/28/17.

This is a violation of 3 AAC 306.755 (a)(1)(7)(b)(c): Business Records and 3 AAC 306.725 (b) Inspection of licensed premises.

3 AAC 306.805 provides that upon receipt of a Notice of Violation, a licensee may request to appear before the board and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice. A licensee may respond, either orally or in writing, to the Notice. 3 AAC 306.810(3)(A)(B)(C) failed, within a reasonable time after receiving a notice of violation from the director, to correct any defect that is the subject of the notice of violation of AS 17.38 or this chapter, a condition or restriction imposed by the board or other applicable law.

IT IS RECOMMENDED THAT YOU RESPOND IN WRITING TO DOCUMENT YOUR RESPONSE FOR THE MARIJUANA CONTROL BOARD.

***Please send your response to the address below and include your Marijuana Establishment License Number in your response.**

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

Issuing Investigator: A. Stonecipher

Received by:

SIGNATURE:



SIGNATURE:

Delivered VIA: Email

Date:

Article #

6) Flowering stage too soon: see above – since we have no real veg stage, we skip in Metrc straight to “flowering”.

7) Exceptional amount of plants destroyed for “industry standard”: I don’t understand what the “industry standard” is or how it can be applied against our operation. Our operation is not the typical indoor grow. (see attached pictures attached as Exhibit 2c-e). When we start thousands of plants from seed, half of them will be males. Although most of the males show flowers before they reach a taggable height, a large number still do not show flowers before they are planted in the field and must be subsequently destroyed after tagging. The Males that we keep for breeding purposes are in a separate portion of the facility where they cannot pollenate our main crop.

Also mold can be a very large problem in outdoor-grown plants. If we see a moldy plant, we must remove it immediately upon detection. In the summer of 2017 we had about 15,000 plants growing. Most of those plants produce about 1/5 of what indoor plants will produce and we must grow more plants to get a viable harvest. We are not able to artificially control the environment so we will always have higher numbers of plants that will die, become males, or become moldy because we grow outdoors, unprotected from the elements.

8) Harvest weights high: Since we grow outdoors in an agricultural setting, we have only one large harvest per year. Also since there is a short harvest window between the time of plant maturity and cool/wet weather that would damage the crop, we are forced into large daily harvests within a few weeks.

Business Records – NOV number 3

Although we had all the business records required by AMCO, it is true that business records were not immediately available or in a standard format upon Investigator Stonecipher’s request. However, as I read 3 AAC 306.755, I believe I do not have to instantly produce those documents the moment they are requested – I believe 3 AAC 306.755 allows me to have three business days after the request is made to provide the business records. I was surprised to see that the last sentence of the NOV states that I was in the wrong because of my inability to “immediately” produce documents. We continue to update and streamline our filing system and business records. I no longer use cumbersome spreadsheets to compile financial data, but instead use Quickbooks and now that data is caught up, I enter receipts as they come in – I didn’t use Quickbooks before because I know that Quickbooks has shut down the software when it finds out it’s used for cannabis business. Hopefully this will not happen and hopefully it will make our records more accessible to AMCO.

Conflicting Manifests – NOV number 4

This event occurred on August 21, 2017. The manifests conflict because I did not indicate on the manifest that Ms. Hellings would stop at Fred Meyer gas. This is my error. I now know to add gas stops on a manifest.



Notice of Violation

(3AAC 306.805)

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

Date: 04-03-18

Licensee: RCFC, LLC

DBA: Rosie Creek Farm

License #/Type: 10005/Standard Marijuana Cultivation Facility

Address: 2659 Livingston Loop, Fairbanks, AK 99709

AMCO Case #: AB17-0000445

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana 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 08/22/2017 Investigator Amanda Stonecipher and I went to Rosie Creek Farm, license # 10005, standard marijuana cultivation facility, to inspect a large amount of waste the licensee reported to AMCO he intended to destroy. While on the premises the licensee showed us a large amount of moldy marijuana waste he was storing in a refrigerated cold storage unit along with vegetables from his farm. The cold storage unit was not indicated as a location to store marijuana or marijuana waste on his licensed premises diagram.

Additionally, we found two new structures on the licensed premises that were not there when I was at the premises on 07/13/2017. These structures included a climate controlled metal storage container that had been installed and a 2-room pre-fabricated office building. Both structures were not on the licensee's approved licensed premises diagram. Both structures were listed on an application for a licensed premises diagram change that had not been approved by the Marijuana Control Board. I saw marijuana in both new structures. The licensee was using the pre-fabricated building for processing marijuana and the climate controlled storage container for storing marijuana. Further inspection of the licensed premises revealed the licensee was storing several mature male plants in the Pepper greenhouse, including one large male plant planted in the greenhouse amongst his pepper plants. The pepper greenhouse was not designated as place marijuana would be grown according to both the approved and pending licensed premises diagrams.

This is a violation of 3 AAC 306.705(c) and 3 AAC 306.735 (b)(10)(11) Health and Safety Standards:

3AAC 306.705: LICENSED PREMISE; ALTERATION

(c) A holder of a marijuana establishment license may not alter the functional floor plan or reduce or expand the area of the licensed premises without first obtaining the director's written approval.

3 AAC 306.805 provides that upon receipt of a Notice of Violation, a licensee may request to appear before the board and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice. A licensee may respond, either orally or in writing, to the Notice. 3 AAC 306.810(3)(A)(B)(C) failed, within a reasonable time after receiving a notice of violation from the director, to correct any defect that is the subject of the notice of violation of AS 17.38 or this chapter, a condition or restriction imposed by the board or other applicable law.

IT IS RECOMMENDED THAT YOU RESPOND IN WRITING TO DOCUMENT YOUR RESPONSE FOR THE MARIJUANA CONTROL BOARD.

*Please send your response to the address below and include your Marijuana Establishment License Number in your response.

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

Issuing Investigator: M. Chiesa

Received by:

SIGNATURE:



SIGNATURE:

Delivered VIA: Email

Date:

Article #

This NOV notes that Enforcement noticed this issue on July 13, 2017. We heard no concerns about it until this April 3, 2018 NOV. Although we did have cameras pointed at all of the gates from within the facility, we did not have them positioned outside two of the three gates and facing outwards. The camera placement on the gates has been the same since our initial inspection in July of 2016. Since this was not identified as a violation at our initial inspection, we assumed that we were compliant. We wish that Enforcement had notified us at our initial inspection (2016) that they were not satisfied with the camera placement. We remedied this situation immediately after the July 13, 2017 inspection on one of the gates and on the far gate (where the distance is too great to run wire, we chained that gate shut so that it is no longer an entrance).

Camera HT-1 – NOV number 9

According to the NOV, Enforcement noticed this event on July 13, 2017. We heard no concerns about it until this April 3, 2018 NOV. High Tunnel 1 did collapse (due to snow) in December of 2016 and the cameras were offline as a result. Since there was no marijuana in it and the farm isn't in use during the winter, we did not inform Enforcement. We realize now that we should have. We did assemble the wreckage in the early summer of 2017 and rebuilt it. At that time, we also installed new cameras that were inspected by AMCO in August of 2017.

Premises Change Sept 2017 – NOV Number 10

Please see attached correspondence from my counsel explaining which structures were in use and when that was presented at the April 2018 MCB.

Premises Change – Propagation House – NOV Number 11

Please refer to the same exhibit referenced in NOV Premises change NOV number 10

Please see attached correspondence from my counsel explaining which structures were in use and when that was presented at the April 2018 MCB.

Restricted Access ID – NOV Number 12

It is true that the contractors did not have visitor or employee badges. However, their state issued marijuana cards were in a copy on file in the office - we should have either had them wear visitor badges and this is our mistake.

Unsecured Recording Equipment – NOV number 13

We kept the key for the recording equipment in the recording box for fear of losing it. Since the office is locked after hours and people are going in and out all day, we felt sure of its safety.



Response to NOVs number 10 and 11





Jana D. Weltzin
Licensed in Alaska &
Arizona 3003
Minnesota Blvd.,
Suite 201
Anchorage, Alaska 99501
Phone 630-913-1113
Main Office 907-231-3750
JDW, LLC
jana@jdwcounsel.com

April 3, 2018

Director McConnell
Chief James Hoelscher
MCB Board

*Sent Via Electronic Mail
And Hand Delivered*

Re: Rosie Creek Farm Standard Cultivation, License No. 10005

This letter is in response to Director McConnell's board memo for my client, Mike Emers' MJ-15 operating plan change that is on the current meeting agenda. I believe it is vital that all facts be presented to all parties so that a fully informed decision may be made – a non-approval of the MJ15 & MJ14 or similarly a tabling of the matter would be devastating for this outdoor operation.

Some of the structures that are being added to the cultivation licensed premises via the submitted MJ-14/15 were previously existing structures that were used for vegetable farming and some structures are brand new to the property. Regardless, all of the structures requested to be used by the licensee in this MJ14 were previously disclosed and requested to be approved (as various uses, some non-marijuana related) in July of 2017 - the MCB tabled the request in the July 2017 meeting.

-High tunnel 5 was disclosed to the board on the July 2017 MJ14 premises change request, although it was attempting to change designation from a licensed premises to be designated as used for growing cherry tomatoes, however this was not approved. The current request is to allow use of the high tunnel for marijuana, even though it was already approved as a licensed area in his original MJ02 premises submission in 2016 at the time of licensing – **to date Mike has not used this for marijuana.**

-Small greenhouse – this was originally approved on the original 2016 diagram – Mike tried to change it to unrestricted access for vegetable farming in July 2017, but the MCB did not approve that request, so it remained a restricted access area and licensed for marijuana.

-Propagation Greenhouse – Shown on the MJ14 reviewed by the MCB in the July 2017 meeting



as propagation greenhouse – there are cameras in this greenhouse and Enforcement agents Michael Cheisa and Amanda Stonecipher reviewed and approved (and also made suggestions which Mike followed relating to the camera placements on three different occasions).

-Heated greenhouse - shown on MJ14 filed in July 2017, but it was labeled tomato greenhouse, **however, Mike has not used this greenhouse for marijuana activity yet, he is waiting for April 2018 MCB approval. The approval of the heated greenhouse is really important because it would allow Mike to start his plants earlier than last year, which would substantially increase the efficiency and success rate for his crop. If the use of the heated greenhouse isn't allowed, it would be devastating to his business.**

-Trimming shed – shown on MJ14 filed in July 2017, but it was labeled vegetable packaging & processing shed. **Mike has used this for marijuana trimming, which Enforcement agents Michael Cheisa and Amanda Stonecipher knew about because they had viewed and approved the camera locations.**

-marijuana storage unit 1 - disclosed and requested to be approved on MJ14 in July 2017 – similar to the trimming shed, Michael and Amanda helped Mike with the camera placement of these units.

-marijuana storage unit 2 - disclosed and requested to be approved on MJ14 in July 2017 - similar to the trimming shed, Michael and Amanda helped Mike with the camera placement of these units.

-marijuana storage unit 3 - disclosed and requested to be approved on MJ14 in July 2017 - similar to the trimming shed, Michael and Amanda helped Mike with the camera placement of these units.

-propagation greenhouse – disclosed and requested to be approved on MJ14 in July 2017 - similar to the trimming shed, Michael and Amanda helped Mike with the camera placement of these units.

-ATCO Unit – was on the diagram submitted in July 2017 MCB request and was designated as the pending license for Product Manufacturing – but Enforcement Officers Michael Cheisa and Amanda Stonecipher went and looked at the ATCO unit in August and gave direction on camera placement. Trimming has taken place in this unit.

Reminder to the MCB and AMCO Staff – The entire outline of Rosie Creek Farms REMAINS a licensed restricted access area – the entire premises is enclosed by a security fence (8 foot fence that encloses 7.5 acres), and all of the inside space, structures, remain licensed due to the fact the MCB did not approve the July 2017 submission that would have changed some of the licensed area to a non-licensed area for vegetable growing – the MCB tabled this request, so the entire fenced area is still a licensed restricted access area.

Please see attached Original diagram approved by MCB in 2016; July 2017 submission of MJ14 request, resulting in tabling of that MJ14 request; and current MJ14 premises diagram change request.

Three storage connexes, the propagation greenhouse, and the new ATCO unit were delivered to the property in August of 2017. Life at this farm existed before marijuana and Mike and his family have been farming fruits and vegetables at this property for decades for more than twenty years. The trimming and packaging shed is an existing structure that was already part of the cultivation licensed premises. The licensed premises diagram change and operating plan changes before you



now were submitted to AMCO staff on February 5, 2018.

In August and September of 2017, my client was working closely with the Fairbanks AMCO Investigators to streamline the cultivation facility's waste procedures and to ensure regulatory compliance. This operation is not like the majority of cultivators because it is an outdoor cultivation with only one season a year, therefore the waste of one season is larger and enforcement and the licensee have been working together to make sure its properly handled.

On August 28, 2017, both Investigator Stonecipher and Investigator Cheisa visited the cultivation premises to inspect and discuss marijuana waste. During this visit, both investigators and the licensee, Mike Emers, discussed the new structures that were currently in use by the cultivation facility; the new ATCO trimming and packing building, the three storage connexes and the trimming shed. The investigators observed the cameras Mike had already installed and informed Mike that he would need to install additional cameras in the new structures and walkways to comply with restricted access area regulations. Mike complied with Enforcement's direction. Neither investigator directed Mike to cease using the new structures until the change forms were approved by the board, they just said to make sure to get them filed as soon as possible. Again, in early September, approximately the week of the 11th, Investigator Cheisa visited the facility to inspect marijuana waste to be disposed of and again they had a discussion about the new structures and the required camera coverage. My client was not directed to stop using the new structures during this visit. Lastly, on the 21st of September, my client had a meeting with Investigator Stonecipher regarding proper waste protocol paperwork and business records. During this meeting, Investigator Stonecipher informed my client that since he was using the new structures, he really needed to submit the appropriate change forms. Again, my client was not directed to stop using the new structures.

Why did Mike not submit an MJ14 in Sept., when Amanda Stonecipher told him to? Given that the July 2017 MCB action had tabled the MJ14 premises diagram change to November 2017, Mike decided to wait until the MCB had completed its review of the July 2017 MJ14 request (which he ultimately withdrew due to MCB concerns and came up with the current request as an alternative to address the July MCB concerns, which is the MJ14 in front of you now). Mike believed that submitting additional MJ-14's and MJ-15's in the month separating the time between Amanda's direction and the November MCB meeting would further complicate matters. So, he waited (fully believing that he was still operating in compliance per his interactions with AMCO investigators).

Based on these encounters with AMCO investigators, my client believed that he was in compliance and could utilize the new structures as he had installed the cameras as directed. The investigators made no indication to Mike that he was in violation of the regulations and in danger of receiving NOV's or any other enforcement action. Had he been informed to cease operations in the new structures, he would have done so immediately.

Not once has my client been directed by any agent of the MCB, including AMCO enforcement staff to cease operations in the new structures until board approval is issued, despite being observed using the structures. The first time my office or my client has heard of any issue regarding the new structures was just last Friday, March 30, 2018 when the board meeting documents were posted



to AMCO's website with Director McConnell's board memo stating that she is writing an accusation for the board to consider. Why was there zero effort made to communicate with the licensee? Why are we jumping straight to an accusation when there was no advisory notice or notice of violation regarding this issue, not to mention any communication at all to the licensee that he was operating out of compliance even though the investigators helped Mike install the cameras in the new structures?

Respectfully, we do not feel that the action requested by the Director is warranted. The enforcement staff in Fairbanks have been excellent working with Mike - they come to the farm on a semi regular basis, Mike is completely open with them and eager to learn from them, which they help him understand how to remain compliant given the fact that these regulations were not drafted with outdoor cultivation in mind, and both AMCO FBX Enforcement and Mike have mutually helped each other learn together and together work towards remaining compliant and more efficient as a farm. During the summer – the enforcement team in Fairbanks have often been to the farm and have observed all of these structures and their uses. Moreover, my client is honest to a fault – he has even self-reported himself to AMCO Enforcement when he noticed that a trimming team had accidentally disconnected cameras last year. Self reporting is a form of self-governance and it is created when a licensee feels an obligation to report because he or she has respect and pride for upholding the regulations, but also due to trust built between the regulator and the licensee. Trust that there is a working and open relationship with a common goal in mind. Mike has no reason to hide or lie – and he has always reacted positively and with an open ear, free of defense or deflection, to any suggestion and direction he has received from AMCO staff and enforcement. There has never been any NOV's issued to Mike on the use of structures – nor has any of his previous NOV's ever resulted in a fine or penalty. Enforcement agents Amanda and Michael are seen as important tools to Mike, as all licensees should be able to have access to enforcement agents that are willing and eager to help them understand the regulations as they play out in the real world. Mike relies heavily on their guidance and direction and remains committed to compliancy, even though the regulations are not crafted in a manner that serves outdoor operations and cause challenges that regular indoor cultivations simply do not have to overcome.

We respectfully request this Board consider approving the MJ14 and MJ15.

Sincerely,



Jana D. Weltzin



Original Premises Diagram Approved in 2016



License 10005 - Rosie Creek Farm

MJ-02 Premises diagram map key

Map Designation	Description	Construction	Dimensions	Area	Height
Haygrove High Tunnel http://www.haygrove.com	Multi-bay high tunnel	Steel frame and greenhouse plastic	300' x 96'	28,800 ft ²	12'
HT-1	High Tunnel	Steel frame and greenhouse plastic	96' x 30'	2880 ft ²	12'
HT-2	High Tunnel	Steel frame and greenhouse plastic	96' x 30'	2880 ft ²	12'
HT-3	High Tunnel	Steel frame and greenhouse plastic	96' x 30'	2880 ft ²	12'
HT-4	High Tunnel	Steel frame and greenhouse plastic	96' x 30'	2880 ft ²	12'
HT-5	High Tunnel	Steel frame and greenhouse plastic	96' x 30'	2880 ft ²	12'
G1	Heated Greenhouse	Wood frame and greenhouse plastic	96' x 20'	1920ft ²	15'
G2	Heated Greenhouse	Wood frame and greenhouse plastic	40' x 20'	800 ft ²	10'
P	Vegetable processing shed and cold storage. On concrete pad.	Timber frame mostly open air	40' x 20'	800 ft ²	15'
O	Farm Office	Frame	24' x 16'	384 ft ²	12'
FOC	Proposed Farm Operations Center (full basement)	Frame and block foundation	60' x 30'	3600 ft ²	12'
S	Proposed Security Shack	Frame	12' x 12'	144 ft ²	8'
W	Well				
X	Outhouse	Alaska outhouse construction		32 ft ²	8'





RECEIVED
MAY 10 2018
ALCOHOL MARIJUANA CONTROL OFFICE
STATE OF ALASKA



MAY 10 2018

ALCOHOL MARIJUANA CONTROL OFFICE
STATE OF ALASKA

MJ-14 Premises Diagram

Submitted July, 2017



Proposed Changes to operating plan and licensed premises diagram





Comm. Planning Dept

Alcohol and Marijuana Control Office
550 W 7th Avenue, Suite 1500
Anchorage, AK 99501
marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

MAY 03 2017

Alaska Marijuana Control Board RECEIVED

Form MJ-14: Licensed Premises Diagram Change

What is this form?

This licensed premises diagram change form is required for all marijuana establishment licensees seeking to alter the functional floor plan or reduce or expand the area of the establishment's existing licensed premises, under 3 AAC 306.100 and 3 AAC 306.705. The required \$250 change fee may be made by credit card online (VISA, MasterCard, or Discover), or by check or money order.

Your diagram must show all entrances and boundaries of the premises, restricted access areas, and storage areas, and dimensions. If your proposed premises is located within a building or building complex that contains multiple businesses and/or tenants, please provide an additional page that clearly shows the location of your proposed premises within the building or building complex, along with the addresses and/or suite numbers of the other businesses and/or tenants within the building or building complex. Limited marijuana cultivation licensees must clearly delineate the proposed area(s) for cultivation.

The second page of this form is not required. Blueprints, CAD drawings, or other clearly drawn and marked diagrams may be submitted in lieu of the second page of this form, as long as it meets the requirements listed on this form. The first and third pages must still be completed, attached to, and submitted with any supplemental diagrams. An AMCO employee may require you to complete the second page of this form if additional documentation for your premises diagram is needed.

This form must be signed by the licensee and by the local government having jurisdiction over the location of the premises before it is submitted to AMCO staff for review.

This form must be completed and submitted to AMCO's main office prior to altering the existing floor plan. The licensed premises may not be altered unless and until the AMCO Director has given written approval on this form. Please note that licensees seeking to change licensed premises diagrams for multiple licenses must submit a separate completed copy of this form for each license.

Yes No

I have attached blueprints, CAD drawings, or other supporting documents in addition to, or in lieu of, the second page of this form.



Section 1 – Establishment Information

Enter information for the licensed establishment.

Licensee:	RCFC, LLC	License Number:	10005
License Type:	Standard Marijuana Cultivation Facility		
Doing Business As:	Rosie Creek Farm		
Premises Address:	2659 Livingston Loop		
City:	Fairbanks	State:	AK
		ZIP:	99709





Alaska Marijuana Control Board

Form MJ-14: Licensed Premises Diagram Change

Alcohol and Marijuana Control Office

550 W 7th Avenue, Suite 1600

Anchorage, AK 99501

marijuana.licensing@alaska.gov

<https://www.commerce.alaska.gov/web/amco>

Phone: 907.269.0350

Section 2 – Detailed Premises Diagram

Clearly indicate the boundaries of the premises and the proposed licensed area within that property. Clearly indicate the interior layout of any enclosed areas on the proposed premises. Clearly identify all entrances, walls, partitions, counters, windows, areas of ingress and egress, restricted access areas, and storage areas. Include dimensions in your drawing. Use additional copies of this form or attached additional documents as needed.





Alaska Marijuana Control Board

Form MJ-14: Licensed Premises Diagram Change

Alcohol and Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

Section 3 – Declarations and Approvals

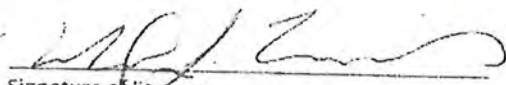
Read the line below, and then sign your initials in the box to the right of the statement:

Initials

If a local building permit is required, I have attached a copy of it to this form.

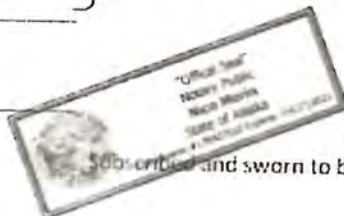
☐


As a marijuana establishment licensee, I declare under penalty of unsworn falsification that I have examined this form, including all attachments, and to the best of my knowledge and belief find the provided information to be true, correct, and complete.


Signature of licensee

Michael J Emers

Printed name of licensee




Notary Public in and for the State of Alaska.

My commission expires: 9-27-21

I do hereby certify and swear to before me this 9 day of May, 2017.

Local Government Review (to be completed by an appropriate local government official):

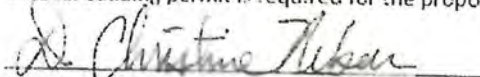
Yes No

The proposed changes shown on this form conform to all local restrictions and laws.

☒ ☐

A local building permit is required for the proposed changes.

☐ ☒


Signature of local government official

5-8-17
Date

D. Christine Nelson
Printed name of local government official

Community Planning Director
Title

AMCO Review:

Approved Disapproved

☐ ☐

Signature of AMCO Enforcement Supervisor

Signature of Director:

Printed name of AMCO Enforcement Supervisor

Printed name of Director

Date

AMCO Comments:



License 10005 - Rosie Creek Farm

MJ-14 Diagram Narrative

We are proposing a premises diagram change to reflect both changes in our operating plan in an accompanying MJ-15 and changes to the restricted access areas (RAA) and licensed premises areas for our standard cultivating facility, and to accommodate a new proposed product manufacturing license application.

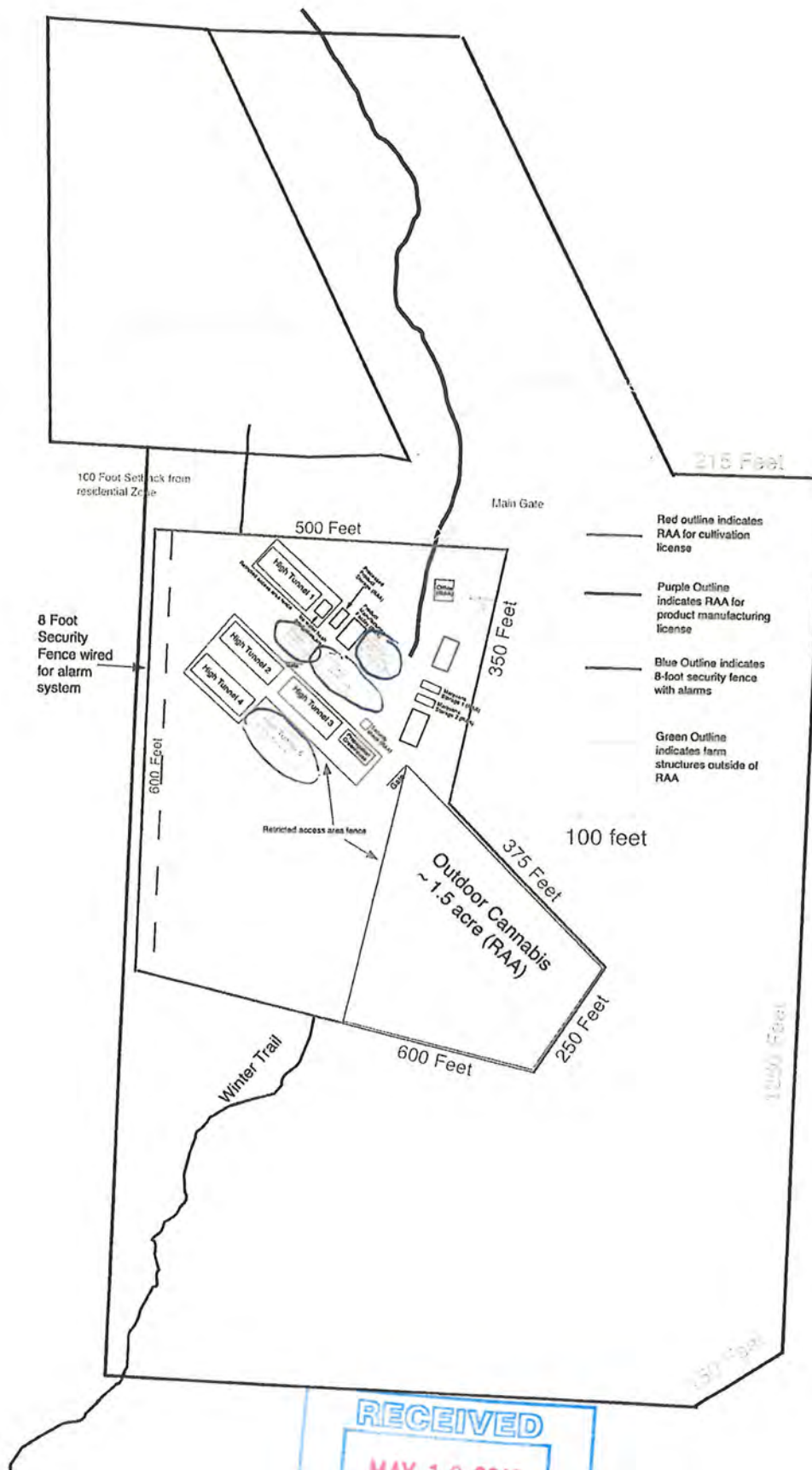
The outer eight foot "security fence" is staying the same. We are adding fences within the outer fence that will enclose outdoor cultivation areas. These are the RAA fences. These inner fences will be the required six-foot tall and provide a visual and physical barrier.

We are also adding two more structures and one greenhouse to our licensed premises. We are adding two "marijuana storage" units that are secure 8' x 20' storage containers (connexes). These two containers are of steel construction and will have the required commercial grade locks and be designated as RAA's.

The one new greenhouse ("Propagation Greenhouse") is a 20' x 48' structure of steel bows covered by 2 layers of greenhouse film. This will serve for seed production and will be within a RAA fence.

Instead of the entire area fenced in by the 8 foot security fence being designated as the cultivation facility's licensed premises, we are proposing that only those areas indicated on our proposed new diagram outlined in red be the licensed premises. All other areas within the security fence (that aren't designated as the product manufacturing facility) will be unlicensed areas.





RECEIVED
MAY 10 2018
ALCOHOL MARIJUANA CONTROL OFFICE
STATE OF ALASKA

MJ-14 Premises diagram map key

Description	Construction	Restricted Access Area?	Licensed Premises?	Use	Dimensions	Area
Security Fence	Steel posts @20' and 12 ga. wire mesh	no	no	Outer security Fence		
Restricted access area fences	Wire mesh fences, w. steel posts	yes	yes	Inner fences for restricted access areas within farm compound		
High Tunnel 1	Steel frame and greenhouse plastic	yes	yes	Cannabis growing and trimming	96' x 30'	2880 ft ²
High Tunnel 2	Steel frame and greenhouse plastic	yes	yes	Cannabis growing and trimming	96' x 30'	2880 ft ²
High Tunnel 3	Steel frame and greenhouse plastic	yes	yes	Cannabis growing and trimming	96' x 30'	2880 ft ²
High Tunnel 4	Steel frame and greenhouse plastic	yes	yes	Cannabis growing and trimming	96' x 30'	2880 ft ²
High Tunnel 5	Steel frame and greenhouse plastic	no	no	Cherry Tomatoes	96' x 30'	2880 ft ²
Tomato Greenhouse	Wood frame and greenhouse plastic	no	no	Tomatoes	96' x 20'	1920 ft ²
Pepper Greenhouse	Wood frame and greenhouse plastic	no	no	Vegetables	40' x 20'	800 ft ²
Vegetable processing shed and cold storage	Timber frame mostly open air. On concrete pad.	no	no	Vegetable processing, packing	40' x 20'	800 ft ²
Propagation Greenhouse	Steel frame and greenhouse plastic	yes	yes	Cannabis growing and seed increases	20' x 48'	960 ft ²
Product Manufacturing Facility	Modular building (ATCO units)	yes	Yes for proposed new product	Employee bathroom,	20' x 24' (double unit)	480 ft ²



			manufacturing facility	trimming, product manufacturing		
Ice, Water Hash Production area	Open Air moveable tent	yes	Yes for proposed new product manufacturing facility	Ice water hash production	10' x 10'	
Processed Product Storage	Steel storage container, insulated and heated	yes	Yes for proposed new product manufacturing facility	product storage (concentrates)	8' x 20'	160 ft ²
Farm Office	Frame	yes	yes	office	24' x 16'	384 ft ²
Marijuana Storage 1	Steel storage container	yes	yes	Product storage	8' x 20'	160 ft ²
Marijuana Storage 2	Steel storage container	yes	yes	Product storage	8' x 20'	160 ft ²
Processed Product Storage	Steel storage container, insulated and heated	yes	Is the same one as above?	product storage (concentrates)	8' x 20'	160 ft ²
Security Shack	Frame	yes	yes		8' x 12'	96 ft ²
Well		no	no			
Outhouse	Alaska outhouse construction	no	no			32 ft ²



Current MJ-14 Premises Diagram



Notice of Violation

(3AAC 306.805)

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

Date: 04-03-18

Licensee: RCFC, LLC

DBA: Rosie Creek Farm

License #/Type: 10005/Standard Marijuana Cultivation Facility

Address: 2659 Livingston Loop, Fairbanks, AK 99709

AMCO Case #: AB17-0000445

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana 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 08/22/2017 Investigator Amanda Stonecipher and I went to Rosie Creek Farm, license # 10005, standard marijuana cultivation facility, to inspect a large amount of waste the licensee reported to AMCO he intended to destroy. While on the premises I saw a team of contracted workers trimming harvested marijuana on a table located outside between high tunnels 3/5 and 2/4. Upon checking the licensee's security camera position the contractor crew was working in an area that was not being covered by video surveillance. The area the crew was working out was supposed to have video surveillance camera coverage however the licensee had repositioned several cameras and did not notify AMCO.

