



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

Date: 10-4-16
Number AB16-0464
Page 1 of 1 Page

Notice of Violation

(3AAC 304.525)

Licensee F Scott & Ernest, LLC	License Number 2988	Type of License Beverage Dispensary
D.B.A. Little Italy Restaurante	How Delivered Via USPS 7015 1520 0001 7802 2412	Law Enforcement Agency Anchorage Police Department
Street or P.O. Box 2300 E. 88th Avenue	City, State Anchorage, AK	Zip 99507

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

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

You were previously issued a notice of violation for the below occurrence. You have failed to respond to the original notice as of 10-4-16. You are now receiving another notice of violation for failing to communicate with the Alcohol & Marijuana Control Office. A violation of 3AAC304.525: Communication with licensees.

VIOLATION: This office received e-mail from DOL Investigator J. Hartlieb that they had received a complaint of under 21's working on a licensed premises without work permits. A spot check by DOL Investigator revealed two persons under 18 were identified as working without permits. This is a violation of Title IV.

Your attention is directed to **AS04.16.049: Access of persons under the age of 21 to licensed premises and AS04.21.030: Responsibility of licensee, employees and agents**

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

***Please include your Alcohol License Number in your response.**

Cynthia Franklin, Director
Alcohol & Marijuana Control Office
550 W. 7th Ave, Suite 1600
Anchorage, Alaska 99501

A Response is Required

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

Receipt:	Violation Observed By: F.R. Hamilton
Filed By: <i>J.R. Hamilton</i>	Title: Investigator III

PLACE STICKER HERE

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:

F Scott & Ernest, LLC
dba Little Italy Restuarante
2300 E 88th Ave
Anchorage, AK 99507



9590 9402 1211 5246 2924 61

2. Article Number (Transfer from service label)

7014 0150 0000 9499 0856

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X *[Signature]* Agent
 Addressee

B. Received by (Printed Name) *PJ GILBERTSON* C. Date of Delivery

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
- Adult Signature
 - Adult Signature Restricted Delivery
 - Certified Mail®
 - Certified Mail Restricted Delivery
 - Collect on Delivery
 - Collect on Delivery Restricted Delivery
 - Mail
 - Mail Restricted Delivery (over 5000)
 - Priority Mail Express®
 - Registered Mail™
 - Registered Mail Restricted Delivery
 - Return Receipt for Merchandise
 - Signature Confirmation™
 - Signature Confirmation Restricted Delivery

Domestic Return Receipt

REEVES AMODIO LLC
ATTORNEYS AT LAW



July 19, 2016

Direct Phone
(907) 222.7102

E-Mail
brian@reevesamodio.com

Cynthia Franklin, Director
Alcohol Beverage Control Board
550 West 7th Avenue, Suite 1600
Anchorage, AK 99501

Re: F. Scott & Ernest, LLC
License Number 2988
Notice of Violation Number: AB16-0464

Dear Cynthia:

We are in receipt of the above-referenced Notice of Violation, which alleges that F. Scott & Ernest, LLC has allowed workers under the age of twenty one (21) to work on the licensed premises without work permits, in violation of AS 04.16.049(c) and AS 04.21.030.

F. Scott & Ernest, LLC endeavors to ensure that all workers on the premises have executed parental consent forms as mandated by AS 0.416.049. F Scott & Ernest, LLC used to fax parental consent forms to the Department of Labor ("DOL") in Juneau. Roughly two years ago, F Scott & Ernest, LLC was advised by DOL to refrain from sending the parental consent forms to DOL, and directed to keep parental consent forms on file at the premises. This practice may have led to the Notice of Violation.

The Notice of Violation does not state the two persons who were identified as working without permits. Without such information, F. Scott & Ernest, LLC cannot ascertain whether it has in fact committed a violation of AS 04.16.049 or AS 04.21.030. We believe one of the people identified by DOL may not have been working at the premises, but rather observing the operations to determine whether they wanted to work there.

Regardless, F. Scott & Ernest, LLC endeavors to sell products in accordance with all applicable laws, including state alcoholic beverage laws. When hiring employees under the age of 21, F. Scott & Ernest, LLC strives to ensure that its employment practices are in compliance with AS 04.16.049 and AS 04.21.030. If retaining parental consent forms on file at the premises does not satisfy these requirements, F. Scott & Ernest, LLC will ensure that is lodges the forms with the DOL,

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ANCHORAGE
Alaska
99501

Telephone
(907) 222-7100
Facsimile
(907) 222-7199
Website
www.reevesamodio.com

ANCHORAGE
Alaska

PORTLAND
Oregon

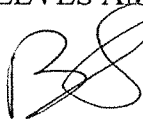
SEATTLE
Washington

and ensure that it has valid work permits on file at the premises. We believe that the steps described above will help to ensure that violations do not occur in the future.

If you should have any questions, please do not hesitate to call me.

Sincerely,

REEVES AMODIO LLC

A handwritten signature in black ink, appearing to be 'BJS', written over the company name.

Brian J. Stibitz

From: [Franklin, Cynthia A \(CED\)](#)
To: [Hoelscher, James C \(CED\)](#); [Oates, Sarah D \(CED\)](#)
Subject: FW: Two Matters - Fantasies and F. Scott & Ernst, LLC
Date: Monday, December 12, 2016 8:55:18 AM
Attachments: [doc055627.pdf](#)

This is what he sent Sarah on 12/6. I do not have this in my inbox from July but I am going to go check my junk mail ☺

Cynthia Franklin, Director
Alcohol & Marijuana Control Office
907-269-0351

From: Oates, Sarah D (CED)
Sent: Tuesday, December 06, 2016 7:33 AM
To: Franklin, Cynthia A (CED); Dinegar, Harriet C (LAW)
Subject: FW: Two Matters - Fantasies and F. Scott & Ernst, LLC

I received this at 5:19pm last night. I'm not sure what ABC Board agenda for today's meeting he's talking about, as the only ABC Board meeting was yesterday.

Sarah Daulton Oates

Program Coordinator
Alcohol & Marijuana Control Office
Phone: 907.269.0350
alcohol.licensing@alaska.gov
marijuana.licensing@alaska.gov



Please consider the environment before printing this e-mail.

From: Brian Stibitz [<mailto:Brian@reevesamodio.com>]
Sent: Monday, December 05, 2016 5:19 PM
To: Oates, Sarah D (CED)
Subject: Two Matters - Fantasies and F. Scott & Ernst, LLC

Hi Sarah,

I am writing about two matters:

1. **Fantasies on 5th Avenue, LLC (License 2988)**. I've reviewed the ABC Board agenda for tomorrow's meeting and see that the matter of the renewal of Fantasies' license is not on the agenda. Would you please tell me when this matter will go before the board?
2. **F. Scott & Ernst, LLC (License 1078)**. While reviewing the agenda for tomorrow's meeting, I noticed that F. Scott & Ernst, LLC was on the agenda, stating it had not responded to an NOV. I sent the attached letter to the ABC Board in July, in response to the NOV. I'm not sure why our response has not been noted by the Board. Please see that the attached letter is lodged, and let me know if you need me to send another hard

copy.

Best regards,

Brian Stibitz



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

Date: 7-6-16
Number AB16-0464
Page 1 of 1 Page

Notice of Violation

(3AAC 304.525)

Licensee F Scott & Ernest, LLC	License Number 2988	Type of License Beverage Dispensary
D.B.A. Little Italy Restaurante	How Delivered Via USPS 7015 1520 0001 7802 2412	Law Enforcement Agency Anchorage Police Department
Street or P.O. Box 2300 E. 88th Avenue	City, State Anchorage, AK	Zip 99507

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***Please include your Alcohol License Number in your response.**

Cynthia Franklin, Director
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550 W. 7th Ave, Suite 1600
Anchorage, Alaska 99501

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Receipt:	Violation Observed By: F.R. Hamilton
Filed By: <i>J.R. Hamilton</i>	Title: Investigator III

REEVES AMODIO LLC
ATTORNEYS AT LAW



July 19, 2016

Direct Phone
(907) 222.7102

E-Mail
brian@reevesamodio.com

Cynthia Franklin, Director
Alcohol Beverage Control Board
550 West 7th Avenue, Suite 1600
Anchorage, AK 99501

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License Number 2988
Notice of Violation Number: AB16-0464

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ANCHORAGE
Alaska

PORTLAND
Oregon

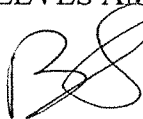
SEATTLE
Washington

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If you should have any questions, please do not hesitate to call me.

Sincerely,

REEVES AMODIO LLC

A handwritten signature in black ink, appearing to read 'BJS', written over the company name.

Brian J. Stibitz

From: [Franklin, Cynthia A \(CED\)](#)
To: [Hoelscher, James C \(CED\)](#); [Oates, Sarah D \(CED\)](#)
Subject: FW: Two Matters - Fantasies and F. Scott & Ernst, LLC
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Alcohol & Marijuana Control Office
907-269-0351

From: Oates, Sarah D (CED)
Sent: Tuesday, December 06, 2016 7:33 AM
To: Franklin, Cynthia A (CED); Dinegar, Harriet C (LAW)
Subject: FW: Two Matters - Fantasies and F. Scott & Ernst, LLC

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Sarah Daulton Oates

Program Coordinator
Alcohol & Marijuana Control Office
Phone: 907.269.0350
alcohol.licensing@alaska.gov
marijuana.licensing@alaska.gov



Please consider the environment before printing this e-mail.

From: Brian Stibitz [<mailto:Brian@reevesamodio.com>]
Sent: Monday, December 05, 2016 5:19 PM
To: Oates, Sarah D (CED)
Subject: Two Matters - Fantasies and F. Scott & Ernst, LLC

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copy.

Best regards,

Brian Stibitz



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

Date: 12-7-16
 Number AB14-1338
 Page 1 of 1 Page

Notice of Violation

(3AAC 304.525)

Licensee New Lion, LLC	License Number 658	Type of License Beverage Dispensary - Tourism
D.B.A. The Lions Den	How Delivered Via USPS Certified Mail 7013 2250 0000 9617 5040	Law Enforcement Agency Anchorage Police Department
Street or P.O. Box 1000 E. 36th Avenue	City, State Anchorage, AK	Zip 99508

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

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

VIOLATION: During an inspection in December of 2014, it was noted that your establishment had leased out the restaurant. As of 12-7-16, other than contacting your attorney, I have not been advised of how you are going to correct this violation.

Your attention is directed to 3AAC302.325: License issued to encourage tourism and AS 04.21.030: Responsibility of licensees, agents, and employees

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

***Please include your Alcohol License Number in your response.**

Cynthia Franklin, Director
 Alcohol & Marijuana Control Office
 550 W. 7th Ave, Suite 1600
 Anchorage, Alaska 99501

A Response is Required

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Receipt:	Violation Observed By: F.R. Hamilton
Filed By: <i>F.R. Hamilton</i>	Title: Investigator III

From: [Oates, Sarah D \(CED\)](#)
To: [Sherman Ernouf](#)
Cc: [Franklin, Cynthia A \(CED\)](#); [CED AMCO Enforcement \(CED sponsored\)](#)
Subject: RE: Golden Lion
Date: Tuesday, December 20, 2016 12:41:46 PM

Sherman,

Happy Holidays to you, as well. I am very sorry to hear that you are having to deal with family issues, and I hope that things improve in the near future.

Cindy and I met with you at least once in December, 2015 regarding the issues around Golden Lion, and possibly also earlier in February, 2015. During the December meeting, we had also discussed the CIRI transfers, as you said, and at the close of the meeting, you told us that you would follow up with proposed solutions via email within the next week. At that time, we had a little bit of flexibility. By the time you followed up with us in mid-March, we no longer had extra time and were unable to meet with you. We never did receive a follow-up email from you with proposed solutions.

Our current staff situation is that we have over 200 license applications that need to be processed by the end of this week, and we will not be fully staffed during any of those days, as employees have scheduled leave. I anticipate a very similar, if not more burdensome, situation for the following two weeks. Additionally, Cindy will be out of state from Friday through the January 2, and her last day is January 6. The management team and other staff are very demanding of her extremely limited time between now and then. As of this moment, the Commissioner has not appointed an interim director, so there are a lot of unknowns in addition to the unbelievable workload on our plate right now.

We appreciate your comments that you and your client want to get any issues resolved, but this has been on your radar for two years. I have spoken with Investigator Hoelscher and Director Franklin, and they have requested that you or your client respond to the NOV in writing, to all copied in this email, by close of business Friday, December 23. Additionally, if you have any questions, please email them to the group.

Thank you, Sherman.

Sarah Daulton Oates

Program Coordinator
Alcohol & Marijuana Control Office
Phone: 907.269.0350
alcohol.licensing@alaska.gov
marijuana.licensing@alaska.gov



Please consider the environment before printing this e-mail.

From: Sherman Ernouf [mailto:sernouf@eclawfirm.org]
Sent: Tuesday, December 20, 2016 5:52 AM
To: Oates, Sarah D (CED)
Subject: Golden Lion

Sarah:

Happy Holidays!

I received a call yesterday from Scott at the Golden Lion on the below NOV. I wanted to write to you first.

