



ALCOHOL AND MARIJUANA CONTROL OFFICE

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

MEMORANDUM

TO:Robert Klein, Chair and
Members of the ABC BoardDATE:April 6, 2017FROM:Erika McConnell
Director, ABC BoardRE:Three Bears Alaska Inc. #4165

In its renewal application, Three Bears Alaska Inc. did not provide information showing it met the minimum operating requirements found in 3 AAC 304.170(j)—see memo from Investigator Hamilton.

The City of Valdez has provided a valid protest of the application in accordance with AS 04.11.480, for the following reasons:

- Not open during normal business hours.
- No operational or physical business in Valdez associated with license.
- If this package store license (and Acres Beverage Center #1441) remains unused, there can be no investment or development of a fully functional package store due to population limits. (AS 04.11.400)
- City of Valdez does not support long-term holding of inactive licenses.

Recommendation:

Deny the renewal application for lack of meeting minimum operational requirements per AS 04.11.330(a)(3) and 3 AAC 304.170(j), and, unless the board finds the protest to be arbitrary, capricious, and unreasonable, for local governing body protest per AS 04.11.480(a) and 3 AAC 304.145, or require waiver of operations application for 2016.

From:	Smith, Jedediah R (CED)
То:	AMCO Local Government Only (CED sponsored)
Subject:	RE: alcohol license questions
Date:	Thursday, April 06, 2017 7:58:19 AM

From: Sheri Pierce [mailto:spierce@ci.valdez.ak.us]
Sent: Thursday, April 06, 2017 6:59 AM
To: Smith, Jedediah R (CED)
Subject: Re: alcohol license questions

Hi Jed

On Tuesday the Valdez City Council voted to rescind their protest of the 3 Bears License with the condition that 3 bears sell or transfer the license within a period not to exceed 6 months. The vote was 5 yea and 2 absent. Do I need to call in to a AMCO meeting and if so when is the meeting and what is the number please.

Sent from my iPhone



Alaska Alcoholic Beverage Control Board Renewal License Application Form AB-17b: Package Store

What is this form?

This renewal license application form is required for all individuals or entities seeking to apply for renewal of an existing package store license that will expire on December 31, 2016. All fields of this form must be complete and correct, or the application will be returned to you in the manner in which it was received, per AS 04.11.270 and 3 AAC 304.105. The Community Council field only needs to be verified/completed by licensees whose establishments are located within the Municipality of Anchorage or outside of city limits within the Matanuska-Susitna Borough.

This form must be completed correctly and submitted to the Alcohol & Marijuana Control Office (AMCO)'s main office, along with all other required documents and fees, before any renewal license application will be considered complete.

Section 1 – Establishment and Contact Information

Enter information for the business seeking to have its license renewed.

Licensee:	Three Bears Alaska, Inc.	License #:	4165
License Type:	Package Store	Statute:	AS 04.11.150
Doing Business As:	Three Bears		
Premises Address:	1900 Airport Way		
Local Governing Body:	City of Valdez		
Community Council:	None		

Mailing Address:	445 N. Pittnam Rd., Ste. B				
City:	Wasila	State:	AK	ZIP:	99623

Enter information for the licensee who will be designated as the primary point of contact regarding this application and the license.

Designated Licensee:	Steve Mierap		
Contact Phone:	907.980.0721	Business Phone:	907.357.4311
Contact Email:	steve a three bear	salaska.com	

Seasonal License?

No

Yes

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

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

Alaska Alcoholic Beverage Control Board Renewal License Application Form AB-17b: Package Store

Section 2 – Sole Proprietor Ownership Information

This section must be completed by any <u>sole proprietor</u> who is applying for a license. Entities should skip to Section 3. If more space is needed, please attach a separate sheet with the required information. The following information must be completed for each licensee and each affiliate (spouse).

This individual is an: applicant	affiliate	
Name:		
Address:		
City:	State:	ZIP:
Email:		
Contact Phone:		

This individual is an: 🔲 applicant	affiliate	
Name:		
Address:		
City:	State:	ZIP:
Email:		
Contact Phone:		

Section 3 – Entity Ownership Information

This subsection must be completed by any licensee that is a corporation or LLC. Corporations and LLCs are required to be in good standing with the Alaska Division of Corporations (DOC). Partnerships may skip to Page 3. Sole proprietors should skip to Section 4.