This is a violation of 3 AAC 306.430(d) and 3 AAC 306.720(b):

3 AAC 306.430: RESTRICTED ACCESS AREA

(d) A marijuana cultivation facility shall have full video surveillance of the licensed premises as required under 3 AAC 306.720, including any area where marijuana is grown, processed, packaged, or stored, or where marijuana waste is destroyed.

3 AAC 306.720: VIDEO SURVEILLANCE

(b) At a marijuana establishment, a required video camera must be placed in a way that produces a clear view adequate to identify any individual inside the licensed premises, or within 20 feet of each entrance to the licensed premises. Both the interior and the exterior of each entrance to the facility must be recorded by a video camera.

3 AAC 306.805 provides that upon receipt of a Notice of Violation, a licensee may request to appear before the board and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice. A licensee may respond, either orally or in writing, to the Notice. 3 AAC 306.810(3)(A)(B)(C) failed, within a reasonable time after receiving a notice of violation from the director, to correct any defect that is the subject of the notice of violation of AS 17.38 or this chapter, a condition or restriction imposed by the board or other applicable law.

IT IS RECOMMENDED THAT YOU RESPOND IN WRITING TO DOCUMENT YOUR RESPONSE FOR THE MARIJUANA CONTROL BOARD.


*Please send your response to the address below and include your Marijuana Establishment License Number in your response.

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

Issuing Investigator: M. Chiesa

Received by:

SIGNATURE:



SIGNATURE:

Delivered VIA: Email

Date:

Surprisingly, I just received a telephone call from DOT's Department of Weights and Measures just now, letting us know they would be in town in the coming weeks to re-certify our scales. I used the call as an opportunity to question, Marjory (Gidget), Sanders (DOT's field officer in Anchorage) on this very topic. She thought that there had been a new determination made by AMCO that did specifically state that scales used to weight freshly harvested plants must be certified. She thought that these scales had to be accurate to within an ounce, however she ultimately was unsure and directed me back to Donald Brewer, who I just got off the phone with. Mr. Brewer was unaware that there had been any change of policy from AMCO since we had last spoken in August of 2016. He did say he had certified a few similar spring type hanging scales used by marijuana cultivators this year and that they were accurate to within 10 grams, but had not been told that this was mandatory for all cultivators. He reiterated that his department only regulates scales used for commercial transactions and that there are many other industries who are required to use certified scales for such transactions but not for initial weights (i.e. commercial fishing industry). Mr. Brewer said he was available to further discuss with issue directly with you if you wish.

I firmly believe that I approached this issue with due diligence and proceeded in a way that was in accordance with the directions given by METRC, AMCO and the DOT. We purchased top-of-the-line spring scales to use for harvest and attempted to weigh plants accurately, which I believe we have done. If there are other areas in which we have not performed to satisfaction, I apologize, but I do not believe this to be one."

Camera-contractors – NOV Number 6

This happened on August 22, 2017. We heard no concerns about it until this April 3, 2018 NOV. We did have camera coverage in the exact place where the contractors were working but not in the walkway where they would enter and exit from the trimming area. Upon discussion with the Enforcement officers, they helped us determined the best placement for the new cameras and we followed their direction immediately, installed the camera, and remedied the situation.

As for the repositioning of the cameras, we had redundancy on coverage and moved some cameras to provide better overall coverage of the facility.

Camera-Connex - NOV Number 7

This event occurred on 7/13/17. We heard no concerns about it till this April 3, 2018 NOV. At that time, and contrary to what is in the NOV, we did not have marijuana stored in the connex on this date since harvesting of marijuana did not start until July 21st 2017. We installed a camera in that connex in late July and began storing marijuana there in late August 2017. The NOV is accurate that we had the connex on the premises prior to having it approved on our licensed premises.

Camera-Gates – NOV Number 8



Notice of Violation

(3AAC 306.805)

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

Date: 04-03-18

Licensee: RCFC, LLC

DBA: Rosie Creek Farm

License #/Type: #10005 Standard Cultivation

Address: 2659 Livingston Loop, Fairbanks, AK

AMCO Case #: AB17-0000445

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana 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 August 22, 2017 licensee Michael Emers was asked to produce signed copies of all manifests to 12-6-17. Out of 27 complete manifests submitted by Mr. Emers, 19 of them had discrepancies. Manifest #'s with discrepancies are: 5501, 10801, 11301, 14102, 14701, 19501, 23801, 23802, 27703, 30002, 31001, 33202, 35902, 40302, 55601, 67702, 54601, 92318, and 94403. Two other manifests were found in METRC with errors, 103611 and 124101. Discrepancies primarily were missing route information, times, and signatures. Three of the manifests with the most serious discrepancies are listed below. All other manifests and their discrepancies are detailed further in an attached memo.

1. Manifest #30002 dated 2/28/17 to Goodsinse, LLC. The manifest is only missing the transporting party's signature. However, at the bottom left hand corner of the paper, the print date indicates 8/26/2017 9:15:12 am; as timestamped by METRC as the print time. In the bottom right corner, the METRC Form date is indicated as 05/2017. This documents the manifest provided was printed AFTER Mr. Emers was requested to provide completed manifests on 8/22/17. It was also printed approximately 6 months AFTER the transport occurred. On 11/30/17, Daniel Peters with Goodsinse LLC confirmed Mr. Emers brought over approximately 4-5 manifests to sign from previous transports. Mr. Peters confirmed manifest #30002 was signed at a much later date than the transport, but could not recall the exact date. He was unable to confirm which others were Mr. Emers requested he sign.
2. Manifest # 103611 dated 9/13/17 to Weed Dudes. In the route to be traveled, it is indicated the transporter went to Frozen Budz Retail and was there until 4am the next morning. The licensees at Frozen Budz stated the transporter simply picked up product from their facility and departed immediately. None of Rosie Creek Farm's product was ever stored at their facility; nor did the transporter stay overnight at their facility. It is unknown where the product was from the time the transporter picked up product at Frozen Budz until 4 am the next morning.
3. Manifest #124101 dated 11/4/17 to Weed Dudes. In the route to be traveled, it is indicated the transporter picked up the product from Rosie Creek Farm and drove to the Westmark Hotel in Fairbanks where she stayed until 4 am the next day.

This is a violation of: 3 AAC 306.435 Marijuana Inventory Tracking System, 3 AAC 306.730 Marijuana Inventory Tracking System, 3 AAC 306.750(c)(d)(f) Transportation, and Business Records 3 AAC 306.755 (a)(9).

3 AAC 306.805 provides that upon receipt of a Notice of Violation, a licensee may request to appear before the board and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice. A licensee may respond, either orally or in writing, to the Notice. 3 AAC 306.810(3)(A)(B)(C) failed, within a reasonable time after receiving a notice of violation from the director, to correct any defect that is the subject of the notice of violation of AS 17.38 or this chapter, a condition or restriction imposed by the board or other applicable law.

IT IS RECOMMENDED THAT YOU RESPOND IN WRITING TO DOCUMENT YOUR RESPONSE FOR THE MARIJUANA CONTROL BOARD.

*Please send your response to the address below and include your Marijuana Establishment License Number in your response.

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

Issuing Investigator: A. Stonecipher

Received by:

SIGNATURE:



SIGNATURE:

Delivered VIA: Email

Date:

Responses to NOV's served on Mike Emers on April 3, 2018 – for issues dating back to Winter of 2016-2017

These NOV's were delivered in one large group a day before the April 3, 2018 MCB meeting. The NOV's do not have different case numbers, therefore I am responding by giving them their own identifying number to help AMCO staff and the MCB keep track of which response goes with which NOV:

Manifests – NOV No. 1:

I will address each of the manifests below:

5501, 10801, 11301, 14102, 14701, 19501, 23801, 23802, 27703, 31001, 33202, 35902, 40302, 55601:

Route description truncated. In a continual effort to improve my understanding of the regulations, I have had multiple meetings with Investigator Stonecipher. During my meeting on 9/21/2017 with Investigator Stonecipher, she pointed out a problem with my manifests. She thought I was not completely filling out the route in the manifest. Although looking at the printed hardcopy of the manifests in question, it would appear that I did not fill out the entire route intended for travel. However, I actually did fill out the complete route.

Background: I first noticed this problem on Manifest 19501 Jan., 2017, soon after I had received NOV correspondence from Investigator Bankowski about a problem with another manifest. It was then that I inspected all of my previous manifests carefully and noticed the following: When I entered an entire route into Metrc, I could see the complete route as it was originally typed. However, when those manifests were printed, it had cut off (truncated) the route description after four lines. I noticed that the whole route didn't print, so I checked back in Metrc to view what I had typed and the entire route description was there electronically. Since I could see it in Metrc, I assumed that Enforcement could as well. I alerted Metrc to this issue in a phone call on January 30, 2017. Viewing the memo from Metrc that Investigator Stonecipher has produced (Exhibit 1a), there is a suggestion from Metrc on how this problem could be fixed – that is: by printing out a blank manifest and continuing the route description on the blank copy. Although this is Metrc's suggestion, I do not recall Metrc communicating this with me. The memo suggests that this is an internal Metrc memo and was not communicated to me. If I were instructed to do this, then I would have.

Although I did contact Metrc about the problem when it first occurred, I should have followed up with them in the subsequent times that it had happened. This would have provided a record of my efforts to fix a continuing problem. However, as I stated above, since I could always view what I had originally typed electronically, I thought that the vital information was retained and the paper manifest was just a formality. During my Sept. 21, 2017 meeting with Investigator Stonecipher, she pointed out Enforcement doesn't have time to look at every manifest online and if I were to be stopped along the route by another agency, it would appear as it was printed – with an incomplete route. When Investigator Stonecipher pointed out this error in my manifests, I immediately contacted Metrc again about the truncated route descriptions. Metrc trouble ticket

RECEIVED

MAY 10 2018

ALCOHOL/MARIJUANA CONTROL OFFICE
STATE OF ALASKA

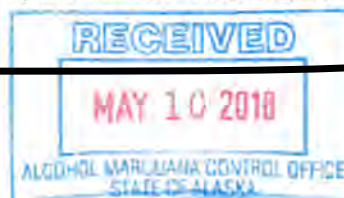
#129948 refers to my conversation with Metrc about this and that I should have used commas between route changes instead of a return key. Metrc customer service suggested that I was being too detailed with my route descriptions and the buffer in Metrc for these entries truncated the description.

On Sept. 22, 2017, the day after meeting with Investigator Stonecipher, I talked to Metrc again about the manifest truncation issue. They told me that the "planned route text" was too long. I explained that the route didn't always get cut off, so I didn't think it really was the length issue, and I asked Metrc if they could give AMCO a letter stating that I wasn't trying to cut the route short on purpose, but that it was caused by the Metrc computer system. I was told no. (see attached Exhibit 1b). Please also review the entry on Sep. 22, 2017, when a Metrc employee sent me a note that indicated that development was looking into it and again they said "the issue should resolve if you use a comma instead of the return key". (See p. 3 of Exhibit 1c.)

I was surprised to see supplementary documents Investigator Stonecipher provided that outlined her communication with Metrc. (Exhibit 1d). In reading through Investigator Stonecipher's correspondence with Metrc about this problem, Metrc suggests that this was not a Metrc problem, but instead my error, which is opposite from what was relayed to me during my conversation with Metrc. If you look at Exhibit 1b, my communication with Metrc, "they need to stop hitting return after each direction." I don't understand how Metrc can confirm to me, the licensee, that there is an issue with using the return key and that could make route descriptions get cut off, and then on the other hand, tell AMCO it was my error. I cannot state emphatically enough how the statements from Metrc to AMCO contradict what actually happened. In further discussions during my Metrc visit with Mr. Kelly Jenkins on 10/19/17, he told me that this truncation of route description was an early artifact of Metrc Manifests for Alaska that they had cleared up the problem by spring of 2017. I informed AMCO about this conversation in an email on 10/20/17. (Exhibit 1e).

Looking at these manifests electronically in Metrc, one will see the entire route descriptions have always been there. Since Metrc does not allow changes once a manifest is "received" by another facility, they are showing what I actually typed at the time. I entered the full route description into the Metrc System, please see the attached March 24, 2017 Transport Manifest 40302, attached as Exhibit 1f. This Exhibit includes two pages – one, printed 4.30.2018, was recently downloaded for this response and as you can see it has the Metrc Form rev. 2018-01 (newer form) and it shows the whole route that I put in. The second page, you will note at the bottom, is on a form rev. 1/2017 and represents the manifest that was printed out on the date the package(s) were delivered. I have not made any changes in Metrc to what was entered at the time. However, it is the *format* in which the forms were changed over the past year by Metrc that shows the differences of how manifests printed out in 2017 versus how they are printed out now. Another similar example (Exhibit 1g) is the trip manifest 27703 for Feb. 23 2017. The recently (5/7/2018) downloaded version shows the whole route, and the printed out version from 2017 shows the route being truncated.

Summary: Although, I entered the route descriptions correctly and followed proper manifest preparation procedure, there was a problem in Metrc's printing of the manifests in question. In the future, if a problem persists, I will continually alert both AMCO and Metrc.



Manifest 30002: Up until my annual inspection in July 13, 2017 I was operating on this assumption for transporting marijuana:

306.470 d(3): generating a transport manifest from the marijuana cultivation facility's marijuana inventory tracking system; the transport manifest must remain with the marijuana at all times while being transported, and a copy must be given to the licensed marijuana establishment that receives the shipment.

I did not read in this regulation for packaging and transporting marijuana that I needed to keep a copy of the manifest with myself, only that I must leave one with the end recipient. It also does not state in regulations that manifests need to be signed.

Also for keeping transportation records required under 306.755 a(9) it states:

transportation records for marijuana and marijuana products as required under 3 AAC 306.750 (f) .

I assumed the Metrc record was adequate and complete for this because it does not state that I needed to keep the paper records for this, all manifests are kept electronically on the metrc system and are accessible at any time via metrc.

However noting that Investigator Stonecipher requested that I keep the paper copies for my records, I did indeed go to Dan Peters of Goodsinse to have copies of the paper records I was missing. Following my meeting with Investigator Stonecipher in September 2017, we changed our policies. I now take two copies of both the manifest and invoice. After both parties sign them, both the recipient and myself are left with their own copy.

Manifest #103611 to Weed Dudes. Is incorrect. Chasady Didrickson from Weed Dudes (Michelle Cleavers assistant) confirms that she had the packages locked in the Frozen Budz lockup for the night along with other packages she was transporting. She retrieved the packages the next morning and proceeded to FAI en-route to Sitka. It was her understanding she needed to do this to ensure security of the packages. I should have written in the manifest that the product would be stored on a licensed premises (Frozen Budz) overnight.

Manifest #124101 to Weed Dudes. This is correct, Ms. Cleaver from Weed Dudes did keep the packages in her possession through her stay at the Westmark and depart to FAI the next morning (at 4AM). This is how Ms. Cleaver currently does transports after learning that she does not need to keep the product locked at a facility when she is traveling overnight as she did earlier in manifest 103611.

Metrc NOV NO. 2

As a preliminary matter – this NOV makes many accusations but lacks detail. It is only three sentences long and does not provide specifics for me to reply to. I understand that our outdoor operation differs from the majority indoor grows in the state but since we both grow outdoors and use auto-flowering strains of marijuana

(https://en.wikipedia.org/wiki/Autoflowering_cannabis) which behave differently from standard strains, we are bound to have differences with the majority of growers in the state.



Exhibit 1a



10/5/2017

<https://metrc.freshdesk.com/helpdesk/tickets/81287/print>

by **Todd Golden** on **Mon, Jan 30 at 6:04 PM** as **Private note**

He can't view it. Have him print out a blank manifest and write in the rest of the directions on the 2nd manifest.

Todd Golden

Associate Director Program Development, METRC

(M) 720 651 1389

todd.golden@franwell.com

by **Tina Pilkinton** on **Mon, Jan 30 at 6:23 PM** as **Private note**

1. If he needs more room to document his planned route then he will need to print a blank manifest and write the rest of the directions on the second manifest.

2. His immature batches can have no more than 50 clones per batch. If his internet is slow then he can assign tags to a small amount of clones at a time from that batch so his system does not time out. We do not have a report for him to upload a spreadsheet for his clones. The only uploads available are the change growth phases, change rooms, destroyed plants and package adjustments.

3. The only training we have at this time is available under www.metrc.com (<http://www.metrc.com/>) and select Alaska under customers. We are not offering onsite visits at this time. They will add them to the list for when they will offer onsite visits.

by **Jeanyfer Maier** on **Thu, Feb 2 at 2:01 PM** as **Private note**

Left message with Sam with ticket number

by **Jeanyfer Maier** on **Sat, Feb 4 at 6:00 PM** as **Private note**

left multiple voicemails

<https://metrc.freshdesk.com/helpdesk/tickets/81287/print>

RECEIVED

MAY 10 2018

ALCOHOL MARIJUANA CONTROL OFFICE
STATE OF ALASKA

Exhibit 1b



by **Tricia Mills** on **Fri, Sep 22 at 2:50 PM** as **Private note**

No, we do not provide letters such as this to the industry. We will ask development about it however they need to stop hitting return after each direction and put a comma instead.

Spoke to Jesse in Development and the information showing is all of the information that was typed in the directions. The information is not truncating per Jesse.



Exhibit 1c



by **Jaala Pruitt** on **Fri, Sep 22 at 2:58 PM** as **Outbound email**
Mike,

<https://metrc.freshdesk.com/helpdesk/tickets/129948/print>

2/3

10/5/2017

<https://metrc.freshdesk.com/helpdesk/tickets/129948/print>

I looked into this for you, and we do not provide letters such as this to the industry. We are going to ask development about the issue, but in the meantime, it should resolve if you use commas instead of the return key.

Thank you, and have a wonderful weekend!

Jaala Pruitt
METRC Support Desk
877-566-6506



Exhibit 1d



Stonecipher, Amanda M (CED)

From: Kelly Jenkins <kelly.jenkins@franwell.com>
Sent: Monday, October 23, 2017 9:53 AM
To: Stonecipher, Amanda M (CED)
Cc: Tricia Mills
Subject: Re: Site visit from Metrc

If it was truncated, it appears that it was done when he printed it, not when he registered the transfer in Metrc or when he viewed it as a PDF to print. So to be accurate, I can not say that it was not truncated at all, only that it was not truncated by the software. Simply put, they may have used "Fit to page" or another change to ensure the manifest was only one page long.

We can always go back in and look at specific manifests if you would like us to pull them. I could also create a screenshot of the manifest as it was registered, as it is viewed in the PDF and as it is printed. Would that be helpful?

From: Stonecipher, Amanda M (CED) <amanda.stonecipher@alaska.gov>
Sent: Monday, October 23, 2017 11:38:25 AM
To: Kelly Jenkins
Subject: RE: Site visit from Metrc

Hi Kelly,

So just confirming I understand correctly – Mr. Emers did not put the complete route in and the system did not "truncate" the route as he is claiming correct?

Thanks!

Amanda

From: Kelly Jenkins [mailto:kelly.jenkins@franwell.com]
Sent: Monday, October 23, 2017 9:32 AM
To: Stonecipher, Amanda M (CED) <amanda.stonecipher@alaska.gov>; Tricia Mills <tricia.mills@franwell.com>
Subject: Re: Site visit from Metrc

Hello Amanda,

When meeting with Mike last week he did bring up the issue of the manifests. When discussing, I told him that it was probably being done from the printer but that we had also been working on expanding the transfer manifest route earlier this year. I did not specify a time frame that we were working on that and did not say that was the cause, but I did mention it.

After originally discussing the issue with Tricia, she kicked it up to our Lead Developer to investigate. Jesse and our Dev team pulled the original manifests and analyzed the code to ensure this was not the cause of the system and confirmed that it was not.

From: Stonecipher, Amanda M (CED) <amanda.stonecipher@alaska.gov>
Sent: Monday, October 23, 2017 10:47:54 AM
To: Kelly Jenkins; Tricia Mills
Subject: FW: Site visit from Metrc



Tricia and Kelly,

I need to confirm this "truncating" of the manifests. This is conflicting information from what I've been told. We are ready to write him a notice of violation for the issue, and I want to be 100% certain this is the licensee's error and not the system's error.

Thanks!

Amanda Stonecipher

Special Investigator I
Enforcement Unit

Alcohol & Marijuana Control Office

1648 S. Cushman St., Ste 203
Fairbanks, AK 99701

Office (907) 451-2748
Cell (907) 987-6656

amanda.stonecipher@alaska.gov



-----Original Message-----

From: Mike Emers [<mailto:mike@rosiecreekfarm.com>]

Sent: Friday, October 20, 2017 11:06 AM

To: Stonecipher, Amanda M (CED) <amanda.stonecipher@alaska.gov>; Chiesa, Michael R (CED) <michael.chiesa@alaska.gov>; CED AMCO Enforcement (CED sponsored) <amco.enforcement@alaska.gov>

Cc: Matt Springer <matt@rosiecreekfarm.com>; Jana Weltzin <jana@jdwccounsel.com>; Valerie Mastolier <valerie@jdwccounsel.com>; kelly.jenkins@franwell.com

Subject: Site visit from Metrc

Dear Amanda and Mike,

I had a site visit from Kelly Jenkins of Metrc yesterday (10/19/2017), who spent 2 hours with us going over questions and issues we had with our tracking system.

The main issue was that we were over-reporting waste - namely waste from moisture loss due to drying. What we had done was the following: after weighing all our harvest batches after the season we recorded remaining weights and compared those with what was listed in Metrc. We then reported the difference as waste due to moisture loss from drying on October 18th. Kelly told us that this was unnecessary since Metrc records this on its own after we "finish" a harvest batch. Although it was a relief to understand this we still have the problem that we over-reported waste that we did not need to. Kelly will meet with Director McConnell and inform him of the situation and come up with a solution to fix it. I will forward you the email of the report he sent to us.

Another issue we discussed was the "truncating" of route descriptions in manifests. All of the truncated route descriptions that you brought to my attention in our September meeting were shortened at 4 lines. He explained to me that from January through April of this year, Metrc was trying to come up with a fix to the lengthy route descriptions in Alaska and ended up shortening the print-outs. After some sleuthing, we found my entire route descriptions typed into the manifests that were never seen in the print-outs. I should have caught this at that time and informed both you and Metrc of the problem.

We also discussed issues concerning clarifications on data entry and interface, testing, creating packages, and general managing of our account.

I will forward you his report and keep you in the loop on any pertinent information he might have concerning the above issues.

Thanks,

Mike Emers
Rosie Creek Farm



Exhibit 1e



From: Me <mike@rosiecreekfarm.com> ★
Subject: Site visit from Metrc

To: Stonecipher, Amanda M (CED) <amanda.stonecipher@alaska.gov> ★, Chiesa, Michael R (CED) <michael.chiesa@alaska.gov> ★, CED AMCO Enforcement (CED sponsored) <amco.enforcement@alaska.gov> ★
Cc: Matt Springer ★, Jana Weltzin <jana@jdwounsel.com> ★, Valerie Mastoller <valerie@jdwounsel.com> ★, kelly.jenkins@franwell.com ★

Reply Reply All Forward Archive Junk Delete More
10/20/17, 11:05 AM

Dear Amanda and Mike,

I had a site visit from Kelly Jenkins of Metrc yesterday (10/19/2017), who spent 2 hours with us going over questions and issues we had with our tracking system.

The main issue was that we were over-reporting waste - namely waste from moisture loss due to drying. What we had done was the following: after weighing all our harvest batches after the season we recorded remaining weights and compared those with what was listed in Metrc. We then reported the difference as waste due to moisture loss from drying on October 18th. Kelly told us that this was unnecessary since Metrc records this on it's own after we "finish" a harvest batch. Although it was a relief to understand this we still have the problem that we over-reported waste that we did not need to. Kelly will meet with Director McConnell and inform him of the situation and come up with a solution to fix it. I will forward you the email of the report he sent to us.

Another issue we discussed was the "truncating" of route descriptions in manifests. All of the truncated route descriptions that you brought to my attention in our September meeting were shortened at 4 lines. He explained to me that from January through April of this year, Metrc was trying to come up with a fix to the lengthy route descriptions in Alaska and ended up shortening the print-outs. After some sleuthing, we found my entire route descriptions typed into the manifests that were never seen in the print-outs. I should have caught this at that time and informed both you and Metrc of the problem.

We also discussed issues concerning clarifications on data entry and interface, testing, creating packages, and general managing of our account.

I will forward you his report and keep you in the loop on any pertinent information he might have concerning the above issues.

Thanks,
Mike Emers
Rosie Creek Farm



Exhibit 1f





ALCOHOL & MARIJUANA CONTROL OFFICE
MARIJUANA TRANSPORTATION MANIFEST

All sales transactions are to be completed prior to transportation of any MARIJUANA. The receiving entity may reject product delivered, but amount delivered must be limited to amount agreed upon in prior sales transaction.

Manifest #:	0000040302	Date Created:	3/24/2017 1:10 PM
Originating Entity:	ROSIE CREEK FARM		For Agency Use Only
Originating License Number:	4a-10005		
Address of Originating Entity:	2659 Livingston Loop Fairbanks, AK		
Phone No. of Originating Entity:	9074793642		
Contact Phone No. for Inquiries:		9074793642	
Destination # 1:	GOODSINSE LLC	Destination Phone No.:	9073477689
Destination License Number:	4a-10279	Date and Approximate Time of Departure:	3/24/2017 2:00 PM
Address of Destination:	2604 Davis rd. Fairbanks, AK	Date and Approximate Time of Arrival:	3/24/2017 2:30 PM
		Date/Time Received:	3/24/2017 2:43 PM
		Notes: details for extenuating circumstances (e.g., road closure, flat tire, etc.)	
Route to be Traveled: Farm to Kallenberg Road to Cripple Creek To Parks Highway to University Road to Davis Road to Goodsense			
Name of Person Transporting:	Michael Emers	Handler Permit No. of Driver:	10522
State Driver's License No.:	ADL 6574513	Signature of Person Transporting:	
Make, Model, License Plate No.:	Toyota Matrix EGC 534		
Package Label	Harvest Name	Item Name	Weight/Quantity
1A40203000000CA000000112 Status: Accepted	Cheese HT 4 25 Aug	Cheese HT Harvest 2016 Trim (Leaf/Trim)	Shp: 195.0000 g Rcv: 195.0000 g
1A40203000000CA000000113 Status: Accepted	Onyx Field 21 Sep	Onyx Field Harvest 2016 Trim (Leaf/Trim)	Shp: 86.0000 g Rcv: 86.0000 g
1A40203000000CA000000114 Status: Accepted	Amnesia HT 4 26 Aug	Amnesia HT Harvest 2016 Trim (Leaf/Trim)	Shp: 224.0000 g Rcv: 224.0000 g
PRODUCT REJECTION (if only a portion of shipment is rejected, circle that portion above)			
Name of Person Receiving or Rejecting Product:			
I confirm that the contents of this shipment match weight records entered above, and I agree to take custody of those portions of this shipment <i>not</i> circled above. Those portions circled were returned to the individual delivering this shipment.			
Signature:		Date:	
Signature of individual taking receipt of rejected portion of this shipment:			





METRC®

MARIJUANA/CANNABIS TRANSPORTATION MANIFEST

All sales transactions are to be completed prior to transportation of any Marijuana/Cannabis. The receiving entity may reject product delivered, but amount delivered must be limited to amount agreed upon in prior sales transaction. If the person transporting Marijuana/Cannabis has not yet received his or her Occupational License Number, please put "Pending" in the appropriate field.

Manifest #:	0000040302	Date Completed:	3/24/2017 1:10 PM
License # of Originating Entity:	4a-10005	For Agency Use Only	
Name of Originating Entity:	ROSIE CREEK FARM		
Address of Originating Entity:	2659 Livingston Loop Fairbanks, AK		
Phone No. of Originating Entity:	9074793642		
Contact Phone No. for Inquiries:	9074793642		
DESTINATION:	GOODSINSE LLC	Destination Phone No.:	9073477689
Stop Number on Route:	1	Destination License Number:	4a-10279
Address of Destination:	2604 Davis rd. Fairbanks, AK	Date and Approximate Time of Departure:	3/24/2017 2:00 PM
		Date and Approximate Time of Arrival:	3/24/2017 2:30 PM
Route to be Traveled:	Notes: details for extenuating circumstances (e.g., road closure, flat tire, etc.)		
Farm to Kallenberg Road to Cripple Creek To Parks Highway to University Road			
Item Description	Item Label	Weight/Quantity	
Cheese HT Harvest 2016 Trim	1A40203000000CA000000112	195.0000 g	
Onyx Field Harvest 2016 Trim	1A40203000000CA000000113	86.0000 g	
Amnesia HT Harvest 2016 Trim	1A40203000000CA000000114	224.0000 g	
PRODUCT REJECTION (if only a portion of shipment is rejected, circle that portion above)			
Name of Person Receiving or Rejecting Product:	Daniel Peters GoodSense LLC		
I confirm that the contents of this shipment match weight records entered above, and I agree to take custody of those portions of this shipment not circled above. Those portions circled were returned to the individual delivering this shipment.			
Signature:	Daniel Peters GoodSense LLC	Date:	3-24-17
Signature of individual taking receipt of rejected portion of this shipment:			
Name of Person Transporting:	Michael Emers	License No. of Person Transporting:	10522
Signature of Person Transporting:			
Make, Model, License Plate No.:	Toyota Matrix EGC 534		

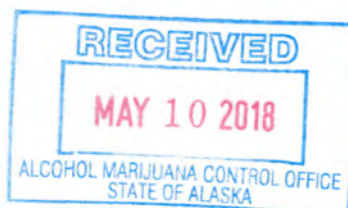


Exhibit 1g



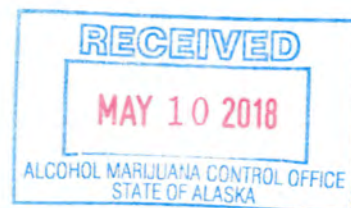


METRC®

MARIJUANA/CANNABIS TRANSPORTATION MANIFEST

All sales transactions are to be completed prior to transportation of any Marijuana/Cannabis. The receiving entity may reject product delivered, but amount delivered must be limited to amount agreed upon in prior sales transaction. If the person transporting Marijuana/Cannabis has not yet received his or her Occupational License Number, please put "Pending" in the appropriate field.