Am sure you recall meeting with Cynthia, Joe and I a while back on this. It was during the whole CIRI licensure issue. After our meeting, I followed up a couple times with questions/concerns, but you guys were very busy, we moved our offices, etc. and now here we are.

I wanted to see if you, Cynthia, and I—or whomever you suggest—could meet on this. The facility has had licensure for 20 years or so and very much wants to understanding correct Mr. Hamilton's concerns re: the tourism license. I am hearing from my client that Mr. Hamilton is suggesting kitchenettes in each room as a solution. I was confused a bit before, but now am very confused. The licensure situation at the facility is odd but I believe within the parameters of Title 4 and the regulations. I do have some questions.

I am unfortunately in Virginia dealing with significant family issues. I am coming home next week. I can certainly respond to the NOV in writing, but thought it best to contact you first and see if we could discuss this issue further before I do so. I do not want to run afoul of the NOV process and would like to ask for a brief extension of the response time so as to provide a more intelligent response which I hope will fully ameliorate staff concerns.

Please advise as to your thoughts. Thanks as usual Sarah.

Sincerely,

Sherman
W. Sherman Ernouf
Senior Attorney
Law Offices of Ernouf & Coffey, P.C.
PO Box 212314
Anchorage, Alaska 99521-2314
Phone: (907) 274-3385
Fax: (907) 274-4258
ashawcross@eclawfirm.org

This electronic message and any attachment contain information from The Law Offices of Ernouf & Coffey, P.C. that may be privileged and confidential. The information is intended for the use of the addressee (s) only. If you are not the intended addressee, note that any disclosure, copying, distribution, or use of the contents of this message or any attachment is prohibited. If you have received this message in error, please contact me at sernouf@eclawfirm.org or by calling (907) 274-3385.

December 18, 2015

Department of Commerce, Community

And Economic Development

Alcoholic Beverage Control Board

550 W. 7th Avenue Ste. 1600

Anchorage, Alaska 99501

The Best Western Golden Lion Hotel is an 83 room property with a full service restaurant and lounge. We run 89 % occupied year round. All of our rooms include a refrigerator and Microwave. We also have a guest laundry, fitness room, business center, and hair salon.

In the last two years we have made substantial improvements to the property. We have redone the exterior of the building, put all new furniture and bedding packages in the rooms, remodeled the lobby, put in new carpet and tile in public spaces. We will be continuing to do property improvements that have already been established over the next three years.

Our hotel is actively involved in the Alaska travel industry association, Anchorage convention and visitor's borough, Alaska Hotel and Lodging association. We also attend several tourism trade shows in the lower 48.

Sincerely,

Lisa Michaelson, CHA

General Manager

From: [Amanda Shawcross](#)
To: [Oates, Sarah D \(CED\)](#); [Franklin, Cynthia A \(CED\)](#); [CED AMCO Enforcement \(CED sponsored\)](#)
Cc: kriswarren29@gmail.com; [Sherman Ernouf](#)
Subject: Fwd: New Lion, LLC NOV Response #AB14-1338
Date: Friday, December 23, 2016 3:06:51 PM

Sarah, Cynthia, and Investigator Hoelscher,

Please see the below email from Sherman in response to NOV #AB14-1338

Thank you and Happy Holidays to you all!
Amanda

Amanda Shawcross
Office Manager & Book Keeper
Law Offices of Ernouf & Coffey, P.C.
PO Box 212314
Anchorage, Alaska 99521-2314
Phone: (907) 274-3385
Fax: (907) 274-4258
ashawcross@eclawfirm.org

This electronic message and any attachment contain information from The Law Offices of Ernouf & Coffey, P.C. that may be privileged and confidential. The information is intended for the use of the addressee (s) only. If you are not the intended addressee, note that any disclosure, copying, distribution, or use of the contents of this message or any attachment is prohibited. If you have received this message in error, please contact me at ashawcross@eclawfirm.org or by calling (907) 274-3385.

Begin forwarded message:

From: Sherman Ernouf <sernouf@eclawfirm.org>
Subject: New Lion, LLC NOV Response #AB14-1338
Date: December 23, 2016 at 2:58:53 PM AKST
To: Amanda Shawcross <ashawcross@eclawfirm.org>

Ms. Franklin/Ms. Oates:

Please let this email serve as my client's response to NOV #AB14-1338.

My office met with Cynthia Franklin, Sarah Oates, and Joe Hamilton in March 2015 at my request and as a result of a visit by Inspector Hamilton to the facility. At the brief meeting held in Director Franklin's office in March 2015, no solutions to the ABC Board staff's licensing concerns were proposed. As counsel to the licensee, I volunteered to take a look at the entire situation and advise/propose solutions if any. In April 2015 and again in June 2015, my staff and I reached out to ABC Board staff to request a follow-up conversation or meeting to discuss the issue in an effort to better understand their concerns which

would enable us to develop solutions. I received no response to my requests for further discussions.

At this juncture, and as stated, the licensee does not fully understand ABC Board staff concerns. This facility has been licensed for nearly 38 years. My client has entered a lease with 2 Chef's LLC for operation of the kitchen facility. New Lion, LLC acts as the managing entity who has overall responsibility for the operation of the hotel and lounge as well as oversight of the restaurant which is leased out to Two Chefs, LLC. Alcohol sold in the lounge is sold under the tourism license consistent with Title 4. Beer and wine sold in the restaurant is sold under the Two Chef's LLC, restaurant eating place license which some time ago they were required to get by the ABC Board. As such, the facility has not been transferred to someone else in violation of 4.11.400 or 3AAC 304.325.

Further, the tourism facility itself is and always has been operated by my client. I do not see how it is possible for my client to run afoul of 3AA 30.325's requirement that the licensee must show upon application for renewal that: "issuance of the license encouraged tourism, that the facility was constructed or improved in accordance with the application, and **that the facility** is still being operated by the licensee. Clearly, here, New Lion, LLC is the licensee and continues to operate the hotel facility. My read of Title 4 does not prohibit the licensee from hiring a manager or entering a lease for the restaurant which is only a part of the facility.

This firm has been working with the ABC Board for well over 20 years. This is the first time we can recall this issue ever being brought up or interpreted this way. We are aware of many other tourism licenses which are operated by managers while the FACILITY itself is owned and run by the licensee. However, I have been seeking some measure of clarification without response from staff. My client will do anything and everything it can feasibly do to meet the requirements of law. At this juncture, we believe we are operating within the parameters of Title 4. We would again request a meeting or teleconference with staff so that we can fully understand staff concerns and attempt to ameliorate them.

As stated previously, I am out of state on emergency family issues. I did not receive this NOV mid-week and apologize for my brief delay.

Thank you very much for your time and consideration in this regard. I look forward to better understanding staff concerns so that my client and I can do whatever may be necessary to comply fully with the requirements of Title 4. It should be stated that my client has a very lengthy tenure as an operator--over 38 years-- with no prior violations or NOVs. Suffice it to say that my client and I both take these matters very seriously.

Sincerely,

Sherman Ernouf

Sent from my iPhone



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

Date: 12-21-16
Number AB16-0628
Page 1 of 1 Page

Notice of Violation

(3AAC 304.525)

Licensee Three Bears Alaska, Inc.	License Number 4165	Type of License Package Store
D.B.A. Three Bears 1900 Airport Way	How Delivered Certified Mail 7013 2250 0000 9617 5064	Law Enforcement Agency Valdez Police
Street or P.O. Box 445 N. Pittman Road, Ste B	City, State Wasilla, AK	Zip 99623

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

VIOLATION: On 10-19-16 an inspection was conducted at your establishment in Valdez. At the time of the inspection, it was learned that you operated your license at 1800 Mineral Creek Loop Road. Records indicate you were supposed to operate it at 1900 Mineral Creek Road Loop Road. Conditions for minimal operating procedures were not complied with. This is a violation of Title 04.

Your attention is directed to AS04.11.430: Person and location, 04.11.330: Operating Requirements, minimum, 3AAC304.170: Waiver of annual operating requirement and minimum operating requirements, AS04.11.290: Application for transfer of licensed premises, 3AAC304.185: Licensed premises

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

***Please include your Alcohol License Number in your response.**

Cynthia Franklin, Director
Alcohol & Marijuana Control Office
550 W. 7th Ave, Suite 1600
Anchorage, Alaska 99501

A Response is Required

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

Receipt:	Violation Observed By: F.R. Hamilton
Filed By: <i>F.R. Hamilton</i>	Title: Investigator III



THREE BEARS ALASKA, INC.

445 N. Pittman Road, Suite B
Wasilla, Alaska 99623
☎ (907) 357-4311 📠 (907) 357-4312

December 30, 2016

Via email and U.S. mail

cynthia.franklin@alaska.gov
amco.enforcement@alaska.gov

Cynthia Franklin, Director
Alcohol & Marijuana Control Office
550 W. 7th Avenue, Suite 1600
Anchorage, Alaska 99501

Re: Notice of Violation AB16-0628 (12-21-16)

Dear Director Franklin,

In order to address the issues raised in Notice of Violation AB16-0628, we at Three Bears believe it's helpful to put our current operations in Valdez in context.

First, our only current operations in Valdez are related to the actions we periodically undertake to operate license 4165 for at least 30 days each year and 8 hours for each of those 30 or more days.

Second, while Three Bears today operates a chain of nine stores in Alaska and one in Montana and is in fact the largest Alaskan-owned retailer in Alaska, this was not always the case. The company started in Tok in 1980 with a store named Gateway Food Center. Further, it was only with the opening of the company's second store in Valdez in 1989 that there was "a second link in the chain." The Valdez store was called "Three Bears" and is where the current name for the company and all of our stores originated. Plus, the Valdez store was our first store with a package store liquor license.

Now we fast-forward to late 2007, and we see that Three Bears had grown to six stores and was working on opening its seventh. But while most of the company was growing strong, there was a problem. In a nutshell, the problem was that both the City of Valdez and its economy had been shrinking for years and our Valdez store had been losing money for several years. And despite our best efforts, we just didn't see a way to turn things around in Valdez in any practical timeframe. So, in October 2007, as a company deeply committed to the communities we live in and serve, we took the very difficult step of closing our Valdez store.

Accordingly, it pained us greatly when we saw the only other grocery store in town raise all of its prices within minutes of hearing that we were closing. And, of course, they didn't do this because the cost of any of the products on their shelves suddenly increased. No, they did this because they no longer had any competition and knew that they could effectively charge whatever they wanted.

Seeing how the Valdez community was being taken advantage of and listening to the pleas from folks in Valdez (both at the time we closed and through the years since) for us to either stay or at least come back someday, we resolved that if we ever saw how we could make it work financially, Three Bears would return to Valdez.

That brings us back to license 4165. Because from day one of our thoughts of returning to Valdez, we have always known that we would need to have a package store in order to be competitive so that we could survive and serve the community again.

So, in order to keep license 4165 for a potential return to Valdez, we applied for and received non-operating waivers. Then, after receiving our third waiver, we faced the prospect of either operating enough to keep the license alive or potentially forever giving up our hopes of someday returning to Valdez. The solution we chose was to operate the license for at least 30 8-hour days each year.

However, operating for just 30 8-hours days each year has not been without difficulties and has unfortunately brought us to the place where we received the Notice of Violation. And that has brought us again to that other place—namely, the place where we once more have to decide how committed we are to preserving the viability of a future return to Valdez.

As a company strongly committed to Alaska and the communities we serve and the ones we may one day serve (or serve again), we have decided to prevent the recurrence of the violations noted in Valdez by committing additional resources to the Valdez market. Specifically, we intend to operate license 4165 in the future as a seasonal license where we make and meet all the commitments required to give Valdez a solid choice of package stores for the several months that we will be operating in Valdez each year in the future.

We have already started to inquire about available locations and will apply to the ABC Board to change the premises for license 4165 just as soon as we secure a location. And we will also take the necessary steps to convert license 4165 to a seasonal license.

Finally, we note that in the Notice it says that we may request to appear before you to be heard regarding the Notice. And in terms of setting a date for that appearance, we would ask that our appearance at your offices in Anchorage be scheduled for either the week of January 2nd, 2017 or the period starting January 23rd and ending February 14th, 2017.

Thank you very much for your help with this matter, and Happy New Year!

Best regards,



Stephen D. Mierop
Vice President/CFO

From: [Franklin, Cynthia A \(CED\)](#)
To: [Steve Mierop; CED AMCO Enforcement \(CED sponsored\); Hoelscher, James C \(CED\)](#)
Cc: [David Weisz; Oates, Sarah D \(CED\)](#)
Subject: RE: Three Bears Alaska, Inc. - Response to Notice of Violation AB16-0628
Date: Tuesday, January 03, 2017 2:45:16 PM

Dear Mr. Mierop,

I have received and reviewed your response to our Notice of Violation. I have some issues with it that I hope you are able to address. First, you never revealed where it is exactly that you have been operating the license to meet minimum operating requirements. Our investigation found that the periodic sale of alcohol was not occurring on the original licensed premises, which is a major problem. As you are well aware, a liquor license is not something you pick up and set down wherever you like, it is attached to a physical premises.