Alaska DOC Entity #:	241365			
Alaska Division of Corporation	ons:		Yes	No
Is your entity in good	standing with the Alaska Division of Corporations	?	\boxtimes	
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Alaska Alcoholic Beverage Control Board Renewal License Application Form AB-17b: Package Store

This subsection must be completed by any <u>entity</u>, including a corporation, limited liability company (LLC), partnership, or limited partnership, that is applying for renewal. If more space is needed, please attach additional completed copies of this page.

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

Entity Official:	Larry A. We	isz Sr.			
Title(s):	Director	Phone:	807.357.4311	% Ow	med: NA
Address:	445 N. Pittman	Rol., Ste. B			
City:	Wasilla.	State:	AK	ZIP:	99623

Entity Official:	David A. Weisz S	б г .			
Title(s):	President; Director	Phone:	907.357.4311	% Ow	ned: 9.68
Address:	445 N. Pittman Rd.		3		
City:	(e)azila	State:	AK .	ZIP:	99623

Entity Official:	Janeen M. We	2:52			
Title(s):	Director	Phone:	967.357.4311	% Ow	med: NA
Address:	445 N. Pittman Rd	2., Ste.	B		
City:	Wazilla	State:	AK	ZIP:	99623

Entity Official:	Rachel A. San Fo	Bra	2		
Title(s):	Vice President; Treasurer, Asst. Secretary; Director	Phone:	907.883.4324	% Ow	ned: NA
Address:	P.O. Box 189				
City:	Tok	State:	AK	ZIP:	99623

Entity Official:	Paul D. Son.	nen berg			
Title(s):	Vice President	Phone:	907.357.4	311 % Ow	ned: NA
Address:	445 N. Pittman R	l., Ste. B			
City:	Wazila	State:	AK	ZIP:	99623
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Alaska Alcoholic Beverage Control Board Renewal License Application Form AB-17b: Package Store

This subsection must be completed by any <u>entity</u>, including a corporation, limited liability company (LLC), partnership, or limited partnership, that is applying for renewal. If more space is needed, please attach additional completed copies of this page.

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

Entity Official:	Stephen D. Mier	-op			
Title(s):	Vice President; Secretary	Phone:	907.357.4311	% Ow	ned: NA
Address:	445 N. Pittman Rd.	Ste. B			
City:	(elazicha	State:	AK	ZIP:	99623

Entity Official:	Three Bears I.	Jestmen-	+ Group, LL	C.	
Title(s):	Shareholder	Phone:	907.357.4311	% Ow	ned: 71.96
Address:	445 N. Pittnam Rd.	Ste B.			
City:	Wagilla	State:	AK	ZIP:	99623

Entity Official:		2
Title(s):	Phone:	% Owned:
Address:		
City:	State:	ZIP:

Entity Official:		3
Title(s):	Phone:	% Owned:
Address:		
City:	State:	ZIP:

Entity Official:		
Title(s):	Phone:	% Owned:
Address:	1	
City:	State:	ZIP:

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Alaska Alcoholic Beverage Control Board Renewal License Application Form AB-17b: Package Store

Section 4 – Authorization		
Communication with AMCO staff:	Yes	No
Does any person other than a licensee named in this application have authority to discuss this license with AMCO staff?		\boxtimes
If "Yes", disclose the name of the individual and the reason for this authorization:		
Section 5 – License Operation		
Nritten Orders:	Yes	No
Did you sell alcoholic beverages in response to a written order in calendar years 2015 or 2016?		\boxtimes
Check the box that best describes your liquor license operations in calendar years 2015 and 2016:		
The license was regularly operated continuously throughout each year, for 8 or more hours each day.	Γ	
The license was regularly operated during a specific season each year, for 8 or more hours each day.	Γ	
The license was only operated to meet the minimum requirement of 30 days each year, 8 hours each day. If this box is checked, an AMCO employee will contact you after reviewing your application.		\triangleleft
The license was not operated at all or was not operated for at least the minimum requirement of 30 days each year, 8 hours each day, during one or both of the calendar years. If this box is checked, an AMCO employee will contact you after reviewing your application.	Ľ	
If this box is checked, an Alvico employee will contact you diter reviewing your application.		
Section 6 – Convictions		
Applicant convictions in calendar years 2015 and 2016:	Yes	No
Has any person named in this application been convicted of a violation of Title 04, of 3 AAC 304, or a local ordinance adopted under AS 04.21.010 in the calendar years 2015 or 2016?		\boxtimes
If "Yes", list all convictions:		
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Alaska Alcoholic Beverage Control Board **Renewal License Application** Form AB-17b: Package Store

Section 7 – Certifications

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

I certify that all current licensees (as defined in AS 04.11.260) and affiliates have been listed on this application, and if the licensee is an organized entity, that all current entity officials and stakeholders are listed with the Alaska Division of Corporations.

