CORRESPONDENCE

THE STATE of ALASKA
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community, and Economic Development

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

January 15, 2021

Chena Cannabis Midtown, LLC
DBA: Chena Cannabis
Via email: lbosshart@dankorage.com

Re: Retail Marijuana Store License #18187

Dear applicant,

AMCO has reviewed the documents submitted for the transfer of ownership for the license referenced above. This letter is notice under 3 AAC 306.025(e)(2) that your application is incomplete and additional items are needed to complete the application. The additional items that need correction or resubmittal are listed below—please be sure to read the entire letter. **Please note that if the corrections and/or additional documents submitted in response to this letter are not found to be complete, your application will be returned to you in accordance with 3 AAC 306.025(e)(1), and you will need to file a new application and pay a new fee should you wish to continue pursuing licensure.**

- **MJ-17c License Transfer Application**
  - Section 1: Correct the Doing Business As to say, The Fairbanks Cut, LLC.
  - Section 2: Business License #2116894 is for Chena Cannabis MidTown, owned by four individuals. Based on your application, I am assuming the business name is supposed to be Chena Cannabis, owned by Chena Cannabis MidTown, LLC (please correct me if I am wrong).
    - Please contact the Division of Corporations, Business & Professional Licensing (CBPL) to fix this discrepancy. I don't know if you will need a new business license with the business name of Chena Cannabis, owned by Chena Cannabis MidTown, LLC. Or if you will be able to make corrections to the current business license.
      - If you have to get a new business license, please correct the business license # in section 2.
      - Please refer to the corrections below under Entity Documents.
  - Section 3: The phone number and % owned were left blank for each individual. Please complete those sections.
  - Section 7: The three signatures in this section do not represent a controlling interest (50.01% +) of the current license. Brittany Gitschel could sign, or there are other combinations of individuals that could sign to represent a controlling interest (preferably most members that are being transferred off the license). Please correct accordingly.
  - Please refer to the requested corrections below under MJ-07 and MJ-08.

- **MJ-07 Public Notice Posting Affidavit**
    - After correcting the MJ-17c, please repost the MJ-17c at both, the location of the proposed premises and another conspicuous location for ten days, and then submit a new MJ-07 completed and signed in front of a notary <u>after</u> the posting period has ended.

- **MJ-08 Local Government Notice Affidavit**
    - After correcting the MJ-17c, please re-notify the local government by submitting to them the corrected MJ-17c, and then submit a new MJ-08 completed and signed in front of a notary.
    - Additionally, the MJ-08 that was submitted only showed that you notified the City of Fairbanks. Please make sure to notify both the City of Fairbanks and the Fairbanks North Star Borough, and reflect this on the MJ-08.

- **MJ-19 Creditors Affidavit**
    - Section 1: Correct the Doing Business As to say, The Fairbanks Cut, LLC.

- **Entity Documents**
    - Submit the DRAFT Notice of Change of Officials (NOCOO) to AMCO. Please do not file this form with the Division of Corporations, Business & Professional Licensing (CBPL), just submit the drafted version to AMCO.
    - Submit the Operating Agreement for Chena Cannabis Midtown, LLC, signed by all members.
    - File the Initial Report for Chena Cannabis MidTown, LLC with CBPL, and list the Entity Officials with their ownership percentages.
    - The business license submitted is for Chena Cannabis MidTown, owned by four individuals. Please submit the business license for Chena Cannabis, owned by Chena Cannabis MidTown, LLC.
        - Refer to the requested corrections above under MJ-17c License Transfer Application.

- **Proof of Possession for Proposed Premises**
    - The Letter of Authorization is not adequate to show legal right of possession for just Chena Cannabis MidTown, LLC.
        - We would need a legal Lease Assumption to Chena Cannabis MidTown, LLC (or something similar).
        - Or, a lease to Chena Cannabis MidTown, LLC.
            - If this route is taken, and because the current licensee should have legal right of possession until the transfer is effectuated, the lease can say something along the lines of, “effective not earlier than the effectuation of the transfer.”, or something similar.
        - Or, a sublease from The Fairbanks Cut, LLC to Chena Cannabis MidTown, LLC.
            - We would need to see permission to sublease.
            - And, if this route is taken, and because the current licensee should have legal right of possession until the transfer is effectuated, the sublease can say something along the lines of, “effective not earlier than the effectuation of the transfer.”, or something similar.
    - Additionally, the signature pages were missing with the submitted lease, and are required.