Second, operating to meet the minimum requirements after having filed waivers indicates an intention to hold onto a license even though there is nowhere to operate it. That is essentially what your response said. It was very vague on any details regarding how you intend to fix this. I think that the board will not like to see that having exhausted waivers and determined to hold on to the license anyway, you have minimally operated the license in the method you have chosen.

I am copying the regulation regarding operating only the minimum operating requirements here. As you can see, you as the licensee have the burden of proof to prove each and every one of these things to the board. Nothing in your letter tells me how you are going to do that. In fact, much of the information gathered by our enforcement team about your operations in Valdez speaks to the exact opposite of these requirements:

[3 AAC 304.170. Waiver of annual operating requirement and minimum operating requirements](#)

(a) Except as provided in this section, the board will deny an application for renewal of a license if the licensed premises were not operated for the time required by [AS 04.11.330\(a\)\(3\)](#) or (d). . .

(j) If a license is exercised only to satisfy the minimum operating requirement under [AS 04.11.330\(a\)\(3\)](#) or [3 AAC 304.107\(c\)\(1\)](#), a licensee has the burden of proof to show that the licensed premises was operated in a similar fashion to other licensed premises of the same type and shall, at a minimum,

- (1) provide signage, of sufficient size and visibility to show that the premises is open for business, stating business name and hours of operations;
- (2) offer for sale at the licensed premises, as appropriate to the type of license, a variety of malt beverages, wines, and distilled spirits;
- (3) visibly display the alcoholic beverages stock in a licensed package store premises;
- (4) provide seating in beverage dispensary licensed premises for at least one-half of the maximum number allowed by the occupancy permit;
- (5) comply with all state or municipal health, fire, and zoning laws or ordinances required for the operation of business;
- (6) maintain a record of all purchases of alcoholic beverages for resale on the licensed premises; and
- (7) record sales with a cash register that retains a record of transactions.

I will allow you 10 days from the date of this email to provide me with a revised response to the NOV which explains exactly how and where you have been operating the license since you ran out of waivers and provide me with the evidence required as above. I will allow you 30 days to file a transfer of location to where ever it is in Valdez that you intend to operate the license on a seasonal basis, including proof of right to possession of the proposed premises, such as a lease.

If I do not receive these responses as outlined above, my recommendation will be to proceed to an accusation requesting that the board take action against this license which could include suspension, denial, a fine, or any combination thereof.

Thank you,

Cynthia Franklin, Director
Alcohol & Marijuana Control Office
907-269-0351

From: Steve Mierop [mailto:steve@threebearsalaska.com]
Sent: Friday, December 30, 2016 1:46 PM
To: Franklin, Cynthia A (CED); CED AMCO Enforcement (CED sponsored)
Cc: David Weisz
Subject: Three Bears Alaska, Inc. - Response to Notice of Violation AB16-0628

Dear Director Franklin,

Please see the attached letter responding to Notice of Violation AB16-0628.

Thanks for your help, and Happy New Year!

All the best,

Steve

VP/CFO
907-357-4311 x22 Voice
907-357-4312 Fax
907-980-0721 Mobile
Steve@ThreeBearsAlaska.com



From: [Steve Mierop](#)
To: [Chambers, Sara C \(CED\)](#); [CED AMCO Enforcement \(CED sponsored\)](#)
Cc: [Oates, Sarah D \(CED\)](#); [Hoelscher, James C \(CED\)](#); [David Weisz](#)
Subject: Three Bears Alaska, Inc. - Second Response to Notice of Violation AB16-0628
Date: Friday, January 13, 2017 3:55:53 PM
Attachments: [Attachment A - email from Cynthia Franklin, Director.pdf](#)
[Attachment B - Notice of Violation AB16-0628.pdf](#)
[Attachment C - 2010 Correspondence with Staff.pdf](#)
[Attachment D - 2010 Correspondence with Staff.pdf](#)
[Attachment E - 2012 Correspondence with Staff.pdf](#)
[Attachment F - 2012 Correspondence with Staff.pdf](#)
[Attachment G - 2012 Correspondence with Staff.pdf](#)
[Attachment H - 2012 Correspondence with Staff.pdf](#)
[Attachment I - 2015-2016 Product Photos.pdf](#)
[Attachment J - 2015-2016 License Photos.pdf](#)
[Attachment K - 2015-2016 Photo of Product Readily Available to Public.pdf](#)
[Attachment L - Response Letter \(Initial\).pdf](#)
[Attachment M - 2011-2012 Operating Records.pdf](#)
[Attachment N - Photo of 2011-2012 Product Displayed.pdf](#)
[Attachment O - 2013-2014 Operating Records.pdf](#)
[Attachment P - 2015-2016 Operating Records.pdf](#)
[Three Bears - Letter to Acting Director Sara Chambers Re Notice of Violation AB16-0628 - 20170113 - signed.pdf](#)

Dear Acting Director Chambers,

Please see our attached Second Response (including Attachments) to Notice of Violation AB16-0628.

Please note that in order to keep down the size of the Attachments, they are all in black and white. However, the originals that we are mailing to you are in color.

Please let us know if you have any questions.

Thank for your help with this matter, and have a wonderful weekend!

All the best,

Steve

VP/CFO
907-357-4311 x22 Voice
907-357-4312 Fax
907-980-0721 Mobile
Steve@ThreeBearsAlaska.com



Attachment C - 2010 Correspondence with Staff
Regarding 2nd & 3rd Waiver Applications

Steve Mierop

From: Steve Mierop <Steve@ThreeBearsAlaska.com>
Sent: Wednesday, September 29, 2010 10:15
To: Chris Lambert (christine.lambert@alaska.gov)
Subject: Three Bears Alaska - Draft Waiver Applications for Package Store License 4165
Attachments: WaiverApp - 2009 - DRAFT - 20100927-1631.pdf; WaiverApp - 2010 - DRAFT - 20100927-1650.pdf

Chris,

Here are the two draft (2nd & 3rd) Waiver Applications.

We REALLY appreciate all your help.

Have a good and safe trip to Kotzebue.

All the best,

Steve

VP/CFO
907-357-4311 x22 Voice
907-357-4312 Fax
907-980-0721 Mobile
Steve@ThreeBearsAlaska.com



Attachment 3 - Correspondence with Staff
Regarding 2nd & 3rd Waiver Applications

Steve Mierop

From: Lambert, Christine C (DPS) <christine.lambert@alaska.gov>
Sent: Wednesday, September 29, 2010 14:45
To: Steve Mierop
Subject: RE: Three Bears Alaska - Draft Waiver Applications for Package Store License 4165

Steve,

I think these waivers are well done. I believe you can submit them as written and the ABC Board will be able to review them before the November meeting. I will schedule you a time to appear in person or telephonically at the November meeting. At the meeting the Board members will have a chance to ask you questions and make their decision. If I can be of further assistance, let me know. Otherwise you will be hearing from me in late October or early November.

Chris

Christine C. Lambert
Licensing & Records Supervisor
ABC Board
(907) 269-0359 phone
(907) 272-9412 fax

From: Steve Mierop [mailto:Steve@ThreeBearsAlaska.com]
Sent: Wednesday, September 29, 2010 10:15 AM
To: Lambert, Christine C (DPS)
Subject: Three Bears Alaska - Draft Waiver Applications for Package Store License 4165

Chris,

Here are the two draft (2nd & 3rd) Waiver Applications.

We REALLY appreciate all your help.

Have a good and safe trip to Kotzebue.

All the best,

Steve

VP/CFO
907-357-4311 x22 Voice
907-357-4312 Fax
907-980-0721 Mobile
Steve@ThreeBearsAlaska.com



Attachment E - Correspondence with Staff Regarding Minimal Operations in 2011/2012

Steve Mierop

From: Steve Mierop <steve@threebearsalaska.com>
Sent: Tuesday, August 7, 2012 15:00
To: Chris Lambert (christine.lambert@alaska.gov)
Cc: 'dan@threebearsalaska.com'
Subject: Three Bears - Valdez Package Store
Attachments: Three Bears #35 - Valdez Package Store - Info Re 2011 and 2012 Operations - 20120807-1329.pdf

Tracking:	Recipient	Read
	Chris Lambert (christine.lambert@alaska.gov)	
	'dan@threebearsalaska.com'	Read: 8/7/2012 15:03

Chris,

As you and I discussed, Three Bears operated package store license #4165 in Valdez at the end of 2011 and the beginning of 2012 such that we were open for 30 days in each year.

Also as discussed, I've attached some of the paperwork related to the store and its operation. The only thing I'd note is that the sheets that show the days that we were open say "Monday-Friday" at the top, but because things got tight in terms of time when we were doing the relocation (from no premise to 1900 Airport Way), we just decided to operate 7 days/week and carried that through into 2012.

Please let me know if you have any questions or need anything else on this.

All the best,

Steve

VP/CFO
907-357-4311 x22 Voice
907-357-4312 Fax
907-980-0721 Mobile
Steve@ThreeBearsAlaska.com



THREE BEARS ALASKA

Month: November 2011

Hours Of Operation: 8am-5pm, Monday-Friday

Location: Valdez

Date:	Day:	Sales:
1st	Tue	
2nd	Wed	
3rd	Thu	
4th	Fri	
5th	Sat	
6th	Sun	
7th	Mon	
8th	Tue	
9th	Wed	
10th	Thu	
11th	Fri	
12th	Sat	
13th	Sun	
14th	Mon	
15th	Tue	
16th	Wed	
17th	Thu	OPEN
18th	Fri	OPEN
19th	Sat	OPEN
20th	Sun	OPEN
21st	Mon	OPEN
22nd	Tue	OPEN
23rd	Wed	OPEN
24th	Thu	Closed
25th	Fri	OPEN
26th	Sat	OPEN
27th	Sun	OPEN
28th	Mon	OPEN
29th	Tue	OPEN
30th	Wed	OPEN
Monthly Total:		

Additional Notes:

- First Day - E-mailed Pictures

- Thanksgiving

- 13 days in November open!

THREE BEARS ALASKA

Month: December 2011

Hours Of Operation: 8am-5pm, Monday-Friday

Location: Valdez

Date:	Day:	Sales:
1st	Thu	OPEN
2nd	Fri	OPEN
3rd	Sat	OPEN
4th	Sun	OPEN
5th	Mon	OPEN
6th	Tue	OPEN
7th	Wed	OPEN
8th	Thu	OPEN
9th	Fri	OPEN
10th	Sat	OPEN
11th	Sun	OPEN
12th	Mon	OPEN
13th	Tue	OPEN
14th	Wed	OPEN
15th	Thu	OPEN
16th	Fri	OPEN
17th	Sat	OPEN
18th	Sun	OPEN
19th	Mon	OPEN
20th	Tue	OPEN
21st	Wed	OPEN
22nd	Thu	OPEN
23rd	Fri	OPEN
24th	Sat	OPEN
25th	Sun	OPEN
26th	Mon	OPEN
27th	Tue	OPEN
28th	Wed	OPEN
29th	Thu	OPEN
30th	Fri	OPEN
31st	Sat	closed - new year
Monthly Total:		

Additional Notes:

THREE BEARS ALASKA

Month: January 2012

Hours Of Operation: 8am-5pm, Monday-Friday

Location: Valdez

Date:	Day:	Sales:
1st	Sun	closed
2nd	Mon	OPEN
3rd	Tue	OPEN
4th	Wed	OPEN
5th	Thu	OPEN
6th	Fri	OPEN
7th	Sat	OPEN
8th	Sun	OPEN
9th	Mon	OPEN
10th	Tue	OPEN
11th	Wed	OPEN
12th	Thu	OPEN
13th	Fri	OPEN
14th	Sat	OPEN
15th	Sun	OPEN
16th	Mon	OPEN
17th	Tue	OPEN
18th	Wed	OPEN
19th	Thu	OPEN
20th	Fri	OPEN
21st	Sat	OPEN
22nd	Sun	OPEN
23rd	Mon	OPEN
24th	Tue	OPEN
25th	Wed	OPEN
26th	Thu	OPEN
27th	Fri	OPEN
28th	Sat	OPEN
29th	Sun	OPEN
30th	Mon	OPEN
31st	Tue	OPEN
Monthly Total:		

Additional Notes:

closed on

New years - 2 days

OPEN on Christmas!

2-1-2012 - OPEN 7 February
 2-2-2012 - OPEN

4



STATE OF ALASKA
Department of Public Safety
Alcoholic Beverage Control Board



TEMPORARY APPROVAL

To: Shirley A. Gifford, Executive Director
Alcoholic Beverage Control Board
From: Sarah D. Oates
Business Registration Examiner
Date: November 4, 2011

Request temporary approval for transfer of a liquor license:

D.B.A.: Three Bears
OWNER: Three Bears Alaska, Inc.
TYPE: Package Store
LOCATION: 1900 Airport Way
CITY/BOROUGH: Valdez/Unorganized
FROM: Three Bears Alaska, Inc.
D.B.A.: Three Bears
LOCATION: No Premises
LICENSE NO.: 4165 (2011/12)

TEMPORARY APPROVAL PENDING FINAL ABC BOARD APPROVAL

Under delegation of authority granted to the director by the board at its meeting of April 8 and 9, 1998, under AS 04.06.080, I request temporary approval of the above application. All statutory requirements have been fulfilled, there is no protest under AS 04.11.480, and no objections under AS 04.11.470 have been received.