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

I certify that in accordance with AS 04.11.450, no one other than the licensee(s) has a direct or indirect financial interest in the licensed business.

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

I certify that I have not violated any restrictions pertaining to this particular license type, and that this license has not beer operated in violation of a condition or restriction imposed by the Alcoholic Beverage Control Board.

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

> Teresa L. Linkhari Notary Public-State of Alaska

My Comm. Expires 09/15/2019

Signature of licensee

erop. Vice Presid

Signature of Notary Public

Notary Public in and for the State of _ OFFICIAL SEAL

My commission expires: 09-15-2019

Subscribed and sworn to before me this 15 day of December 20 120.

ALCOHOL MARIJUANA CONTROL OFFICE

License Fee:	\$ 1500.00	Filing Fee:	\$ 200.00	TOTAL:	\$ 1700.00
Late Fee of \$500	.00 – if received o	r postmarked after	01/03/2017:		
Miscellaneous F	ees:				
GRAND TOTAL (if different than T	OTAL):			\$1,700.00
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Alcohol and Marijuana Control Office



Initials



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March 13, 2017 Office of the City Clerk

Department of Commerce, Community, and Economic Development Alcohol & Marijuana Control Office 550 West 7th Ave, Suite 1600 Anchorage, AK 99501

RE: Letter of Protest for Renewal of Package Store Liquor License #4165 – Three Bears Alaska, Inc.

To Whom It May Concern:

This letter serves as notification that the City of Valdez protests the renewal and issuance of liquor license #4165 – Three Bears Alaska, Inc. – Package Store for the following reasons:

- A package store liquor license is intended for a retail establishment open to the public during normal business hours for the purpose of selling prepackaged alcohol. The only package store currently open and operational in Valdez is associated with liquor license #2912 DBA Oaken Keg #1833, located adjacent to the Safeway Store.
- There is currently no operational or physical business in Valdez associated with liquor license #4165 (Three Bears Alaska, Inc.). Please note, while the Acres Beverage Center physical building remains in place, this package store establishment also has been closed for business for many years.
- The City has been advised that the number of liquor licenses classified as "Non-R.E" in Valdez currently exceeds the number allowed based on our population. If this is the case, both the licenses held unused by Three Bears and Acres Beverage Center would prevent any prospective investment or development of a new fully <u>functional</u> package store within the City.
- The City does not support the practice of holding an inactive liquor license long term for the purpose of preserving future financial gain or speculation of a future market. The renewal of license #4165 by the State of Alaska may prohibit the ability of an investor to obtain a new Non-R/E license to own and operate a fully functional business in the community.

City of Valdez Protest Page 2

The City of Valdez has provided notification of this protest by certified mail to the Director of Three Bears Alaska, Inc, which was mailed to 445 N. Pittman Road, Ste. B, Wasilla, AK 99623, on March 14, 2017. The notification provided information on the next regular meeting of the city council, should they wish to comment on this letter of protest.

Sincerely,

; L. Lince

Sheri L. Pierce, MMC City Clerk City of Valdez, Alaska



THREE BEARS ALASKA, INC.

445 N. Pittman Road, Suite B Wasilla, Alaska 99623 營 (907) 357-4311 昌 (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

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,

Stephen D. Mierop Vice President/CFO

Attachments: as stated





Department of Commerce, Community, and Economic Development

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

Subject: Possible Denial at Renewals

To: Three Bears Alaska, Inc. License # 4165 Regulatory_Compliance@threebearsalaska.com

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

Good Afternoon,

It has come to the attention of AMCO staff that Three Bears Valdez has been operating minimum requirements for the past few years. When operating like this there are some requirements that must be met; such as:

Your attention is directed to 3AAC304.170: Waiver of annual operating requirement and minimum operating requirements. Subsection (j) If a license is exercised only to satisfy the minimum operating requirements under AS 04.11.330(a)(3) or 3AAC304.107(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 of 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;
- (6) maintain a record of all purchases of alcoholic beverages for resale on the licensed remises; and
- (7) record sales with a cash register that retains a record of transactions

It has also come to the attention of AMCO staff that year 2015 to 2016 operations were conducted at 1800 Mineral Creek Loop Road. The issued license indicates the license should have been operated at 1900 Airport Way.