- **Food Establishment Permit (or application for permit)**
    - Please submit the stamped Food Safety application under the new LLC.

- **Alaska Residency**
    - Craig, Lily, Sherry, and Brandon, will you be applying for the Permanent Fund Dividend this year? If so, if you haven't already, is it possible that you can do it right away, and then submit documentation showing eligibility for the 2021 Permanent Fund Dividend? If you have not and do not intend to apply for the PFD, please let us know.

- **Fingerprint cards**
    - In August 2020 we received fingerprint cards and fees for Craig, Lily, Bradley, and Stephanie; those were sent to Department of Public Safety. In December 2020 we received fingerprint cards for Craig, Lily, Brandon, and Sherry. Please submit $48.25 x2 for Brandon's and Sherry's background checks, for a total of $96.50.

It is very important that you submit the above corrections and/or documents in a timely manner so that AMCO staff has adequate time to review the corrections and/or additional documents which must be found to be complete within 90 days of the date of this letter.

Respectfully,

Jacqlene Drulis, Occupational Licensing Examiner
For,
Glen Klinkhart, Interim Director
marijuana.licensing@alaska.gov

From:	Marijuana Licensing (CED sponsored)
To:	"lbosshart@dankorage.com"
Cc:	Marijuana Licensing (CED sponsored); Craig Aglietti; Brandon Gilbert; Sherry Gilbert
Subject:	RE: Incomplete Transfer Application - Chena Cannabis - License #18187
Date:	Tuesday, February 23, 2021 4:58:00 PM
Attachments:	image001.png

Good afternoon,

Thank you for your corrections; however, there are more corrections needed. Most of the corrections were addressed, but there is still a discrepancy throughout your application. I will try to be as detailed as possible. Let me know if you have any questions.

- **MJ-17c License Transfer Application**
  - Again, please correct me if I am wrong, but I am under the understanding that the business name is supposed to be "Chena Cannabis", which is owned by "Chena Cannabis MidTown, LLC". If this is not correct, we would have to basically start the review over and re-run the three week newspaper advertisement, etc. The rest of your application, including the newspaper advertisement, shows the business name to be Chena Cannabis, owned by Chena Cannabis MidTown, LLC. I am basing this incomplete letter on this being the case, but please do correct me if I am mistaken.
  - Section 2: Please correct the Doing Business As to say, Chena Cannabis.
  - Section 2: Business License #2116894 is for Chena Cannabis MidTown, owned by four individuals. We need to see the Business License for Chena Cannabis, owned by Chena Cannabis MidTown, LLC.
    - Please contact the Division of Corporations, Business & Professional Licensing (CBPL) to fix this discrepancy. I don't know if you will need a new business license with the business name of Chena Cannabis, owned by Chena Cannabis MidTown, LLC. Or if you will be able to make corrections to the current business license, #2116894; this will have to be done with CBPL.
      - If you have to get a new business license, please correct the business license # in section 2.
      - Please refer to the corrections below under Entity Documents.

- **MJ-07 Public Notice Posting Affidavit**
  - Section 1: On your corrected MJ-07, correct the Doing Business As to say, Chena Cannabis.

- **MJ-08 Local Government Notice Affidavit**
  - Section 1: On your corrected MJ-08, correct the Doing Business As to say, Chena Cannabis.

- **Entity Documents**
  - The business license (#2116894) submitted is for Chena Cannabis MidTown, owned by four individuals. Please submit the business license for Chena Cannabis, owned by Chena Cannabis MidTown, LLC.
    - Please refer to the directions above under MJ-17c License Transfer Application.