Shirley A. Gifford for Christine Lambert

Licensing Supervisor Date 11/04/11

Concur: *[Signature]*

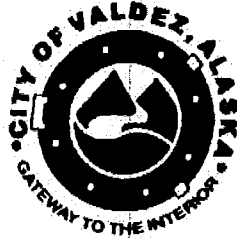
Enforcement Supervisor Date 11/04/11

Approved: *Shirley A. Gifford*

Executive Director Date 11/04/11

EFFECTIVE: November 4, 2011

PLEASE POST THIS MEMO IN LIEU OF LICENSE UNTIL FINAL
APPROVAL BY THE ABC BOARD.



CITY OF VALDEZ, ALASKA

BUSINESS REGISTRATION # 785

THIS IS TO CERTIFY THAT

THREE BEARS #35

NAME OF FIRM

Three Bears Alaska Inc

OWNER

445 N Pittman Rd Ste B, Wasilla AK 99623

ADDRESS

is a registered business in compliance with Section 5.04 of the Valdez City Code.

Wendy K. Ford

Business Registrar
City of Valdez, Alaska

December 31, 2011

Expiration Date

Home Occupations:

Above business is also in compliance with Section 17.48.060 of the Valdez City Code and is duly authorized to operate as a home occupation.

Approved: _____ N/A _____ or N/A

NOTE:

Business Registrations are required to be renewed yearly. The \$5.00 fee is paid when registering for the first time only. Another \$5.00 fee is required only if there are any changes on the registration.

Home Occupation businesses must renew their permit applications yearly.



CERTIFICATE OF LIABILITY INSURANCE

OP ID: RM

DATE (MM/DD/YYYY)
11/08/11

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).


PRODUCER Risk Planners Arthur J. Gallagher RMS, Inc. 3600 American Blvd. W. #500 Bloomington, MN 55431 Bob Cook	952-358-7500	CONTACT NAME: _____ PHONE (A/C, No, Ext): _____ FAX (A/C, No): _____ E-MAIL ADDRESS: _____ PRODUCER CUSTOMER ID #: THREE-1	
	INSURED Three Bears Alaska, Inc. Three Bears 445 N. Pittman Road, Suite B Wasilla, AK 99654	INSURER(S) AFFORDING COVERAGE INSURER A: Austin Mutual Ins. Co. INSURER B: _____ INSURER C: _____ INSURER D: _____ INSURER E: _____ INSURER F: _____	

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL BUBBL INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	<input checked="" type="checkbox"/> GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR		AMJ000080	11/15/10	11/15/11	EACH OCCURRENCE	\$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJ <input type="checkbox"/> LOC					DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 300,000
	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS					COMBINED SINGLE LIMIT (Ea accident)	\$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$					BODILY INJURY (Per person)	\$
	<input type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY <input type="checkbox"/> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A			BODILY INJURY (Per accident)	\$
						PROPERTY DAMAGE (Per accident)	\$
							\$
						EACH OCCURRENCE	\$
						AGGREGATE	\$
							\$
							\$
						WC STATUTORY LIMITS	OTH-ER
						E.L. EACH ACCIDENT	\$
						E.L. DISEASE - EA EMPLOYEE	\$
						E.L. DISEASE - POLICY LIMIT	\$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
 Liquor Store @ 1900 Airport Way, Valdez, AK 99686

CERTIFICATE HOLDER WILSON2 Additional Insured/Lessor Wilson Bros. Distributing Company, Inc. 1800 Airport Way Valdez, AK 99686	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Bob Cook 
--	---

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FORM CONTROL

1123

LIQUOR LICENSE

4165

2011 - 2012

THIS LICENSE EXPIRES MIDNIGHT DECEMBER 31
UNLESS DATED BELOW

[Empty box for expiration date]

TYPE OF LICENSE: Package Store

LICENSE FEE: \$1,500.00

FILING FEE: \$200.00

CITY / BOROUGH: Valdez
Unorganized Borough

This license cannot be transferred without permission
of the Alcoholic Beverage Control Board

[] Special restriction - see reverse side

ISSUED BY ORDER OF THE
ALCOHOLIC BEVERAGE CONTROL BOARD

Shirley C. Dufford
DIRECTOR

THIS LICENSE MUST BE POSTED IN A VISIBLE PLACE ON THE PREMISES
04-900 (REV 9/09)

D/B/A:

Three Bears
1900 Airport Way

Mailing Address:

Three Bears Alaska Inc
445 N Pittman Rd., Suite B
Wasilla, AK 99654

Alaska Department of Commerce, Community, and Economic Development

Division of Corporations, Business and Professional Licensing
P.O. Box 110806, Juneau, Alaska 99811-0806

This is to certify that

THREE BEARS #35

445 N. PITTMAN ROAD WASILLA AK 99623

owned by

THREE BEARS ALASKA, INC.

is licensed by the department to conduct business for the period
November 07, 2011 through December 31, 2013
for the following line of business:

42 - Trade



This license shall not be taken as permission to do business in the state without having complied with the other requirements of the laws of the State or of the United States.

This license must be posted in a conspicuous place at the business location. It is not transferable or assignable.

Susan K. Bell
Commissioner

Attachment F - Correspondence with Staff Regarding
Minimal Operations in 2011/2012

Steve Mierop

From: Lambert, Christine C (CED) <christine.lambert@alaska.gov>
Sent: Tuesday, August 7, 2012 15:04
To: Steve Mierop
Subject: RE: Three Bears - Valdez Package Store

Steve,

Thanks for the quick reply. I will print the email and attachments for the file. Chris

Christine C. Lambert

*Records & Licensing Supervisor | Alcoholic Beverage Control Board
269-0359 phone | 272-9412 fax | Christine.lambert@alaska.gov*

From: Steve Mierop [mailto:steve@threebearsalaska.com]
Sent: Tuesday, August 07, 2012 3:00 PM
To: Lambert, Christine C (CED)
Cc: dan@threebearsalaska.com
Subject: Three Bears - Valdez Package Store

Chris,

As you and I discussed, Three Bears operated package store license #4165 in Valdez at the end of 2011 and the beginning of 2012 such that we were open for 30 days in each year.

Also as discussed, I've attached some of the paperwork related to the store and its operation. The only thing I'd note is that the sheets that show the days that we were open say "Monday-Friday" at the top, but because things got tight in terms of time when we were doing the relocation (from no premise to 1900 Airport Way), we just decided to operate 7 days/week and carried that through into 2012.

Please let me know if you have any questions or need anything else on this.

All the best,

Steve

VP/CFO
907-357-4311 x22 Voice
907-357-4312 Fax
907-980-0721 Mobile
Steve@ThreeBearsAlaska.com

Attachment G - Correspondence with Staff Regarding
Minimal Operations in 2011/2012

Steve Mierop

From: Steve Mierop <steve@threebearsalaska.com>
Sent: Thursday, August 9, 2012 11:33
To: Chris Lambert (christine.lambert@alaska.gov)
Cc: 'dan@threebearsalaska.com'
Subject: Three Bears - Valdez Package Store License #4165
Attachments: 20120806 ABC Letter Re Three Bears Valdez Package Store License #4165.pdf

Tracking:

Recipient

Read

Chris Lambert (christine.lambert@alaska.gov)

'dan@threebearsalaska.com'

Read: 8/13/2012 10:45

Christine,

I just want to make sure that the attached letter and your and my recent correspondence about package store license #4165 passed each other in the night and that we are good on this issue and there is nothing else to do.

Thanks!

All the best,

Steve

VP/CFO
907-357-4311 x22 Voice
907-357-4312 Fax
907-980-0721 Mobile
Steve@ThreeBearsAlaska.com





THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

Department of Commerce, Community,
and Economic Development

ALCOHOLIC BEVERAGE CONTROL BOARD

5848 E. Tudor Road
Anchorage, Alaska 99507
Main: 907.269.0350
Chris Lambert: 907.269.0359
TDD: 907.465.5437
Fax: 907.272.9412

August 6, 2012

Three Bears Alaska, Inc.
Attn: Stephen D. Mierop
445 N Pittman Road, Ste. B
Wasilla, AK 99654

VIA CERTIFIED LETTER
7009 2820 0001 7253 0794

Dear Mr. Mierop:

On a recent trip, our investigators noted that the Three Bears package store license #4165, 1900 Airport Way was closed. The first letter I sent to you on July 5, 2012 regarding this matter was unanswered (copy enclosed).

This license was granted its third and final waiver for operating year 2010 at the September 27, 2010 ABC Board meeting. Please provide the dates of operation for operating years 2011 and 2012. In addition, please provide receipts or accounting records to demonstrate the dates of operation.

If you have any questions or concerns regarding this request, please feel free to contact me.

Sincerely,

SHIRLEY A. COTÉ
Director

/s/Christina C. Lambert
Christine C. Lambert
Licensing & Records Supervisor
Christine.lambert@alaska.gov

Attachment H - Correspondence with Staff Regarding Minimal Operations in 2011/2012

Steve Mierop

From: Lambert, Christine C (CED) <christine.lambert@alaska.gov>
Sent: Thursday, August 9, 2012 11:49
To: Steve Mierop
Subject: RE: Three Bears - Valdez Package Store License #4165

Steve,

I did receive the documents you sent to show your operation dates. They are in the license file. All is good on my end. Thanks for checking, Chris

Christine C. Lambert

*Records & Licensing Supervisor | Alcoholic Beverage Control Board
269-0359 phone | 272-9412 fax | Christine.lambert@alaska.gov*

From: Steve Mierop [mailto:steve@threebearsalaska.com]
Sent: Thursday, August 09, 2012 11:33 AM
To: Lambert, Christine C (CED)
Cc: dan@threebearsalaska.com
Subject: Three Bears - Valdez Package Store License #4165

Christine,

I just want to make sure that the attached letter and your and my recent correspondence about package store license #4165 passed each other in the night and that we are good on this issue and there is nothing else to do.

Thanks!

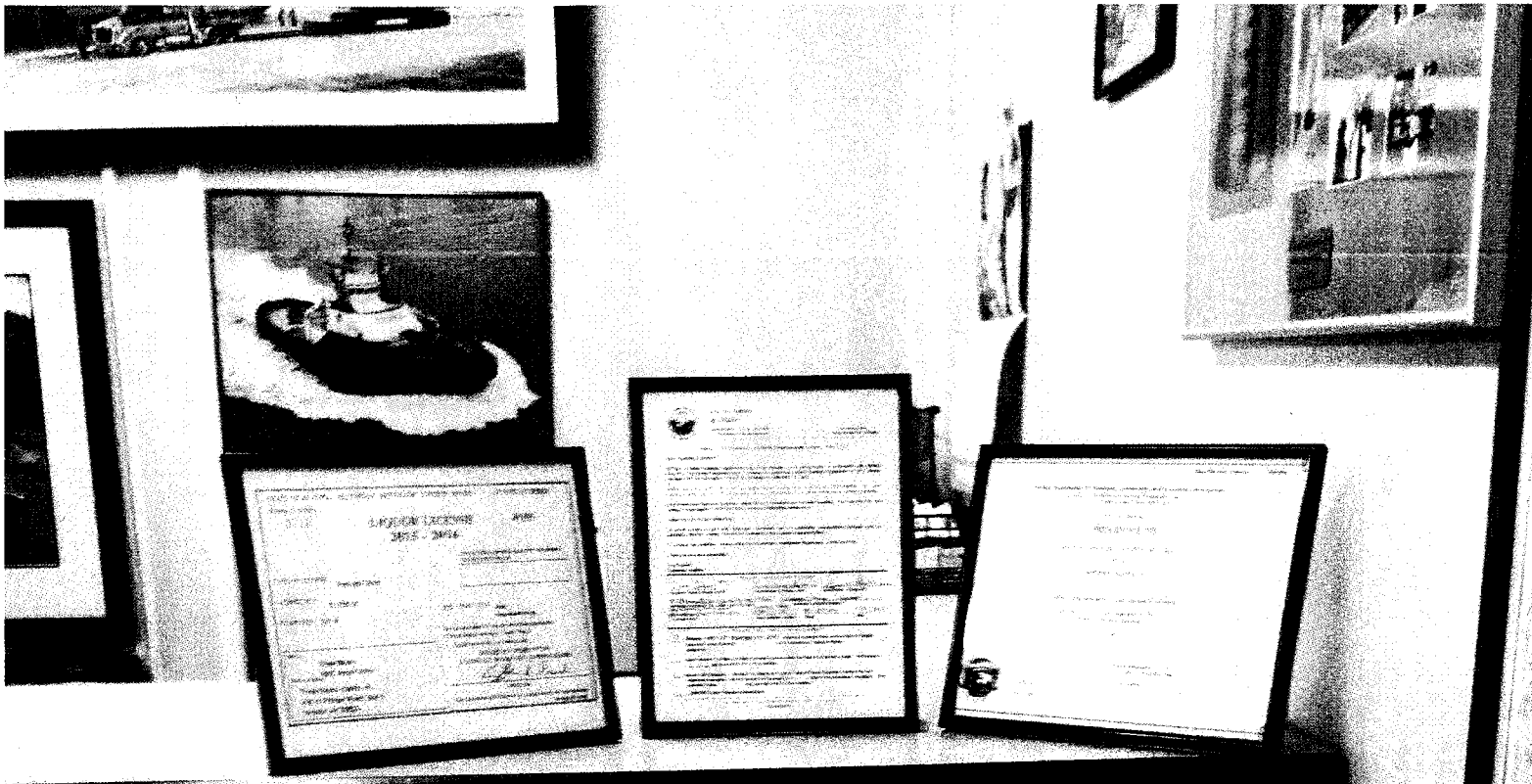
All the best,

Steve

VP/CFO
907-357-4311 x22 Voice
907-357-4312 Fax
907-980-0721 Mobile
Steve@ThreeBearsAlaska.com







Kansas Department of Commerce, Community, and Economic Development
Division of Professional Regulation and Technical Licensing
107 West 10th Street, Suite 1000, Topeka, KS 66604

The State of Kansas

THREE BEARS KCS

10740 PATTENSON ROAD, PEARCE, KS 66823

10/1/17

THREE BEARS & SON, INC.