Manifest #:	0000027703	Date Completed:	2/23/2017 10:31 AM
License # of Originating Entity:	4a-10005	For Agency Use Only	
Name of Originating Entity:	ROSIE CREEK FARM		
Address of Originating Entity:	2659 Livingston Loop Fairbanks, AK		
Phone No. of Originating Entity:	9074793642		
Contact Phone No. for Inquiries:	9074793642		
DESTINATION:	DANKORAGE, LLC	Destination Phone No.:	5127796019
Stop Number on Route:	1	Destination License Number:	3a-10306
Address of Destination:	2812 Spenard Road Anchorage, AK	Date and Approximate Time of Departure:	2/24/2017 7:00 AM
		Date and Approximate Time of Arrival:	2/24/2017 10:45 AM
Route to be Traveled:	Notes: details for extenuating circumstances (e.g., road closure, flat tire, etc.)		
Farm to Kallenberg Road to Cripple Creek Road to Parks Highway to Airport Road West			
Item Description	Item Label	Weight/Quantity	
Onyx Field Harvest 2016 Bud	1A40203000000CA000000081	1000.0000 g	
Onyx Field Harvest 2016 Bud	1A40203000000CA000000082	1000.0000 g	
PRODUCT REJECTION (if only a portion of shipment is rejected, circle that portion above)			
Name of Person Receiving or Rejecting Product:			
I confirm that the contents of this shipment match weight records entered above, and I agree to take custody of those portions of this shipment not circled above. Those portions circled were returned to the individual delivering this shipment.			
Signature:	Date:		2-24-17
Signature of individual taking receipt of rejected portion of this shipment:			
Name of Person Transporting:	Michael Emers	License No. of Person Transporting:	10522
Signature of Person Transporting:			
Make, Model, License Plate No.:	Toyota Matrix EGC 534		



MARIJUANA/CANNABIS TRANSPORTATION MANIFEST

All sales transactions are to be completed prior to transportation of any Marijuana/Cannabis. The receiving entity may reject product delivered, but amount delivered must be limited to amount agreed upon in prior sales transaction. If the person transporting Marijuana/Cannabis has not yet received his or her Occupational License Number, please put "Pending" in the appropriate field.

Manifest #:	0000027703	Date Completed:	2/23/2017 10:31 AM
License # of Originating Entity:	4a-10005	For Agency Use Only	
Name of Originating Entity:	ROSIE CREEK FARM		
Address of Originating Entity:	2659 Livingston Loop Fairbanks, AK		
Phone No. of Originating Entity:	9074793642		
Contact Phone No. for Inquiries:	9074793642		
DESTINATION:	CANNTEST, LLC	Destination Phone No.:	9073461333
Stop Number on Route:	2	Destination License Number:	6a-10009
Address of Destination:	620 E Whitney Road Suite B Anchorage, AK	Date and Approximate Time of Departure:	2/24/2017 11:13 AM
Route to be Traveled:	Date and Approximate Time of Arrival:		2/24/2017 11:45 AM
Proceed to CannTest in Dodge Ram 1500, license plate GSC510 via Benson to A Street to 4th Ave		Notes: details for extenuating circumstances (e.g., road closure, flat tire, etc.)	
Item Description	Item Label	Weight/Quantity	
DFG Field Harvest 2016 Trim	1A40203000000CA000000083	4.0000 g	
Onyx HT Harvest 2016 Bud	1A40203000000CA000000067	4.0000 g	
Onyx HT Harvest 2016 Trim	1A40203000000CA000000068	4.0000 g	
Indy HT Harvest 2016 Bud	1A40203000000CA000000069	4.0000 g	
Indy HT Harvest 2016 Bud	1A40203000000CA000000070	4.0000 g	
WW HT harvest 2016 Bud	1A40203000000CA000000071	4.0000 g	
Onyx HT Harvest 2016 Bud	1A40203000000CA000000072	4.0000 g	
Onyx HT Harvest 2016 Trim	1A40203000000CA000000073	4.0000 g	
Onyx Field Harvest 2016 Bud	1A40203000000CA000000075	4.0000 g	
Onyx Field Harvest 2016 Trim	1A40203000000CA000000076	4.0000 g	
DFG Field Harvest 2016 Trim	1A40203000000CA000000077	4.0000 g	
Indy HT Harvest 2016 Bud	1A40203000000CA000000078	4.0000 g	
Onyx Field Harvest 2016 Bud	1A40203000000CA000000079	4.0000 g	
Onyx Field Harvest 2016 Bud	1A40203000000CA000000080	4.0000 g	
PRODUCT REJECTION (if only a portion of shipment is rejected, circle that portion above)			
Name of Person Receiving or Rejecting Product:	<i>Jonathan Ruff</i>		
I confirm that the contents of this shipment match weight records entered above, and I agree to take custody of those portions of this shipment not circled above. Those portions circled were returned to the individual delivering this shipment.			
Signature:	<i>[Signature]</i>		Date: 2-24-17
Signature of individual taking receipt of rejected portion of this shipment:			
Name of Person Transporting:	Michael Emers	License No. of Person Transporting:	10522
Signature of Person Transporting:			
Make, Model, License Plate No.: Toyota Matrix EGC 534			





ALCOHOL & MARIJUANA CONTROL OFFICE
MARIJUANA TRANSPORTATION MANIFEST

All sales transactions are to be completed prior to transportation of any MARIJUANA. The receiving entity may reject product delivered, but amount delivered must be limited to amount agreed upon in prior sales transaction.

Manifest #:	0000027703	Date Created:	2/23/2017 10:31 AM
Originating Entity:	ROSIE CREEK FARM		For Agency Use Only
Originating License Number:	4a-10005		
Address of Originating Entity:	2659 Livingston Loop Fairbanks, AK		
Phone No. of Originating Entity:	9074793642		
Contact Phone No. for Inquiries:		9074793642	
Destination # 1:	DANKORAGE, LLC	Destination Phone No.:	5127796019
Destination License Number:	3a-10306	Date and Approximate Time of Departure:	2/24/2017 7:00 AM
Address of Destination:	2812 Spenard Road Anchorage, AK	Date and Approximate Time of Arrival:	2/24/2017 10:45 AM
		Date/Time Received:	2/24/2017 2:32 PM
		Notes: details for extenuating circumstances (e.g., road closure, flat tire, etc.)	
Route to be Traveled: Farm to Kallenberg Road to Cripple Creek Road to Parks Highway to Airport Road West to FAI board Alaska Airlines flight 2802 (Bombardier Q400) @ 8:50 AM Arrive ACH @ 10:05 AM Picked up in Dodge Ram 1500, license plate GSC510 Proceed to Dankorage via Airport Road to Minnesota to Spenard Road to Dankorage			
Name of Person Transporting:	Michael Emers	Handler Permit No. of Driver:	10522
State Driver's License No.:	ADL 6574513	Signature of Person Transporting:	
Make, Model, License Plate No.:	Toyota Matrix EGC 534		
Package Label	Harvest Name	Item Name	Weight/Quantity
1A40203000000CA000000081 Status: Accepted	Onyx Field 7 Sep	Onyx Field Harvest 2016 Bud (Bud/Flower)	Shp: 1000.0000 g Rcv: 1000.0000 g
1A40203000000CA000000082 Status: Accepted	Onyx Field 7 Sep	Onyx Field Harvest 2016 Bud (Bud/Flower)	Shp: 1000.0000 g Rcv: 1000.0000 g
PRODUCT REJECTION (if only a portion of shipment is rejected, circle that portion above)			
Name of Person Receiving or Rejecting Product:			
I confirm that the contents of this shipment match weight records entered above, and I agree to take custody of those portions of this shipment <i>not</i> circled above. Those portions circled were returned to the individual delivering this shipment.			
Signature:		Date:	
Signature of individual taking receipt of rejected portion of this shipment:			





ALCOHOL & MARIJUANA CONTROL OFFICE

MARIJUANA TRANSPORTATION MANIFEST

All sales transactions are to be completed prior to transportation of any MARIJUANA. The receiving entity may reject product delivered, but amount delivered must be limited to amount agreed upon in prior sales transaction.

Manifest #:	0000027703	Date Created:	2/23/2017 10:31 AM
Originating Entity:	ROSIE CREEK FARM	For Agency Use Only	
Originating License Number:	4a-10005		
Address of Originating Entity:	2659 Livingston Loop Fairbanks, AK		
Phone No. of Originating Entity:	9074793642		
Contact Phone No. for Inquiries:	9074793642		
Destination # 2:	CANNTEST, LLC	Destination Phone No.:	9073461333
Destination License Number:	6a-10009	Date and Approximate Time of Departure:	2/24/2017 11:13 AM
Address of Destination:	620 E Whitney Road Suite B Anchorage, AK	Date and Approximate Time of Arrival:	2/24/2017 11:45 AM
		Date/Time Received:	2/24/2017 12:00 PM
Route to be Traveled: Proceed to CannTest in Dodge Ram 1500, license plate GSC510 via Benson to A Street to 4th Ave to Whitney Road		Notes: details for extenuating circumstances (e.g., road closure, flat tire, etc.)	
Name of Person Transporting:	Michael Emers	Handler Permit No. of Driver:	10522
State Driver's License No.:	ADL 6574513	Signature of Person Transporting:	
Make, Model, License Plate No.:	Toyota Matrix EGC 534		
Package Label	Harvest Name	Item Name	Weight/Quantity
1A40203000000CA000000083 Status: Accepted	DFG Field 12 Sep	DFG Field Harvest 2016 Trim (Leaf/Trim)	Shp: 4.0000 g Rcv: 4.0000 g
1A40203000000CA000000067 Status: Accepted	Onyx HT 2 24 Aug	Onyx HT Harvest 2016 Bud (Bud/Flower)	Shp: 4.0000 g Rcv: 4.0000 g
1A40203000000CA000000068 Status: Accepted	Onyx HT 2 24 Aug	Onyx HT Harvest 2016 Trim (Leaf/Trim)	Shp: 4.0000 g Rcv: 4.0000 g
1A40203000000CA000000069 Status: Accepted	Indy HT 4 25 Aug	Indy HT Harvest 2016 Bud (Bud/Flower)	Shp: 4.0000 g Rcv: 4.0000 g
1A40203000000CA000000070 Status: Accepted	Indy HT 4 25 Aug	Indy HT Harvest 2016 Bud (Bud/Flower)	Shp: 4.0000 g Rcv: 4.0000 g
1A40203000000CA000000071 Status: Accepted	White Widow HT 4 25 Aug	WW HT harvest 2016 Bud (Bud/Flower)	Shp: 4.0000 g Rcv: 4.0000 g
1A40203000000CA000000072 Status: Accepted	Onyx HT 4 1 Sep	Onyx HT Harvest 2016 Bud (Bud/Flower)	Shp: 4.0000 g Rcv: 4.0000 g
1A40203000000CA000000073 Status: Accepted	Onyx HT 4 1 Sep	Onyx HT Harvest 2016 Trim (Leaf/Trim)	Shp: 4.0000 g Rcv: 4.0000 g
1A40203000000CA000000075 Status: Accepted	Onyx Field 19 Sep	Onyx Field Harvest 2016 Bud (Bud/Flower)	Shp: 4.0000 g Rcv: 4.0000 g
1A40203000000CA000000076 Status: Accepted	Onyx Field 19 Sep	Onyx Field Harvest 2016 Trim (Leaf/Trim)	Shp: 4.0000 g Rcv: 4.0000 g
1A40203000000CA000000077 Status: Accepted	DFG Field 20 Sep	DFG Field Harvest 2016 Trim (Leaf/Trim)	Shp: 4.0000 g Rcv: 4.0000 g
1A40203000000CA000000078 Status: Accepted	Indy HT 4 16 Sep	Indy HT Harvest 2016 Bud (Bud/Flower)	Shp: 4.0000 g Rcv: 4.0000 g
1A40203000000CA000000079 Status: Accepted	Onyx Field 8 Sep	Onyx Field Harvest 2016 Bud (Bud/Flower)	Shp: 4.0000 g Rcv: 4.0000 g
1A40203000000CA000000080 Status: Accepted	Onyx HT 2 29 Sep	Onyx Field Harvest 2016 Bud (Bud/Flower)	Shp: 4.0000 g Rcv: 4.0000 g





ALCOHOL & MARIJUANA CONTROL OFFICE
MARIJUANA TRANSPORTATION MANIFEST

All sales transactions are to be completed prior to transportation of any MARIJUANA. The receiving entity may reject product delivered, but amount delivered must be limited to amount agreed upon in prior sales transaction.

Manifest #:	0000027703	Date Created:	2/23/2017 10:31 AM
PRODUCT REJECTION (if only a portion of shipment is rejected, circle that portion above)			
Name of Person Receiving or Rejecting Product:			
I confirm that the contents of this shipment match weight records entered above, and I agree to take custody of those portions of this shipment <i>not</i> circled above. Those portions circled were returned to the individual delivering this shipment.			
Signature:		Date:	
Signature of individual taking receipt of rejected portion of this shipment:			



Notice of Violation

(3AAC 306.805)

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

Date: 04/03/18

Licensee: RCFC, LLC

DBA: Rosie Creek farm

License #/Type: 10005/Standard Marijuana Cultivation Facility

Address: 2659 Livingston Loop, Fairbanks, AK 99709

AMCO Case #: AB17-0000445

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana 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.

08/22/2017 and 09/08/2017 I went to Rosie Creek Farm, license # 10005, standard marijuana cultivation facility, to inspect a large amount of waste the licensee reported to AMCO he intended to destroy. On both visits while on the premises I saw a team of contracted workers trimming harvested marijuana. None of the workers had employee identification or visitor passes visibly displayed while the crews were working in the restricted access area.

This is a violation of 3 AAC 306.710(c):

3 AAC 306.710: RESTRICTED ACCESS AREA

(c) In a restricted access area, a licensee, employee, or agent of the marijuana establishment shall wear a current identification badge bearing the person's photograph. A person under 21 years of age may not enter a restricted access area. Any visitor to the restricted access area must

- (1) show identification as required in 3 AAC 306.350 to prove that person is 21 years of age or older;
- (2) obtain a visitor identification badge before entering the restricted access area; and
- (3) be escorted at all times by a licensee, employee, or agent of the marijuana establishment

3 AAC 306.805 provides that upon receipt of a Notice of Violation, a licensee may request to appear before the board and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice. A licensee may respond, either orally or in writing, to the Notice. 3 AAC 306.810(3)(A)(B)(C) failed, within a reasonable time after receiving a notice of violation from the director, to correct any defect that is the subject of the notice of violation of AS 17.38 or this chapter, a condition or restriction imposed by the board or other applicable law.

IT IS RECOMMENDED THAT YOU RESPOND IN WRITING TO DOCUMENT YOUR RESPONSE FOR THE MARIJUANA CONTROL BOARD.


*Please send your response to the address below and include your Marijuana Establishment License Number in your response.

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

Issuing Investigator: M. Chiesa

Received by:

SIGNATURE:



SIGNATURE:

Delivered VIA: Email

Date:

Article #

This NOV notes that Enforcement noticed this issue on July 13, 2017. We heard no concerns about it until this April 3, 2018 NOV. Although we did have cameras pointed at all of the gates from within the facility, we did not have them positioned outside two of the three gates and facing outwards. The camera placement on the gates has been the same since our initial inspection in July of 2016. Since this was not identified as a violation at our initial inspection, we assumed that we were compliant. We wish that Enforcement had notified us at our initial inspection (2016) that they were not satisfied with the camera placement. We remedied this situation immediately after the July 13, 2017 inspection on one of the gates and on the far gate (where the distance is too great to run wire, we chained that gate shut so that it is no longer an entrance).

Camera HT-1 – NOV number 9

According to the NOV, Enforcement noticed this event on July 13, 2017. We heard no concerns about it until this April 3, 2018 NOV. High Tunnel 1 did collapse (due to snow) in December of 2016 and the cameras were offline as a result. Since there was no marijuana in it and the farm isn't in use during the winter, we did not inform Enforcement. We realize now that we should have. We did assemble the wreckage in the early summer of 2017 and rebuilt it. At that time, we also installed new cameras that were inspected by AMCO in August of 2017.

Premises Change Sept 2017 – NOV Number 10

Please see attached correspondence from my counsel explaining which structures were in use and when that was presented at the April 2018 MCB.

Premises Change – Propagation House – NOV Number 11

Please refer to the same exhibit referenced in NOV Premises change NOV number 10

Please see attached correspondence from my counsel explaining which structures were in use and when that was presented at the April 2018 MCB.

Restricted Access ID – NOV Number 12

It is true that the contractors did not have visitor or employee badges. However, their state issued marijuana cards were in a copy on file in the office - we should have either had them wear visitor badges and this is our mistake.



Unsecured Recording Equipment – NOV number 13

We kept the key for the recording equipment in the recording box for fear of losing it. Since the office is locked after hours and people are going in and out all day, we felt sure of its safety.

Notice of Violation

(3AAC 306.805)

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

Date: 04-03-18

Licensee: RCFC, LLC

DBA: Rosie Creek Farm

License #/Type: 10005/Standard Marijuana Cultivation Facility

Address: 2659 Livingston Loop, Fairbanks, AK 99709

AMCO Case #: AB17-0000445

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana 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 09-08-17 I went to Rosie Creek Farm, license # 10005, standard marijuana cultivation facility, to inspect a large amount of waste the licensee reported to AMCO he intended to destroy. While on the premise, I saw a new structure, another greenhouse building, I did not recall seeing on the licensed premises when I was last there on 08-22-17. I walked through and saw dozens of tagged marijuana plants had been planted in the new structure. Licensee, Emers, told me the structure was referred to as the "Propagation Greenhouse." Emers had created a room for the Propagation Greenhouse in Metrc on 09-07-17.

The approved premise diagram for the licensee does not have the propagation greenhouse on it.

This is a violation of 3 AAC 306.705(c):

3AAC 306.705: LICENSED PREMISE; ALTERATION

(c) A holder of a marijuana establishment license may not alter the functional floor plan or reduce or expand the area of the licensed premises without first obtaining the director's written approval.

3 AAC 306.805 provides that upon receipt of a Notice of Violation, a licensee may request to appear before the board and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice. A licensee may respond, either orally or in writing, to the Notice. 3 AAC 306.810(3)(A)(B)(C) failed, within a reasonable time after receiving a notice of violation from the director, to correct any defect that is the subject of the notice of violation of AS 17.38 or this chapter, a condition or restriction imposed by the board or other applicable law.

IT IS RECOMMENDED THAT YOU RESPOND IN WRITING TO DOCUMENT YOUR RESPONSE FOR THE MARIJUANA CONTROL BOARD.

*Please send your response to the address below and include your Marijuana Establishment License Number in your response.

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

Issuing Investigator: M. Chiesa

Received by:

SIGNATURE:



SIGNATURE:

Delivered VIA: Email

Date:

Article #

This NOV notes that Enforcement noticed this issue on July 13, 2017. We heard no concerns about it until this April 3, 2018 NOV. Although we did have cameras pointed at all of the gates from within the facility, we did not have them positioned outside two of the three gates and facing outwards. The camera placement on the gates has been the same since our initial inspection in July of 2016. Since this was not identified as a violation at our initial inspection, we assumed that we were compliant. We wish that Enforcement had notified us at our initial inspection (2016) that they were not satisfied with the camera placement. We remedied this situation immediately after the July 13, 2017 inspection on one of the gates and on the far gate (where the distance is too great to run wire, we chained that gate shut so that it is no longer an entrance).

Camera HT-1 – NOV number 9

According to the NOV, Enforcement noticed this event on July 13, 2017. We heard no concerns about it until this April 3, 2018 NOV. High Tunnel 1 did collapse (due to snow) in December of 2016 and the cameras were offline as a result. Since there was no marijuana in it and the farm isn't in use during the winter, we did not inform Enforcement. We realize now that we should have. We did assemble the wreckage in the early summer of 2017 and rebuilt it. At that time, we also installed new cameras that were inspected by AMCO in August of 2017.

Premises Change Sept 2017 – NOV Number 10

Please see attached correspondence from my counsel explaining which structures were in use and when that was presented at the April 2018 MCB.

Premises Change – Propagation House – NOV Number 11

Please refer to the same exhibit referenced in NOV Premises change NOV number 10

Please see attached correspondence from my counsel explaining which structures were in use and when that was presented at the April 2018 MCB.

Restricted Access ID – NOV Number 12

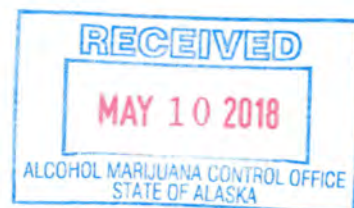
It is true that the contractors did not have visitor or employee badges. However, their state issued marijuana cards were in a copy on file in the office - we should have either had them wear visitor badges and this is our mistake.

Unsecured Recording Equipment – NOV number 13

We kept the key for the recording equipment in the recording box for fear of losing it. Since the office is locked after hours and people are going in and out all day, we felt sure of its safety.



Response to NOVs number 10 and 11





Jana D. Weltzin
Licensed in Alaska &
Arizona 3003
Minnesota Blvd.,
Suite 201
Anchorage, Alaska 99501
Phone 630-913-1113
Main Office 907-231-3750
JDW, LLC
jana@jdwcounsel.com

April 3, 2018

Director McConnell
Chief James Hoelscher
MCB Board

*Sent Via Electronic Mail
And Hand Delivered*

Re: Rosie Creek Farm Standard Cultivation, License No. 10005

This letter is in response to Director McConnell's board memo for my client, Mike Emers' MJ-15 operating plan change that is on the current meeting agenda. I believe it is vital that all facts be presented to all parties so that a fully informed decision may be made – a non-approval of the MJ15 & MJ14 or similarly a tabling of the matter would be devastating for this outdoor operation.

Some of the structures that are being added to the cultivation licensed premises via the submitted MJ-14/15 were previously existing structures that were used for vegetable farming and some structures are brand new to the property. Regardless, all of the structures requested to be used by the licensee in this MJ14 were previously disclosed and requested to be approved (as various uses, some non-marijuana related) in July of 2017 - the MCB tabled the request in the July 2017 meeting.

-High tunnel 5 was disclosed to the board on the July 2017 MJ14 premises change request, although it was attempting to change designation from a licensed premises to be designated as used for growing cherry tomatoes, however this was not approved. The current request is to allow use of the high tunnel for marijuana, even though it was already approved as a licensed area in his original MJ02 premises submission in 2016 at the time of licensing – **to date Mike has not used this for marijuana.**

-Small greenhouse – this was originally approved on the original 2016 diagram – Mike tried to change it to unrestricted access for vegetable farming in July 2017, but the MCB did not approve that request, so it remained a restricted access area and licensed for marijuana.

-Propagation Greenhouse – Shown on the MJ14 reviewed by the MCB in the July 2017 meeting



as propagation greenhouse – there are cameras in this greenhouse and Enforcement agents Michael Cheisa and Amanda Stonecipher reviewed and approved (and also made suggestions which Mike followed relating to the camera placements on three different occasions).

-Heated greenhouse - shown on MJ14 filed in July 2017, but it was labeled tomato greenhouse, **however, Mike has not used this greenhouse for marijuana activity yet, he is waiting for April 2018 MCB approval. The approval of the heated greenhouse is really important because it would allow Mike to start his plants earlier than last year, which would substantially increase the efficiency and success rate for his crop. If the use of the heated greenhouse isn't allowed, it would be devastating to his business.**

-Trimming shed – shown on MJ14 filed in July 2017, but it was labeled vegetable packaging & processing shed. **Mike has used this for marijuana trimming, which Enforcement agents Michael Cheisa and Amanda Stonecipher knew about because they had viewed and approved the camera locations.**

-marijuana storage unit 1 - disclosed and requested to be approved on MJ14 in July 2017 – similar to the trimming shed, Michael and Amanda helped Mike with the camera placement of these units.

-marijuana storage unit 2 - disclosed and requested to be approved on MJ14 in July 2017 - similar to the trimming shed, Michael and Amanda helped Mike with the camera placement of these units.

-marijuana storage unit 3 - disclosed and requested to be approved on MJ14 in July 2017 - similar to the trimming shed, Michael and Amanda helped Mike with the camera placement of these units.

-propagation greenhouse – disclosed and requested to be approved on MJ14 in July 2017 - similar to the trimming shed, Michael and Amanda helped Mike with the camera placement of these units.

-ATCO Unit – was on the diagram submitted in July 2017 MCB request and was designated as the pending license for Product Manufacturing – but Enforcement Officers Michael Cheisa and Amanda Stonecipher went and looked at the ATCO unit in August and gave direction on camera placement. Trimming has taken place in this unit.

Reminder to the MCB and AMCO Staff – The entire outline of Rosie Creek Farms REMAINS a licensed restricted access area – the entire premises is enclosed by a security fence (8 foot fence that encloses 7.5 acres), and all of the inside space, structures, remain licensed due to the fact the MCB did not approve the July 2017 submission that would have changed some of the licensed area to a non-licensed area for vegetable growing – the MCB tabled this request, so the entire fenced area is still a licensed restricted access area.

Please see attached Original diagram approved by MCB in 2016; July 2017 submission of MJ14 request, resulting in tabling of that MJ14 request; and current MJ14 premises diagram change request.

Three storage connexes, the propagation greenhouse, and the new ATCO unit were delivered to the property in August of 2017. Life at this farm existed before marijuana and Mike and his family have been farming fruits and vegetables at this property for decades for more than twenty years. The trimming and packaging shed is an existing structure that was already part of the cultivation licensed premises. The licensed premises diagram change and operating plan changes before you



now were submitted to AMCO staff on February 5, 2018.

In August and September of 2017, my client was working closely with the Fairbanks AMCO Investigators to streamline the cultivation facility's waste procedures and to ensure regulatory compliance. This operation is not like the majority of cultivators because it is an outdoor cultivation with only one season a year, therefore the waste of one season is larger and enforcement and the licensee have been working together to make sure its properly handled.

On August 28, 2017, both Investigator Stonecipher and Investigator Cheisa visited the cultivation premises to inspect and discuss marijuana waste. During this visit, both investigators and the licensee, Mike Emers, discussed the new structures that were currently in use by the cultivation facility; the new ATCO trimming and packing building, the three storage connexes and the trimming shed. The investigators observed the cameras Mike had already installed and informed Mike that he would need to install additional cameras in the new structures and walkways to comply with restricted access area regulations. Mike complied with Enforcement's direction. Neither investigator directed Mike to cease using the new structures until the change forms were approved by the board, they just said to make sure to get them filed as soon as possible. Again, in early September, approximately the week of the 11th, Investigator Cheisa visited the facility to inspect marijuana waste to be disposed of and again they had a discussion about the new structures and the required camera coverage. My client was not directed to stop using the new structures during this visit. Lastly, on the 21st of September, my client had a meeting with Investigator Stonecipher regarding proper waste protocol paperwork and business records. During this meeting, Investigator Stonecipher informed my client that since he was using the new structures, he really needed to submit the appropriate change forms. Again, my client was not directed to stop using the new structures.

Why did Mike not submit an MJ14 in Sept., when Amanda Stonecipher told him to? Given that the July 2017 MCB action had tabled the MJ14 premises diagram change to November 2017, Mike decided to wait until the MCB had completed its review of the July 2017 MJ14 request (which he ultimately withdrew due to MCB concerns and came up with the current request as an alternative to address the July MCB concerns, which is the MJ14 in front of you now). Mike believed that submitting additional MJ-14's and MJ-15's in the month separating the time between Amanda's direction and the November MCB meeting would further complicate matters. So, he waited (fully believing that he was still operating in compliance per his interactions with AMCO investigators).

Based on these encounters with AMCO investigators, my client believed that he was in compliance and could utilize the new structures as he had installed the cameras as directed. The investigators made no indication to Mike that he was in violation of the regulations and in danger of receiving NOV's or any other enforcement action. Had he been informed to cease operations in the new structures, he would have done so immediately.

Not once has my client been directed by any agent of the MCB, including AMCO enforcement staff to cease operations in the new structures until board approval is issued, despite being observed using the structures. The first time my office or my client has heard of any issue regarding the new structures was just last Friday, March 30, 2018 when the board meeting documents were posted



to AMCO's website with Director McConnell's board memo stating that she is writing an accusation for the board to consider. Why was there zero effort made to communicate with the licensee? Why are we jumping straight to an accusation when there was no advisory notice or notice of violation regarding this issue, not to mention any communication at all to the licensee that he was operating out of compliance even though the investigators helped Mike install the cameras in the new structures?

Respectfully, we do not feel that the action requested by the Director is warranted. The enforcement staff in Fairbanks have been excellent working with Mike - they come to the farm on a semi regular basis, Mike is completely open with them and eager to learn from them, which they help him understand how to remain compliant given the fact that these regulations were not drafted with outdoor cultivation in mind, and both AMCO FBX Enforcement and Mike have mutually helped each other learn together and together work towards remaining compliant and more efficient as a farm. During the summer - the enforcement team in Fairbanks have often been to the farm and have observed all of these structures and their uses. Moreover, my client is honest to a fault - he has even self-reported himself to AMCO Enforcement when he noticed that a trimming team had accidentally disconnected cameras last year. Self reporting is a form of self-governance and it is created when a licensee feels an obligation to report because he or she has respect and pride for upholding the regulations, but also due to trust built between the regulator and the licensee. Trust that there is a working and open relationship with a common goal in mind. Mike has no reason to hide or lie - and he has always reacted positively and with an open ear, free of defense or deflection, to any suggestion and direction he has received from AMCO staff and enforcement. There has never been any NOV's issued to Mike on the use of structures - nor has any of his previous NOV's ever resulted in a fine or penalty. Enforcement agents Amanda and Michael are seen as important tools to Mike, as all licensees should be able to have access to enforcement agents that are willing and eager to help them understand the regulations as they play out in the real world. Mike relies heavily on their guidance and direction and remains committed to compliancy, even though the regulations are not crafted in a manner that serves outdoor operations and cause challenges that regular indoor cultivations simply do not have to overcome.