I am requesting you provide AMCO Enforcement Investigators the following records for the past three years of operation,

- 1 any photographs depicting the layout of the store which depict hours of operations, where signage was posted and display of stock
- 2 cash register receipts recording sales of stock and a record of all purchases
- 3 inventory orders for stock purchased for each year and canceled checks which depict Three Bears paid the invoices
- 4 personnel roster for employees operating the license

If you have any questions or concerns regarding this issue, please don't hesitate to contact us using the email listed below:

Alcohol.Licensing@alaska.gov

Sincerely,

L& Ful

Cynthia Franklin Director, ABC Board

Attachment A - enail from Cynthia Franklin, Director

Steve Mierop

From:	Franklin, Cynthia A (CED) <cynthia.franklin@alaska.gov></cynthia.franklin@alaska.gov>
Sent:	Tuesday, January 3, 2017 14:45
То:	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

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:

<u>3 AAC 304.170. Waiver of annual operating requirement and minimum operating requirements (a) Except as provided</u> 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 <u>AS 04.11.330(a)(a)</u> or (d)...

(j) If a license is exercised only to satisfy the minimum operating requirement under <u>AS 04.11.330(a)(a)</u>(a) or <u>3 AAC</u> <u>304.107(c)(1)</u>, 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 <u>Steve@ThreeBearsAlaska.com</u>



Attachment A - enail from Cynthia Franklin, Director

Steve Mierop

From:	Franklin, Cynthia A (CED) <cynthia.franklin@alaska.gov></cynthia.franklin@alaska.gov>
Sent:	Tuesday, January 3, 2017 14:45
То:	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

Dear Mr. Mierop,

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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:

<u>3 AAC 304.170. Waiver of annual operating requirement and minimum operating requirements (a) Except as provided</u> 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 <u>AS 04.11.330(a)(a)</u> or (d)...

(j) If a license is exercised only to satisfy the minimum operating requirement under <u>AS 04.11.330(a)(a)</u>(a) or <u>3 AAC</u> <u>304.107(c)(1)</u>, 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 <u>Steve@ThreeBearsAlaska.com</u>



Attachment B - Notice of Violation AB16-0628



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

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 received an Accusation and Notice of your right to an Administrative Hearing.

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 APPREARANCE, 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. Hannieton	Title: Investigator III





Department of Commerce, Community, and Economic Development

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

Subject: Possible Denial at Renewals

To: Three Bears Alaska, Inc. License # 4165 Regulatory_Compliance@threebearsalaska.com

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

Good Afternoon,

It has come to the attention of AMCO staff that Three Bears Valdez has been operating minimum requirements for the past few years. When operating like this there are some requirements that must be met; such as:

Your attention is directed to 3AAC304.170: Waiver of annual operating requirement and minimum operating requirements. Subsection (j) If a license is exercised only to satisfy the minimum operating requirements under AS 04.11.330(a)(3) or 3AAC304.107(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 of 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;
- (6) maintain a record of all purchases of alcoholic beverages for resale on the licensed remises; and
- (7) record sales with a cash register that retains a record of transactions

It has also come to the attention of AMCO staff that year 2015 to 2016 operations were conducted at 1800 Mineral Creek Loop Road. The issued license indicates the license should have been operated at 1900 Airport Way.

I am requesting you provide AMCO Enforcement Investigators the following records for the past three years of operation,

- 1 any photographs depicting the layout of the store which depict hours of operations, where signage was posted and display of stock
- 2 cash register receipts recording sales of stock and a record of all purchases
- 3 inventory orders for stock purchased for each year and canceled checks which depict Three Bears paid the invoices
- 4 personnel roster for employees operating the license

If you have any questions or concerns regarding this issue, please don't hesitate to contact us using the email listed below:

Alcohol.Licensing@alaska.gov

Sincerely,

Cynthia Franklin Director, ABC Board

Attachment C - 2010 Correspondence with Staff Regarding Ind & Brd Waiser Applications