A Licensee of the Department of Commerce, Community, and Economic Development for the period

October 1, 2017 through December 31, 2017
in the following line of business:

(2) Trade

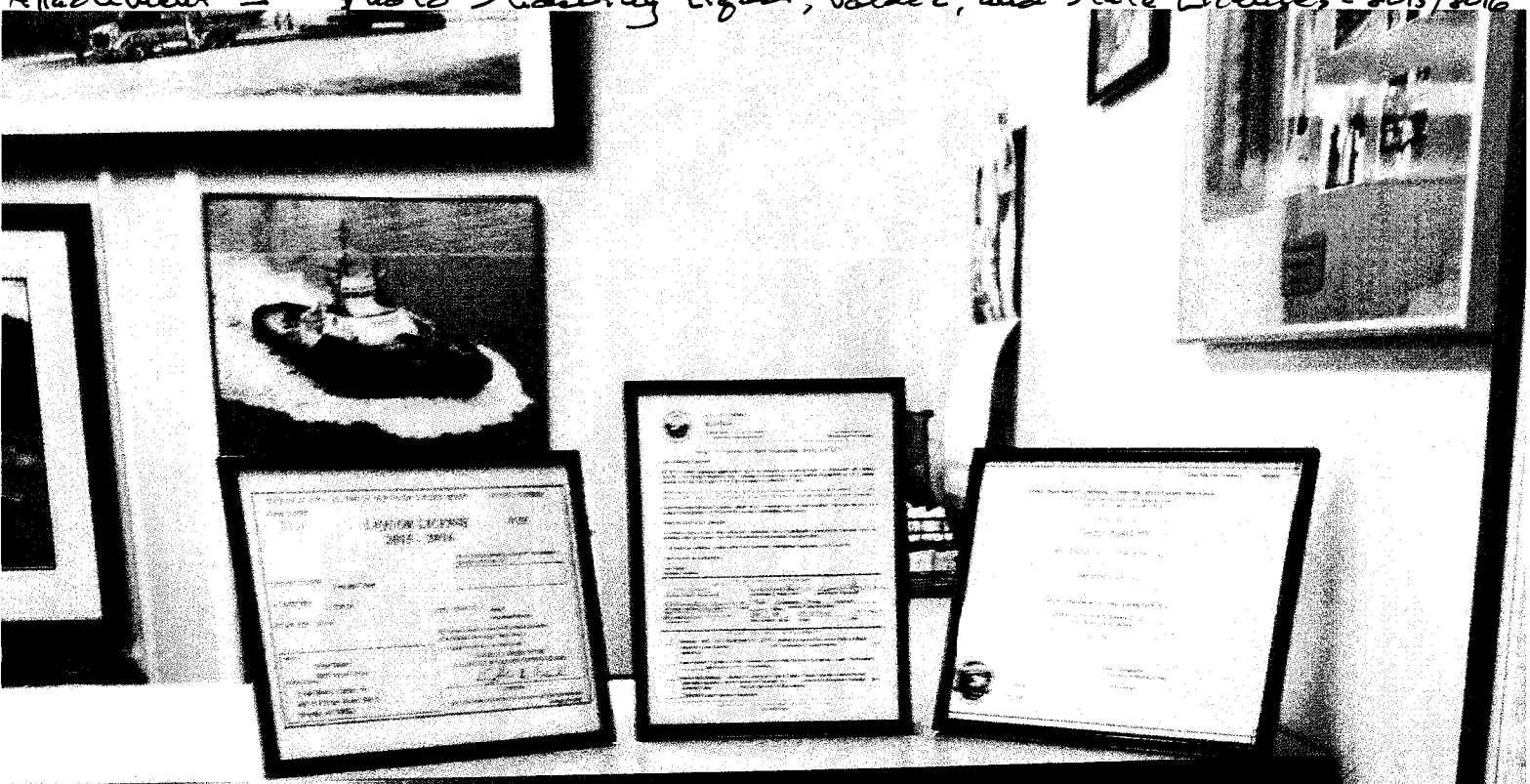


This license is issued to the licensee named herein, and is valid only in the State of Kansas. It is not valid in any other state or territory of the United States.

The licensee shall be subject to the provisions of the Kansas Statutes, Chapter 66, Article 2-101, and any amendments thereto.

For record

Attachment I - Photo Showing Liqueur, Valdez, and State Licenses - 2015/2016





Alcoholic Beverage Control Board
 5848 E Tudor Rd
 Anchorage, Alaska 99507
 (907) 269-0350
 FAX (907) 272-9412

Waiver of Operation Application

AS 04.11.330(a)(3)
15 AAC 104.170

License Information		Fees*	
Liquor License Number: 4165		Waiver Fee	\$ 1,500.00
License Type: Package Store		Penalty (If applicable)	\$ 1,000.00
Local Governing Body: (City, Borough or Unorganized) Valdez City Council P.O. Box 307 Valdez, AK 99686		Total Submitted	\$ 2,500.00
Name of Licensee: Three Bears Alaska, Inc.		*The fee is non-refundable [15 AAC 104.170(c)]	
Doing Business As (Business Name) Three Bears		Telephone Number: (907) 357-4311	
Mailing Address: 445 N. Pittman Road, Suite B Wasilla, AK 99654		Street Address or Location of Business 129 Egan Street (former location - now closed)	
		City: Valdez, AK	

Waiver Request Information	
This waiver application is the: <input type="checkbox"/> 1 st Request <input checked="" type="checkbox"/> 2 nd Request <input type="checkbox"/> 3 rd Request <input type="checkbox"/> Other _____	
Waiver Request for Calendar Year: 2009	Is this license for sale? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Explanation of the circumstances for non-operation of license. Include relevant information as to why the license was not operated, any future plans for operating the license and projected timelines. Attach additional sheets if necessary.

We closed our Valdez store in October 2007. Ever since then, we have received multiple requests from the Valdez community for us to return and open another store in town. In both 2008 and 2009 we had substantive discussions with landowners and developers in Valdez about our either taking over an existing building or having a new building built specifically for us. We tried very hard to make one existing building work for us, but we eventually determined that even if we did extensive remodeling and added on some space, we still would not have had enough space to properly serve the community. When it came to a new building, we were interested in leasing, and it turned out that the folks who were interested in being our landlord could not get their projects financed. Still, we continue talking with both community leaders and interested individuals in Valdez about how we can all work together so that Three Bears can return to town and give the community a choice of places to shop for groceries (right now there is only one grocery store in town). Returning to Valdez continued to be a topic at all of our Board of Directors Meetings in 2009 and company personnel made multiple trips to Valdez in 2009.

Our operation of any new store in Valdez would include the operation of the package store license.

Signature of Licensee(s)	
Signature	Signature
Name (Please Print) Stephen D. Mierop, Vice President	Name (Please Print)
Date September 27, 2010	Date

Alcoholic Beverage Control Board
 5848 E Tudor Rd
 Anchorage, Alaska 99507
 (907) 269-0350
 FAX (907) 272-9412

Waiver of Operation Application

AS 04.11.330(a)(3)
15 AAC 104.170

License Information		Fees*	
Liquor License Number: 4165		Waiver Fee	\$ 3,000.00
License Type: Package Store		Penalty (If applicable)	\$ 1,000.00
Local Governing Body: (City, Borough or Unorganized) Valdez City Council P.O. Box 307 Valdez, AK 99686			Total Submitted
Name of Licensee: Three Bears Alaska, Inc.		*The fee is non-refundable [15 AAC 104.170(c)]	
Doing Business As (Business Name) Three Bears		Telephone Number: (907) 357-4311	
Mailing Address: 445 N. Pittman Road, Suite B Wasilla, AK 99654		Street Address or Location of Business 129 Egan Street (former location - now closed)	
		City: Valdez, AK	

Waiver Request Information	
This waiver application is the: <input type="checkbox"/> 1 st Request <input type="checkbox"/> 2 nd Request <input checked="" type="checkbox"/> 3 rd Request <input type="checkbox"/> Other _____	
Waiver Request for Calendar Year: 2010	Is this license for sale? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Explanation of the circumstances for non-operation of license. Include relevant information as to why the license was not operated, any future plans for operating the license and projected timelines. Attach additional sheets if necessary.

We closed our Valdez store in October 2007. Ever since then, we have received regular requests from the Valdez community for us to return and open another store in town. In each of 2008, 2009, and 2010 we had substantive discussions with landowners and developers in Valdez about our either taking over an existing building or having a new building built specifically for us. We tried very hard to make several existing buildings work and even got pretty close with one until we determined that even if we did extensive remodeling and added on some space, we still would not have had enough space to properly serve the community. So far, when it has come to a new building, we have been interested in leasing, and so far it has always turned out that the folks who have been interested in being our landlord could not get their projects financed. Still, we continue talking with both community leaders and interested individuals in Valdez about how we can all work together so that Three Bears can return to town and give the community a choice of places to shop for groceries (right now there is only one grocery store in town). Returning to Valdez was discussed at each of our Board of Directors Meetings so far in 2010. Further, at our next Board Meeting in October we will be discussing the steps we are taking to operate the license in 2011. In fact, we are already looking for locations to operate and working out personnel and other logistical issues.

Our operation of any new store in Valdez would include the operation of the package store license. And if we could not operate the license as part of a new grocery store, our prospects of returning to Valdez would be significantly diminished because not having a package store license would both deny us significant sales of package goods and put us at a general competitive disadvantage. Thus, we will operate the license in Valdez in 2011 in order to preserve the opportunity for us to return to Valdez and once again offer the community greatly increased grocery shopping competition and variety.

Signature of Licensee(s)	
Signature	Signature
Name (Please Print) Stephen D. Mierop, Vice President	Name (Please Print)
Date September 27, 2010	Date

Attachment: M - Operating Records
for 2011/2012

THREE BEARS ALASKA

Month: November 2011

Hours Of Operation: 8am-5pm, Monday-Friday

Location: Valdez

Date:	Day:	Sales:
1st	Tue	
2nd	Wed	
3rd	Thu	
4th	Fri	
5th	Sat	
6th	Sun	
7th	Mon	
8th	Tue	
9th	Wed	
10th	Thu	
11th	Fri	
12th	Sat	
13th	Sun	
14th	Mon	
15th	Tue	
16th	Wed	
17th	Thu	OPEN
18th	Fri	OPEN
19th	Sat	OPEN
20th	Sun	OPEN
21st	Mon	OPEN
22nd	Tue	OPEN
23rd	Wed	OPEN
24th	Thu	Closed
25th	Fri	OPEN
26th	Sat	OPEN
27th	Sun	OPEN
28th	Mon	OPEN
29th	Tue	OPEN
30th	Wed	OPEN
Monthly Total:		

Additional Notes:

- First Day - E-mailed Pictures

- Thanksgiving

- 13 days in November open!