We respectfully request this Board consider approving the MJ14 and MJ15.

Sincerely,



Jana D. Weltzin



Original Premises Diagram Approved in 2016



License 10005 - Rosie Creek Farm

MJ-02 Premises diagram map key

Map Designation	Description	Construction	Dimensions	Area	Height
Haygrove High Tunnel http://www.haygrove.com	Multi-bay high tunnel	Steel frame and greenhouse plastic	300' x 96'	28,800 ft ²	12'
HT-1	High Tunnel	Steel frame and greenhouse plastic	96' x 30'	2880 ft ²	12'
HT-2	High Tunnel	Steel frame and greenhouse plastic	96' x 30'	2880 ft ²	12'
HT-3	High Tunnel	Steel frame and greenhouse plastic	96' x 30'	2880 ft ²	12'
HT-4	High Tunnel	Steel frame and greenhouse plastic	96' x 30'	2880 ft ²	12'
HT-5	High Tunnel	Steel frame and greenhouse plastic	96' x 30'	2880 ft ²	12'
G1	Heated Greenhouse	Wood frame and greenhouse plastic	96' x 20'	1920ft ²	15'
G2	Heated Greenhouse	Wood frame and greenhouse plastic	40' x 20'	800 ft ²	10'
P	Vegetable processing shed and cold storage. On concrete pad.	Timber frame mostly open air	40' x 20'	800 ft ²	15'
O	Farm Office	Frame	24' x 16'	384 ft ²	12'
FOC	Proposed Farm Operations Center (full basement)	Frame and block foundation	60' x 30'	3600 ft ²	12'
S	Proposed Security Shack	Frame	12' x 12'	144 ft ²	8'
W	Well				
X	Outhouse	Alaska outhouse construction		32 ft ²	8'





RECEIVED
MAY 10 2018
ALCOHOL MARIJUANA CONTROL OFFICE
STATE OF ALASKA



RECEIVED
MAY 10 2018
ALCOHOL MARIJUANA CONTROL OFFICE
STATE OF ALASKA

MJ-14 Premises Diagram

Submitted July, 2017



Proposed Changes to operating plan and licensed premises diagram





Comm. Planning Dept

Alcohol and Marijuana Control Office
550 W 7th Avenue, Suite 1500
Anchorage, AK 99501
marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

MAY 03 2017

Alaska Marijuana Control Board RECEIVED

Form MJ-14: Licensed Premises Diagram Change

What is this form?

This licensed premises diagram change form is required for all marijuana establishment licensees seeking to alter the functional floor plan or reduce or expand the area of the establishment's existing licensed premises, under 3 AAC 306.100 and 3 AAC 306.705. The required \$250 change fee may be made by credit card online (VISA, MasterCard, or Discover), or by check or money order.

Your diagram must show all entrances and boundaries of the premises, restricted access areas, and storage areas, and dimensions. If your proposed premises is located within a building or building complex that contains multiple businesses and/or tenants, please provide an additional page that clearly shows the location of your proposed premises within the building or building complex, along with the addresses and/or suite numbers of the other businesses and/or tenants within the building or building complex. Limited marijuana cultivation licensees must clearly delineate the proposed area(s) for cultivation.

The second page of this form is not required. Blueprints, CAD drawings, or other clearly drawn and marked diagrams may be submitted in lieu of the second page of this form, as long as it meets the requirements listed on this form. The first and third pages must still be completed, attached to, and submitted with any supplemental diagrams. An AMCO employee may require you to complete the second page of this form if additional documentation for your premises diagram is needed.

This form must be signed by the licensee and by the local government having jurisdiction over the location of the premises before it is submitted to AMCO staff for review.

This form must be completed and submitted to AMCO's main office prior to altering the existing floor plan. The licensed premises may not be altered unless and until the AMCO Director has given written approval on this form. Please note that licensees seeking to change licensed premises diagrams for multiple licenses must submit a separate completed copy of this form for each license.

Yes No

I have attached blueprints, CAD drawings, or other supporting documents in addition to, or in lieu of, the second page of this form.

☒ ☐

Section 1 – Establishment Information

Enter information for the licensed establishment.

Licensee:	RCFC, LLC	License Number:	10005
License Type:	Standard Marijuana Cultivation Facility		
Doing Business As:	Rosie Creek Farm		
Premises Address:	2659 Livingston Loop		
City:	Fairbanks	State:	AK
		ZIP:	99709





Alaska Marijuana Control Board

Form MJ-14: Licensed Premises Diagram Change

Alcohol and Marijuana Control Office

550 W 7th Avenue, Suite 1600

Anchorage, AK 99501

marijuana.licensing@alaska.gov

<https://www.commerce.alaska.gov/web/amco>

Phone: 907.269.0350

Section 2 – Detailed Premises Diagram

Clearly indicate the boundaries of the premises and the proposed licensed area within that property. Clearly indicate the interior layout of any enclosed areas on the proposed premises. Clearly identify all entrances, walls, partitions, counters, windows, areas of ingress and egress, restricted access areas, and storage areas. Include dimensions in your drawing. Use additional copies of this form or attached additional documents as needed.





Alaska Marijuana Control Board

Form MJ-14: Licensed Premises Diagram Change

Alcohol and Marijuana Control Office
550 W 7th Avenue, Suite 1600
Anchorage, AK 99501
marijuana.licensing@alaska.gov
<https://www.commerce.alaska.gov/web/amco>
Phone: 907.269.0350

Section 3 – Declarations and Approvals

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

Initials

If a local building permit is required, I have attached a copy of it to this form.

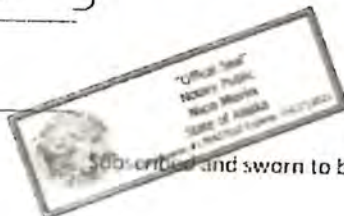
☐

As a marijuana establishment licensee, I declare under penalty of unsworn falsification that I have examined this form, including all attachments, and to the best of my knowledge and belief find the provided information to be true, correct, and complete.

Michael J Emers
Signature of licensee

Michael J Emers

Printed name of licensee



Nick Morris
Notary Public in and for the State of Alaska.

My commission expires: 5-8-21

I do hereby certify and swear to before me this 9 day of May, 2017.

Local Government Review (to be completed by an appropriate local government official):

Yes No

The proposed changes shown on this form conform to all local restrictions and laws.

☒ ☐

A local building permit is required for the proposed changes.

☐ ☒

D. Christine Nelson
Signature of local government official

5-8-17
Date

D. Christine Nelson
Printed name of local government official

Community Planning Director
Title

AMCO Review:

Approved Disapproved

☐ ☐

Signature of AMCO Enforcement Supervisor

Signature of Director:

Printed name of AMCO Enforcement Supervisor

Printed name of Director

Date

AMCO Comments:



License 10005 - Rosie Creek Farm

MJ-14 Diagram Narrative

We are proposing a premises diagram change to reflect both changes in our operating plan in an accompanying MJ-15 and changes to the restricted access areas (RAA) and licensed premises areas for our standard cultivating facility, and to accommodate a new proposed product manufacturing license application.

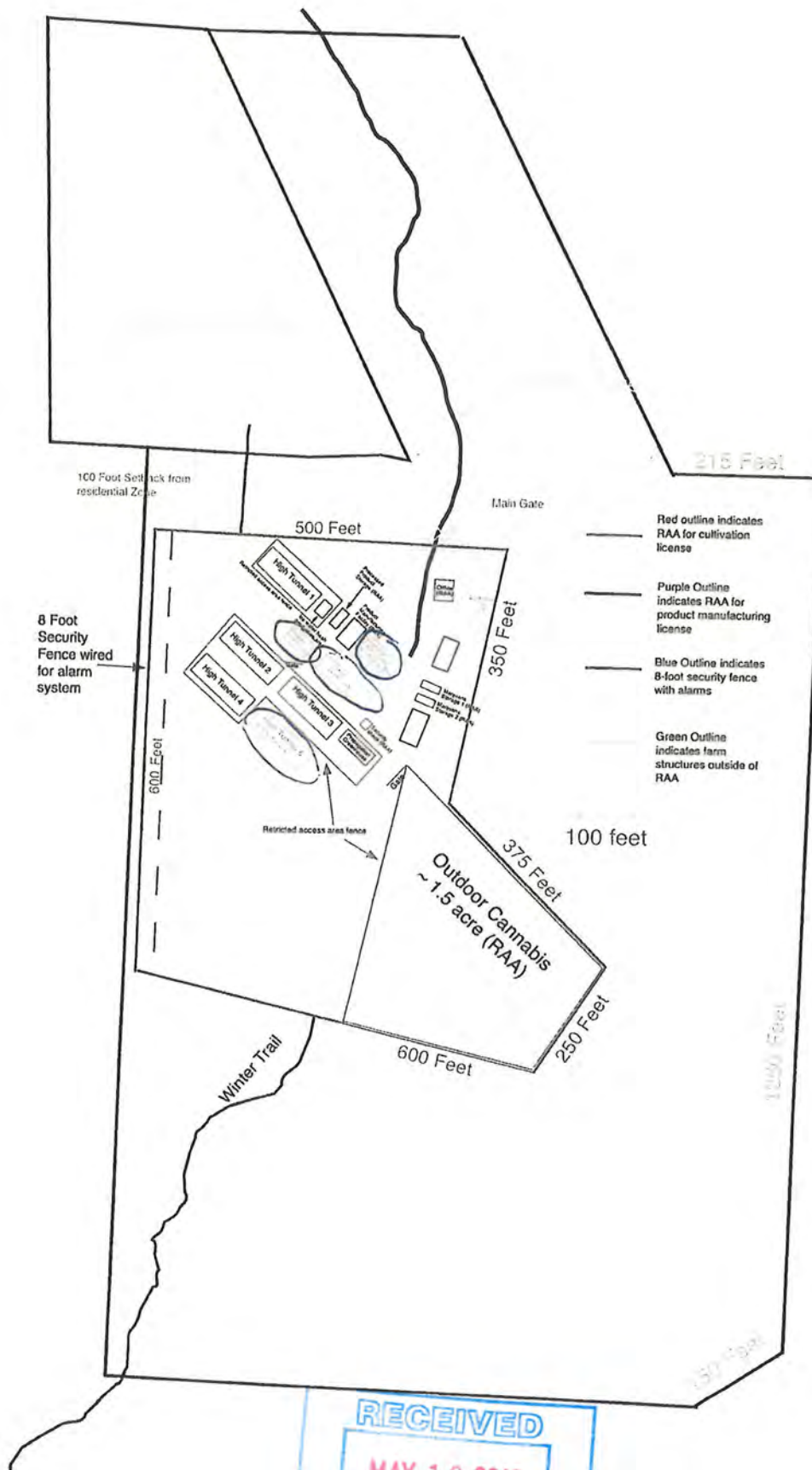
The outer eight foot "security fence" is staying the same. We are adding fences within the outer fence that will enclose outdoor cultivation areas. These are the RAA fences. These inner fences will be the required six-foot tall and provide a visual and physical barrier.

We are also adding two more structures and one greenhouse to our licensed premises. We are adding two "marijuana storage" units that are secure 8' x 20' storage containers (connexes). These two containers are of steel construction and will have the required commercial grade locks and be designated as RAA's.

The one new greenhouse ("Propagation Greenhouse") is a 20' x 48' structure of steel bows covered by 2 layers of greenhouse film. This will serve for seed production and will be within a RAA fence.

Instead of the entire area fenced in by the 8 foot security fence being designated as the cultivation facility's licensed premises, we are proposing that only those areas indicated on our proposed new diagram outlined in red be the licensed premises. All other areas within the security fence (that aren't designated as the product manufacturing facility) will be unlicensed areas.





RECEIVED
MAY 10 2018
ALCOHOL MARIJUANA CONTROL OFFICE
STATE OF ALASKA

MJ-14 Premises diagram map key

Description	Construction	Restricted Access Area?	Licensed Premises?	Use	Dimensions	Area
Security Fence	Steel posts @20' and 12 ga. wire mesh	no	no	Outer security Fence		
Restricted access area fences	Wire mesh fences, w. steel posts	yes	yes	Inner fences for restricted access areas within farm compound		
High Tunnel 1	Steel frame and greenhouse plastic	yes	yes	Cannabis growing and trimming	96' x 30'	2880 ft ²
High Tunnel 2	Steel frame and greenhouse plastic	yes	yes	Cannabis growing and trimming	96' x 30'	2880 ft ²
High Tunnel 3	Steel frame and greenhouse plastic	yes	yes	Cannabis growing and trimming	96' x 30'	2880 ft ²
High Tunnel 4	Steel frame and greenhouse plastic	yes	yes	Cannabis growing and trimming	96' x 30'	2880 ft ²
High Tunnel 5	Steel frame and greenhouse plastic	no	no	Cherry Tomatoes	96' x 30'	2880 ft ²
Tomato Greenhouse	Wood frame and greenhouse plastic	no	no	Tomatoes	96' x 20'	1920 ft ²
Pepper Greenhouse	Wood frame and greenhouse plastic	no	no	Vegetables	40' x 20'	800 ft ²
Vegetable processing shed and cold storage	Timber frame mostly open air. On concrete pad.	no	no	Vegetable processing, packing	40' x 20'	800 ft ²
Propagation Greenhouse	Steel frame and greenhouse plastic	yes	yes	Cannabis growing and seed increases	20' x 48'	960 ft ²
Product Manufacturing Facility	Modular building (ATCO units)	yes	Yes for proposed new product	Employee bathroom,	20' x 24' (double unit)	480 ft ²

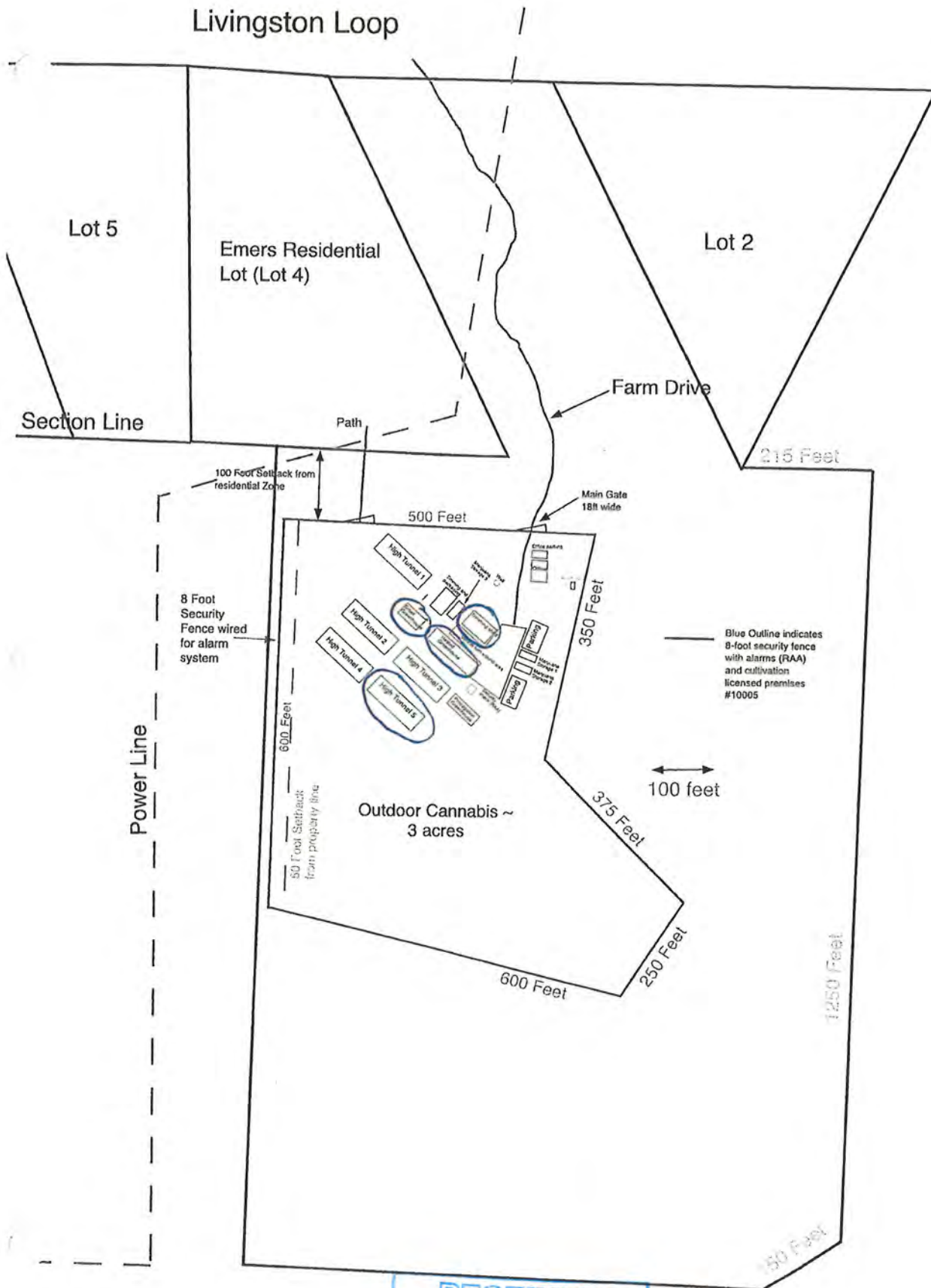


			manufacturing facility	trimming, product manufacturing		
Ice, Water Hash Production area	Open Air moveable tent	yes	Yes for proposed new product manufacturing facility	Ice water hash production	10' x 10'	
Processed Product Storage	Steel storage container, insulated and heated	yes	Yes for proposed new product manufacturing facility	product storage (concentrates)	8' x 20'	160 ft ²
Farm Office	Frame	yes	yes	office	24' x 16'	384 ft ²
Marijuana Storage 1	Steel storage container	yes	yes	Product storage	8' x 20'	160 ft ²
Marijuana Storage 2	Steel storage container	yes	yes	Product storage	8' x 20'	160 ft ²
Processed Product Storage	Steel storage container, insulated and heated	yes	Is the same one as above?	product storage (concentrates)	8' x 20'	160 ft ²
Security Shack	Frame	yes	yes		8' x 12'	96 ft ²
Well		no	no			
Outhouse	Alaska outhouse construction	no	no			32 ft ²



Current MJ-14 Premises Diagram





Received by AMCO 2.05.18

Notice of Violation

(3AAC 306.805)

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

Date: 04-03-18

Licensee: RCFC, LLC

DBA: Rosie Creek Farm

License #/Type: Standard Marijuana Cultivation

Address: 2659 Livingston Loop, Fairbanks, AK 99709

AMCO Case #: AB17-000445

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana 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 September 21, 2017, during a meeting with licensee Mike Emers, Mr. Emers admitted a scale being used in the field for weighing plants and plant waste is not certified as required. In addition, after review of hand-written records of harvest and waste weights provided to us by Mr. Emers, it was determined the weights of plants and plant waste have been rounded either up or down, omitting any decimal points of weight. This has lead to improper reporting of weights for plants and plant waste within the METRC system and to AMCO.

This is a violation of the following regulations: 3 AAC 306.435 Marijuana Inventory Tracking System, 3 AAC 306.445 Standards for Cultivation and Preparation, 3 AAC 306.730 Marijuana Inventory Tracking System, 3 AAC 306.745 Standardized Scales, and 3 AAC 306.755(a)(8) Business Records.

3 AAC 306.805 provides that upon receipt of a Notice of Violation, a licensee may request to appear before the board and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice. A licensee may respond, either orally or in writing, to the Notice. 3 AAC 306.810(3)(A)(B)(C) failed, within a reasonable time after receiving a notice of violation from the director, to correct any defect that is the subject of the notice of violation of AS 17.38 or this chapter, a condition or restriction imposed by the board or other applicable law.

IT IS RECOMMENDED THAT YOU RESPOND IN WRITING TO DOCUMENT YOUR RESPONSE FOR THE MARIJUANA CONTROL BOARD.

*Please send your response to the address below and include your Marijuana Establishment License Number in your response.

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

Issuing Investigator: A. Stonecipher

Received by:

SIGNATURE:



SIGNATURE:

Delivered VIA: Mail

Date:

Article #

As for the time of arrival at CannTest, according to the NOV, Canntest entered the product in at 3:51, and according to the NOV it got to Canntest at 3pm. I am assuming that Ms. Hellings brought multiple samples from other cultivators to Canntest and I can only speculate that they entered the times received for all cultivators as they got to them and not all at once. This is a question for CannTest. I would assume that when Canntest receives samples from multiple facilities at once and then likely inputs each sample into their system, which I can only assume takes time.

Scales and Weights – NOV number 5

Please see attached scale certifications attached as Exhibit 5a and 5b. We were using certified scales. Additionally, I do not understand how I have been accused of violating 3 AAC 306.730(b) because I used certified scales to weigh any marijuana that was delivered to another marijuana establishment:

(b) Marijuana delivered to a marijuana establishment must be weighed on a scale registered in compliance with 3 AAC 306.745.

In a July 27, 2016 memo forwarded to me by Investigator Bankowski addressed to Enforcement by Donald Brewer from DOT states that questions regarding weights and measures in the marijuana industry should be directed to his office. What follows are notes by Matt Springer, my employee, on this subject. Matt and I researched the best way to measure plants harvested in the field and were on several occasions were told by Weights and Measures that we did not need certified scales for field harvest since discrepancies would be resolved after the initial waste process and subsequent drying. The only weight that required a certified scale was the final weight for sale. Regardless we used a hanging scale that did not have decimal points only for field harvests, not for making packages.

What follows are Matt's notes:

“ I became aware today that there are several serious issues relating to the conduct of Rosie Creek Farm that you discussed with Mike this morning. I simply wish to address the use of non-certified scales for recording harvest weights with you as I was in charge of making that decision.

Last summer (2016) I took responsibility for determining our weighing process and equipment used for harvesting marijuana. Faced with harvesting a large quantity of plants over a short period of time in a field setting, I thought small, hanging, spring scales would work well for our situation. I was aware that 3 AAC 306 mandated the use of certified scales so I contacted via telephone Donald Brewer, the Chief of Weights and Measures at DOT to discuss the issue. I told Mr. Brewer of our plan to use spring scales for harvesting and a digital scale to make packages for sale. I asked if the hanging scales would need to be certified by his office. Mr. Brewer told me that the only scales that needed to be certified by his office were the ones used to make packages for sale, not the ones we would use to record the weights of freshly harvested plants. We then purchased a digital scale sensitive to the tenth of a gram, had it certified by the State, and have used it exclusively for making packages of marijuana for sale. For the purpose of harvesting marijuana from the field we have used Pesola brand spring scales and endeavored to record our harvests accurately.



Surprisingly, I just received a telephone call from DOT's Department of Weights and Measures just now, letting us know they would be in town in the coming weeks to re-certify our scales. I used the call as an opportunity to question, Marjory (Gidget), Sanders (DOT's field officer in Anchorage) on this very topic. She thought that there had been a new determination made by AMCO that did specifically state that scales used to weight freshly harvested plants must be certified. She thought that these scales had to be accurate to within an ounce, however she ultimately was unsure and directed me back to Donald Brewer, who I just got off the phone with. Mr. Brewer was unaware that there had been any change of policy from AMCO since we had last spoken in August of 2016. He did say he had certified a few similar spring type hanging scales used by marijuana cultivators this year and that they were accurate to within 10 grams, but had not been told that this was mandatory for all cultivators. He reiterated that his department only regulates scales used for commercial transactions and that there are many other industries who are required to use certified scales for such transactions but not for initial weights (i.e. commercial fishing industry). Mr. Brewer said he was available to further discuss with issue directly with you if you wish.

I firmly believe that I approached this issue with due diligence and proceeded in a way that was in accordance with the directions given by METRC, AMCO and the DOT. We purchased top-of-the-line spring scales to use for harvest and attempted to weigh plants accurately, which I believe we have done. If there are other areas in which we have not performed to satisfaction, I apologize, but I do not believe this to be one."

Camera-contractors – NOV Number 6

This happened on August 22, 2017. We heard no concerns about it until this April 3, 2018 NOV. We did have camera coverage in the exact place where the contractors were working but not in the walkway where they would enter and exit from the trimming area. Upon discussion with the Enforcement officers, they helped us determined the best placement for the new cameras and we followed their direction immediately, installed the camera, and remedied the situation.

As for the repositioning of the cameras, we had redundancy on coverage and moved some cameras to provide better overall coverage of the facility.

Camera-Connex - NOV Number 7

This event occurred on 7/13/17. We heard no concerns about it till this April 3, 2018 NOV. At that time, and contrary to what is in the NOV, we did not have marijuana stored in the connex on this date since harvesting of marijuana did not start until July 21st 2017. We installed a camera in that connex in late July and began storing marijuana there in late August 2017. The NOV is accurate that we had the connex on the premises prior to having it approved on our licensed premises.

Camera-Gates – NOV Number 8



This NOV notes that Enforcement noticed this issue on July 13, 2017. We heard no concerns about it until this April 3, 2018 NOV. Although we did have cameras pointed at all of the gates from within the facility, we did not have them positioned outside two of the three gates and facing outwards. The camera placement on the gates has been the same since our initial inspection in July of 2016. Since this was not identified as a violation at our initial inspection, we assumed that we were compliant. We wish that Enforcement had notified us at our initial inspection (2016) that they were not satisfied with the camera placement. We remedied this situation immediately after the July 13, 2017 inspection on one of the gates and on the far gate (where the distance is too great to run wire, we chained that gate shut so that it is no longer an entrance).

Camera HT-1 – NOV number 9

According to the NOV, Enforcement noticed this event on July 13, 2017. We heard no concerns about it until this April 3, 2018 NOV. High Tunnel 1 did collapse (due to snow) in December of 2016 and the cameras were offline as a result. Since there was no marijuana in it and the farm isn't in use during the winter, we did not inform Enforcement. We realize now that we should have. We did assemble the wreckage in the early summer of 2017 and rebuilt it. At that time, we also installed new cameras that were inspected by AMCO in August of 2017.

Premises Change Sept 2017 – NOV Number 10

Please see attached correspondence from my counsel explaining which structures were in use and when that was presented at the April 2018 MCB.

Premises Change – Propagation House – NOV Number 11

Please refer to the same exhibit referenced in NOV Premises change NOV number 10

Please see attached correspondence from my counsel explaining which structures were in use and when that was presented at the April 2018 MCB.

Restricted Access ID – NOV Number 12

It is true that the contractors did not have visitor or employee badges. However, their state issued marijuana cards were in a copy on file in the office - we should have either had them wear visitor badges and this is our mistake.



Unsecured Recording Equipment – NOV number 13

We kept the key for the recording equipment in the recording box for fear of losing it. Since the office is locked after hours and people are going in and out all day, we felt sure of its safety.

Exhibit 5a



SCALE REPORT

STATE OF ALASKA

Department of Transportation & Public Facilities
Division of Measurement Standards & Commercial Vehicle Enforcement

PAGE 1 OF 1

- ☒ INITIAL
☐ REINSPECTION
☐ PLEASE NOTIFY WEIGHTS & MEASURES
AFTER REPAIRS FOR REINSPECTION

Anchorage: 345-7846
Fax: 345-2313

Fairbanks: 451-2862
Fax: 451-2864

Juneau: 789-9763
Fax: 789-0069

FIRM <u>Rosie Creek Farm</u>	OWNER/MANAGER <u>Mike Emens</u>	DATE OF INSPECTION <u>10/16/17</u>
ADDRESS <u>2059 Livingston Loop</u>	TELEPHONE <u>479-3642 347-1800</u>	TIME IN / TIME OUT
CITY/TOWN <u>Ester</u>	INSPECTOR <u>Steve Pocock</u>	DATE OF LAST INSPECTION

MANUFACTURER	MODEL	SERIAL NUMBER	CAPACITY-DIVISION	SCALE TYPE	VIOLATIONS (See Key)	ACTION	REMARKS
1. <u>Torrey</u>	<u>LPC 40L</u>	<u>617014832</u>	<u>40X101</u>	<u>A</u>		<u>X</u>	
2. <u>CAS</u>	<u>52000R</u>	<u>ER0833119</u>	<u>30X101 60X102</u>	<u>A</u>		<u>X</u>	
3.							
4.							
5.							
6.							
7.							
8.							
9.							

TOTALS APP 2 APP APP APP
SMALL REJ MEDIUM REJ LARGE REJ FISH REJ

VIOLATION KEY

- A - WEIGHTS AND MEASURES NOT NOTIFIED FOR TEST
- B - UNSUITABLE FOR THE PURPOSE IN WHICH IT IS USED
- C - INCORRECT OR MISSING NOMENCLATURE PLATE
- D - CAPACITY AND/OR DIVISION VALUE NOT MARKED, CLASS CODE
- E - OPERATIONAL CONTROLS NOT MARKED
- F - CUSTOMER VIEW OBSTRUCTED
- G - INDICATIONS INCORRECT OR UNREADABLE
- H - DOES NOT REPEAT INDICATIONS
- I - PRICE COMPUTATIONS INCORRECT
- J - RECORDED REPRESENTATIONS UNREADABLE/INCORRECT
- K - TARE MECHANISM INCORRECT

- L - IMPROPER OPERATION/MAINTENANCE
- M - OUT OF TOLERANCE
- N - DEVICE OUT OF LEVEL
- O - ZERO OUT OF BALANCE
- P - IMPROPER SUPPORT
- Q - NEEDS PROTECTION FROM ENVIRONMENT
- R - DAMPING SYSTEM NEEDS SERVICE
- S - MOTION DETECTION INCORRECT
- T - AUTO/ZERO INCORRECT
- U - EXCEEDS SPECIFIED CAPACITY
- V - OTHER

ACTION KEY

- A - APPROVED FOR USE
- R - REJECTED NOT TO BE USED
- R/N - REPAIR NOTICE-STILL IN SERVICE

REMARKS/INSTRUCTIONS READ AND COMPLY WITH INSTRUCTIONS ON TAG OR SEAL

VIOLATIONS MUST BE CORRECTED BY

OR DEVICE(S) MAY BE REMOVED FROM SERVICE.

I ACKNOWLEDGE RECEIPT OF THIS REPORT AND
I UNDERSTAND THE VIOLATIONS OR INFORMATION
OR INSTRUCTIONS DESCRIBED HEREIN.