Steve Mierop

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



Waiver of Operation Application

License Information	Fees*	
Liquor License Number: 4165	Waiver Fe	ee \$ 1,500.00
License Type: Package Store	Penalty	\$ 1,000.00
Local Governing Body: (City, Borough or Unorganized)	/aldez City Council (If applicat	ole)
	P.O. Box 307 Valdez, AK 99686	nitted \$ 2,500.00
Name of Licensee: Three Bears Alaska, Inc.	*The fee is no	on-refundable [15 AAC 104.170(c)]
Doing Business As (Business Name) Three Bears	Telephone	Number: (907) 357-4311
Mailing Address:	Street Address or Location	of Business
445 N. Pittman Road, Suite B	129 Egan Street (former locat	tion - now closed)
Wasilla, AK 99654	City: Valdez, AK	

This waiver application is the:	□ 1 st Req	uest 🖾 2 nd Request 🗆 3 rd Request 🗆 Other
Waiver Request for Calendar Year:	2009	Is this license for sale? ⊠ Yes □ 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 or 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 Lic	ensee(s)	
Signature		Signature
Name (Please Print)	Stephen D. Mierop, Vice President	Name (Please Print)
Date	September 27, 2010	Date

Waiver of Operation Application

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

· · · · · · · · · · · · · · · · · · ·	-		
Waiver Request for Calendar Year: 2010	Is this license	for sale?	
	🗙 Yes	🗆 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 Lic	ensee(s)	
Signature		Signature
Name (Please Print)	Stephen D. Mierop, Vice President	Name (Please Print)
Date	September 27, 2010	Date

Attachment D- Correspondence with Staff Regarding Dud & Brd Waiver Applications

Steve Mierop

From:	Lambert, Christine C (DPS) <christine.lambert@alaska.gov></christine.lambert@alaska.gov>
Sent:	Wednesday, September 29, 2010 14:45
То:	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

Christing C. Lambert Licensing & Records Supervisor (BC Board (907) 269-0359 phong (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



No virus found in this incoming message. Checked by AVG - www.avg.com Version: 9.0.856 / Virus Database: 271.1.1/3164 - Release Date: 09/28/10 21:37:00

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

Steve Mierop

From: Sent: To: Cc: Subject: Attachments:	Steve Mierop <steve@threebearsalaska.cc Tuesday, August 7, 2012 15:00 Chris Lambert (christine.lambert@alaska.ge 'dan@threebearsalaska.com' Three Bears - Valdez Package Store Three Bears #35 - Valdez Package Store - 1 20120807-1329.pdf</steve@threebearsalaska.cc 	ov)
Tracking:	Recipient Chris Lambert (christine.lambert@alaska.gov) 'dan@threebearsalaska.com'	Read 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

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

Location: Valdez

Date:	Day:	Sales:	Additional Notes:
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	\$un		
14th	Mon		
15th	Tue		
16th	Wed		
17th	Thu	OPEN	- First Day - E-Mailed Preturer
18th	Fri	OPEN	I_{μ}
19th	Sat	OPEN	
20th	\$un	OPEN	
21st	Mon	OPEN	
22nd	Tue	DDEN	
23rd	Wed	OPEN	
24th	Thu	closed	- thanking i wing
25th	Fri	OPEN	-thanking iving
26th	Sat	OPEN	
27th	\$un	OPEN	
28th	Mon	OPEN	
29th	Tue		12.0-+70
30th	Wed	OPEN	- 13 Day & M Novimber 1 open.
Mont	hly Tota		Norman per.

THREE BEARS ALASKA

Month: December 2011

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

Date:	Day:	Sales:	Additional
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		ver year
	thly Total:		

litional Notes:

THREE BEARS ALASKA

Month: January 2012

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

Location: Valdez

Date:	Day:	Sales:
1st	Sun	clored 1
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	OREN
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	JAEN
30th	Mon	OPEN
31st	Tue	OPEN
Mon		

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Additional Notes:

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New y corro - 2 - Rayo

OPEN on chrotonar!

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



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
- united and a second se	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.

read for Christine Lambert Date 11/04/11 Licensing

Concur:

nforcement Supervisor

Date 11/04/11

Approved:

ulust **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 Ktarl_____ 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.

AC	O	RD'
	- Andrew Contraction of the second se	

CERTIFICATE OF LIABILITY INSURANCE

OP ID: RM DATE (MW/DD/YYYY)

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Liq	icription of operation luor Store @ 1900	ns / Locations / venic Aliport Way, Vald	LES (Atlach BZ, AK 98	ACORD 191, Additional Remarks 1686	<u>Bchedule</u>	, if more space in	required)			
CF	RTIFICATE HOLD	 ER	· · · · · · · · · · · · · · · · · · ·		CAN	CELLATION				
Additional Insured/Lessor Wilson Bros. Distributing			SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.							
Company, Inc. 1900 Airport Way Valdez, AK 99686				AUTHORIZED REPRESENTATIVE M LOCK						
					·	A 400	2000 000	TO CORPORATION A	l right	s reserved.

The ACORD name and logo are registered marks of ACORD
FORM CONTROL	R LICENSE 4165
1123 LIQUO	R LICENSE 4165
20	11 - 2012
	THIS LICENSE EXPIRES MIDNIGHT DECEMBER 31 UNLESS DATED BELOW
TYPE OF LICENSE; Package Store	
LICENSE FEE: \$1,500.00	
	CITY / BOROUGH: Valdez
FILING FRE: -\$200.00	Unorganized Borough
	This license cannot be transferred without permission of the Alcoholic Beverage Control Board
D/B/A:	[] Special restriction - see reverse side
Three Bears	ISSUED BY ORDER OF THE
1900 Airport Way Mailing Address:	ALCOHOLIC BEVERAGE CONTROL BOARD
Three Bears Alaska Inc	Shirley a. Diffue
445 N Pittman Rd., Suite B	DIRECTOR
Wasila, AK 99654	THIS LICENSE MUST BE POSTED IN A VISIBLE PLACE ON THE PREMIS 04-900 (REV 9/0



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

Steve Mierop

From: Sent: To: Subject: Lambert, Christine C (CED) <christine.lambert@alaska.gov> Tuesday, August 7, 2012 15:04 Steve Mierop 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 Mininal Operations in 2011/2012

Steve Mierop

From:	Steve Mierop <steve@threebearsal< th=""><th>laska.com></th></steve@threebearsal<>	laska.com>		
Sent:	Thursday, August 9, 2012 11:33			
То:	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







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/Christing C. Lambæt Christine C. Lambert Licensing & Records Supervisor Christine.lambert@alaska.gov

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

Steve Mierop

From: Sent: To: Subject: Lambert, Christine C (CED) <christine.lambert@alaska.gov> Thursday, August 9, 2012 11:49 Steve Mierop 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













Attachment L - Response Letter (Initial)



THREE BEARS ALASKA, INC.

445 N. Pittman Road, Suite B Wasilla, Alaska 99623 會 (907) 357-4311 昌 (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.

Re: Notice of Violation AB16-0628 (12-21-16) December 30, 2016 Page 2

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 nonoperating 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

Attachment M - Operating Records For 2011/2012

Month: November 2011

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

Location: Valdez

Date:	Day:	Sales:	Additional Notes:
1st	Tue		
2nd	Wed		
3rd	Thu		
4th	Fri	•	
5th	Sat	ана, так са се	
6th	Sun		
7th	Mon		
8th	Tue		
9th	Wed		
10th	Thu		
11th	Fri		
12th	Sat		
13th	Şun		
14th	Mon		
15th	Tue		
16th	Wed		
17th	Thu	OPEN	- First Day - E. Mailed Pretures
18th	Fri	OPEN	I ^r
19th	Sat	OPEN	
20th	\$un	OPEN	
21st	Mon	OPEN	
22nd	Tue	DDEN	
23rd	Wed	OPEN	
24th	Ţhu	closed	- thankog iving
25th	Fri	OPEN	
26th	Sat	OPEN	
27th	\$un	OPEN	
28th	Mon	OPEN	
29th	Tue	and the second	20 + 70
30th	Wed	OPEN	- 13 Rayt M Novimber 1 open.
Mont	hly Total	1 (1997) - Antonio (1997) - Antonio (1997) - Antonio (1997)	pen.

Month: December 2011

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

	h: Valdez	Calara	T A states and
Date:	Day:	Sales:	Additional
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	GAEN	
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		ver year
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13			

Month: January 2012

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

Location: Valdez

Date:	Day:	Sales:	
1st	Sun	closed t	
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	OREN	
20th	Fri	GPEN	
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	JAEN	
30th	Mon	OREN	
31st	Tue	OPEN	
Monthly Total:			
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Attachment O - Operating Records For 2013/2014

Month: November 2013 Hours Of Operation: 8am-5pm Location: Valdez

Date:	Day:	Sales:	J 4
1st	Fri	OPEN-FM	& Day
2nd	Sat		7
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 the	1655 rong
25th	Mon		, ,
26th	Tue		
27th	Wed		
28th	Thu		
29th	Fri		
30th	Sat		
Month	ly Total:		

Month: December 2013 Hours Of Operation: 8am-5pm Location: Valdez

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

Month: January 2014 Hours Of Operation: 8am-5pm Location: Valdez

Date:	Day:	Sales:	
1st	Wed	closed ven	VERN
2nd	Thu		1 -
3rd	Fri		
4th	Sat		
5th	Sun		
6th	Mon		
7th	Tue		
8th	Wed		
9th	Thu		
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11th	Sat		
12th	Sun		
13th	Mon		
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15th	Wed		ł
16th	Thu		
17th	Fri		
18th	Sat		
19th	Sun]
20th	Mon		ļ
21st	Tue		1
22nd	Wed		
23rd	Thu		
24th	Fri		_
25th	Sat	<u> </u>	
26th	Sun		
27th	Mon		_
2.8th	Tue		1
29th	Wed		1
30th	Thu		1
31st	Fri		
Mont	nly Total:	<u> </u>	

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		, A
28th	Fri		clored
Month	nly Total:	/233 00-	

Additional Notes:

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close - and sale Wilson Rischard all Product !

Attachment P

- Operating Records For 2015/2016

Month: November 2015 Hours Of Operation: 8am-5pm Location: Valdez

Sales: Date: Day: 1st Sun 2nd Mon 3rd Tue Wed 4th 5th Thu 6th Fri 7th Sat 8th Sun 9th Mon Tue 10th 11th Wed 12th Thu Fri 13th Sat 14th 15th Sun 16th Mon Tue 17th 18th Wed 19th Thu 0 pen 8-5 20th Fri Open 815 Sat 21st Open - 8-5 22nd Sun Open 8-5 23rd Mon Olen 8-5 24th Tue Open 3-3.30 Wed 25th Closed Thu 26th Open 8-5 27th Fri Open 8-5 28th Sat 00en 8-5 29th Sun Open 8-5 30th Mon Ð **Monthly Total:**

Additional Notes:

10

Month: December 2015 Hours Of Operation: 8am-5pm

Location: Valdez

Date: Day: Sales: Open 8-5 1st Tue 2nd Wed Ofen 8-5 3rd Thu Open 8-5 4th Fri OPen - 8-5 5th Sat Often 8-5 OPen - 8-5 6th Sun Mon 7th open - 8-5 8th Tue Ofen 8-5 9th Wed open 8-3 10th Thu Open 8-5 11th Fri open 8-5 Sat 8-5 12th open 13th Sun 8-5 Ofen 14th Mon ofen 8-5 15th Tue Open 8-5 16th Wed Open 8-5 17th Thu Open 8-5 18th Fri Ofen 8-5 19th Sat Ofen 8-5 20th Sun Oken 8-5 21st Mon ofen 8-5 22nd Tue open 8-5 8-5 23rd Wed alen NOLD 8-1pm 24th Thu 25th Fri losed 8.5 Olen 26th Sat 8-5 27th Sun ofer 28th Mon Olen 8-5 8-5 29th Tue Ofen 8-5 Wed Open 30th Thu 31st Open 8-1:30 **Monthly Total:** Ð

Additional Notes:

30

Month: January 2016 Hours Of Operation: 8am-5pm

Location: Valdez

Sales: Date: Day: Closed Fri 1st Open - 8-5 2nd Sat open 8-5 3rd Sun copen 8-5 Mon 4th Tue open 8-5 5th Ofen 8.5 Wed 6th 08en 8-5 Thu 7th Ofen Fri 8-5 8th 9th Sat 0 Jen - 85 Ugen 8-5 10th Sun Mon 8-5 11th Oren Tue ofin_ 8-5 12th 0pm 8-5 13th Wed Open 8-5 Thu 14th 15th Fri open 8-5 Orlen 8-5 Sat 16th 17th Sun open 3-5 Olen 8-5 18th Mon Oden R-5 19th Tue Open 8-5 Wed 20th Open 8-5 Thu 21st Open 8-3 Fri 22nd Olen 8-5 Sat 23rd olen 8-5 24th Sun Open 8-5 25th Mon open Tue 8-5 26th 8-1 27th Wed Gpen 8-28th Thu per f-S Fri 29th doer. Sat 30th open 1-4 Sun 2-(1 31st open **Monthly Total:**

Additional Notes:

30