THREE BEARS ALASKA

Month: December 2011

Hours Of Operation: 8am-5pm, Monday-Friday

Location: Valdez

Date:	Day:	Sales:
1st	Thu	OPEN
2nd	Fri	OPEN
3rd	Sat	OPEN
4th	Sun	OPEN
5th	Mon	OPEN
6th	Tue	OPEN
7th	Wed	OPEN
8th	Thu	OPEN
9th	Fri	OPEN
10th	Sat	OPEN
11th	Sun	OPEN
12th	Mon	OPEN
13th	Tue	OPEN
14th	Wed	OPEN
15th	Thu	OPEN
16th	Fri	OPEN
17th	Sat	OPEN
18th	Sun	OPEN
19th	Mon	OPEN
20th	Tue	OPEN
21st	Wed	OPEN
22nd	Thu	OPEN
23rd	Fri	OPEN
24th	Sat	OPEN
25th	Sun	OPEN
26th	Mon	OPEN
27th	Tue	OPEN
28th	Wed	OPEN
29th	Thu	OPEN
30th	Fri	OPEN
31st	Sat	closed - New year
Monthly Total:		

Additional Notes:

THREE BEARS ALASKA

Month: January 2012

Hours Of Operation: 8am-5pm, Monday-Friday

Location: Valdez

Date:	Day:	Sales:
1st	Sun	closed
2nd	Mon	OPEN
3rd	Tue	OPEN
4th	Wed	OPEN
5th	Thu	OPEN
6th	Fri	OPEN
7th	Sat	OPEN
8th	Sun	OPEN
9th	Mon	OPEN
10th	Tue	OPEN
11th	Wed	OPEN
12th	Thu	OPEN
13th	Fri	OPEN
14th	Sat	OPEN
15th	Sun	OPEN
16th	Mon	OPEN
17th	Tue	OPEN
18th	Wed	OPEN
19th	Thu	OPEN
20th	Fri	OPEN
21st	Sat	OPEN
22nd	Sun	OPEN
23rd	Mon	OPEN
24th	Tue	OPEN
25th	Wed	OPEN
26th	Thu	OPEN
27th	Fri	OPEN
28th	Sat	OPEN
29th	Sun	OPEN
30th	Mon	OPEN
31st	Tue	OPEN
Monthly Total:		

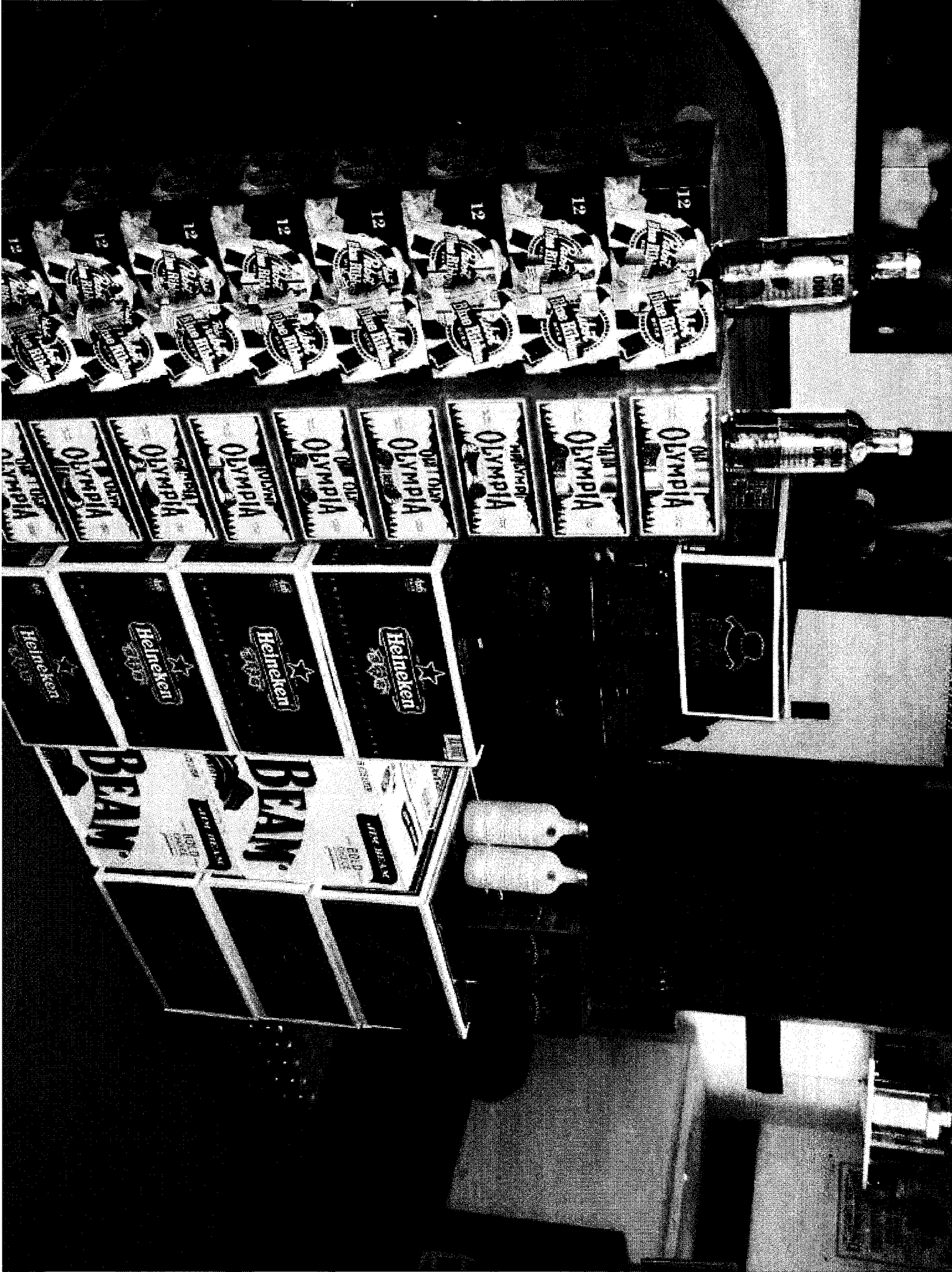
Additional Notes:

closed on
New years - 2 days
OPEN on Christmas!

2-1-2012 - OPEN > February
2-2-2012 - OPEN

H

Attachment N - 2011/2012 Product For Sale



Attachment 0 - Operating Records
for 2013/2014

THREE BEARS ALASKA

Month: November 2013

Hours Of Operation: 8am-5pm

Location: Valdez

Date:	Day:	Sales:
1st	Fri	OPEN - First Day
2nd	Sat	
3rd	Sun	
4th	Mon	
5th	Tue	
6th	Wed	
7th	Thu	
8th	Fri	
9th	Sat	
10th	Sun	
11th	Mon	
12th	Tue	
13th	Wed	
14th	Thu	
15th	Fri	
16th	Sat	
17th	Sun	
18th	Mon	
19th	Tue	
20th	Wed	
21st	Thu	
22nd	Fri	
23rd	Sat	
24th	Sun	closed Thanksgiving
25th	Mon	
26th	Tue	
27th	Wed	
28th	Thu	
29th	Fri	
30th	Sat	
Monthly Total:		

Additional Notes:

THREE BEARS ALASKA

Month: December 2013

Hours Of Operation: 8am-5pm

Location: Valdez

Additional Notes:

Date:	Day:	Sales:
1st	Sun	
2nd	Mon	
3rd	Tue	
4th	Wed	
5th	Thu	
6th	Fri	
7th	Sat	
8th	Sun	
9th	Mon	
10th	Tue	
11th	Wed	
12th	Thu	
13th	Fri	
14th	Sat	
15th	Sun	
16th	Mon	
17th	Tue	
18th	Wed	
19th	Thu	
20th	Fri	
21st	Sat	
22nd	Sun	
23rd	Mon	
24th	Tue	<i>closed at noon</i>
25th	Wed	<i>closed Christmas</i>
26th	Thu	
27th	Fri	
28th	Sat	
29th	Sun	
30th	Mon	
31st	Tue	<i>closed at noon</i>
Monthly Total:		

THREE BEARS ALASKA

Month: January 2014

Hours Of Operation: 8am-5pm

Location: Valdez

Date:	Day:	Sales:
1st	Wed	<i>Closed New Year</i>
2nd	Thu	
3rd	Fri	
4th	Sat	
5th	Sun	
6th	Mon	
7th	Tue	
8th	Wed	
9th	Thu	
10th	Fri	
11th	Sat	
12th	Sun	
13th	Mon	
14th	Tue	
15th	Wed	
16th	Thu	
17th	Fri	
18th	Sat	
19th	Sun	
20th	Mon	
21st	Tue	
22nd	Wed	
23rd	Thu	
24th	Fri	
25th	Sat	
26th	Sun	
27th	Mon	
28th	Tue	
29th	Wed	
30th	Thu	
31st	Fri	
Monthly Total:		

Additional Notes:

THREE BEARS ALASKA

Month: February 2014

Hours Of Operation: 8am-5pm

Location: Valdez

Date:	Day:	Sales:
1st	Sat	
2nd	Sun	
3rd	Mon	
4th	Tue	
5th	Wed	
6th	Thu	
7th	Fri	
8th	Sat	
9th	Sun	
10th	Mon	
11th	Tue	
12th	Wed	
13th	Thu	
14th	Fri	
15th	Sat	
16th	Sun	
17th	Mon	
18th	Tue	
19th	Wed	
20th	Thu	
21st	Fri	
22nd	Sat	
23rd	Sun	
24th	Mon	
25th	Tue	
26th	Wed	
27th	Thu	
28th	Fri	Last Day - closed
Monthly Total:		1238 ⁰⁰

Additional Notes:

close-out sale
Wilson Purchased all
Product!

Attachment P - Operating Records
for 2015/2016

THREE BEARS ALASKA

Month: November 2015

Hours Of Operation: 8am-5pm

Location: Valdez

Additional Notes:

Date:	Day:	Sales:
1st	Sun	
2nd	Mon	
3rd	Tue	
4th	Wed	
5th	Thu	
6th	Fri	
7th	Sat	
8th	Sun	
9th	Mon	
10th	Tue	
11th	Wed	
12th	Thu	
13th	Fri	
14th	Sat	
15th	Sun	
16th	Mon	
17th	Tue	
18th	Wed	
19th	Thu	
20th	Fri	Open 8-5
21st	Sat	Open 8-5
22nd	Sun	Open 8-5
23rd	Mon	Open 8-5
24th	Tue	Open 8-5
25th	Wed	Open 8-3:30
26th	Thu	Closed
27th	Fri	Open 8-5
28th	Sat	Open 8-5
29th	Sun	Open 8-5
30th	Mon	Open 8-5
Monthly Total:		\emptyset

THREE BEARS ALASKA

Month: December 2015

Hours Of Operation: 8am-5pm

Location: Valdez

Additional Notes:

Date:	Day:	Sales:
1st	Tue	Open 8-5
2nd	Wed	Open 8-5
3rd	Thu	Open 8-5
4th	Fri	Open - 8-5
5th	Sat	Open 8-5
6th	Sun	Open - 8-5
7th	Mon	Open - 8-5
8th	Tue	Open 8-5
9th	Wed	Open 8-5
10th	Thu	Open 8-5
11th	Fri	Open 8-5
12th	Sat	Open 8-5
13th	Sun	Open 8-5
14th	Mon	Open 8-5
15th	Tue	Open 8-5
16th	Wed	Open 8-5
17th	Thu	Open 8-5
18th	Fri	Open 8-5
19th	Sat	Open 8-5
20th	Sun	Open 8-5
21st	Mon	Open 8-5
22nd	Tue	Open 8-5
23rd	Wed	Open 8-5
24th	Thu	Open 8-1pm
25th	Fri	Closed
26th	Sat	Open 8-5
27th	Sun	Open 8-5
28th	Mon	Open 8-5
29th	Tue	Open 8-5
30th	Wed	Open 8-5
31st	Thu	Open 8-1:30
Monthly Total:		0

30

THREE BEARS ALASKA

Month: January 2016

Hours Of Operation: 8am-5pm

Location: Valdez

Additional Notes:

Date:	Day:	Sales:
1st	Fri	closed
2nd	Sat	open - 8-5
3rd	Sun	open 8-5
4th	Mon	open 8-5
5th	Tue	open 8-5
6th	Wed	open 8-5
7th	Thu	open 8-5
8th	Fri	open 8-5
9th	Sat	Open - 8-5
10th	Sun	open 8-5
11th	Mon	open 8-5
12th	Tue	open 8-5
13th	Wed	open 8-5
14th	Thu	open 8-5
15th	Fri	open 8-5
16th	Sat	open 8-5
17th	Sun	open 8-5
18th	Mon	open 8-5
19th	Tue	Open 8-5
20th	Wed	open 8-5
21st	Thu	open 8-5
22nd	Fri	open 8-5
23rd	Sat	open 8-5
24th	Sun	open 8-5
25th	Mon	open 8-5
26th	Tue	open 8-5
27th	Wed	open 8-5
28th	Thu	open 8-5
29th	Fri	open 8-5
30th	Sat	open 8-5
31st	Sun	open 8-5
Monthly Total:		



THREE BEARS ALASKA, INC.

445 N. Pittman Road, Suite B
Wasilla, Alaska 99623
☎ (907) 357-4311 📠 (907) 357-4312

January 13, 2017

Via email and U.S. mail

sara.chambers@alaska.gov
amco.enforcement@alaska.gov

Sara Chambers, Acting Director
Alcohol & Marijuana Control Office
550 W. 7th Avenue, Suite 1600
Anchorage, Alaska 99501

Re: Second Response to Notice of Violation AB16-0628 (12-21-16)

Dear Acting Director Chambers,

This letter is in response to an email sent by Cynthia Frankin, Director, and received by Three Bears on January 3rd, 2017 (please see Attachment A).

As in our initial correspondence with the prior Director regarding Notice of Violation AB16-0628 (the “*Notice*”) (please see Attachment B), we believe it is very important to set everything in context because how we operated in Valdez since 2011/2012 and what happened in 2015/2016 did not take place in a vacuum. Rather, there is much mutual history between the ABC Board and Staff and Three Bears that has led up to where we are today.

How Three Bears Came to Operate License 4165 on a “Minimal Basis”

Up until the point that we shut down our grocery store in Valdez in October 2007 and accordingly stopped operating License 4165 full time, Three Bears had acquired package store liquor licenses and then almost immediately put them into full-time operation. Thus, when market conditions forced us to close our Valdez store, we had no experience with the ways to keep a package store liquor license alive for future use at a new location.