SIGNATURE OF FIRM

VIOLATION NOTICE - NUMBER

REMARKS:

NSA

RECEIVED

MAY 10 2018

Exhibit 5b



SCALE REPORT

STATE OF ALASKA

Department of Transportation & Public Facilities
Division of Measurement Standards & Commercial Vehicle Enforcement

PAGE 1 OF 1

- ☒ INITIAL
☐ REINSPECTION
☐ PLEASE NOTIFY WEIGHTS & MEASURES
AFTER REPAIRS FOR REINSPECTION

Anchorage: 345-7846
Fax: 345-2313

Fairbanks: 451-2862
Fax: 451-2864

Juneau: 789-9763
Fax: 789-0069

FIRM <i>Rosie Creek Farm</i>	OWNER/MANAGER <i>Mike Emms</i>	DATE OF INSPECTION <i>10/14/16</i>
ADDRESS <i>2659 Livingston Loop</i>	TELEPHONE <i>479-3642</i>	TIME IN / TIME OUT
CITY/TOWN <i>Fairbanks</i>	INSPECTOR <i>Steve Pocock</i>	DATE OF LAST INSPECTION

MANUFACTURER	MODEL	SERIAL NUMBER	CAPACITY-DIVISION	SCALE TYPE	VIOLATIONS (See Key)	ACTION A R RN	REMARKS
1. <i>Cos</i>	<i>EC</i>	<i>EC0762271</i>	<i>GX.0002</i>	<i>A</i>		<i>X</i>	<i>class II</i>
2. <i>Torrey</i>	<i>L-PC 40L</i>	<i>DIS-25115</i>	<i>40X.01</i>	<i>A</i>		<i>X</i>	<i>veg 06-046 reg 10/10/15</i>
3.							
4.							
5.							
6.							
7.							
8.							
9.							

TOTALS APP 3 SMALL REJ _____ MEDIUM REJ _____ LARGE REJ _____ FISH APP _____ REJ _____

VIOLATION KEY

- A - WEIGHTS AND MEASURES NOT NOTIFIED FOR TEST
- B - UNSUITABLE FOR THE PURPOSE IN WHICH IT IS USED
- C - INCORRECT OR MISSING NOMENCLATURE PLATE
- D - CAPACITY AND/OR DIVISION VALUE NOT MARKED, CLASS CODE
- E - OPERATIONAL CONTROLS NOT MARKED
- F - CUSTOMER VIEW OBSTRUCTED
- G - INDICATIONS INCORRECT OR UNREADABLE
- H - DOES NOT REPEAT INDICATIONS
- I - PRICE COMPUTATIONS INCORRECT
- J - RECORDED REPRESENTATIONS UNREADABLE/INCORRECT
- K - TARE MECHANISM INCORRECT

- L - IMPROPER OPERATION/MAINTENANCE
- M - OUT OF TOLERANCE
- N - DEVICE OUT OF LEVEL
- O - ZERO OUT OF BALANCE
- P - IMPROPER SUPPORT
- Q - NEEDS PROTECTION FROM ENVIRONMENT
- R - DAMPING SYSTEM NEEDS SERVICE
- S - MOTION DETECTION INCORRECT
- T - AUTO/ZERO INCORRECT
- U - EXCEEDS SPECIFIED CAPACITY
- V - OTHER

ACTION KEY

- A - APPROVED FOR USE
- R - REJECTED NOT TO BE USED
- R/N - REPAIR NOTICE-STILL IN SERVICE

REMARKS/INSTRUCTIONS READ AND COMPLY WITH INSTRUCTIONS ON TAG OR SEAL

VIOLATIONS MUST BE CORRECTED BY

OR DEVICE(S) MAY BE REMOVED FROM SERVICE.

I ACKNOWLEDGE RECEIPT OF THIS REPORT AND
I UNDERSTAND THE VIOLATIONS OR INFORMATION
OR INSTRUCTIONS DESCRIBED HEREIN.

SIGNATURE OF FIRM

VIOLATION NOTICE - NUMBER

REMARKS:

RC FC LLC
PO 1961 E 5th 99725

RECEIVED
MAY 10 2018

ALCOHOL MARIJUANA CONTROL OFFICE
STATE OF ALASKA

Notice of Violation

(3AAC 306.805)

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

Date: 04-03-18

Licensee: RCFC, LLC

DBA: Rosie Creek Farm

License #/Type: #10005 Standard Cultivation

Address: 2659 Livingston Loop, Fairbanks, AK

AMCO Case #: AB17-0000445

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana 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.

AMCO discovered two METRC Transport Manifests dated 08-21-17 from two facilities conflicted each other. The first manifest, #96523 was from RCFC, LLC, License #10005. The manifest stated Handler Devron Hellings would be the transporting party. The route to be traveled noted a Nissan Versa would be used to drive from RCFC's facility to the Fairbanks International Airport with specific directions, then via a specific flight, and lastly to Canntest Lab in Anchorage via a Honda Civic, again with specific directions. The departure time was to be 11 am and arrival time 3 pm. The actual time received at Canntest is indicated as 5:03 pm.

The conflicting manifest, #96401, originated from Ester Horticulture and Research, License #10489. The transporting party was indicated to be Devron Hellings as well. The vehicle used to transport the product to Rosie Creek Farm is not documented. In their manifest, the route is indicated to be from their facility to RCFC, LLC's facility. The exact route is not written. The route then goes to a Fred Meyer's gas station. The route from Rosie Creek Farm's facility to the gas station did not contain specific directions either. From the gas station to the Fairbanks International Airport was then documented in detail as required. The route continued to document a specific flight; the same flight indicated on RCFC, LLC's manifest. The route ended with the arrival in Anchorage. It did not outline the route to be traveled the remainder of the way to Canntest. The time of departure was 10:30 am and arrival time 3 pm. The actual time received was 3:51 pm.

Based on the conflicting information, it is unclear which vehicle(s) and transporter(s) were actually used to transport the products from the two facilities to the airport and on to Anchorage. It is unclear as to why the products were not received at Canntest at the same time since both manifests indicate the products were transported by Devron Hellings. RCFC, LLC's manifest is missing at least one stop, the Fred Meyer's gas station.

This is a violation of: 3 AAC 306.435 (b) Marijuana Inventory Tracking System, 3 AAC 306.730 Marijuana Inventory Tracking System, and 3 AAC 306.750 Transportation.

3 AAC 306.805 provides that upon receipt of a Notice of Violation, a licensee may request to appear before the board and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice. A licensee may respond, either orally or in writing, to the Notice. 3 AAC 306.810(3)(A)(B)(C) failed, within a reasonable time after receiving a notice of violation from the director, to correct any defect that is the subject of the notice of violation of AS 17.38 or this chapter, a condition or restriction imposed by the board or other applicable law.

IT IS RECOMMENDED THAT YOU RESPOND IN WRITING TO DOCUMENT YOUR RESPONSE FOR THE MARIJUANA CONTROL BOARD.

***Please send your response to the address below and include your Marijuana Establishment License Number in your response.**

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

Issuing Investigator: A. Stonecipher

Received by:

SIGNATURE:



SIGNATURE:

Delivered VIA: Email

Date:

6) Flowering stage too soon: see above – since we have no real veg stage, we skip in Metrc straight to “flowering”.

7) Exceptional amount of plants destroyed for “industry standard”: I don’t understand what the “industry standard” is or how it can be applied against our operation. Our operation is not the typical indoor grow. (see attached pictures attached as Exhibit 2c-e). When we start thousands of plants from seed, half of them will be males. Although most of the males show flowers before they reach a taggable height, a large number still do not show flowers before they are planted in the field and must be subsequently destroyed after tagging. The Males that we keep for breeding purposes are in a separate portion of the facility where they cannot pollenate our main crop.

Also mold can be a very large problem in outdoor-grown plants. If we see a moldy plant, we must remove it immediately upon detection. In the summer of 2017 we had about 15,000 plants growing. Most of those plants produce about 1/5 of what indoor plants will produce and we must grow more plants to get a viable harvest. We are not able to artificially control the environment so we will always have higher numbers of plants that will die, become males, or become moldy because we grow outdoors, unprotected from the elements.

8) Harvest weights high: Since we grow outdoors in an agricultural setting, we have only one large harvest per year. Also since there is a short harvest window between the time of plant maturity and cool/wet weather that would damage the crop, we are forced into large daily harvests within a few weeks.

Business Records – NOV number 3

Although we had all the business records required by AMCO, It is true that business records were not immediately available or in a standard format upon Investigator Stonecipher’s request. However, as I read 3 AAC 306.755, I believe I do not have to instantly produce those documents the moment they are requested – I believe 3 AAC 306.755 allows me to have three business days after the request is made to provide the business records. I was surprised to see that the last sentence of the NOV states that I was in the wrong because of my inability to “immediately” produce documents. We continue to update and streamline our filing system and business records. I no longer use cumbersome spreadsheets to compile financial data, but instead use Quickbooks and now that data is caught up, I enter receipts as they come in – I didn’t use Quickbooks before because I know that Quickbooks has shut down the software when it finds out its used for cannabis business. Hopefully this will not happen and hopefully it will make our records more accessible to AMCO.

Conflicting Manifests – NOV number 4

This event occurred on August 21, 2017. The manifests conflict because I did not indicate on the manifest that Ms. Hellings would stop at Fred Meyer gas. This is my error. I now know to add gas stops on a manifest.



As for the time of arrival at CannTest, according to the NOV, Canntest entered the product in at 3:51, and according to the NOV it got to Canntest at 3pm. I am assuming that Ms. Hellings brought multiple samples from other cultivators to Canntest and I can only speculate that they entered the times received for all cultivators as they got to them and not all at once. This is a question for CannTest. I would assume that when Canntest receives samples from multiple facilities at once and then likely inputs each sample into their system, which I can only assume takes time.

Scales and Weights – NOV number 5

Please see attached scale certifications attached as Exhibit 5a and 5b. We were using certified scales. Additionally, I do not understand how I have been accused of violating 3 AAC 306.730(b) because I used certified scales to weigh any marijuana that was delivered to another marijuana establishment:

(b) Marijuana delivered to a marijuana establishment must be weighed on a scale registered in compliance with 3 AAC 306.745.

In a July 27, 2016 memo forwarded to me by Investigator Bankowski addressed to Enforcement by Donald Brewer from DOT states that questions regarding weights and measures in the marijuana industry should be directed to his office. What follows are notes by Matt Springer, my employee, on this subject. Matt and I researched the best way to measure plants harvested in the field and were on several occasions were told by Weights and Measures that we did not need certified scales for field harvest since discrepancies would be resolved after the initial waste process and subsequent drying. The only weight that required a certified scale was the final weight for sale. Regardless we used a hanging scale that did not have decimal points only for field harvests, not for making packages.

What follows are Matt's notes:

"I became aware today that there are several serious issues relating to the conduct of Rosie Creek Farm that you discussed with Mike this morning. I simply wish to address the use of non-certified scales for recording harvest weights with you as I was in charge of making that decision.

Last summer (2016) I took responsibility for determining our weighing process and equipment used for harvesting marijuana. Faced with harvesting a large quantity of plants over a short period of time in a field setting, I thought small, hanging, spring scales would work well for our situation. I was aware that 3 AAC 306 mandated the use of certified scales so I contacted via telephone Donald Brewer, the Chief of Weights and Measures at DOT to discuss the issue. I told Mr. Brewer of our plan to use spring scales for harvesting and a digital scale to make packages for sale. I asked if the hanging scales would need to be certified by his office. Mr. Brewer told me that the only scales that needed to be certified by his office were the ones used to make packages for sale, not the ones we would use to record the weights of freshly harvested plants. We then purchased a digital scale sensitive to the tenth of a gram, had it certified by the State, and have used it exclusively for making packages of marijuana for sale. For the purpose of harvesting marijuana from the field we have used Pesola brand spring scales and endeavored to record our harvests accurately.



Notice of Violation

(3AAC 306.805)

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

Date: 04-03-18

Licensee: RCFC, LLC

DBA: Rosie Creek Farm

License #/Type: #10005 Standard Cultivation

Address: 2659 Livingston Loop, Fairbanks, AK

AMCO Case #: AB17-0000445

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana 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.

An audit of RCFC, LLC's METRC was conducted. A large amount of serious entry violations were found. Violations include, but are not limited to, long delays in reporting up to weeks in some cases, male plants being placed into Flowering phase, plants remaining in Flowering status an extended period of time to include up to 5 months, moisture loss being incorrectly documented resulting in harvests to reach "0" quantity when there was still marijuana, vegetative phases being skipped entirely, plants being placed into Flowering stage too soon after the entered planting date, an exceptional amount of destroyed plants for industry standards, and harvest weights high for Alaska according to METRC Staff. Examples are provided via attached memo and screen-shots of METRC entries.

This is a violation of the following: 3 AAC 306.435 Marijuana Inventory Tracking System, 3 AAC 306.730 Marijuana Inventory Tracking System, 3 AAC 306.755(b) Business Records.

3 AAC 306.805 provides that upon receipt of a Notice of Violation, a licensee may request to appear before the board and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice. A licensee may respond, either orally or in writing, to the Notice. 3 AAC 306.810(3)(A)(B)(C) failed, within a reasonable time after receiving a notice of violation from the director, to correct any defect that is the subject of the notice of violation of AS 17.38 or this chapter, a condition or restriction imposed by the board or other applicable law.

IT IS RECOMMENDED THAT YOU RESPOND IN WRITING TO DOCUMENT YOUR RESPONSE FOR THE MARIJUANA CONTROL BOARD.

*Please send your response to the address below and include your Marijuana Establishment License Number in your response.

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

Issuing Investigator: A. Stonecipher

Received by:

SIGNATURE:



SIGNATURE:

Delivered VIA: Email

Date:

Article #

Manifest 30002: Up until my annual inspection in July 13, 2017 I was operating on this assumption for transporting marijuana:

306.470 d(3): generating a transport manifest from the marijuana cultivation facility's marijuana inventory tracking system; the transport manifest must remain with the marijuana at all times while being transported, and a copy must be given to the licensed marijuana establishment that receives the shipment.

I did not read in this regulation for packaging and transporting marijuana that I needed to keep a copy of the manifest with myself, only that I must leave one with the end recipient. It also does not state in regulations that manifests need to be signed.

Also for keeping transportation records required under 306.755 a(9) it states:

transportation records for marijuana and marijuana products as required under 3 AAC 306.750 (f) .

I assumed the Metrc record was adequate and complete for this because it does not state that I needed to keep the paper records for this, all manifests are kept electronically on the metrc system and are accessible at any time via metrc.

However noting that Investigator Stonecipher requested that I keep the paper copies for my records, I did indeed go to Dan Peters of Goodsense to have copies of the paper records I was missing. Following my meeting with Investigator Stonecipher in September 2017, we changed our policies. I now take two copies of both the manifest and invoice. After both parties sign them, both the recipient and myself are left with their own copy.

Manifest #103611 to Weed Dudes. Is incorrect. Chasady Didrickson from Weed Dudes (Michelle Cleavers assistant) confirms that she had the packages locked in the Frozen Budz lockup for the night along with other packages she was transporting. She retrieved the packages the next morning and proceeded to FAI en-route to Sitka. It was her understanding she needed to do this to ensure security of the packages. I should have written in the manifest that the product would be stored on a licensed premises (Frozen Budz) overnight.

Manifest #124101 to Weed Dudes. This is correct, Ms. Cleaver from Weed Dudes did keep the packages in her possession through her stay at the Westmark and depart to FAI the next morning (at 4AM). This is how Ms. Cleaver currently does transports after learning that she does not need to keep the product locked at a facility when she is traveling overnight as she did earlier in manifest 103611.

Metrc NOV NO. 2

As a preliminary matter – this NOV makes many accusations but lacks detail. It is only three sentences long and does not provide specifics for me to reply to. I understand that our outdoor operation differs from the majority indoor grows in the state but since we both grow outdoors and use auto-flowering strains of marijuana (https://en.wikipedia.org/wiki/Autoflowering_cannabis) which behave differently from standard strains, we are bound to have differences with the majority of growers in the state.



1) Long Delays in entering – Unlike cultivators who have scheduled small harvests throughout the year, our farm gets one large harvest during a three to four week period once a year. Due to the very large harvests we were conducting daily and the difficulties in entering data efficiently into Metrc. We did get behind in entering harvest data. We anticipated that we would have a problem and proactively alerted both AMCO Enforcement and Metrc on August 22nd and sought advice (Exhibit 2a). Although we received an immediate response and troubleshooting suggestions from Metrc, we received no acknowledgement from Enforcement until we were confronted with the lag in entering data in my meeting with Investigator Stonecipher on September 21st, 2017, over a month after I requested AMCO help. On Sept 21 she explained how important it was that we enter data in real time – as a result we ceased our harvests until I could catch up with entering data. In no case were we weeks behind in entering the data. On one occasion we were 10 days behind. After harvests were paused, I was able to catch up in Metrc within two days. The issue we are coming to terms with is that we are just not situated like a regular cultivation facility because we are an outdoor grow – perhaps Metrc has a different type of system they use in other states for their outdoor grows that they are not providing here in Alaska.

2) Male Plants in Flowering Phase: There are two reasons for this. 1) Recently transplanted and tagged plants that have not yet revealed themselves as male (i.e. flower) in the field and are subsequently destroyed. 2) We intentionally keep mature (flowering) males on the farm as part of our breeding program. Pollen is collected from these individuals and used to pollenate females. We only are able to use auto-flowering species, most other licensed cultivators do not use these types of genetics because they use light cycles to trigger the flowering cycle, but because we are outdoor, we only use auto-flowers as these plants don't need the light cycle to flower, they just need light. If we don't allow males to mature we cannot get the pollen we need to reproduce our genetics and we cannot get the type of plants we need from other licensed cultivators because they do not use auto-flowering genetics. We must use auto-flowering genetics because our plants grow in the midnight sun, not under artificial lights.

3) Plants remaining in flowering status for long periods: Auto-flowering marijuana (plants that flower on a time and not light cycle) are not genetically stable (wide variation in forms and genetics). With some varieties it might take months in long-light situations for plants to flower, if at all. We were simply waiting for some plants to mature that some never did. Also in some circumstances, we bred to these plants and kept them in the flowering stage longer for seeds to mature.

We also had verbal communication from Investigator Stonecipher at our annual inspection that she realized the challenge we were up against trying to clear the field of non-commercially viable plants at the end of our field season. She told us that we were allowed to harvest and subsequently waste out those late harvests as long as it did not continue until Christmas. As it was, the last few plants we harvested were in November that we wished to harvest seeds from.

4) Moisture loss being recorded resulting in below zero weights for harvests. On October 18th, 2017, after harvests were completed (with the exception of the plants that were left on the field referenced in paragraph 3 above) and dried sufficiently, we went through and carefully weighed all harvests to determine what we had lost in moisture from the original harvest. The difference we determined was water loss and then recorded the water loss in Metrc as waste. We learned



that we are not supposed to enter water loss as waste and were notified of our error on October 19th 2017 when we met with Mr. Jenkins from Metrc at our facility on a scheduled training visit. Although Mr. Jenkins appreciated what we were trying to do, he explained that Metrc had a system for evaluating water loss weight differences through drying. I will explain this below:

Once a harvest is made initial weights are tallied, Metrc calculates a total weight for the harvest batch. After this, all subsequent wastes that are physically taken from the harvest batches are recorded in addition to any packages made for sale. After there is no more waste to declare or packages to be made, the cultivator uses the "finish" function in Metrc for that harvest batch even though the batch might show a weight remaining in Metrc. After this "finish" function is entered, Metrc comes up with a ratio of what must have been water loss from drying.

When he examined our large harvests, he told us that what would probably happen is: 1) we would discover more totes of the harvests and/or 2) that the moisture of the batch would fluctuate resulting in a negative value. This is what indeed happened in 4 cases to date and will likely happen again. This is entirely our mistake but stemmed from us trying to be overly conscientious in our reporting of the product we had in stock. We were attempting to do what was required of us in 3 ACC 306.755 (8) "accurate and comprehensive inventory tracking records that account for all marijuana inventory activity . . ."

Mr. Jenkins told us that he would contact Director McConnell about this situation, but after that meeting we had not heard back from him and we do not know if he did contact Director McConnell about this issue.

I contacted Metrc again about this problem on 4/5/18 because I was concerned about generating more negative harvest batches. Since all of the "water loss" waste was reported on 10/18/17 we wondered if it was possible to restore these reported wastes. This would clear up the situation thereby allowing us to "finish" the batches as they should and allowing Metrc and AMCO to determine if our ratios were off. I spoke to Secoya Rose of Metrc about this on both April 5th and April 6th (Metrc trouble ticket 181817). She told me again, that waste recorded couldn't be restored. Then on April 11 at 2PM I received a call from Metrc about negative harvest weights in our tracking system. I spoke to Heidi Kampwertz (trouble ticket 183238). She told me that it was permissible to have negative harvest weights for my batches but that I should create a spreadsheet of the "water loss" weights recorded in error and also indicating the actual physical weights destroyed. I have prepared a spreadsheet and forwarded this to both AMCO and Metrc on April 13th, 2018. (Exhibit 2b). I received acknowledgement from Metrc but not from AMCO.

5) Vegetative Phase being skipped entirely: Auto-flowering plants essentially enter a flowering phase immediately upon germination since they are on a time cycle and not a photoperiod cycle that can be manipulated by artificial light. We asked Metrc about this in 2016 and they instructed us to skip the vegetative stage in recording. There just isn't a "veg" phase to record because the auto flower plant type does not have a vegetative stage. This was miscommunication and misunderstanding because our farm does not have a veg stage in our cultivating process.



6) Flowering stage too soon: see above – since we have no real veg stage, we skip in Metrc straight to “flowering”.

7) Exceptional amount of plants destroyed for “industry standard”: I don’t understand what the “industry standard” is or how it can be applied against our operation. Our operation is not the typical indoor grow. (see attached pictures attached as Exhibit 2c-e). When we start thousands of plants from seed, half of them will be males. Although most of the males show flowers before they reach a taggable height, a large number still do not show flowers before they are planted in the field and must be subsequently destroyed after tagging. The Males that we keep for breeding purposes are in a separate portion of the facility where they cannot pollenate our main crop.

Also mold can be a very large problem in outdoor-grown plants. If we see a moldy plant, we must remove it immediately upon detection. In the summer of 2017 we had about 15,000 plants growing. Most of those plants produce about 1/5 of what indoor plants will produce and we must grow more plants to get a viable harvest. We are not able to artificially control the environment so we will always have higher numbers of plants that will die, become males, or become moldy because we grow outdoors, unprotected from the elements.

8) Harvest weights high: Since we grow outdoors in an agricultural setting, we have only one large harvest per year. Also since there is a short harvest window between the time of plant maturity and cool/wet weather that would damage the crop, we are forced into large daily harvests within a few weeks.

Business Records – NOV number 3

Although we had all the business records required by AMCO, it is true that business records were not immediately available or in a standard format upon Investigator Stonecipher’s request. However, as I read 3 AAC 306.755, I believe I do not have to instantly produce those documents the moment they are requested – I believe 3 AAC 306.755 allows me to have three business days after the request is made to provide the business records. I was surprised to see that the last sentence of the NOV states that I was in the wrong because of my inability to “immediately” produce documents. We continue to update and streamline our filing system and business records. I no longer use cumbersome spreadsheets to compile financial data, but instead use Quickbooks and now that data is caught up, I enter receipts as they come in – I didn’t use Quickbooks before because I know that Quickbooks has shut down the software when it finds out it’s used for cannabis business. Hopefully this will not happen and hopefully it will make our records more accessible to AMCO.

Conflicting Manifests – NOV number 4

This event occurred on August 21, 2017. The manifests conflict because I did not indicate on the manifest that Ms. Hellings would stop at Fred Meyer gas. This is my error. I now know to add gas stops on a manifest.



Exhibit 2a





From: Me <mike@rosiecreekfarm.com> ★

Reply Reply All Forward Archive Junk Delete More

Subject: problems entering data in Metrc

8/22/17, 6:23 AM

To: Stonecipher, Amanda M (CED) <amanda.stonecipher@alaska.gov> ★, Bankowski, Joe (CED) <joe.bankowski@alaska.gov> ★, CED AMCO Enforcement (CED sponsored) <amco.enforcement@alaska.gov> ★,

1 more

Cc: Jana Weltzin <jana@jdwccounsel.com> ★, Valerie Mastolier <valerie@jdwccounsel.com> ★

Dear AMCO,

We are experiencing problems entering harvest data into Metrc. We are presently going through very large harvests at this point in the season (100-200 plants or more per day) and need to enter the harvest data daily into Metrc. Unfortunately the Metrc server is timing out ~75% of the time making what should be a task that should take less than an hour, stretch out over days.

I wanted to alert you to this because we ran into these problems last year which resulted in a Notice of Violation. Since then, we have taken steps to correct this problem by being diligent in entering data on time, adding high speed internet to our facility, and trying to enter data different times during the day but we have not found a solution that will work. Because entering data in Metrc is of such importance, I don't trust anyone but myself, the facility manager, to work with the tracking system. However, this problem ties me to sitting at the computer all day long preventing me from doing other things at our facility which costs us both productivity and time and still the job is getting delayed.

We will continue to plug away at entering our harvest data but I wanted to alert you to the problem if you notice our harvest data lagging further and further behind.

Thanks for your patience,

Mike Emers
Rosie Creek Farm

Exhibit 2b



"Water loss" reported by Rosie Creek Farm on 10.18.17				
Harvest Batch	Waste showing in Metrc (g)	Waste declared from "water loss" on October 18, 2017 (g)	Actual Waste created (g)	
RB 18 Aug	14,776	12,341	2,435	
RB 19 Aug	81,188	62,609	18,579	
RB 21 Aug	142,636	74,803	67,833	
RB 22 Aug	149,646	81,978	67,668	
RB 23 Aug	111,691	89,461	22,230	
RB 24 Aug	133,416	69,224	64,192	
RB 25 Aug	35,868	28,863	7,005	
RB 26 Aug	7,676	4,066	3,610	
RB 28 Aug	141,902	61,618	80,284	
RB 31 Aug **	395,945	61,474	334,471	Mistake made - entered 267204g manicured from one plant # (23806) which had to be "wasted out" upon entry
RB 1 Sep	107,783	106,338	1,445	
RB 4 Sep	111,770	87,281	24,489	
RB 5 Sep	140,564	69,762	70,802	
RB 6 Sep	127,431	73,806	53,625	
RB 7 Sep	111,903	88,573	23,330	
RB 18 Sep	37,538	18,226	19,312	
CHZ 30 Aug	18,109	12,644	5,465	
DP 17 Aug	41,857	35,715	6,142	
SS 17 Aug	44,266	31,416	12,850	
WW 22 Aug	45,976	30,735	15,241	
WW 23 Aug	41,604	29,376	12,228	
WW 24 Aug	26,021	15,176	10,845	
AMN 28 Aug	24,172	17,236	6,936	



DL 28 Aug	82,545	57,065	25,480	
BD 28 Aug	38,185	24,060	14,125	



Exhibit 2c





Exhibit 2d





RECEIVED
MAY 10 2018
ALCOHOL MARIJUANA CONTROL OFFICE
STATE OF ALASKA

Exhibit 2e



RECEIVED
MAY 10 2018
ALCOHOL MARITIME CONTROL OFFICE
STATE OF ALASKA



Notice of Violation

(3AAC 306.805)

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

Date: Wednesday, April 4, 2018

License #/Type: #10671 Standard Marijuana Cultivation Facility

Licensee: Aaron Ralph

Address: 1805 & 1807 West 47th Avenue, Anchorage, AK 99503

DBA: ALASKA CANNABIS EXCHANGE, LLC

AMCO Case #: AB18-0293

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana 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 April 2nd, 3rd, & 4th, 2018. The State of Alaska Alcohol & Marijuana Control Enforcement did receive complaints of a strong odor of marijuana coming from Alaska Cannabis Exchange, LLC in Anchorage, AK. Investigators did go to 1805 West 47th Avenue on the 2nd and 4th and did detect a strong odor of marijuana coming from Alaska Cannabis Exchange, LLC.

At approximately 11:21 AM on the April 2nd and at approximately 10:25 AM on April 4th, the strong odor of marijuana was easily detected outside of the facility and on the public right of way. It was also detected a block away to the south of the marijuana facility on 48th Avenue.

Please regard this Notice of Violation as Enforcements directive that Alaska Cannabis Exchange, LLC will ensure that any marijuana or marijuana product at the facility does not emit an odor that is detectable by the public outside of the cultivation facility.

Your attention is directed to:

3 AAC 306.430 Restricted access area. (c)(2)

(c) A marijuana cultivation facility shall ensure that any marijuana at the marijuana cultivation facility (2) does not emit an odor that is detectable by the public from outside the cultivation facility except as allowed by a local government conditional use permit process.

3 AAC 306.805 provides that upon receipt of a Notice of Violation, a licensee may request to appear before the board and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice. A licensee may respond, either orally or in writing, to the Notice. 3 AAC 306.810(3)(A)(B)(C) failed, within a reasonable time after receiving a notice of violation from the director, to correct any defect that is the subject of the notice of violation of AS 17.38 or this chapter, a condition or restriction imposed by the board or other applicable law.

IT IS RECOMMENDED THAT YOU RESPOND IN WRITING TO DOCUMENT YOUR RESPONSE FOR THE MARIJUANA CONTROL BOARD.

*Please send your response to the address below and include your Marijuana Establishment License Number in your response.

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

Issuing Investigator: K. Whiteman

Received by:

SIGNATURE:

SIGNATURE:

Delivered VIA: Mail

Date:

NOV 11 2018

W

Alcohol & Marijuana Control Office
550 W. 7th Avenue, Suite 1600
Anchorage, AK 99501

• Sender: Please print your name, address, and ZIP+4® in this box

RECEIVED
APR 11 2018
ALCOHOL MARIJUANA CONTROL OFFICE
STATE OF ALASKA

United States
Postal Service

First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10



28 5024 9612 1222 2046 0656

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

COMPLETE THIS SECTION ON DELIVERY

A. Signature Andrea S. Hobbs ☐ Agent ☐ Addressee
B. Received by (Printed Name) Andrea S. Hobbs C. Date of Delivery 4/10/18
D. Is delivery address different from item 1? ☐ Yes ☒ No
If YES, enter delivery address below:

Alaska Cannabis Exchange, LLC
15930 Terracewood Lane
Anchorage, AK 99516

9590 9402 3271 7196 4205 87



2. Article Number (Transfer from service label)
7017 0530 0000 7548 8245

3. Service Type
- | | |
|--|---|
| <input type="checkbox"/> Adult Signature Restricted Delivery | <input type="checkbox"/> Priority Mail Express® |
| <input type="checkbox"/> Certified Mail® | <input type="checkbox"/> Registered Mail™ |
| <input type="checkbox"/> Certified Mail Restricted Delivery | <input type="checkbox"/> Registered Mail Restricted Delivery |
| <input type="checkbox"/> Collect on Delivery | <input type="checkbox"/> Return Receipt for Merchandise |
| <input type="checkbox"/> Collect on Delivery Restricted Delivery | <input type="checkbox"/> Signature Confirmation™ |
| <input type="checkbox"/> Insured Mail | <input type="checkbox"/> Signature Confirmation Restricted Delivery |
| <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500) | |

From: [Hoelscher, James C. \(CED\)](#)
To: [Mark/Tiff/Trin/Siris/Cody Nusbaum](#); WeaverCD@muni.org
Cc: [Davies, Jason M. \(CED\)](#); [CED AMCO Enforcement \(CED sponsored\)](#); [Marijuana Licensing \(CED sponsored\)](#); [McConnell, Erika B \(CED\)](#)
Subject: RE: Odor Complaint: 1805 W. 47th Avenue Anchorage, Alaska 99517
Date: Monday, June 04, 2018 10:48:37 AM

Mr. Nusbaum,

Thank you for your letter, I will attach this letter in my NOV report for the marijuana board. The MCB is meeting on June 13-15, please [visit our website](#) for more information.