- **Proof of Possession for Proposed Premises**

- When you previously emailed an example of the verbiage to see if it would work, what you attached just said, "Fairbanks Retail Operations" (without the LLC), but the corrections show LLC. My apologies, but I did not know that is what you meant. I hope I can clear this up.
- Currently, for license #18187, we have a lease on file for The Fairbanks Cut, LLC; which is exactly what we need since they still have legal right of possession. With this transfer application, once the transfer has been approved and is able to be finalized, we would replace the lease on file, and we must be able to see that only Chena Cannabis MidTown, LLC has legal right of possession at that time. Basically, we need a future lease so that we may keep the current lease on file if and until the transfer goes through. I am not an expert on leases by any means, but I will try to explain AMCO's requirements. So, what we need on the lease for this transfer is:
    - Near the beginning of the lease, the Lessee must only be: Chena Cannabis MidTown, LLC.
    - Section 2. Term: There is a discrepancy in the Term where it says, "One Hundred Twenty (48) months". However, in the Term section, the commencing date is where it could say something along the lines of, "commencing not earlier than the effectuation of the transfer."
        - The term dates/months/wording might have to be adjusted as well. As an example, some licensee's transfer leases show a commencing date and an end date.
    - Section 3. Rent: This section seems as though it may have to be adjusted as well since this is a future lease for Chena Cannabis MidTown, LLC. This section discusses January/February/March of 2020. But Chena Cannabis MidTown, LLC should not yet have legal right of possession until the transfer goes through.
- It appears as though the disclaimer was removed from the first lease submission, unless I missed it, then please let me know. A lease must include the following:
    - A disclaimer that the landlord/lessor will not take possession of or remove marijuana from the premises, and that AMCO will be contacted in the event that this is necessary.

• **Alaska Residency**
- Craig, I do not see that you applied for the PFD in 2021. Will you be applying for the Permanent Fund Dividend this year? If so, if you haven't already, is it possible that you can do it right away, and then submit documentation showing eligibility for the 2021 Permanent Fund Dividend? If you have not and do not intend to apply for the PFD, please let us know.

• **Fingerprint cards**
- Since we had previously received Craig's and Lily's fingerprint cards, the second set were not needed. We have mailed those back to the mailing address on file.

Ninety-day Due Date: April 15, 2021

Thank you,

Jacqlene Drulis

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

From: Lily Bosshart [mailto:lbosshart@dankorage.com]
Sent: Wednesday, February 10, 2021 4:39 PM
To: Marijuana Licensing (CED sponsored) <marijuana.licensing@alaska.gov>
Cc: Craig Aglietti <cmaglietti@dankorage.com>; Brandon Gilbert <bg.arcticgreenery@gmail.com>; Sherry Gilbert <sgilbert@gci.net>
Subject: Re: Incomplete Transfer Application - Chena Cannabis - License #18187

Good Afternoon,

Attached are the updates per the Incomplete Transfer Notice letter we received. I am sending out the check today for fingerprint fees ($96.50). Please let me know if there are any other corrections or adjustments needed.

Thank you so much for your help and I hope you and your team are well,

Lily Bosshart

> On Jan 15, 2021, at 1:41 PM, Marijuana Licensing (CED sponsored) <marijuana.licensing@alaska.gov> wrote:
>
> Good afternoon,
>
> Your transfer application has been reviewed, attached is correspondence regarding corrections, additional documents, and/or resubmittals that need to be addressed.
>
> **Please make sure to read the entire notice. If the submitted corrections for your application are inadequate to deem your application complete, or your application is still incomplete after ninety (90) days from the date of this notice, your application will be returned to you in accordance with 3 AAC 306.025(e)(1) and 3 AAC 306.025(f). Should you wish to continue pursuing licensure, it would be necessary to file a new application and pay new fees.**
>
> **Ninety-day Due Date: April 15, 2021**
>
> Let us know if you require copies of any submitted documents, and feel free to email if you need clarification on any items in the Incomplete

Notice. Correspondence should be sent
tomarijuana.licensing@alaska.gov.

Thank you,

<image001.png>

Jacqlene Drulis
Occupational Licensing Examiner
Alcohol & Marijuana Control Office
550 West 7th Avenue, Suite 1600
Anchorage, Alaska 99501

<18187 Incomplete Transfer Notice.pdf>