So, shortly after we closed in Valdez, we asked ABC Staff what we could do. And Staff told us about waivers and helped us familiarize ourselves with the required forms and procedures and even, at times, walked us through the process a bit (please see Attachments C and D—2010 correspondence with Staff regarding 2nd and 3rd Waiver Applications).

Once we got to the point where we had obtained a third non-operating waiver and the Board told us that there would be no more waivers when we appeared before them to get our third, we again found ourselves in unfamiliar territory and again turned to Staff to find out what, if anything, we could do next to keep License 4165 while we waited for an opportunity to return to the Valdez market with another grocery store or other store that would include a liquor store.

Staff told us that there was a provision—“minimal operation”—that was designed and meant exactly for our situation. And Staff pointed us to 3 AAC 304.170.

But the conversation with Staff did not stop there because we were still very much in unfamiliar territory. So, we went through 3 AAC 304.170 point-by-point on the phone and in person with Staff (our recollection is mostly with Christine Lambert and at least twice with Shirley Coté (Shirley Gifford then)) in order to understand exactly what Staff wanted to see us do in order for us to be in compliance. When we asked what it meant to operate “in a similar fashion to other licensed premises of the same type,” we were told that the “type” was other licenses that we being minimally operated. But Staff emphasized multiple times that they didn’t want to see us operating out of a hotel room (as other minimally-operating licensees had apparently done). Rather, they wanted to see us operate out of a location that had a direct entrance for the public and wasn’t inside another building, up three floors by elevator, and down the second hall on the left.

We told Staff how we intended to cover the requirements for two years by operating for at least a little over two months spanning the end of one year and the beginning of the next (thus our references to 2011/2012, 2013/2014, and 2015/2016). We also told Staff how we would be renting space from Wilson Brothers and that they’d be helping us operate the store. Staff said that they were fine with all of this. When we discussed the sales records and cash register requirements with Staff, they said that even a simple written record would suffice. And then Staff emphasized that they wanted our records to include a record of the days and hours that we were open. They stressed that even if we had little or even no sales, it was very important that we actually operated the number of days and hours required.

So, to recap, the two things that Staff stressed most to us were 1) that we operate in a space where the main entrance gave the public direct access and 2) that we make sure to meet the requirement of operating for at least 30 8-hour days each year. And we have always done this. Further, when a question arose regarding whether we had actually operated at the end of 2011 and the beginning of 2012, we sent our daily records to Christine and she replied back to us that those records were fine (please see Attachments E, F, G, and H—2012 correspondence with Staff regarding minimal operations in 2011/2012).

Further, after we had worked our way through 3 AAC 304.170 with Staff and learned what they actually wanted to see happen in real-world terms, we asked if there was anything else we needed to do, and Staff said “No” and further said that if we did what we discussed with Staff “everything will be fine.”

What Happened in 2015/2016

We all know now that we had problems in Valdez in 2015/2016. However, in 2015/2016, we still fully complied with the two items Staff had always stressed the most: 1) we operated in a space where the main entrance gave the public direct access and 2) we operated for at least 30 8-hour days each year and kept the operating records we had always kept and that Staff had always been okay with. We also stocked a meaningful quantity and variety of product (please see Attachment I—2015/2016 product photos) and complied with health, fire, and zoning laws or ordinances for operating a business in Valdez (please see Attachment J—2015/2016 photo of licenses). But we fell short on some of the premises location requirements and on the signage requirements. This happened because, unknown to us, our operator, Curt Wilson, moved the store from the building he owns at 1900 Airport Way (where the store operated in 2011/2012 and 2013/2014) to an adjacent building that he owns at 1800 Mineral Creek Loop Road. Also, the Three Bears logo sign and the hours sign that had always been used at 1900 Airport Way got lost in the move. So, there was no sign in 2015/2016, although members of the public went in and out of the

location almost every day and the store operation was plain to see once inside (please see Attachment K— shows 2015/2016 product right inside public entrance).

Now, Curt Wilson did move the store for a good reason as they were no longer manning 1900 Airport Way. Thus, he moved the store so that it could in fact be operated. Of course, if we had known of the move in advance and that the old signs had been lost, we would have applied to change the location and we would have provided new signs. But at this point, all that we can do is fix things going forward.

Fixing Things Moving Forward

Now we come to the Notice and specifically to the first sentence of the third full-sized paragraph that says, “You are directed to respond to the Director of the Alcohol & Marijuana Control Office in writing to this Notice of Violation within 10 days of receipt to explain what *action you have taken to prevent the reoccurrence of this violation*” (emphasis added).

First, we note that we sent an initial response in a letter dated December 30, 2016 and delivered via email and U.S. mail (the “*Response Letter*”) (please see Attachment L). We note also that the prior Director responded by email to the Response Letter and that this current letter is in response to the prior Director’s January 3rd, 2017 email.

Second, we apologize if our initial response to how we intend to fix things going forward may have seemed vague. That was not our intent. Rather, the simple fact is that properly fixing this particular situation in the way that we intend to (by operating License 4165 seasonally in Valdez) is not the easiest process. As we mentioned in our Response Letter, we’ve already made, and are continuing to make, inquiries about new locations in Valdez. However, as we all know, it’s the middle of winter, and we’re finding that this is not necessarily the best time to be scouting properties in Valdez, especially because a final selection will require at least one trip to Valdez. Still, we are committed and are sticking to the task and would just ask for more than the 30 days we’ve initially been given to find a new location.

Third, as we’ve been talking with folks in Valdez and working to find a location (and perhaps as a result of those talks), we have been approached about selling License 4165. And dealing with a potential sale is another situation where we would ask for more than 30 days to finalize things.

Fourth, regarding the exact “season” we will operate (if we don’t sell), we’re currently planning on being open from mid-May to mid-September and plan to submit the exact dates when we apply to move License 4165 to a new location and to change it to a seasonal license.

Fifth, regarding timing as a general matter, we would respectfully ask that you allow us to work on a permanent fix until the date for the closing of the Agenda for the Board’s April meeting. And we promise that by that time, we will have either submitted everything required for changing locations and operating seasonally in Valdez or we will have submitted a transfer application.

Sixth, regarding the letter that accompanied the Notice and requested additional information, we are attaching as much of that information as is readily available (please see Attachments M, N, O, and P) and will continue working to locate the rest. However, we ask for some patience here as our fiscal year ends on April 30th, and after our outside auditors have been and gone in our offices each year (generally by sometime in June or July), we box up all our accounting records pertaining to that year and send them

off site. Unfortunately, not all the boxes are fully indexed as to contents or location and the records pertaining to Valdez are very small. So, we're continuing to work on locating and producing everything requested, and would again just ask for your understanding and patience.

Preserving the Potential for Competition in Valdez

As we mentioned in our Response Letter, it pained us greatly to see the Eagle Food Center in Valdez unreasonably raise their prices within minutes of hearing that we were closing our Valdez store. One of the many reasons that this was so disturbing is Eagle was a Safeway brand (today the store is simply branded as a Safeway), which means they have far greater buying power than Three Bears and have a much lower cost of goods. So, raising prices like they did was just monopolistic abuse.

Further, it should be noted that Tok is a remote community on the State's road system just like Valdez. Also, Tok has about half the population of Valdez, and thus one might expect to see higher prices given that there is only one store and that the market is considerably smaller. But while Safeway in Valdez charges some of the highest grocery prices in a community on the State's road system, folks living in Tok can purchase groceries at prices competitive with Anchorage and the Valley. This is because as Three Bears has grown and our buying power has increased, we have passed the benefits along to the communities we serve.

Now, when we recently reviewed the spreadsheet that lists all Alaska liquor licenses on AMCO's website, we noted that only three package store licenses are listed in Valdez: Safeway's Oaken Keg, Acres Beverage Center, and Three Bears. However, it appears from the Agenda and Minutes from the Board's April 26, 2016 meeting (select pages attached) that the Acres Beverage license has gone away as the Board voted down a fourth waiver.

Thus, if Three Bears or someone we sell to in Valdez doesn't continue to operate License 4165 there, then Eagle/Safeway's Oaken Keg liquor store will be the only package store in town and will be able to charge even higher prices. Further, with Valdez' population hovering around 3,000, there's the possibility that there will never be another package store liquor license in town and that Safeway's Oaken Keg could potentially have a permanent monopoly.

"Alaskans Serving Alaskans Since 1980"

Finally, we want to stress that while Three Bears has grown over the last 36 years from one store and a handful of employees in Tok to nine Alaska stores (and one in Montana) with over 500 employees, we are still a small, family-run company at heart, headquartered in Alaska and run by everyday Alaskans. And even during some of our more rapid growth spurts, we've always worked as hard as we can to be a good operator and to serve our communities as well as possible.

As a small part of striving to be a good operator and striving to best serve our communities, we started "carding hard" and requiring ID for all alcohol and tobacco purchases over 15 years ago, well before practically anyone else in the State did this voluntarily.

Further, in our dealings with the ABC Board and Staff, we have always worked as hard as we can to be open, honest, proactive, and transparent. And we have appreciated the responsiveness and professionalism of the Board and Staff helping us navigate the alcohol laws and regulations for over 20

Re: Notice of Violation AB16-0628 (12-21-16)

January 13, 2016

Page 5

years now. We believe it's been a good relationship and want to do everything we can to keep it that way. And that's why we again ask for the opportunity to work together to resolve the problems that popped up in Valdez. As noted above, if given the opportunity, we believe we can have a solution by the time of the closing of the Agenda for the Board's April meeting.

Finally, over the past 36 years and through all of our growth, we've come to appreciate the amount of progress that can be made when folks sit down and have a face-to-face meeting. So, as we requested in our Response Letter, we once again request (per the last paragraph of the Notice) to meet with you in your Anchorage office to be heard regarding the Notice. In terms of scheduling the meeting, we are available during the period starting January 23rd and ending February 14th, 2017 and on any date starting from March 6th, 2017 and going forward.

Thank you for your help with this matter.

Best regards,

A handwritten signature in black ink, appearing to read "Stephen D. Mierop". The signature is fluid and cursive, with a large initial "S" and "M".

Stephen D. Mierop
Vice President/CFO

Attachments: as stated



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

Date: 1-13-17
 Number AB16-0712
 Page 1 of 1 Page

Notice of Violation

(3AAC 304.525)

Licensee George Pitsilionis	License Number 3032	Type of License Beverage Dispensary
D.B.A. Pizza Paradisos 815 Frontage Road	How Delivered via Certified USPS 7013 2250 0000 9617 5378	Law Enforcement Agency Kenai Police Department
Street or P.O. Box PO Box 2917	City, State Kenai, AK	Zip 99611

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

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

VIOLATION: On 12-28-16 I completed an inspection of Georges Casino Bar which is in the same building as Pizza Paradisos. During my conversations with Ms. Pitsilionis and later Nina Brewer, it was learned that when George's Casino Bar does operate, the alcohol is being removed from Pizza Paradisos to George's Casino Bar using a portable bar. This is a violation of Title 04.

Your attention is directed to AS04.11.090: Beverage dispensary license

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



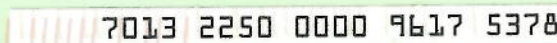
***Please include your Alcohol License Number in your response.**

Sara Chambers, Acting Director
Alcohol & Marijuana Control Office
550 W. 7th Ave, Suite 1600
Anchorage, Alaska 99501

A Response is Required

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

Receipt:	Violation Observed By: F.R. Hamilton
Filed By: <i>F.R. Hamilton</i>	Title: Investigator III

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> ■ 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. 	<p>A. Signature  <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____</p> <p>C. Date of Delivery <u>1-17-17</u></p>
<p>1. Article Addressed to:</p> <div style="border: 1px solid black; padding: 5px; text-align: center;">  George Pitsilionis dba Pizza Paradisos PO Box 2917 Kenai, AK 99611 </div>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>3. Service Type <input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label)  7013 2250 0000 9617 5378</p>	
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>	

U.S. Postal Service™ *PRND No-0712*
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$	Postmark Here 3032
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

7013 2250 0000 9617 5378

Sent To _____
Street, Apt. No. or PO Box No. _____
City, State, ZIP _____
George Pitsilionis
dba Pizza Paradisos
PO Box 2917
Kenai, AK 99611

See Reverse for Instructions

PS Form 3800, August 2006



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

Date: 1-13-17
Number AB17-0011
Page 1 of 1 Page

Notice of Violation

(3AAC 304.525)

Licensee G & P, Inc.	License Number 204	Type of License Beverage Dispensary
D.B.A. George's Casino Bar 815 Frontage Road	How Delivered via USPS, Certified 7013 2250 0000 9617 5385	Law Enforcement Agency Kenai Police Department
Street or P.O. Box PO Box 2917	City, State Kenai	Zip 99611

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

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

VIOLATION: On 12-28-16, an inspection was conducted at George's Casino with Joanna Pitsilionis and later Nina Brewer. Ms. Pitsilionis pointed out that there was a sign on the door as you enter George's Casino from Pizza Paradisos advertising George's Casino. Other than the sign, nothing else had changed regarding the operation of George's Casino. In speaking with Ms. Pitsilionis and Ms. Brewer, it was learned that George's Casino is operated mainly as a banquet room. Ms. Pitsilionis and Ms. Brewer admits that the banquet functions do not last 8 hours nor were there more than 30 events all year. It was also learned that they wheel in a portable bar stocked with Pizza Paradisos alcohol. In a letter dated 10-12-07 by then Director Douglas Griffin, the re-designation of George's Casino Bar to one of Pizza Paradisos banquet rooms, was "that this change is temporary and transitional in nature". This is a violation of Title 04.