Respectfully,

James Hoelscher

From: Mark/Tiff/Trin/Siris/Cody Nusbaum <fabfiveofak@yahoo.com>
Sent: Monday, June 04, 2018 10:30 AM
To: Hoelscher, James C (CED) <james.hoelscher@alaska.gov>; WeaverCD@muni.org
Subject: Odor Complaint: 1805 W. 47th Avenue Anchorage, Alaska 99517

Mr. Hoelscher, as we discussed on the telephone this morning, a letter of complaint is attached to this email for the MCB's meeting next week during the portion of "Notices of Violation."

I am James' brother, and have written this letter on behalf of James and his place of business, in his presence.

I can be reached through the channels listed below, anytime.
Thank you for your cooperation in this matter.

Respectfully,

Mark Nusbaum

(907) 830-8540
fabfiveofak@yahoo.com

TO:
State of Alaska
Alcohol and Marijuana Control Office

FROM:
James Nusbaum
Wayne's Automotive Repair

Re:
1805 W. 47th Avenue
(Commercial Grow Operation)

Prepared By:
Mark Nusbaum for
(complainant) James Nusbaum

This letter is being written today in regards to 1805 W. 47th Avenue, in Anchorage, Alaska; a commercial cannabis growing facility. Since operation has begun at this site, there has been noticeable and frequent odor being emitted from this particular facility. In the beginning, these odors were written off as a growing pain, (no pun intended), and hope was held that this cultivator would fine-tune the operation to filter the odor from outside of the facility.

Since then, it has only worsened. Understanding that the standard "feet from a school/church" regulation has obviously been met, and that most protocol has been met by this cultivator, it is still to be explained how one can operate a facility when the odors that are being emitted can be sensed from the Spenard Recreation Center, and as far down 47th Avenue as Northwood Elementary School; imagine being this cultivator's direct neighbor.

Business for myself has suffered a measurable loss, as the sharp odors have invaded my shop on what seems to be (at least), multiple times a week. Reasonably, customers that I have serviced for decades have now decided to take their business elsewhere, to avoid the enduring fragrance. My greeting to customers that walk in has turned from, *"Hi, how are you today?"* to *"I apologize for the odor, my neighbor is a commercial marijuana grower, and we're trying to do something about it."* Unfortunately for me, my customers do not base their decision to do business with me on my efforts to find resolve with the neighboring harvesters; they simply cannot have their vehicle in my shop while the odors are so demanding of one's attention. I cannot blame them. Additionally, as a parent, I have had to have difficult conversations with my child about the odors that have overtaken the shop and surrounding area.

3 AAC 306.420 (2) (F): odor control

3 AAC 306.430 (C) (2): does not emit an odor that is detectable by the public from outside the cultivation facility except as allowed by a local government conditional use permit process.

Under these codes, I can only assume that this cultivator has been for some time, and continues to be, in violation. It is my hope that the MCB can advance on these numerous complaints and force this cultivator into compliance sooner than later. I am available at any time to answer any questions that the Board may have for me.

Respectfully,
James Nusbaum/Wayne's Automotive Repair

Notice of Violation

(3AAC 306.805)

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

Date: 04-05-18

License #/Type: #10489 Limited Cultivation

Licensee: John Collette

Address: 2960 Ester Dome Road, Fairbanks, AK

DBA: Ester Horticulture and Research

AMCO Case #: AB17-0000445

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana 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.

AMCO discovered two METRC Transport Manifests dated 08-21-17 from two facilities conflicted each other. The first manifest, #96523 was from RCFC, LLC, License #10005. The manifest stated Handler Devron Hellings would be the transporting party. The route to be traveled noted a Nissan Versa would be used to drive from RCFC's facility to the Fairbanks International Airport with specific directions, then via a specific flight, and lastly to Canntest Lab in Anchorage via a Honda Civic, again with specific directions. The departure time was to be 11 am and arrival time 3 pm. The actual time received at Canntest is indicated as 5:03 pm.

The conflicting manifest, #96401, originated from Ester Horticulture and Research, License #10489. The transporting party was indicated to be Devron Hellings as well. The vehicle used to transport the product to Rosie Creek Farm is not documented. In their manifest, the route is indicated to be from their facility to RCFC, LLC's facility. The exact route is not written. The route then goes to a Fred Meyer's gas station. The route from Rosie Creek Farm's facility to the gas station did not contain specific directions either. From the gas station the Fairbanks International Airport were then documented in detail as required. The route continued to document a specific flight; the same flight indicated on RCFC, LLC's manifest. The route ended with the arrival in Anchorage. It did not outline the route to be traveled to Canntest. The time of departure was 10:30 am and arrival time 3 pm. The actual time received was 3:51 pm.

Based on the conflicting information, it is unclear which vehicle(s) and transporter(s) were actually used to transport the products from the two facilities to the airport and on to Anchorage. It is unclear as to why the products were not received at Canntest at the same time since both manifests indicate the products were transported by Devron Hellings. RCFC, LLC's manifest is missing at least one stop, the Fred Meyer's gas station.

This is a violation of: 3 AAC 306.435 (b) Marijuana Inventory Tracking System, 3 AAC 306.730 Marijuana Inventory Tracking System, and 3 AAC 306.750 Transportation.

3 AAC 306.805 provides that upon receipt of a Notice of Violation, a licensee may request to appear before the board and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice. A licensee may respond, either orally or in writing, to the Notice. 3 AAC 306.810(3)(A)(B)(C) failed, within a reasonable time after receiving a notice of violation from the director, to correct any defect that is the subject of the notice of violation of AS 17.38 or this chapter, a condition or restriction imposed by the board or other applicable law.

IT IS RECOMMENDED THAT YOU RESPOND IN WRITING TO DOCUMENT YOUR RESPONSE FOR THE MARIJUANA CONTROL BOARD.

***Please send your response to the address below and include your Marijuana Establishment License Number in your response.**

Alcohol & Marijuana Control Office

ATTN: Enforcement

550 W. 7th Ave, Suite 1600

Anchorage, Alaska 99501

amco.enforcement@alaska.gov

Issuing Investigator: A. Stonecipher

SIGNATURE:



Delivered VIA: Email

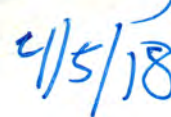
Received by:



SIGNATURE:



Date:



Article #

Response to Notice of Violation, Amco Case AB17-0000445

The notice of violation is an allegation that Ester Horticulture and Research, #10489 is, somehow, in violation of regulations concerning a Metrc transfer manifest.

Amco Investigator Stonecipher alleges that an error in a transfer manifest is attributable to two Fairbanks growers who wanted nothing more than to obtain testing of their products from Canntest in Anchorage.

Ester Horticulture was given e-mail information about the automobile, the route, driver etc, from the transporter, and entered that information to Metrc. It is alleged the information given was insufficient. However, the information needed for the manifest could ONLY come from the transporter and was unverifiable by the growers. To repeat: There was (and is) no way the grower could (or can) determine whether the route information from the transporter was (or is) accurate or not.

In this instance, the transporter was new to Metrc but learned very quickly. The transporter has since included in her information every stop, every, route, and information on automobiles used. Due to the complexity and number of stops necessary to transport a ever growing number of test samples, the manifest now runs to two pages. **WHATEVER PROBLEM EXISTED HAS SINCE BEEN FIXED.**

There is currently a minor revolution in legal thinking concerning whether anyone should be held accountable for something beyond his or her control. Our legal system has often punished those who merely stumbled into wrongdoing, regardless whether they intended to or not. That flimsy legal justification, now most often held in open ridicule, was that the wrongdoer **SHOULD HAVE KNOWN.**

At the federal level, prosecutors frequently must be reminded that for centuries the alleged wrongdoer's intent has been an essential and primary element in enforcing a rule or regulation. For the last couple of

decades, in the interest of expediency, our legal system has overlooked the centrality of intent and, in the process, inflicted great harm on many innocent people. To our embarrassment, we are once more forced to re-learn the basics of fundamental justice. This NOV falls directly within this lesson.

Since violations under the AMCO rules are cumulative and additive with ever rising consequences, Ester Horticulture denies having any responsibility in violating any regulation involving the Metrc manifest cited by Ms. Stonecipher. Ester Horticulture requests a hearing before the board at its June meeting.

Ms. Stonecipher related to Ester Horticulture that she was aware that the insufficient information on the manifest was not attributable to Ester Horticulture, but to the transporter. The transport information must necessarily come from the transporter, but transporting only requires a handler's card. Since there are no regulations applicable to transporters, Ms. Stonecipher admitted she was left with no alternative but to issue NOV's to the licensed entities.

This would seem to be an issue for future regulation, not as a means to punish those who are innocent of wrongdoing, but happen to be ready targets within the current regulatory scheme.

Why Ms. Stonecipher didn't issue an advisory that transfer manifests should be created with greater care, (to be sure everyone was on notice), is incomprehensible. That she didn't solve the perceived problem with the least time and effort but, instead, issued formal violations to those who were forced to use the only information available, is inexcusable.

Regards,

John Collette
Ester Horticulture and Research
Fairbanks
907-479-0706

Notice of Violation

(3AAC 306.805)

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

Date: 4/13/18

License #/Type: 10098, Standard Cultivation

Licensee: Kimberley Kole

Address: 501 Raspberry Rd. Ste 101&102

DBA: Raspberry Roots

AMCO Case #: AB18000398

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana 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.

Between 04/05/18 and 04/11/18 AMCO Investigators conducted a series of inspections of the Raspberry Roots retail store premises (lic# 10097). During this time it was discovered that the functional floor plan of the the cultivation premises (lic# 10098) had been modified by constructing additional rooms that were not reflected on the approved premises diagram on file with AMCO.

AMCO files for lic# 10098 show that an MJ-14 was approved by Director McConnell on 11/09/17. The associated diagram showed the first floor of the premises with an open area behind the retail area that was labeled "cultivation cure, trim, area packaging". Physical inspection showed this plan was not accurate as a large room had been added to the area that created hallways on sides of the new room and two new doors into the room.

The first floor diagram also depicts a larger warehouse area adjacent to the area described above. The diagram shows a room in the back corner named "Cave Room - 1" or "grow area" which is accessed by one door. Physical inspection again showed this was not accurate as the single Cave room on the diagram is now comprised of three rooms with three separate doors and the physical footprint of these rooms is larger as well. Two of these rooms are being utilized for drying and product storage and the third is for quarantine.

As a result of these modifications camera coverage was no longer adequate in restricted access areas.

Please see the attached diagram which shows all undocumented changes highlighted in yellow.

These are violations of 3 AAC 306.705 Licensed premise; alteration and 3 AAC 306.720 Video Surveillance.

3 AAC 306.805 provides that upon receipt of a Notice of Violation, a licensee may request to appear before the board and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice. A licensee may respond, either orally or in writing, to the Notice. 3 AAC 306.810(3)(A)(B)(C) failed, within a reasonable time after receiving a notice of violation from the director, to correct any defect that is the subject of the notice of violation of AS 17.38 or this chapter, a condition or restriction imposed by the board or other applicable law.

IT IS RECOMMENDED THAT YOU RESPOND IN WRITING TO DOCUMENT YOUR RESPONSE FOR THE MARIJUANA CONTROL BOARD.

***Please send your response to the address below and include your Marijuana Establishment License Number in your response.**

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

Issuing Investigator: J. Bankowski

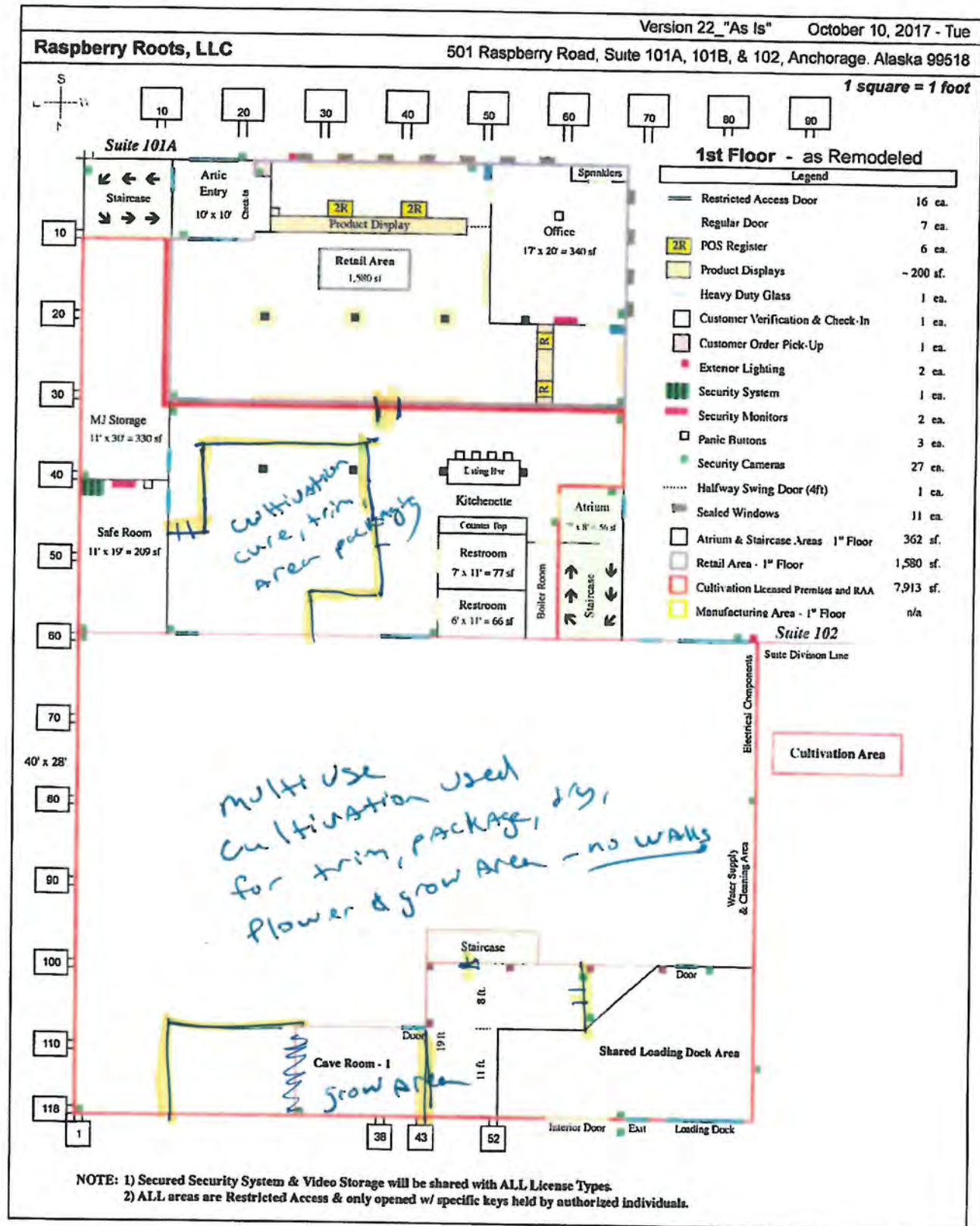
Received by:

SIGNATURE: 

SIGNATURE:

Delivered VIA: Email

Date:



Notice of Violation

(3AAC 306.805)

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

Date: Tuesday, April 24, 2018

License #/Type: #10671 Standard Marijuana Cultivation Facility

Licensee: Aaron Ralph

Address: 1805 & 1807 West 47th Avenue, Anchorage, AK 99503

DBA: ALASKA CANNABIS EXCHANGE, LLC

AMCO Case #: AB18-0450

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana 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 April 24th, 2018. The State of Alaska Alcohol & Marijuana Control Enforcement did receive complaints of a strong odor of marijuana coming from Alaska Cannabis Exchange, LLC in Anchorage, AK. Investigators did go to 1801 West 47th Avenue and did detect a strong odor of marijuana coming from Alaska Cannabis Exchange, LLC.

At approximately 1:30 pm on April 24th, 2018, the strong odor of marijuana was easily detected inside of the business adjacent to Alaska Cannabis Exchange, LLC.

Please regard this Notice of Violation as AMCO Enforcements directive that Alaska Cannabis Exchange, LLC will ensure that any marijuana or marijuana product at the facility does not emit an odor that is detectable by the public outside of the cultivation facility.

Your attention is directed to:

3 AAC 306.430 Restricted access area. (c)(2)

(c) A marijuana cultivation facility shall ensure that any marijuana at the marijuana cultivation facility (2) does not emit an odor that is detectable by the public from outside the cultivation facility except as allowed by a local government conditional use permit process.

3 AAC 306.805 provides that upon receipt of a Notice of Violation, a licensee may request to appear before the board and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice. A licensee may respond, either orally or in writing, to the Notice. 3 AAC 306.810(3)(A)(B)(C) failed, within a reasonable time after receiving a notice of violation from the director, to correct any defect that is the subject of the notice of violation of AS 17.38 or this chapter, a condition or restriction imposed by the board or other applicable law.

IT IS RECOMMENDED THAT YOU RESPOND IN WRITING TO DOCUMENT YOUR RESPONSE FOR THE MARIJUANA CONTROL BOARD.

*Please send your response to the address below and include your Marijuana Establishment License Number in your response.

Alcohol & Marijuana Control Office

ATTN: Enforcement


550 W. 7th Ave, Suite 1600

Anchorage, Alaska 99501

amco.enforcement@alaska.gov

Issuing Investigator: K. Whiteman

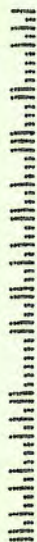
Received by:

SIGNATURE: 

SIGNATURE:

Delivered VIA: Mail

Date:



Alcohol & Marijuana Control Office
550 West 7th Avenue, Suite 1600
Anchorage, Alaska 99501

• Sender: Please print your name, address, and ZIP+4® in this box •

United States
Postal Service

00 9024 9672 7223 2046 0656

First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10



#NMKING#



SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

Alaska Cannabis Exchange, LLC
15930 Terracewood Lane
Anchorage, AK 99516

9590 9402 3271 7196 4206 00

2. Article Number (Transfer from service label)

7017 0530 0000 9548 8283

COMPLETE THIS SECTION ON DELIVERY

- A. Signature *Alcohol & Marijuana Control Office*
- B. Received by (Printed Name) *Alcohol & Marijuana Control Office*
- C. Date of Delivery *5-5-12*
- D. Is delivery address different from item 1? ☐ Yes ☒ No

Service Type

- | | |
|--|---|
| <input type="checkbox"/> Adult Signature | <input type="checkbox"/> Priority Mail Express® |
| <input type="checkbox"/> Adult Signature Restricted Delivery | <input type="checkbox"/> Registered Mail™ |
| <input type="checkbox"/> Certified Mail® | <input type="checkbox"/> Registered Mail Restricted Delivery |
| <input type="checkbox"/> Certified Mail Restricted Delivery | <input type="checkbox"/> Return Receipt for Merchandise |
| <input type="checkbox"/> Collect on Delivery | <input type="checkbox"/> Signature Confirmation™ |
| <input type="checkbox"/> Collect on Delivery Restricted Delivery | <input type="checkbox"/> Signature Confirmation Restricted Delivery |
| <input type="checkbox"/> Insured Mail | |
| <input type="checkbox"/> Mail Restricted Delivery | |

From: [Hoelscher, James C. \(CED\)](#)
To: [Mark/Tiff/Trin/Siris/Cody Nusbaum](#); WeaverCD@muni.org
Cc: [Davies, Jason M. \(CED\)](#); [CED AMCO Enforcement \(CED sponsored\)](#); [Marijuana Licensing \(CED sponsored\)](#); [McConnell, Erika B \(CED\)](#)
Subject: RE: Odor Complaint: 1805 W. 47th Avenue Anchorage, Alaska 99517
Date: Monday, June 04, 2018 10:48:37 AM

Mr. Nusbaum,

Thank you for your letter, I will attach this letter in my NOV report for the marijuana board. The MCB is meeting on June 13-15, please [visit our website](#) for more information.

Respectfully,

James Hoelscher

From: Mark/Tiff/Trin/Siris/Cody Nusbaum <fabfiveofak@yahoo.com>
Sent: Monday, June 04, 2018 10:30 AM
To: Hoelscher, James C (CED) <james.hoelscher@alaska.gov>; WeaverCD@muni.org
Subject: Odor Complaint: 1805 W. 47th Avenue Anchorage, Alaska 99517

Mr. Hoelscher, as we discussed on the telephone this morning, a letter of complaint is attached to this email for the MCB's meeting next week during the portion of "Notices of Violation."

I am James' brother, and have written this letter on behalf of James and his place of business, in his presence.

I can be reached through the channels listed below, anytime.
Thank you for your cooperation in this matter.

Respectfully,

Mark Nusbaum

(907) 830-8540
fabfiveofak@yahoo.com

TO:
State of Alaska
Alcohol and Marijuana Control Office

FROM:
James Nusbaum
Wayne's Automotive Repair

Re:
1805 W. 47th Avenue
(Commercial Grow Operation)

Prepared By:
Mark Nusbaum for
(complainant) James Nusbaum

This letter is being written today in regards to 1805 W. 47th Avenue, in Anchorage, Alaska; a commercial cannabis growing facility. Since operation has begun at this site, there has been noticeable and frequent odor being emitted from this particular facility. In the beginning, these odors were written off as a growing pain, (no pun intended), and hope was held that this cultivator would fine-tune the operation to filter the odor from outside of the facility.

Since then, it has only worsened. Understanding that the standard "feet from a school/church" regulation has obviously been met, and that most protocol has been met by this cultivator, it is still to be explained how one can operate a facility when the odors that are being emitted can be sensed from the Spenard Recreation Center, and as far down 47th Avenue as Northwood Elementary School; imagine being this cultivator's direct neighbor.

Business for myself has suffered a measurable loss, as the sharp odors have invaded my shop on what seems to be (at least), multiple times a week. Reasonably, customers that I have serviced for decades have now decided to take their business elsewhere, to avoid the enduring fragrance. My greeting to customers that walk in has turned from, *"Hi, how are you today?"* to *"I apologize for the odor, my neighbor is a commercial marijuana grower, and we're trying to do something about it."* Unfortunately for me, my customers do not base their decision to do business with me on my efforts to find resolve with the neighboring harvesters; they simply cannot have their vehicle in my shop while the odors are so demanding of one's attention. I cannot blame them. Additionally, as a parent, I have had to have difficult conversations with my child about the odors that have overtaken the shop and surrounding area.

3 AAC 306.420 (2) (F): odor control

3 AAC 306.430 (C) (2): does not emit an odor that is detectable by the public from outside the cultivation facility except as allowed by a local government conditional use permit process.

Under these codes, I can only assume that this cultivator has been for some time, and continues to be, in violation. It is my hope that the MCB can advance on these numerous complaints and force this cultivator into compliance sooner than later. I am available at any time to answer any questions that the Board may have for me.

Respectfully,
James Nusbaum/Wayne's Automotive Repair

Notice of Violation

(3AAC 306.805)

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

Date: 5-2-18

License #/Type: #10837 Retail Marijuana Store

Designated Licensee: John Grissom

AMCO Case#: AB18000505

DBA: Hillside Natural Wellness

Premises Address: 8639 Toloff St., Suite 1

Mailing Address: PO Box 872468 Wasilla, AK 99687

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana 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 5-2-18, AMCO Investigators were notified of an ADN news story regarding marijuana taxes and the article featured a photograph of a bud tender working at Hillside Natural Wellness. In the photograph there were a couple dozen trays on the counter top, unsecured, that appeared to be filled with packaged marijuana.

On 5-2-18 at approximately 1100 hours, Investigators Bankowski and Hoelscher contacted Director of Operations, Ashley Taborsky at Hillside Natural Wellness and verified that there was approximately 24 trays containing various amount of pre-packaged marijuana on the counter-top and that it was unsecured. We informed her that this was a violation of their operating plan and also violated 3 AAC 306.710(a). by having unrestricted access to the pre-packaged marijuana on the counter-top.

Your attention is directed to:

AS 17.38.070

AS 17.38.190

3 AAC 306.020(c)

3 AAC 306.316(2)

3 AAC 306.710(a)

3 AAC 306.805 provides that upon receipt of a Notice of Violation, a licensee may request to appear before the board and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice. A licensee may respond, either orally or in writing, to the Notice.

IT IS RECOMMENDED THAT YOU RESPOND IN WRITING TO DOCUMENT YOUR RESPONSE FOR THE MARIJUANA CONTROL BOARD.

***Please send your response to the address below and include your Marijuana Establishment License Number in your response.**

Alcohol & Marijuana Control Office

ATTN: Enforcement

550 W. 7th Ave, Suite 1600

Anchorage, Alaska 99501

amco.enforcement@alaska.gov

Issuing Investigator: J. Hoelscher

Received by:

SIGNATURE:

SIGNATURE:

Delivered VIA: Email

Date:



Alaska Marijuana Control Board

Operating Plan Supplemental Form MJ-03: Retail Marijuana Store

Section 3 – On-site Consumption

Yes No

Do you plan to request approval of the board with your initial application to permit consumption of marijuana or marijuana product in a designated area on the proposed premises?

☐☒

If “Yes”, describe how you ensure that only marijuana or marijuana products that were purchased at your proposed premises are being consumed, per 3 AAC 306.305(a)(4):

Section 4 – Displays and Sales

Describe how marijuana and marijuana products at the retail marijuana store will be displayed and sold:

All marijuana products will be displayed in locked and secured display cases and cabinets which require employee assistance to access. Product displays will be in full view of a working video surveillance camera at all times that marijuana or marijuana product is stored in the display. Marijuana products will be placed in the secured displays at opening, and will only be on display during business hours. All marijuana will be stored in the secure marijuana sales room #107, that will be secured by a retractable security grill at the end of each business day to eliminate the need to shuffle product daily. Marijuana and marijuana products will be secured in a locked case at all times where customers may be present on the premises. Only marijuana that is packaged and labeled in accordance with all state and municipal laws and regulations, and in accordance with Hillside Natural Wellness policies, will be placed in product displays and accessed for sale to the public. All employees will be trained and regularly monitored to ensure compliance with the display and closing policies, and that all product is secured and accounted for at all times. All sell-able edibles, concentrates, and flowers will be stored behind the check-out counter. All products on the shopping floor will be non-cannabis containing products, like accessories and clothing. Cashiers will take the customer order and fulfill them from behind the counter. Concentrates and edibles will all be prepackaged and labeled. Other options will be “Deli” style. Large glass jars with batch labeled strains will be on display. If a customer wants that strain, the agent will weigh flower at the check-out counter using a certified scale. Once weighed to the desired amount, the agent will register the purchase in the POS system, seal the product into a child-proof container, and print the packaging label. The prepackaged products will be in secured bins on the shelves in the marijuana sales room #107, or on hooks against the back wall behind the counter, well out of the reach of the customers. Any edibles will be stored in a refrigerator, also securely placed behind the counter out of reach of the customers. Any non-marijuana inventory will be stored in bins on the shelves, on hooks against the back wall, or out on the shopping floor in a separate display case.

From: Ashley Taborsky
To: [Hoelscher, James C \(CED\)](#)
Cc: [Adam Boyd](#)
Subject: Hillside Natural Wellness - Counter Display Corrected
Date: Wednesday, May 02, 2018 10:10:12 PM
Attachments: [IMG_3685.jpg](#)
[IMG_3689.jpg](#)
[IMG_3691.jpg](#)

James -

Since your drop by this morning, all of the marijuana product that was previously displayed on the counters have now been moved to within the glass display case.

I appreciated the explanation and cited operations plan, and made sure my staff & I expedited correcting this.

Photos attached of the new display.

Thank you.

Ashley Taborsky
Director of Operations
(907) 947-0980 cell

Davies, Jason M (CED)

From: Ashley Taborsky <ashley@cannaceuticalsak.com>
Sent: Friday, May 04, 2018 2:56 PM
To: Hoelscher, James C (CED)
Cc: cannaceuticals.ak@gmail.com; Bankowski, Joe (CED); Davies, Jason M (CED); CED AMCO Enforcement (CED sponsored); McConnell, Erika B (CED); Marijuana Licensing (CED sponsored); Matthew Peterson; Jana Weltzin; Christina Thibodeaux; Adam Boyd; John Grissom; Kira Boyd; Cindy Peterson
Subject: Re: Hillside NOV AB18000505
Attachments: Hillside NOV May AB18000505.pdf; IMG_3689.jpg; IMG_3685.jpg

Received.

Within several hours of Mr. Hoelscher & Mr. Bankowski's visit and bringing this to my attention, it was immediately corrected. Updated store photos, attached.

Ashley Taborsky
Director of Operations
(907) 947-0980 cell

On Fri, May 4, 2018 at 2:10 PM, Hoelscher, James C (CED) <james.hoelscher@alaska.gov> wrote:

Ms. Taborsky,

Please confirm receipt of this NOV.

Thank you,

James



James Hoelscher
Special Investigator II

Enforcement Supervisor
Alcohol & Marijuana Control Office
550 W. 7th Ave, Suite 1600

Anchorage, AK 99501
Office (907) 269-0353

james.hoelscher@alaska.gov



Jamie Bridges, assistant store manager, works behind the counter on April 30, 2018. Hillside Natural Wellness, a marijuana dispensary, is located on Toloff Street in South Anchorage. (Marc Lester / ADN)

ADN Recommends



Notice of Violation

(3AAC 306.805)

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

Date: 5/3/18

License #/Type: 10097/Retail

Licensee: Raspberry Roots, LLC

Address: 501 Raspberry Road, Anchorage, AK 99518

DBA: Raspberry Roots

AMCO Case #: AB18-475

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana 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 May 1 2018 at the AMCO office Shampayne Moore and Journey Malaikini were talking together about how many sales they had made at Raspberry Roots on April 30 2018. They were at the AMCO office to get their Marijuana Handler Permits and did not have handler permits on April 30. I spoke to Kim Kole, licensee for Raspberry Roots, on 5/2/18. She stated that she was training Shampayne and Journey on April 30. She stated that they had handled marijuana and made sales on the point of sales machine. This is in violation of 3AAC306.320 Marijuana Handler Permit Required.

