



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

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

ALCOHOL & MARIJUANA CONTROL OFFICE  
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**MEMORANDUM**

TO: Alcoholic Beverage Control Board

DATE: January 11, 2021

FROM: Kristina Serezhenkov, OLE

RE: #1290 Icy Strait Lodge

**Statutory & Regulatory**

**Authority:**

**AS 04.11.040 Board approval of transfers**

- (c) A person may not receive or transfer controlling interest in a liquor license issued to a partnership, including a limited partnership, a limited liability organization, or a corporation under this title, except with the written consent of the board.

**AS 04.11.370 Suspension and revocation of licenses and permits**

- (a) A license or permit shall be suspended or revoked if the board finds
  - (3) failure on the part of the licensee to correct a defect that constitutes a violation of this title, a condition or restriction imposed by the board, a regulation adopted under this title, or other laws after receipt of notice issued by the board or its agent

**3 AAC 304.535 Suspension and revocation of license**

- (a) The board will, in its discretion, suspend or revoke a license on the grounds stated in AS 04.11.370.

**AS 04.11.330 Denial of license or permit renewal**

- (a) An application requesting renewal of a license shall be denied if
  - (1) the board finds, after review of all relevant information, that renewal of the license would not be in the best interests of the public;
  - (6) renewal of the license would violate the restrictions pertaining to the particular license under this title or the license has been operated in violation of a condition or restriction imposed by the board

**3 AAC 304.180 Denial, suspension, revocation, or refusal to renew or transfer, in the public interest**

- (a) The board may consider the following factors in determining whether it is in the public interest to deny, revoke, suspend, or refuse to renew or transfer a license.
  - (2) the applicant's, the applicant's affiliates, the transferee's, or the transferee's affiliates' histories of commission of
    - (A) a violation of AS 04 or regulations adopted by the board

**Background:** Upon review of the 2021-2022 renewal application it was discovered that there had been an unapproved change of controlling interest. The licensee "ISL Enterprises LLC" ownership structure went from 51% Donna Martin and 49% Edwin Phillips to 100% Edwin Phillips. A subsequent NOV was issued by the Enforcement Unit regarding this violation on 5/5/2021.

On 5/4/2021 Edwin Phillips was sent an email with an incomplete renewal notice. Because of the change in controlling interest the applicant was required to submit a transfer application within 30 days. Our office received phone calls from Mr. Phillips explaining his situation and correspondence on 5/17/2021 with an explanation of the unapproved controlling interest change and an account of the licensee's deteriorated business relationship with Donna Martin. On 5/18/2021 the renewal application was deemed complete and a temporary license was emailed to Edwin Phillips with the caveat that he submit the required transfer application within 30 days, giving an extension of time to get the transfer application ready. The renewal application was subsequently approved by the ABC Board with delegation at their 6/22/2021 board meeting.

On 6/10/21, Licensing Supervisor Carrie Craig, in response to the Mr. Phillips' concerns about the likelihood he would not be able to get the transferor, Donna Martin, to sign the application, sent the applicant an email reiterating AMCO's requirement to submit a transfer application and again extended the deadline to close of business 7/23/2021.

On 7/21/2021 Mr. Phillips emailed our office noting he had not yet gotten the transferor to sign the application. Our office responded on 7/22/2021 and advised the applicant that he may submit the transfer application as is, but that if we do not have the correct signatures on the AB-01 form "including the signature of Donna Martin", we would not be able to deem the application complete. Our office received the transfer application on 7/26/2021, without the required transferor's signature. It was placed into the queue for review.

On 8/3/2021 our office received correspondence from the transferor, Donna Martin, that stated "I have no intent of relinquishing my 51% ownership with ISL Enterprises LLC, or Alcohol License #1290".

Upon review of the transfer application, an incomplete notice was emailed to the applicant on 9/14/2021 detailing the deficiencies in the application as well as the requirement for the transferor, Donna Martin, to sign the application. This notice included a copy of Ms. Martin's 8/3/2021 correspondence. The applicant was given until 10/15/2021 to submit the requested corrections and the transferor signature page. As of 11/24/2021 our office has not received any other correspondence or corrections therefore staff returned the transfer packet in its entirety to Mr. Phillips at the address listed on the application with a Returned Application Letter on 11/24/2021.

**Staff Recommendation:** Review the recent history and documentation. Provide guidance if the license can be legally operated with the temporary license considering that AMCO can neither finalize and effectuate the 2021-2022 renewal nor finalize and effectuate the transfer without the signature of an owner with controlling interest of the licensed entity.

**Attachment:** Correspondence Documents  
Returned Transfer Documents  
NOV Documents  
2021-2022 Renewal Documents  
Historical CBPL Documents