Your attention is directed to 3AAC304.170: Waiver of annual operating requirement and minimum operating requirements and AS04.21.030: Responsibility of licensees, agents, and employees

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



***Please include your Alcohol License Number in your response.**

Sara Chambers, Acting Director
Alcohol & Marijuana Control Office
550 W. 7th Ave, Suite 1600
Anchorage, Alaska 99501

A Response is Required

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

Receipt:	Violation Observed By: F.R. Hamilton
Filed By: <i>F.R. Hamilton</i>	Title: Investigator III

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> 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. 	A. Signature  <input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee
1. Article Addressed to:  G & P, Inc. dba George's Casino Bar PO Box 2917 Kenai, AK 99611	B. Received by (Printed Name) _____ C. Date of Delivery <u>9-17-17</u>
2. Article Number <i>(Transfer from service label)</i>	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No
PS Form 3811, February 2004	3. Service Type <input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input checked="" type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. 4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes
7013 2250 0000 9617 5385	
Domestic Return Receipt 102595-02-M-1540	

U.S. Postal Service™ <i>FA40 17-0011</i> CERTIFIED MAIL™ RECEIPT <i>(Domestic Mail Only; No Insurance Coverage Provided)</i>											
For delivery information visit our website at www.usps.com											
OFFICIAL USE											
<table border="1"> <tr><td>Postage</td><td>\$</td></tr> <tr><td>Certified Fee</td><td></td></tr> <tr><td>Return Receipt Fee (Endorsement Required)</td><td></td></tr> <tr><td>Restricted Delivery Fee (Endorsement Required)</td><td></td></tr> <tr><td>Total Postage & Fees</td><td>\$</td></tr> </table>	Postage	\$	Certified Fee		Return Receipt Fee (Endorsement Required)		Restricted Delivery Fee (Endorsement Required)		Total Postage & Fees	\$	Postmark Here <i>#204</i>
Postage	\$										
Certified Fee											
Return Receipt Fee (Endorsement Required)											
Restricted Delivery Fee (Endorsement Required)											
Total Postage & Fees	\$										
Sent To Street, Apt. No., or PO Box No. City, State, ZIP+	G & P, Inc. dba George's Casino Bar PO Box 2917 Kenai, AK 99611										
PS Form 3800, August 2006 See Reverse for Instructions											

7013 2250 0000 9617 5385



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

Date: 1-4-17
 Number AB16-0740
 Page 1 of 1 Page

Notice of Violation

(3AAC 304.525)

Licensee Schilling Alaska, Inc.	License Number 1859	Type of License Beverage Dispensary - Tourism
D.B.A. Uptown Motel/Louie's 18021 Kenai Spur Hwy	How Delivered VIA Certified USPS mail 7013 2250 0000 9617 5071	Law Enforcement Agency Kenai Police Department
Street or P.O. Box 47 Spur View Drive	City, State Kenai, AK	Zip 99611

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

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

VIOLATION: During an inspection on 12-29-16, server's O'Donnell and Johnson were asked to provide current proof of server education. Both presented expired TAP cards; one expiring 10-17-15, the other 4-10-16 respectively. Also observed was the absence of mandatory signage.

Your attention is directed to AS04.21.025: Server education, 3AAC304.465: Server Education and AS04.21.030: Responsibility of licensees, agents, and employees and AS04.21.065: Posting of warning signs

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

***Please include your Alcohol License Number in your response.**

**Cynthia Franklin, Director
 Alcohol & Marijuana Control Office
 550 W. 7th Ave, Suite 1600
 Anchorage, Alaska 99501**

A Response is Required

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

Receipt:	Violation Observed By: F.R. Hamilton
Filed By: <i>F.R. Hamilton</i>	Title: Investigator III

Louie's Restaurant

47 Spur View Drive

Kenai, AK 99611

907 283 3660

January 4, 2017

Cynthia Franklin, Director
Alcohol & Marijuana Control Office
550 West 7th Ave, Suite 1600
Anchorage, AK 99501

Re: Notice of Violation; number AB16-0740 License Number 1859

Dear Director Franklin,

On the morning of Thursday, December 29, 2016 Investigator Joe Hamilton visited Louie's Restaurant. We concur with the violation(s) as described in the subject Notice.

Please accept this letter as our response to the violation(s) to explain what actions we have taken to prevent a reoccurrence of these violations.

The correct, mandatory signage provided by Mr Hamilton (thank you) has been posted in the agreed-on areas in both Louie's Restaurant and The Back Door Bar.

The two servers working at Louie's with expired TAP cards were immediately removed from selling or serving alcohol. This was done by bringing an additional server with a current TAP card to work earlier than scheduled that day. She was on-shift approximately 45 minutes after we were made aware of the violation. At no time since has Louie's Restaurant offered, sold or served alcohol to any customer by a server without a current TAP card.

Proactive measures taken since 12/29/16:

Louie's Restaurant immediately conducted a review of all servers required have a TAP card; this review led to a scheduling of a TAP class that was subsequently held on Tuesday, January 3, 2016. As of this letter, ALL servers have current TAP cards

A tickler file has been created to 'remind' servers in advance of the expiration date of their TAP card. All servers at Louie's Restaurant are aware and understand that without a current TAP card, they will not be available to be scheduled

While Louie's Restaurant fully understands the need to remain compliant and up-to-date at all times, we respectfully ask the director to view our long-term record and recognize that we've taken action immediately to return to full compliance.

Sincerely,

Duane Bannock



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

Date: 11-29-16
 Number AB16-0667
 Page 1 of 1 Page

Notice of Violation

(3AAC 304.525)

Licensee Alaska '49 LLC	License Number 1242	Type of License Beverage Dispensary
D.B.A. Willow Tree Inn 513 Wood River Road	How Delivered Via USPS 7014 0150 0000 9499 0795	Law Enforcement Agency Dillingham Police Department
Street or P.O. Box PO Box 630	City, State Dillingham, AK	Zip 99576

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

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

VIOLATION: On 11-29-16 Alcohol & Marijuana Control Office (AMCO) received information from AK Dept of Environmental Conservation, Division of Environmental Health, Food Safety and Sanitation Program that you are not compliant with Alaska Food Code 18 AAC 020(c). This is a violation of Title 04.

Your attention is directed to AS04.21.030: Responsibility of licensees, agents, and employees

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

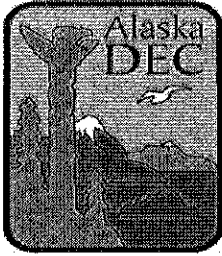
***Please include your Alcohol License Number in your response.**

Cynthia Franklin, Director
 Alcohol & Marijuana Control Office
 550 W. 7th Ave, Suite 1600
 Anchorage, Alaska 99501

A Response is Required

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

Receipt:	Violation Observed By: Jeremy Ayers, ADEC Representative
Filed By: <i>J.R. Hamilton</i>	Title: Investigator III



Record/Receipt for Credit Card Payment

STATE OF ALASKA

Department of Environmental Conservation
Division of Administrative & Information Services
PO Box 111800 410 Willoughby Avenue, Ste 303
Juneau, Alaska 99801
(907) 465-5089 Phone / (907) 465-1338

Today's Date 1/19/17
Name on Card Kim Elaine Parker
Phone Number (907) 843-0393
Fax Number
Email Address dlgalaska49@yahoo.com

DEC ANCHORAGE OFF 18
555 CORDOVA ST
ANCHORAGE, AK, 99501
907-465-5089

Phone Order

XXXXXXXXXXXX2132
VISA Entry Method: Manual
Total: \$ 430.00
01/19/17 14:29:29
Inv #: 000000002 Appr Code: 831234
Apprvd: OnLine
AVS Code: EXAC MATCH Y
CVV2 Code: MATCH M

- Walk in Client
Paid by Phone
Fax Receipt
US Mail Receipt
Email Receipt

I agree to pay above total amount
according to card issuer agreement
(Merchant agreement if credit voucher)

Merchant Copy
THANK YOU!

Apply Payment to:

Table with 4 columns: Invoice #, Permit#/Project ID/Facility/Payment Description, Amount Paid, Inv Code. Row 1: OTC 15200, 275760035 / Willow Tree Inn / CY17 Annual, \$430.00, FSS.

Total Authorized Amount \$430.00

Noelani Thompson
DEC Employee filling out form (Print name)

907-269-6289
Employee Phone Number

Card (Visa/MC)

Card Number

Expiration Date

From: [Hamilton, Joe \(CED\)](#)
To: [Hoelscher, James C \(CED\)](#)
Subject: Fwd: Willow Tree Inn
Date: Tuesday, January 24, 2017 1:59:00 PM

Sent from my iPhone

Begin forwarded message:

From: "Hamilton, Joe (CED)" <joe.hamilton@alaska.gov>
Date: January 19, 2017 at 6:28:09 PM AKST
To: Willow Tree <dlgalaska49@yahoo.com>
Subject: Re: Willow Tree Inn

I would start a new response. Director has been reviewing them and sending back ones that don't have good response. Call me if you want to talk. 451-2534

Sent from my iPhone

On Jan 19, 2017, at 4:59 PM, Willow Tree <dlgalaska49@yahoo.com> wrote:

Here you go, we are all up to date now with our permit! Thanks for the call today!

Begin forwarded message:

From: "Thompson, Noelani C (DEC)"
<noelani.thompson@alaska.gov>
Date: January 19, 2017 at 2:37:09 PM AKST
To: "dlgalaska49@yahoo.com"
<dlgalaska49@yahoo.com>
Cc: "Hamilton, Joe (CED)" <joe.hamilton@alaska.gov>, "Rodriguez, Ytamar M (DEC)"
<ytamar.rodriguez@alaska.gov>, "Ayers, Jeremy A (DEC)" <jeremy.ayers@alaska.gov>, "decfsspermit (DEC sponsored)" <DEC.FSSPermit@alaska.gov>
Subject: Willow Tree Inn

Hi Kim,

Attached is your receipt of payment. We have reactivated your permit with Food Safety and Sanitation with all conditions and issues resolved. You should receive your 2017

Food Establishment permit by mail in about 2 weeks,
meanwhile you are welcome to use your receipt as a
placeholder until that permit arrives.

If you have any questions, you are welcome to contact me.

Thank you,

Lani Thompson
Environmental Health Technician
DEC – Environmental Health
[Food Safety & Sanitation Program](#)
555 Cordova Steet, 5th Floor
Anchorage, Alaska 99501
P: (907) 269-6289 F: (907) 269-7510

<Receipt of Payment - Willow Tree Inn 1-19-17.pdf>



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

Date: 1-25-17
Number AB17-0044
Page 1 of 1 Page

Notice of Violation

(3AAC 304.525)

Licensee Alaskan Boys, Inc.	License Number 1184	Type of License Beverage Dispensary
D.B.A. Avenue Bar 338 W. 4 th Avenue	How Delivered Certified Mail 7013 2250 0000 9617 5026	Law Enforcement Agency Anchorage Police Department
Street or P.O. Box 1130 Friendly Lane	City, State Anchorage, AK	Zip 99504

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

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

VIOLATION: AMCO received anonymously a Facebook post depicting Avenue Bartender Kellie Parker Legende. The post read, "Come warm up a Lil Friends (wink face w/heart) Check in at the Avenue Bar on FB before 1 AM, show your bartender and get a FREE MYSTERY SHOT!!! Another post read in part, Champagne bottle service is up for grabs for one lucky winner tonight! DJ Ego is taking over The Avenue Bar! Text "WETHEBEST" to 33222. Winner will be selected by 10 PM, the party kicks off at 10PM! Under this post is Avenue Bar Anchorage. The champagne giveaway happens tonight! These are violations of Title IV.

Your attention is directed to AS04.16.015: Pricing and marketing

You are directed to respond to the Alcohol & Marijuana Control Office (alcohol.enforcement@alaska.gov) in writing to this Notice of Violation within 10 days of receipt to explain what action you have taken to prevent a reoccurrence of this violation. FAILURE TO RESPOND TO THIS NOTICE OF VIOLATION WITHIN 10 DAYS WILL RESULT IN YOUR APPEARANCE, EITHER IN PERSON OR TELEPHONICALLY, BEFORE THE ABC BOARD OF DIRECTORS AT THEIR NEXT REGULARLY SCHEDULED BOARD MEETING.

***Please include your Alcohol License Number in your response.**

Sara Chambers Acting Director
Alcohol & Marijuana Control Office
550 W. 7th Ave, Suite 1600
Anchorage, Alaska 99501

A Response is Required

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

Receipt:	Violation Observed By: F.R. Hamilton
Filed By: <i>F.R. Hamilton</i>	Title: Investigator III