3 AAC 306.805 provides that upon receipt of a Notice of Violation, a licensee may request to appear before the board and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice. A licensee may respond, either orally or in writing, to the Notice. 3 AAC 306.810(3)(A)(B)(C) failed, within a reasonable time after receiving a notice of violation from the director, to correct any defect that is the subject of the notice of violation of AS 17.38 or this chapter, a condition or restriction imposed by the board or other applicable law.

IT IS RECOMMENDED THAT YOU RESPOND IN WRITING TO DOCUMENT YOUR RESPONSE FOR THE MARIJUANA CONTROL BOARD.

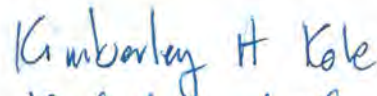
*Please send your response to the address below and include your Marijuana Establishment License Number in your response.

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

Issuing Investigator: J. Rukes

SIGNATURE: 

Delivered VIA: In-Person

Received by: 

SIGNATURE: 

Date: 5/22/18

Notice of Violation

(3AAC 306.805)

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

Date: Friday, May 4th, 2018

License #/Type: #10671 Standard Cultivation Facility

Licensee: Aaron Ralph

Address: 1805 & 1807 west 47th Avenue, Anchorage, AK 99503

DBA: Alaska Cannabis Exchange, LLC

AMCO Case #: AB18-0512

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana 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 Wednesday, April 4th, 2018 after a walk through of Alaska Cannabis Exchange, LLC Alcohol & Marijuana Control investigators did observe that the marijuana plants in the plants rooms had began to possibly block the view of adequate camera coverage. Video was requested for the cultivation and plant rooms to see if the camera coverage for those areas was not obstructed from view. Once the footage was viewed it was determined that the camera coverage was inadequate for an unobstructed view of regular daily activities.

Please regard this Notice of Violation as AMCO Enforcements directive that Alaska Cannabis Exchange, LLC will ensure that any marijuana or marijuana product and employee activity at the facility will be in clear view provided by the camera placement.

This is a violation of:

3 AAC 306.720. Video surveillance

(c) Any area where marijuana is grown, cured, or manufactured, or where marijuana waste is destroyed, must have a camera placement in the room facing the primary entry door, and in adequate fixed positions, at a height that will provide a clear, unobstructed view of the regular activity without a sight blockage from lighting hoods, fixtures, or other equipment, in order to allow for the clear and certain identification of any person and activity in the area at all times.

3 AAC 306.805 provides that upon receipt of a Notice of Violation, a licensee may request to appear before the board and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice. A licensee may respond, either orally or in writing, to the Notice. 3 AAC 306.810(3)(A)(B)(C) failed, within a reasonable time after receiving a notice of violation from the director, to correct any defect that is the subject of the notice of violation of AS 17.38 or this chapter, a condition or restriction imposed by the board or other applicable law.

IT IS RECOMMENDED THAT YOU RESPOND IN WRITING TO DOCUMENT YOUR RESPONSE FOR THE MARIJUANA CONTROL BOARD.

***Please send your response to the address below and include your Marijuana Establishment License Number in your response.**

Alcohol & Marijuana Control Office

ATTN: Enforcement

550 W. 7th Ave, Suite 1600

Anchorage, Alaska 99501

amco.enforcement@alaska.gov

Issuing Investigator: K. Whiteman

Received by:

SIGNATURE: 

SIGNATURE:

Delivered VIA: Mail

Date:

Article # 7017 0530 0000 9548 8313

22. 11. 2019

• Sender: Please print your name, address, and ZIP+4® in this box.®

United States
Postal Service

First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

USPS TRACKING#

9590 9402 3271 7196 4206 17

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

Alaska Cannabis Exchange, LLC
15930 Terracewood Lane
Anchorage, AK 99516

9590 9402 3271 7196 4206 17

2. Article Number (Transfer from service label)

2017 0530 0009 9548 8313

COMPLETE THIS SECTION ON DELIVERY

A. Signature

x Linda Schöb

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from Item 1?

☐ Yes
☐ No

3. Service type

- | | |
|--|---|
| <input type="checkbox"/> Adult Signature | <input type="checkbox"/> Registered Mail |
| <input type="checkbox"/> Adult Signature Restricted Delivery | <input type="checkbox"/> Registered Mail Restricted Delivery |
| <input type="checkbox"/> Certified Mail® | <input type="checkbox"/> Return Receipt for Merchandise |
| <input type="checkbox"/> Certified Mail Restricted Delivery | <input type="checkbox"/> Signature Confirmation™ |
| <input type="checkbox"/> Collect on Delivery | <input type="checkbox"/> Signature Confirmation Restricted Delivery |
| <input type="checkbox"/> Collect on Delivery Restricted Delivery | |
| <input type="checkbox"/> Registered Mail | |
| <input type="checkbox"/> Registered Mail Restricted Delivery | |
- ed Mail Restricted Delivery \$500)**

25 Form 3811 July 2015 E N 7530-02-MN-9053

Domestic Return Receipt

From: [Hoelscher, James C. \(CED\)](#)
To: [Mark/Tiff/Trin/Siris/Cody Nusbaum](#); WeaverCD@muni.org
Cc: [Davies, Jason M. \(CED\)](#); [CED AMCO Enforcement \(CED sponsored\)](#); [Marijuana Licensing \(CED sponsored\)](#); [McConnell, Erika B \(CED\)](#)
Subject: RE: Odor Complaint: 1805 W. 47th Avenue Anchorage, Alaska 99517
Date: Monday, June 04, 2018 10:48:37 AM

Mr. Nusbaum,

Thank you for your letter, I will attach this letter in my NOV report for the marijuana board. The MCB is meeting on June 13-15, please [visit our website](#) for more information.

Respectfully,

James Hoelscher

From: Mark/Tiff/Trin/Siris/Cody Nusbaum <fabfiveofak@yahoo.com>
Sent: Monday, June 04, 2018 10:30 AM
To: Hoelscher, James C (CED) <james.hoelscher@alaska.gov>; WeaverCD@muni.org
Subject: Odor Complaint: 1805 W. 47th Avenue Anchorage, Alaska 99517

Mr. Hoelscher, as we discussed on the telephone this morning, a letter of complaint is attached to this email for the MCB's meeting next week during the portion of "Notices of Violation."

I am James' brother, and have written this letter on behalf of James and his place of business, in his presence.

I can be reached through the channels listed below, anytime.
Thank you for your cooperation in this matter.

Respectfully,

Mark Nusbaum

(907) 830-8540
fabfiveofak@yahoo.com

TO:
State of Alaska
Alcohol and Marijuana Control Office

FROM:
James Nusbaum
Wayne's Automotive Repair

Re:
1805 W. 47th Avenue
(Commercial Grow Operation)

Prepared By:
Mark Nusbaum for
(complainant) James Nusbaum

This letter is being written today in regards to 1805 W. 47th Avenue, in Anchorage, Alaska; a commercial cannabis growing facility. Since operation has begun at this site, there has been noticeable and frequent odor being emitted from this particular facility. In the beginning, these odors were written off as a growing pain, (no pun intended), and hope was held that this cultivator would fine-tune the operation to filter the odor from outside of the facility.

Since then, it has only worsened. Understanding that the standard "feet from a school/church" regulation has obviously been met, and that most protocol has been met by this cultivator, it is still to be explained how one can operate a facility when the odors that are being emitted can be sensed from the Spenard Recreation Center, and as far down 47th Avenue as Northwood Elementary School; imagine being this cultivator's direct neighbor.

Business for myself has suffered a measurable loss, as the sharp odors have invaded my shop on what seems to be (at least), multiple times a week. Reasonably, customers that I have serviced for decades have now decided to take their business elsewhere, to avoid the enduring fragrance. My greeting to customers that walk in has turned from, *"Hi, how are you today?"* to *"I apologize for the odor, my neighbor is a commercial marijuana grower, and we're trying to do something about it."* Unfortunately for me, my customers do not base their decision to do business with me on my efforts to find resolve with the neighboring harvesters; they simply cannot have their vehicle in my shop while the odors are so demanding of one's attention. I cannot blame them. Additionally, as a parent, I have had to have difficult conversations with my child about the odors that have overtaken the shop and surrounding area.

3 AAC 306.420 (2) (F): odor control

3 AAC 306.430 (C) (2): does not emit an odor that is detectable by the public from outside the cultivation facility except as allowed by a local government conditional use permit process.

Under these codes, I can only assume that this cultivator has been for some time, and continues to be, in violation. It is my hope that the MCB can advance on these numerous complaints and force this cultivator into compliance sooner than later. I am available at any time to answer any questions that the Board may have for me.

Respectfully,
James Nusbaum/Wayne's Automotive Repair

Notice of Violation

(3AAC 306.805)

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

Date: May 4, 2018

Licensee: Smadar Warden

DBA: AlaskaSense, LLC

License #/Type: #10237 Standard Cultivation Facility

Address: 521 W. Tudor Road, Anchorage, AK 99503

AMCO Case #: AB18-0507

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana 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 4/17/2018 after an interview with Chief Financial Officer, Lorenzo Gonzalez from AlaskaSense, LLC / Cannabaska regarding waste disposal, Alcohol & Marijuana Control Investigators made requests for purchase history and sales receipts for a wood chipper and video footage of when Marijuana product was removed from a secure area and placed out in the open as a test of an employee. To date no video footage has been issued to investigators and the receipt was received well beyond the required time frame.

This is a violation of:

3 AAC 306.720. Video surveillance

(c) Any area where marijuana is grown, cured, or manufactured, or where marijuana waste is destroyed, must have a camera placement in the room facing the primary entry door, and in adequate fixed positions, at a height that will provide a clear, unobstructed view of the regular activity without a sight blockage from lighting hoods, fixtures, or other equipment, in order to allow for the clear and certain identification of any person and activity in the area at all times.

3 AAC 306.755. Business records

(b) A marijuana establishment shall provide any record required to be kept on the licensed premises to an employee of the board upon request. Any record kept off premises must be provided to the board's employees not later than three business days after a request for the record.

3 AAC 306.800. Inspection and investigation

(b) A marijuana establishment, and any licensee, employee, or agent in charge shall cooperate with the director, an enforcement agent, an employee of the board, or a peace officer acting in an official capacity, to enforce the laws related to marijuana, including (2) providing access to business records at reasonable times when requested by the director, an enforcement agent, an employee of the board, or a peace officer.

3 AAC 306.805 provides that upon receipt of a Notice of Violation, a licensee may request to appear before the board and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice. A licensee may respond, either orally or in writing, to the Notice. 3 AAC 306.810(3)(A)(B)(C) failed, within a reasonable time after receiving a notice of violation from the director, to correct any defect that is the subject of the notice of violation of AS 17.38 or this chapter, a condition or restriction imposed by the board or other applicable law.

IT IS RECOMMENDED THAT YOU RESPOND IN WRITING TO DOCUMENT YOUR RESPONSE FOR THE MARIJUANA CONTROL BOARD.

***Please send your response to the address below and include your Marijuana Establishment License Number in your response.**

Alcohol & Marijuana Control Office

ATTN: Enforcement

550 W. 7th Ave, Suite 1600

Anchorage, Alaska 99501

amco.enforcement@alaska.gov

Issuing Investigator: K. Whiteman

Received by:

SIGNATURE: 

SIGNATURE:

Delivered VIA: Mail

Date:

Article # 7017 0530 0000 9548 8269

Notice of Violation

(3AAC 306.805)

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

Date: May 4, 2018

License #/Type: #10237 Standard Cultivation Facility

Licensee: Smadar Warden

Address: 521 W. Tudor Road, Anchorage, AK 99503

DBA: AlaskaSense, LLC

AMCO Case #: AB18-0507

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana 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 4/17/2018 after an interview with Chief Financial Officer, Lorenzo Gonzalez from AlaskaSense, LLC / Cannabaska regarding waste disposal, Alcohol & Marijuana Control Investigators made requests for purchase history and sales receipts for a wood chipper and video footage of when Marijuana product was removed from a secure area and placed out in the open as a test of an employee. To date no video footage has been issued to investigators and the receipt was received well beyond the required time frame.

This is a violation of:

3 AAC 306.720. Video surveillance

(c) Any area where marijuana is grown, cured, or manufactured, or where marijuana waste is destroyed, must have a camera placement in the room facing the primary entry door, and in adequate fixed positions, at a height that will provide a clear, unobstructed view of the regular activity without a sight blockage from lighting hoods, fixtures, or other equipment, in order to allow for the clear and certain identification of any person and activity in the area at all times.

3 AAC 306.755. Business records

(b) A marijuana establishment shall provide any record required to be kept on the licensed premises to an employee of the board upon request. Any record kept off premises must be provided to the board's employees not later than three business days after a request for the record.

3 AAC 306.800. Inspection and investigation

(b) A marijuana establishment, and any licensee, employee, or agent in charge shall cooperate with the director, an enforcement agent, an employee of the board, or a peace officer acting in an official capacity, to enforce the laws related to marijuana, including
(2) providing access to business records at reasonable times when requested by the director, an enforcement agent, an employee of the board, or a peace officer.

3 AAC 306.805 provides that upon receipt of a Notice of Violation, a licensee may request to appear before the board and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice. A licensee may respond, either orally or in writing, to the Notice. 3 AAC 306.810(3)(A)(B)(C) failed, within a reasonable time after receiving a notice of violation from the director, to correct any defect that is the subject of the notice of violation of AS 17.38 or this chapter, a condition or restriction imposed by the board or other applicable law.

IT IS RECOMMENDED THAT YOU RESPOND IN WRITING TO DOCUMENT YOUR RESPONSE FOR THE MARIJUANA CONTROL BOARD.

***Please send your response to the address below and include your Marijuana Establishment License Number in your response.**

Alcohol & Marijuana Control Office

ATTN: Enforcement


550 W. 7th Ave, Suite 1600

Anchorage, Alaska 99501

amco.enforcement@alaska.gov

Issuing Investigator: K. Whiteman

Received by: *JEFFREY M. KAIS*

SIGNATURE: 

SIGNATURE: 

Delivered VIA: Mail

Date: *5/4/18*

Notice of Violation

(3AAC 306.805)

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

Date: 5-8-18

License #/Type: #11234

Licensee: Dwain Dunning

Address: 4269 Richardson Hwy, Valdez, AK

DBA: DKW Farms, LLC

AMCO Case #: AB18-0509

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana 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 5-2-18 an inspection was conducted at your establishment. The following discrepancies were noted in the Veg Room.

	ON HAND	METRC
Say Uncle	51	0
Sky Walker	1	0
Mango	17	0

Clone strains: Tut, 42 clones, and an unmarked strain, 32 clones, for a total of 74 clones. METRC shows 76 total clones.

One plant did not have a tag.

Your attention is referred to 3 AAC 306.435: Marijuana inventory tracking system

3 AAC 306.805 provides that upon receipt of a Notice of Violation, a licensee may request to appear before the board and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice. A licensee may respond, either orally or in writing, to the Notice. 3 AAC 306.810(3)(A)(B)(C) failed, within a reasonable time after receiving a notice of violation from the director, to correct any defect that is the subject of the notice of violation of AS 17.38 or this chapter, a condition or restriction imposed by the board or other applicable law.

IT IS RECOMMENDED THAT YOU RESPOND IN WRITING TO DOCUMENT YOUR RESPONSE FOR THE MARIJUANA CONTROL BOARD.

*Please send your response to the address below and include your Marijuana Establishment License Number in your response.

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:

Article # 7016 2710 0000 8600 3999

Hamilton, Joe (CED)

From: Dwain and Cindy Dunning <cd_dunning@cvinternet.net>
Sent: Friday, May 04, 2018 2:47 PM
To: Hamilton, Joe (CED)
Subject: Re: Inspection

Categories: follow up

Joe;

Will try and check out these discrepancies to the best of my ability since William normally inputs the growth cycle. Would like you to be aware that we have had some unknowns with Metrc, Like the last 2 transports when filling them out they did not show the address of start or finish and there is no way to insert them without handwriting them in, plus the last sample done didn't record for 6 days till we contacted the testing outfit which had already sent test results to us.

William is still away till sunday and he says it is in metrc but when I checked I see the discrepancies,

Say Uncle unknown discrepancy

Tut is showing 20 in metrc, tags ending 324-343

Sky Walker shows veg tag ending 347 Phase date 4/13

Mango unknown discrepancy

AK Kush should read AK47, shows as 1 clone but also destroyed on 3/9, Cookie Kush is one we had in the past

Glad the flowering room is good

With the clones I know he destroys/removes sickly ones or when they die.

The wet waste that you asked for on skywalker/cropped 4/28/18 total wet wgt;
9699g waste; 4534g

I will get the other answers for you on the discrepancies found. Hope this answers most.
Thank You

Dwain Dunning
DKW Farms LLC
907-255-1463

From: "Hamilton, Joe (CED)" <joe.hamilton@alaska.gov>
To: "Peggy Dempsey" <cd_dunning@cvinternet.net>
Sent: Friday, May 4, 2018 11:45:33 AM
Subject: Inspection

Dwain,

I have several discrepancies on the inspection I'll list them.

Veg Room

Name	On Hand	METRC
Say Uncle	51	0
Tut	20	16
Sky Walker	1	0
Mango	17	0
Ak Kush	(No TAG)	

Flower Room

Cookie Kush	29	29
Mango	27	27

Clones

Tut	42
Unknown	32

I just did a total of these and it was 74. METRC has 76

Can you explain discrepancies



Joe Hamilton
Special Investigator 1
Enforcement Unit
Alcohol & Marijuana Control
Office

550 W. 7th Ave, Suite 1600

Anchorage, AK 99501

Office (907) 269-0063

Cell (907) 441-2534

joe.hamilton@alaska.gov

Date: 5-18-18

License #/type 11234 Standard Cultivation

Licensee: Dwain Dunning , William Watson , Kenneth Watson
Hwy, Valdez,AK

Address:4269 Richardson

DBA: DKW Farms ,LLC

AMCO Case # : AB18-0509

On 5-2-18 an inspection was conducted on our establishment. There were some discrepancies found and we have worked with the investigator to correct them, these are the violations and corrections indicated on the notice of violation.

Say Uncle

Say Uncle was 50 clones when the investigator was here, they counted 51 say uncle clones because we had spider mites and had to destroy some of the plants. At that time the one dead clone was overlooked but since then, the dead say uncle has been destroyed and all corrected in metrc

skywalker

We only have one surviving plant of this batch since the rest we destroyed because of spider mite, this was to preserve the stain. The investigator didn't notice the metrc tag since it had slid down the side of the plant and has since been corrected to hang from the plant. Reason plant tag wasn't found in metrc was do to incorrect spelling of strain name.

Mango

The count of $17+32=49$ which we had in metrc. when the investigator was here he counted 32 cuttings and 17 that we had put into cups 2 days prior. We have been letting them adjust before tagging to establish a root system since they were under 8 inches and new plants sometime don't take. Since the inspection we have entered all 49 clones into metrc as soon as they are planted regardless of there size.

AK47

When the investigator was here he counted an ak47 plant that we were trying to reguvinat since we had accidentally forgotten to clone any in that stain. They don't always survive and we were waiting to see if it would, after the inspection we have corrected this matter by tagging it into metrc. This plant was taller than 8" and we were unclear how to handle this due to the situation of the rejuving process. The investigator has cleared up that question during our conversation with him.

cookie kush

Cookie kush was mislabeled Tut so when the investigator was here he saw the Tut tag and wasn't seeing them in metrc. Since his visit we have corrected this issue and they have been entered into metrc with the correct strain name

Thank you

DKW Farms LLC

Dwain Dunning

P.O.Box 2078

Valdez,AK 99686

UNITED STATES POSTAL SERVICE



First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

• Sender: Please print your name, address, and ZIP+4® in this box.

Alcohol & Marijuana Control Office
550 W. 7th Avenue, Suite 1600
Anchorage, AK 99501

Handwritten signature



COMPLETE THIS SECTION ON DELIVERY

A. Signature *[Signature]*
B. Received by (Printed Name) *Dwain Dunning*
C. Date of Delivery *5-15-18*
D. Is delivery address different from item 1? ☐ Yes ☒ No
If YES, enter delivery address below:

3. Service Type
☐ Certified Mail® ☐ Priority Mail Express™
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ Collect on Delivery
4. Restricted Delivery? (Extra Fee) ☐ Yes ☒ No

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Dwain Dunning
dba DKW Farms LLC
PO Box 2078
Valdez, AK 99686

2. Article Number
(Transfer from service label)

7176 9176 0000 8900 6666

PS Form 3811, July 2013 Domestic Return Receipt

Notice of Violation

(3AAC 306.805)

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

Date: 5-10-18

License #/Type: #10592 Standard Cultivation

Licensee: Branden Roybal

Address: 3665 Worrell Ave, Fairbanks, AK 99701

DBA: Alaska Cannabis Cultivators

AMCO Case #: AB18-000533

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana 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.

While delivering paperwork from case AB 18-000531, It was observed none of the employees had Employee ID Badges on. The licensee and business manager admitted they threw them all away to make new ones. They were advised to get new ones made and given to the employees to be in compliance with the regulations.

This is a violation of 3 AAC 306.710(c) Restricted Access Areas.

3 AAC 306.805 provides that upon receipt of a Notice of Violation, a licensee may request to appear before the board and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice. A licensee may respond, either orally or in writing, to the Notice. 3 AAC 306.810(3)(A)(B)(C) failed, within a reasonable time after receiving a notice of violation from the director, to correct any defect that is the subject of the notice of violation of AS 17.38 or this chapter, a condition or restriction imposed by the board or other applicable law.

IT IS RECOMMENDED THAT YOU RESPOND IN WRITING TO DOCUMENT YOUR RESPONSE FOR THE MARIJUANA CONTROL BOARD.

*Please send your response to the address below and include your Marijuana Establishment License Number in your response.

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

Issuing Investigator: A. Stonecipher

Received by:

Branden Roybal

SIGNATURE:

ast

SIGNATURE:

Branden Roybal

Delivered VIA: Email

Date:

5-10-18

Article #

From: [Marijuana Licensing \(CED sponsored\)](#)
To: [Branden Roybal \(brandenroybal@yahoo.com\)](#)
Cc: [CED AMCO Enforcement \(CED sponsored\)](#); [Davies, Jason M \(CED\)](#); [Hoelscher, James C \(CED\)](#); [Marijuana Licensing \(CED sponsored\)](#)
Subject: AMCO Case AB18-000533
Date: Friday, May 11, 2018 9:22:54 AM
Attachments: [notice of violation.pdf](#)

Branden,

I have forwarded your response to your enforcement section (copied in this email). In the future, it is imperative, that you please email responses to NOVs directly to enforcement.

Respectfully,

Jane Sawyer
Occupational Licensing Examiner
Alcohol and Marijuana Control Office
907-269-0350

From: brandenroybal@yahoo.com <brandenroybal@yahoo.com>
Sent: Thursday, May 10, 2018 2:50 PM
To: Marijuana Licensing (CED sponsored) <marijuana.licensing@alaska.gov>
Subject: AMCO Case AB18-000533

In response to AMCO Case AB18-000533 We made badges so now all of our employees have ID badges on and will be required to wear them at all times. Attached is the signed copy of the notice of violation.

Thank you,
Branden Roybal
Alaska Cannabis Cultivators

Notice of Violation

(3AAC 306.805)

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

Date: 5-10-18

Licensee: Branden Roybal

DBA: Alaska Cannabis Cultivators

License #/Type: #10592 Standard Cultivation

Address: 3665 Worrell Ave, Fairbanks, AK 99701

AMCO Case #: AB18-000531

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana 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.

Alaska Cannabis Cultivators had not submitted waste reports for the month of February. On 3/29/18 I went to the establishment and spoke with the licensee Branden Roybal. It was determined by the licensee's own admittance the waste was not being held for 3 days prior to reporting as required. Video footage was requested for 40 days for waste disposal.

On 4/4/18 licensee Branden Roybal reported via email the cameras were only recording for 4 days instead of the required 40 days. The DVR only had the capacity to store 40 days in motion detection only mode.

This is a violation of 3 AAC 306.740(c)(1) Waste Disposal and 3 AAC 306.720(e) Video Surveillance.

3 AAC 306.805 provides that upon receipt of a Notice of Violation, a licensee may request to appear before the board and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice. A licensee may respond, either orally or in writing, to the Notice. 3 AAC 306.810(3)(A)(B)(C) failed, within a reasonable time after receiving a notice of violation from the director, to correct any defect that is the subject of the notice of violation of AS 17.38 or this chapter, a condition or restriction imposed by the board or other applicable law.

IT IS RECOMMENDED THAT YOU RESPOND IN WRITING TO DOCUMENT YOUR RESPONSE FOR THE MARIJUANA CONTROL BOARD.

*Please send your response to the address below and include your Marijuana Establishment License Number in your response.

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

Issuing Investigator: A. Stonecipher

SIGNATURE: 

Delivered VIA: In-Person

Received by: Branden Roybal

SIGNATURE: 

Date: 5-10-18

Article #

From: [Marijuana Licensing \(CED sponsored\)](#)
To: brandenroybal@yahoo.com; [Marijuana Licensing \(CED sponsored\)](#)
Cc: [CED AMCO Enforcement \(CED sponsored\)](#); [Hoelscher, James C \(CED\)](#); [Davies, Jason M \(CED\)](#)
Subject: RE: AMCO case # AB-18000531
Date: Friday, May 11, 2018 9:23:55 AM

Branden,

I have forwarded your response to your enforcement section (copied in this email). In the future, it is imperative, that you please email responses to NOV's directly to enforcement.

Respectfully,

Jane Sawyer
Occupational Licensing Examiner
Alcohol and Marijuana Control Office
907-269-0350

From: brandenroybal@yahoo.com <brandenroybal@yahoo.com>
Sent: Thursday, May 10, 2018 2:47 PM
To: Marijuana Licensing (CED sponsored) <marijuana.licensing@alaska.gov>
Subject: AMCO case # AB-18000531

In response to AMCO case # AB-18000531 I have installed 2 more DVR to our video surveillance system. This will give us the extra recording capacity to store the required 40 days of continuous recording. I have also changed our waste policy to report the waste the day it is created and store the waste on site in the restricted access area for 3 days before destroying.

Thank you,
Branden Roybal
Alaska Cannabis Cultivators

Notice of Violation

(3AAC 306.805)

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

Date: 5-10-18

Licensee: Aurora Blaze, LLC

DBA: Aurora Blaze, LLC

License #/Type: # 12328 Standard Cultivation

Address: 2693 Arla Street, Fairbanks, AK 99709

AMCO Case #: AB 18-000529

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana 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.

Aurora Blaze submitted waste reports with excess waste for the month of February via email on 3/28/18. On 3/29/18 I went to the establishment and spoke with the manager as the licensees were not available. It was determined by the employee's own admittance the waste was not being held for 3 days prior to reporting as required. Video footage was requested for 40 days for waste disposal.

On 4/4/18 I met with licensee Brittany Gitschel at the AMCO office whom confirmed the waste was not being reported with 3 days notice to the board and AMCO before it was destroyed. She stated the video footage was damaged due to a water flood and she was unaware it was not recording for 40 days. Only 23 days of coverage was available and provided. The waste destruction area camera view was partially covered by a tool box.

This is a violation of 3 AAC 306.740(c)(1) Waste Disposal and 3 AAC 306.720(c)(e).

3 AAC 306.805 provides that upon receipt of a Notice of Violation, a licensee may request to appear before the board and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice. A licensee may respond, either orally or in writing, to the Notice. 3 AAC 306.810(3)(A)(B)(C) failed, within a reasonable time after receiving a notice of violation from the director, to correct any defect that is the subject of the notice of violation of AS 17.38 or this chapter, a condition or restriction imposed by the board or other applicable law.

IT IS RECOMMENDED THAT YOU RESPOND IN WRITING TO DOCUMENT YOUR RESPONSE FOR THE MARIJUANA CONTROL BOARD.

*Please send your response to the address below and include your Marijuana Establishment License Number in your response.

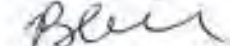
Alcohol & Marijuana Control Office
ATTN: Enforcement
550 W. 7th Ave, Suite 1600
Anchorage, Alaska 99501
amco.enforcement@alaska.gov

Issuing Investigator: A. Stonecipher

SIGNATURE: 

Delivered VIA: In-Person

Received by: 

SIGNATURE: 

Date: 5/10/18

From: Brittany Gitschel
To: [CED AMCO Enforcement \(CED sponsored\)](#)
Subject: License# 12328 Notice of Violation Response
Date: Wednesday, May 16, 2018 10:16:59 AM
Attachments: [Tech Group of the North Letter.pdf](#)

To whom it may concern,

On May 10th we at Aurora Blaze, LLC received a Notice of Violation (AMCO Case #: AB 18-000529) for our waste management and inability to provide 40 days worth of footage in the month of February. We sincerely apologize for all of the above and have taken steps since then to rectify how we handle and report our waste. All of our waste is now labeled and stored in one area of our building for a minimum of three days under direct camera surveillance. We now report our waste logs to AMCO once a week to stay compliant. Our technology specialist has also fixed our video recording system so that it does record 40 days worth of footage as AMCO requires. Attached to this email is a letter by our tech specialist explaining why we were unable to provide the 40 days worth of footage as requested.

Thank you,
Brittany Gitschel
Aurora Blaze, LLC



Technology Group of the North
551 3rd St, Fairbanks AK 99701

April 2, 2018

Dear Charity,

On Thursday, March 29, 2018, Paul Gitschel called and requested to extract video footage of the garage camera at AK Blaze. I discovered that the video has been overwriting recordings after every 23 days. This is due to the reconfiguration that was done after the flooding incident. When we installed the new equipment, the camera configuration was changed to record in High Definition, which caused data to grow rapidly.

This caused the recorder to automatically overwrite old recordings to accommodate space for new footages.

On Saturday, March 29th, I corrected this issue and reconfigured the cameras with the right frame rate and size. This decreases the file size of recordings to accommodate 40 days of footage.

Please accept our sincere apologies regarding this matter...

Sincerely,

A handwritten signature in black ink, appearing to read "Allan Lee Mesina", written over a circular stamp.

Allan Lee Mesina
Owner/Manager
Technology Group of the North

Notice of Violation

(3AAC 306.805)

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

Date: 5-10-18

License #/Type: #11617 / Standard MJ Cultivation

Licensee: James & Krystal Hunter

Address: 67927 Virginia Ave, Homer, AK

DBA: Hunter Greens and Purples, LLC

AMCO Case #: AB18-0516

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana 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 5-7-18, AMCO learned that plant tag #'s 980-1080, growth phases were not being accurately documented in METRC. These plants were planted 1-4-18, moved to Veg on 3-1-18 and to flowering on 3-13-18. The Licensee has changed the new flowering date as 4-16-18. Self-reported plant life cycle errors are plant tag #'s 1081-1094 & 1109-1119. A total of 123 plant life cycle's not properly documented. Since notification, the Licensee has reported they have performed an audit and corrected the entries.

Your attention is referred to 3 AAC 306.435: Marijuana inventory tracking system and 3 AAC 306.755: Business records. (a) A marijuana establishment shall maintain in a format that is readily understood by a reasonably prudent business person, (8) accurate and comprehensive inventory tracking records that account for all marijuana inventory activity from seed or immature plant stage until the retail marijuana or retail marijuana product is sold to a consumer, to another marijuana establishment, or destroyed;

3 AAC 306.805 provides that upon receipt of a Notice of Violation, a licensee may request to appear before the board and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice. A licensee may respond, either orally or in writing, to the Notice. 3 AAC 306.810(3)(A)(B)(C) failed, within a reasonable time after receiving a notice of violation from the director, to correct any defect that is the subject of the notice of violation of AS 17.38 or this chapter, a condition or restriction imposed by the board or other applicable law.

IT IS RECOMMENDED THAT YOU RESPOND IN WRITING TO DOCUMENT YOUR RESPONSE FOR THE MARIJUANA CONTROL BOARD.

*Please send your response to the address below and include your Marijuana Establishment License Number in your response.

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:

Notice of Violation

(3AAC 306.805)

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

Date: 5-10-18

License #/Type: #11617 / Standard MJ Cultivation

Licensee: James & Krystal Hunter

Address: 67927 Virginia Ave, Homer, AK

DBA: Hunter Greens and Purples, LLC

AMCO Case #: AB18-0516

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana 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 5-7-18, AMCO learned that plant tag #'s 980-1080, growth phases were not being accurately documented in METRC. These plants were planted 1-4-18, moved to Veg on 3-1-18 and to flowering on 3-13-18. The Licensee has changed the new flowering date as 4-16-18. Self-reported plant life cycle errors are plant tag #'s 1081-1094 & 1109-1119. A total of 123 plant life cycle's not properly documented. Since notification, the Licensee has reported they have performed an audit and corrected the entries.

Your attention is referred to 3 AAC 306.435: Marijuana inventory tracking system and 3 AAC 306.755: Business records. (a) A marijuana establishment shall maintain in a format that is readily understood by a reasonably prudent business person, (8) accurate and comprehensive inventory tracking records that account for all marijuana inventory activity from seed or immature plant stage until the retail marijuana or retail marijuana product is sold to a consumer, to another marijuana establishment, or destroyed;

3 AAC 306.805 provides that upon receipt of a Notice of Violation, a licensee may request to appear before the board and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice. A licensee may respond, either orally or in writing, to the Notice. 3 AAC 306.810(3)(A)(B)(C) failed, within a reasonable time after receiving a notice of violation from the director, to correct any defect that is the subject of the notice of violation of AS 17.38 or this chapter, a condition or restriction imposed by the board or other applicable law.

IT IS RECOMMENDED THAT YOU RESPOND IN WRITING TO DOCUMENT YOUR RESPONSE FOR THE MARIJUANA CONTROL BOARD.

***Please send your response to the address below and include your Marijuana Establishment License Number in your response.**

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: Krystal Hunter

SIGNATURE: 

SIGNATURE: 

Delivered VIA: Mail

Date: 05/15/2018

Article # 7016 2710 0000 8600 4002

Hamilton, Joe (CED)

From: Davies, Jason M (CED)
Sent: Thursday, May 10, 2018 8:09 AM
To: Hamilton, Joe (CED)
Cc: CED AMCO Enforcement (CED sponsored)
Subject: FW: License # 11617, Hunter Greens and Purples, LLC
Attachments: Ravenclawcalendar.pdf

Categories: follow up, All done

Jason M Davies – Criminal Justice Tech I
AMCO/ENFORCEMENT
jason.davies@alaska.gov
907-754-3410

From: Hunter Greens and Purples <greensandpurples@gmail.com>
Sent: Wednesday, May 09, 2018 9:39 PM
To: CED AMCO Enforcement (CED sponsored) <amco.enforcement@alaska.gov>
Subject: License # 11617, Hunter Greens and Purples, LLC

I received a phone call asking why the tags ending in 980-1080 seemed to have been flowered so soon from the vegetative growth stage. I have paper diagrams and calendars on clipboards hanging outside of each four rooms and after comparing the few notes I have on them, I have adjusted METRC to be consistent with the notes from the clipboard. I have included the calendars in an attachment. Using those notes I have made changes to the veg/flowering dates to accurately describe the growth stages to the best of my ability.

- On March 1, 2018 plants with the tag #'s 980-1080, 1081-1094, 1109-1119 were planted in large pots as they had reached the height limit. The intention was to move the plants out of the clone room and into Ravenclaw then, which did not happen.
- On March 1, 2018 plants with the tag #'s 980-1080 were moved in METRC to show that they were already in Ravenclaw.
- On March 13, 2018, plants with the tag #'s 924-937, 980-1080, 1081-1094, 1109-1119 were physically moved into the grow room labeled Ravenclaw.
- On March 13, 2018, plants with the tag #'s 1081-1094, 1109-1119 were moved in METRC from the room Gryffindor and placed into Ravenclaw, during this move they were also incorrectly moved from growth phase vegetative to growth phase flowering.
- On March 14, 2018 the first layer of netting was put up in the room labeled Ravenclaw, which indicates to me that all plants were snug in the spots they remain at, at that time.
- On March 24, 2018 plant tag #'s 924-937 were moved in METRC to show to be in the correct room but were not changed to flowering.
- On May 6, 2018 during an audit of METRC the errors of plant tag #'s 924-937 and 980-1080 were not shown to be flowering in METRC was discovered. I attempted to fix this by copying the information from the plants in Ravenclaw that were shown to be flowering in METRC, not understanding the data entry error from March.
- On May 7, 2018 the short vegetative cycle error was brought to my attention via a phone call from Joe Hamilton with AMCO enforcement.

- On May 8-9, 2018 I finished the audit of all active rooms and adjusted METRC to more accurately describe the timeline of plant growth in the errored room.

As of May 9, 2018, I believe METRC is 100% accurate with the growth cycles and plant locations. I am almost done with the packaging audit as well. We are a small company and the work load has been a little overwhelming with my unexpected high-risk pregnancy. I am not able to hire workers at this time and am physically unable to work as much as I had anticipated. We have spent the last year working towards efficiently using our time and resources and do not anticipate such a delay in doing independent METRC audits in the future.

Krystal Hunter
Owner
Hunter Greens and Purples, LLC
License # 11617

Alcohol & Marijuana Control Office

ATTN: Enforcement

550 W 7th Ave, Suite 1600

Anchorage, Alaska 99501

RE: Hunter Greens and Purples, LLC

License Number 11617

AMCO Case # AB18-0516

To AMCO Enforcement,

My partner received a phone call from Joe Hamilton on 05/07/2018 on his personal cell phone. Joe was referred to contact me, Krystal Hunter, on the business line. I received a phone call from Joe Hamilton asking questions about plant tags ending in #'s 980-1080. During an independent audit I was currently conducting and had started on 05/05/2018 an error that had been made back in March was carried forward. This was an error in METRC, which auto fills information instead of giving error messages. I have printed out the updated "handbook" and I have taken the classes and it does not cover such things as when they have chosen to provide error messages and when it will auto fill, such as harvest batch names in the harvest tab. The response consistently received from METRC when these issues arrive is to go back and re-enter the information correctly. It is my understanding that this is an issue that is experienced quite frequently in METRC with other growers. I am also waiting for a response on what report was showing the error of a short veg cycle, because I would gladly be running it and checking with it whenever I move plants from the nursery to the grow rooms, and the original error would have been caught in March. When this error was brought to my attention I went and looked over the charts, diagrams and calendars that are kept for each room that were created and maintained by Hunter Greens and Purples, LLC. After completing the audit, I provided AMCO Enforcement with all the information about the movement of the plants as requested by Joe Hamilton on 05/07/2018, I have included a copy of that correspondence. On 05/15/2018 a letter dated 05/10/2018 was received.

In the letter it states that we need attention to the following regulations.

3 AAC 306.435: Marijuana inventory tracking system

3 AAC 360.755: Business records. (a) A marijuana establishment shall maintain in a format that is readily understood by a reasonably prudent business person, (8) accurate and comprehensive inventory tracking records that account for all marijuana inventory activity from seed or immature plant stage until the retail marijuana or retail marijuana product is sold to a consumer, to another marijuana establishment or destroyed.

In response to these allegations:

On 05/05/2018 I began to audit all 3 of the grow rooms in METRC to check the accuracy of the information. Auditing is a reoccurring event that happens in the company. On 05/06/2018 I found inconsistencies in one room and adjusted it hastily by using the information already in METRC, this error is further described in the attached email sent on 05/09/2018. It is our intention to always be compliant with the rules and regulations, which include 3 AAC 306.435/ 3 AAC 306.730.



Hunter Greens and Purples, LLC has thorough business records. The issue that was brought to my attention stemmed from the computer program that is required to be used, and an error in data entry carried from March of 2018. Upon receiving notification that an issue had arisen, by using the paper records maintained by Hunter Greens and Purples, LLC, I was able to accurately adjust the information in METRC. My personal business records were not requested by Joe Hamilton when he called to ask what was happening with the tags, and I understand that METRC does not provide the detailed records that are kept at Hunter Greens and Purples, LLC. If there is a way to share this information with AMCO in real time I would gladly do so, however I am unaware of how to do so.

Moving forward I do not see this ever being an issue again, as I have noted and will be diligent to not allow auto fill in with METRC during this reporting stage. I am also requesting more information on 3 AAC 306.800 and 3 AAC 306.805. Being written up for self-reporting a data error, as well as being accused of not documenting is frustrating. A request for my business records were not received, just a phone call alerting me to the error. Having to provide two separate written responses takes time from a very limited schedule, which takes time from my ability to do QA tasks, such as audit the grow rooms.

Thank you for your time,



Krystal Hunter
Owner
Hunter Greens and Purples, LLC
PO Box 3408
Homer, AK 99603



Notice of Violation

(3AAC 306.805)

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

Date: 05/15/2018

Licensee: Paul Disdier

DBA: The Fireweed Factory, LLC

License #/Type: 10266/Standard Cultivation

Address: 8415 Airport Blvd. Space B, Juneau 99801

AMCO Case #: AB18000514

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana 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 05/07/2018 AMCO Enforcement was notified by METRC of a report showing 376 plants with a growth life-cycle of under 14 days. The plant date and vegetative date were both 02/22/2018 with a flowering date of 03/07/2018 and a harvest date of 04/30/2018. While speaking with Paul Disdier I was informed they were overwhelmed with work and could not enter in the information when the planted and moved the plants in a timely manner.

This is a violation of the following:

- 3 AAC 306.655. Marijuana inventory tracking system
- 3 AAC 306.730. Marijuana inventory tracking system
- 3 AAC 306.755. Business records

3 AAC 306.805 provides that upon receipt of a Notice of Violation, a licensee may request to appear before the board and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice. A licensee may respond, either orally or in writing, to the Notice. 3 AAC 306.810(3)(A)(B)(C) failed, within a reasonable time after receiving a notice of violation from the director, to correct any defect that is the subject of the notice of violation of AS 17.38 or this chapter, a condition or restriction imposed by the board or other applicable law.

IT IS RECOMMENDED THAT YOU RESPOND IN WRITING TO DOCUMENT YOUR RESPONSE FOR THE MARIJUANA CONTROL BOARD.

*Please send your response to the address below and include your Marijuana Establishment License Number in your response.

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

Issuing Investigator: S. Johnson

Received by:

SIGNATURE:

SIGNATURE:

Delivered VIA: Mail

Date:

Article #

The Fireweed Factory LLC

8393 No. Douglas
Juneau, AK 99801

May 25, 2018

AMCO
ATTN: Enforcement
550 W. 7th Ave., Suite 1600
Anchorage, Alaska 99501

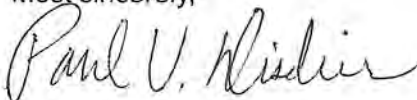
We are responding to the violation notice for AMCO Case # AB18000514 that includes 3 AAC 306.730 and 3 AAC 306.755.

The two above alleged violations dealing with METRC reporting were a result of the extra workload created by the recent expansion of our grow operations into a second flowering room. Unfortunately, we got behind on our data entry for the crop harvested on 04/30/2018.

Both the immature planting and vegetative stages were entered late into METRC and we neglected to back date with the correct entry dates for those stages. The actual date that the immature plantings were created should have been entered as 02/01/2018. The vegetative stage should have been entered as 02/07/2018.

The improper dates were unintentional and we are working hard to make sure that it doesn't happen again. An Operations Manager has been hired to help oversee data entry and compliance. We are confident that moving forward we will be able to keep up with the necessary computer entry needed to stay compliant.

Most sincerely,



Paul V. Disdier
907-957-2670





THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

**Department of Commerce, Community,
and Economic Development**

ALCOHOL & MARIJUANA CONTROL OFFICE
550 West 7th Avenue, Suite 1600
Anchorage, AK 99501
Main: 907.269.0350

MEMORANDUM

TO: James Hoelscher

DATE: 5-22-18

FROM: Joe Hamilton

RE: Hunter Greens and Purples

On 5-7-18 I was assigned to looking into a short growth cycle at Hunter Greens and Purples. I initially called James Hunter at the listed number in his licensing paperwork, who stated his daughter was the one running their operation and that I should contact her, Krystal Hunter.

I phoned her next and spoke to her about the short growth cycle. During the conversation she explained that there was a data entry made in METRIC. She then attempted to explain what had happened. I wasn't understanding what she was telling me. She told me she was 7 ½ months pregnant and was "scatter brained". I asked her to put in writing what had happened. She agreed and did write an explanation.

In her response e-mail back to me she stated she believes METRIC is 100% accurate with growth cycles and plant locations. She stated they are a small company and the work load has been a little overwhelming with her unexpected high-risk pregnancy. She is not able to hire workers at this time and is physically unable to work as much as she anticipated. Finally she stated over the last year they have been working towards efficiently using their time and resources and does not anticipate such a delay in doing independent METRC audits in the future.

Ms. Hunter statement she is being written up for self-reporting a data error is not true. I was the one who notified her of the discrepancy. Her initial written response, she does indicate more errors then originally questioned about.

It is true that I did not ask Ms. Hunter for her business records. I was referencing the Business Record regulation where it says "accurate and comprehensive inventory tracking records that account for all marijuana inventory activity from seed or immature plant stage until the retail marijuana or retail marijuana product is sold to a consumer, to another marijuana establishment, or destroyed"

Ms. Hunter did provide as part of her first e-mail, an attachment that contained a calendar for March and April. March 14 has a written note, "Spread out first layer of net op". April has a notation on the 16 which states "started flowering". She also indicates she has diagrams but did not include those in her response.

Following is what METRC replied to Ms. Hunter's response.

"Joe,

The error that Ms. Hunter is describing is not a METRC error, it is how its designed to work. If the licensee doesn't put a harvest batch name then it automatically assigns a generic name. Perhaps she was saying an error on her part. The plant tags she is describing 980-1080 were not even part of that harvest batch. From what I can tell this has no bearing on the issue at hand and that harvest batch was done last year.

The first thing I can see with these plant tags is that it took 3 months for them to get to 8 inches. Planted on 1/4/18 and not moved to veg until 3/1/18. Then yes, I see the same thing Joe did, that they popped through veg then were placed in flowering.

This is not a METRC issue, METRC moving plants as Ms. Hunter makes the request. Again, with the way she worded this I'm not sure if she is claiming this is METRC error or an error on their part. If I were to read the data alone what it looks like is they stayed in immature until they flowered, and she didn't think this would be noticed. Perhaps in the future, when Ms. Hunter is doing an audit she should open a ticket with METRC and then log any inaccuracies she will be correcting. She can also attach any paperwork she wishes, and we will give her a ticket number.

We do realize that Ms. Hunter has not had a favorable attitude with our support line, however we are always happy to help her in anyway.

Please let me know if I can be of any further help with this.

Thank you,

*Tricia Mills
Manager
METRC Support Desk
877-566-6506 ext. 1470
931-215-3058 (cell)
Skype: tricia.mills4"*



Hunter Greens and Purples <greensandpurples@gmail.com>

License # 11617, Hunter Greens and Purples, LLC

1 message

Hunter Greens and Purples <greensandpurples@gmail.com>

Wed, May 9, 2018 at 10:39 PM


To: amco.enforcement@alaska.gov

I received a phone call asking why the tags ending in 980-1080 seemed to have been flowered so soon from the vegetative growth stage. I have paper diagrams and calendars on clipboards hanging outside of each four rooms and after comparing the few notes I have on them, I have adjusted METRC to be consistent with the notes from the clipboard. I have included the calendars in an attachment. Using those notes I have made changes to the veg/flowering dates to accurately describe the growth stages to the best of my ability.

- On March 1, 2018 plants with the tag #'s 980-1080, 1081-1094, 1109-1119 were planted in large pots as they had reached the height limit. The intention was to move the plants out of the clone room and into Ravenclaw then, which did not happen.
- On March 1, 2018 plants with the tag #'s 980-1080 were moved in METRC to show that they were already in Ravenclaw.
- On March 13, 2018, plants with the tag #'s 924-937, 980-1080, 1081-1094, 1109-1119 were physically moved into the grow room labeled Ravenclaw.
- On March 13, 2018, plants with the tag #'s 1081-1094, 1109-1119 were moved in METRC from the room Gryffindor and placed into Ravenclaw, during this move they were also incorrectly moved from growth phase vegetative to growth phase flowering.
- On March 14, 2018 the first layer of netting was put up in the room labeled Ravenclaw, which indicates to me that all plants were snug in the spots they remain at, at that time.
- On March 24, 2018 plant tag #'s 924-937 were moved in METRC to show to be in the correct room but were not changed to flowering.
- On May 6, 2018 during an audit of METRC the errors of plant tag #'s 924-937 and 980-1080 were not shown to be flowering in METRC was discovered. I attempted to fix this by copying the information from the plants in Ravenclaw that were shown to be flowering in METRC, not understanding the data entry error from March.
- On May 7, 2018 the short vegetative cycle error was brought to my attention via a phone call from Joe Hamilton with AMCO enforcement.
- On May 8-9, 2018 I finished the audit of all active rooms and adjusted METRC to more accurately describe the timeline of plant growth in the errored room.

As of May 9, 2018, I believe METRC is 100% accurate with the growth cycles and plant locations. I am almost done with the packaging audit as well. We are a small company and the work load has been a little overwhelming with my unexpected high-risk pregnancy. I am not able to hire workers at this time and am physically unable to work as much as I had anticipated. We have spent the last year working towards efficiently using our time and resources and do not anticipate such a delay in doing independent METRC audits in the future.

Krystal Hunter
Owner
Hunter Greens and Purples, LLC
License # 11617

 **Ravenclawcalendar.pdf**
367K



[illegible]

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article

James & Krystal Hunter
Iba Hunter Greens and Purple
P.O BOX 3408
HOMER, AK 99603

COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☐ Agent ☐ Addressee
 B. Received by (Printed Name) C. Date of Delivery
 D. Is delivery address different from item 1? ☐ Yes ☐ No
 If YES, enter delivery address below:

3. Service Type
☐ Certified Mail® ☐ Priority Mail Express™
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ Collect on Delivery
 4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number
 (Transfer from service label)
 0004 0098 0000 0122 9102

Domestic Return Receipt

PS Form 3811, July 2013

RECEIVED

MAY 16 2018

ALCOHOL MARIJUANA CONTROL OFFICE
 STATE OF ALASKA

Alcohol & Marijuana Control Office
 550 W. 7th Avenue, Suite 1600
 Anchorage, AK 99501

• Sender: Please print your name, address, and ZIP+4® in this box.

First-Class Mail
 Postage & Fees Paid
 USPS
 Permit No. G-10

UNITED STATES POSTAL SERVICE

Notice of Violation

(3AAC 306.805)

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

Date: 5/10/18

License #/Type: 13588 standard cultivation

Licensee: James Hess

Address: 12975 W Horizon Way, Houston, AK 99694

DBA: AKfunding

AMCO Case #: AB18-535

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana 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.

Inspection of AKfunding revealed their plant count was off by:

21 purple Urkel in Cultivation but not In metrc

1 OG Kush in metrc but not in cultivation

1 Girl Scout cookie in metrc not in cultivation

39 northern lights additional not in metrc

16 golden goat additional not in metrc

30 wino additional not in metrc

26 sgt pepper additional not in metrc

5 super bud not in cultivation

Tag # ending in 10 was still in metrc but was harvested

From plant # ending in 105 there was a large branch cut off because it was dying but was not recorded as waste or harvest, it was sitting on a shelf above the computer and was completely dry. There were multiple plants above 8" tall that were not yet tagged and in the metrc system.

These are in violation of 3 AAC 304.435 Marijuana Inventory Tracking System.

3 AAC 306.805 provides that upon receipt of a Notice of Violation, a licensee may request to appear before the board and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice. A licensee may respond, either orally or in writing, to the Notice. 3 AAC 306.810(3)(A)(B)(C) failed, within a reasonable time after receiving a notice of violation from the director, to correct any defect that is the subject of the notice of violation of AS 17.38 or this chapter, a condition or restriction imposed by the board or other applicable law.

IT IS RECOMMENDED THAT YOU RESPOND IN WRITING TO DOCUMENT YOUR RESPONSE FOR THE MARIJUANA CONTROL BOARD.

*Please send your response to the address below and include your Marijuana Establishment License Number in your response.

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

Issuing Investigator: J. Rukes

Received by:

SIGNATURE: 

SIGNATURE:

Delivered VIA: Mail

Date:

May 17, 2018

To AMCO Board

Response to Violation letter Case # AB18-535

In regard to the plants listed as not being in Metrc.

I would like to point out that these plants were clones approximately 2 to 3 inches tall.

According to our records, on May 4th we did a hand count and verified the count in Metrc.

On Sunday May 6th we received a request from another cultivator for a large amount of clones for his operation. (Screen shots of request available)

We finished pulling his clones on the evening of May 7th, we also pulled clones for our operation while we were at it. (Screen shot of confirmation of completion available)

We realize that we should have immediately entered these clones into metrc instead of waiting a few days. We have since produced a log book (Exhibit 1) that we now track every clone in as it is being taken and use as a cross reference to entry into metrc.

In regards to 2 clones in metrc but not on site.

I can only surmise that we miscounted 2 clones.

In regard to Plant tag # 10 harvested but still in metrc.

We have no explanation other than we missed entering it. We have now produced a harvest batch log book (exhibit 2) to use as a cross reference to metrc

Regarding piece from plant # 105.

We took that piece from the plant when it looked like it was dying, we were unaware of the "manicure" function in metrc. We put our own label on it so we could keep track of it while we figured out what to do (Exhibit 3)

In regard to plants above 8 inches tall.

We had measured all untagged plants the evening before the investigators arrived and noted several had just gone above the 8" mark, we literally had the plant tags out and were beginning the process of tagging when they arrived.

I fully understand that we had a breakdown in the timeliness of our metrc reporting and this is very important to the industry and its tracking, as well as still learning the metrc system.

I would like to assure you that there was no intent to divert or deceive and this will not happen again.

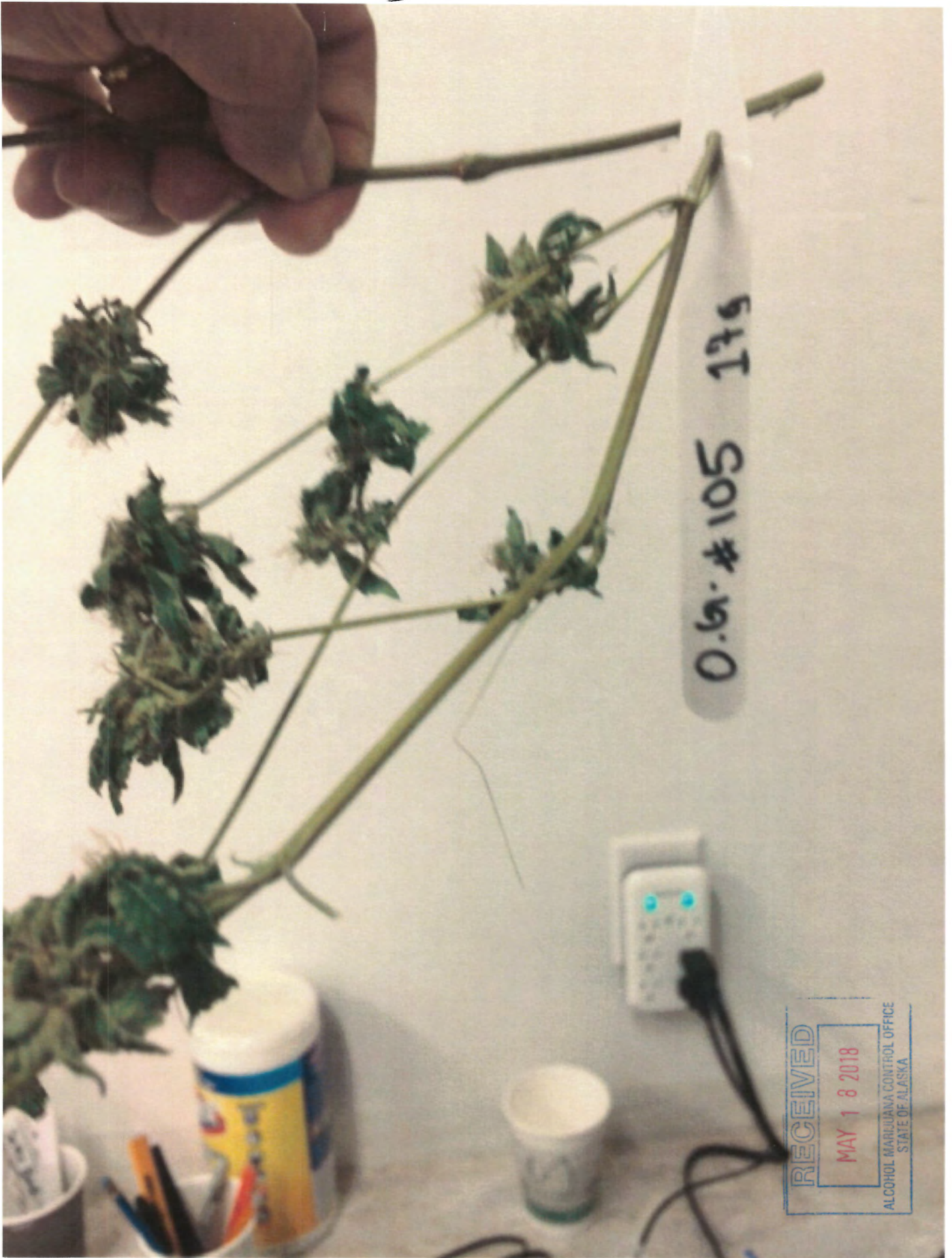
James Hess

License 13588

James Hess



EXHIBIT 3



RECEIVED
MAY 18 2018
ALCOHOL MARIJUANA CONTROL OFFICE
STATE OF ALASKA

EXHIBIT 2

[illegible]

RECEIVED

MAY 18 2018

ALCOHOL MARIJUANA CONTROL OFFICE
STATE OF ALASKA

Date:

Strain:

Qty:

Metric:

RECEIVED

MAY 13 2018

ALCOHOL MARIJUANA CONTROL OFFICE
STATE OF ALASKA



AMCO
550 W 7th Ave, Suite 1600
Anchorage, AK 99501

Rukes

• Sender: Please print your name, address, and ZIP+4® in this box•

First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10



UNITED STATES POSTAL SERVICE

15 MAY 1998
AK 995

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

James "Monte" Hess
189 E. Nelson Ave
Wasilla, AK 99654

COMPLETE THIS SECTION ON DELIVERY

A. Signature <i>[Signature]</i>		C. Date of Delivery <i>5/15/18</i>
B. Received by (Printed Name) <i>V. Finch</i>		
D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

3. Service Type	
<input type="checkbox"/> Certified Mail®	<input type="checkbox"/> Priority Mail Express™
<input type="checkbox"/> Registered	<input type="checkbox"/> Return Receipt for Merchandise
<input type="checkbox"/> Insured Mail	<input type="checkbox"/> Collect on Delivery
4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

2. Article Number
(Transfer from service label) **7016 2710 0000 8600 4019**

Notice of Violation

(3AAC 306.805)

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

Date: 05/31/2018

Licensee: Kelsey J. Martinsen

DBA: Happy Cannabis

License #/Type: 10200 / Marijuana Retail Store

Address: 225 S. Front St., Wrangell 99929

AMCO Case #: AB18000622

This is a notice to you as licensee that an alleged violation has occurred. If the Marijuana 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 05/30/2018 I, Investigator Steven Johnson, spoke with owner of Happy Cannabis, Kelsey Martinsen, of Marijuana Retail license #10200 and asked if he was open and selling product or not. He informed me he opened on 04/09/2018, and was selling. I had inspected the licensed premises and issued the license on 04/03/2018. I informed him there were no daily receipts or any receipts for that matter in METRC. He informed me he was having issues with Bio-Track reporting to METRC. I told him receipts have to be entered in at the end of every business day. He stated he was unaware of that, but he had them all and would manually enter them in as quick as possible. On 05/31/2018 I entered into METRC to verify whether or not daily sales receipts were entered. No individual sales receipts were entered only daily receipts for 12 of the 51 days since opening. This is a violation of: 3 AAC 306.330. Marijuana inventory tracking system

(a) A retail marijuana store shall use a marijuana inventory tracking system as provided in 3 AAC 306.730 to ensure all marijuana and marijuana product in the retail marijuana store's possession is identified and tracked from the time the retail marijuana store receives any batch of marijuana or lot of marijuana product through the sale, transfer to another licensed marijuana establishment, or disposal of the batch of marijuana or lot of marijuana product.

(c) A retail marijuana store shall reconcile each transaction from the retail marijuana store's point-of-sale system and current inventory to its marijuana inventory tracking system at the close of business each day.

3 AAC 306.805 provides that upon receipt of a Notice of Violation, a licensee may request to appear before the board and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice. A licensee may respond, either orally or in writing, to the Notice. 3 AAC 306.810(3)(A)(B)(C) failed, within a reasonable time after receiving a notice of violation from the director, to correct any defect that is the subject of the notice of violation of AS 17.38 or this chapter, a condition or restriction imposed by the board or other applicable law.

IT IS RECOMMENDED THAT YOU RESPOND IN WRITING TO DOCUMENT YOUR RESPONSE FOR THE MARIJUANA CONTROL BOARD.

*Please send your response to the address below and include your Marijuana Establishment License Number in your response.

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

Issuing Investigator: S. Johnson

Received by:

SIGNATURE:

SIGNATURE:

Delivered VIA: Mail

Date: