From: Marijuana Licensing (CED sponsored)
To: "Jana Weltzin"; Marijuana Licensing (CED sponsored)
Cc: Valerie Mastolier; Christina Thibodeaux
Subject: Licenses 13222, 13221, 13217 ForgetMe Not Enterprises, Inc.
Date: Tuesday, October 24, 2017 4:39:00 PM
Attachments: 13221 POPPP.pdf

Okay. so attached is the POPPP we have for these licenses. I had marked it complete because I thought Roland Gray was going to be added, but since he is being removed, should the **sublease** be signed by Norvin Perez?

The other thing I am waiting on for these applications is for enforcement to do the residency investigation, the application cannot move forward (or not) until I hear back from them.

Thank you
Jane Sawyer
Occupational Licensing Examiner
Alcohol and Marijuana Control Office
907-269-0359

From: Jana Weltzin [mailto:jana@jdwcounsel.com]
Sent: Tuesday, October 24, 2017 11:14 AM
To: Marijuana Licensing (CED sponsored) <marijuana.licensing@alaska.gov>; McConnell, Erika B (CED) <erika.mcconnell@alaska.gov>; Dinegar, Harriet C (LAW) <harriet.dinegar@alaska.gov>
Cc: Valerie Mastolier <valerie@jdwcounsel.com>; Christina Thibodeaux <christina@jdwcounsel.com>; Oates, Sarah D (CED) <sarah.oates@alaska.gov>
Subject: RE: License number 13217 - Glacier Valley Shop - Legal Clarification Requested

Bylaws for Foregetmenot, INC., signed by sole shareholder and president, Norvin Perez. Do you need anything else from us to deem this application complete? Jana

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From: Marijuana Licensing (CED sponsored) [mailto:marijuana.licensing@alaska.gov]
Sent: Monday, October 23, 2017 4:28 PM
To: Jana Weltzin <jana@jdwcounsel.com>; McConnell, Erika B (CED) <erika.mcconnell@alaska.gov>; Dinegar, Harriet C (LAW) <harriet.dinegar@alaska.gov>
Cc: Valerie Mastolier <valerie@jdwcounsel.com>; Christina Thibodeaux <christina@jdwcounsel.com>; Marijuana Licensing (CED sponsored) <marijuana.licensing@alaska.gov>; Oates, Sarah D (CED) <sarah.oates@alaska.gov>
Subject: RE: License number 13217 - Glacier Valley Shop - Legal Clarification Requested

Okay. Will you be sending updated bylaws and operating agreement?

The other thing I will need to wait for is enforcement to do residency verification.

Jane

From: Jana Weltzin [mailto:jana@jdwcounsel.com]
Sent: Monday, October 23, 2017 1:36 PM
To: McConnell, Erika B (CED) <erika.mcconnell@alaska.gov>; Dinegar, Harriet C (LAW) <harriet.dinegar@alaska.gov>
Cc: Valerie Mastolier <valerie@jdwcounsel.com>; Christina Thibodeaux <christina@jdwcounsel.com>; Marijuana Licensing (CED sponsored) <marijuana.licensing@alaska.gov>; Oates, Sarah D (CED) <sarah.oates@alaska.gov>; Jana Weltzin <jana@jdwcounsel.com>
Subject: RE: License number 13217 - Glacier Valley Shop - Legal Clarification Requested

Hello – so I didn't get a yes or no on whether adding Roland Adam Grey (he goes by Adam) as an affiliate would make him required to be a licensee. So we are going to go ahead and mail today the attached notices of change of officials to the AK Corp Commission to remove any reference of Adam from both entities. Please let us know what else you need to calendar this for the November agenda.

Thank you, Jana

From: Jana Weltzin
Sent: Friday, October 20, 2017 10:55 AM
To: McConnell, Erika B (CED) <erika.mcconnell@alaska.gov>; Dinegar, Harriet C (LAW) <harriet.dinegar@alaska.gov>
Cc: Valerie Mastolier <valerie@jdwcounsel.com>; Christina Thibodeaux <christina@jdwcounsel.com>; Marijuana Licensing (CED sponsored) <marijuana.licensing@alaska.gov>; Oates, Sarah D (CED) <sarah.oates@alaska.gov>
Subject: RE: License number 13217 - Glacier Valley Shop - Legal Clarification Requested

Hi All – still looking for a bit of clarification on this issue below – we will either remove Adam as manager and all office positions – or add him as an affiliate as long as hes not a licensee. Please confirm whether or not an affiliate is also needing to be a licensee.

It's not fair to an employee, who doesn't participate in the profit and losses of the company and has no ownership of the same to have to equally bear the risk of getting his bank accounts shut down, liability for the license, and other legal liabilities that come along with being a licensee when he is just a paid employee. His relationship with the companies are at will – if you read the bylaws and operating agreement the owner of the equity (Norvin Perez) can terminate him – therefore Adam does not have control of the company.

That said we need a clear answer on my questions –we are creeping up on the 27th Nov. MCB agenda deadline and we have been trying to get an answer from your office since the beginning of October (incomplete letter dated Sept 29th and I emailed your office for the first time with this matter on Oct 4th).

In sum – I need a yes or no – if adam is an affiliate does that make him a licensee?
Second – please review the operating agreement and the bylaws which will show you that adam doesn't have control of the companies bc his relationship is an at will employment relationship that is 100% dictated by Norvin Perez – the licensee for the entities and sole owner of the same.

Thank you for your guidance on this – Jana

From: Jana Weltzin
Sent: Tuesday, October 17, 2017 9:30 AM
To: McConnell, Erika B (CED) <erika.mcconnell@alaska.gov>; Dinegar, Harriet C (LAW) <harriet.dinegar@alaska.gov>
Cc: Valerie Mastolier <valerie@jdwcounsel.com>; Christina Thibodeaux <christina@jdwcounsel.com>; Marijuana Licensing (CED sponsored) <marijuana.licensing@alaska.gov>; Oates, Sarah D (CED) <sarah.oates@alaska.gov>
Subject: RE: License number 13217 - Glacier Valley Shop - Legal Clarification Requested

Okay so we add him as an affiliate? We can do that – but does that make him a licensee as well? Again, Adam is only an employee and the reason he holds those titles is so he can have the authority to do business for the companies. Norvin retains all the ownership and at any time can terminate Adam, as Norvin owns all the shares of the corporation and is the sole member of the limited liability company. It is purely an employee relationship.

He's not an owner and doesn't have any direct or indirect financial interest other than receiving a salary.

If we add him as an affiliate, I guess I am unclear as to what that means – does it mean he has to take all the steps a licensee does? And would that make him a licensee? If it doesn't make him a licensee then I am okay with him being an affiliate – although I'm not sure why we would do this if the board is planning on removing this type of category..

Thanks in advance for the clarification – Jana

From: McConnell, Erika B (CED) [mailto:erika.mcconnell@alaska.gov]
Sent: Monday, October 16, 2017 6:02 PM
To: Jana Weltzin <jana@jdwcounsel.com>; Dinegar, Harriet C (LAW) <harriet.dinegar@alaska.gov>
Cc: Valerie Mastolier <valerie@jdwcounsel.com>; Christina Thibodeaux <christina@jdwcounsel.com>; Marijuana Licensing (CED sponsored) <marijuana.licensing@alaska.gov>; Oates, Sarah D (CED) <sarah.oates@alaska.gov>
Subject: RE: License number 13217 - Glacier Valley Shop - Legal Clarification Requested

Hi Jana,

My apologies.

Yes, we are asking the board to get rid of the concept of affiliates, but as you know, that isn't done

yet and will take several more months.

In the meantime, Adam is not only the manager of Forget Me Not Enterprises, but also the President, the Treasurer, and a director. Although I have not read the corporate bylaws or the LLC operating agreement, my staff tells me that those documents indicate he has a lot of control over both entities—enough to meet the definition of "affiliate."

The board has an interest in ensuring that whoever has control over the license (can be multiple people), even if they don't have a direct or indirect financial interest, meets the licensing qualifications.

Thanks,
Erika

Erika McConnell
Director
Alcohol & Marijuana Control Office
State of Alaska

From: Jana Weltzin [mailto:jana@jdwcounsel.com]
Sent: Monday, October 16, 2017 4:19 PM
To: Dinegar, Harriet C (LAW) <harriet.dinegar@alaska.gov>; McConnell, Erika B (CED) <erika.mcconnell@alaska.gov>
Cc: Valerie Mastolier <valerie@jdwcounsel.com>; Jana Weltzin <jana@jdwcounsel.com>; Christina Thibodeaux <christina@jdwcounsel.com>
Subject: FW: License number 13217 - Glacier Valley Shop - Legal Clarification Requested

Hi Erika and Harriet – I know you are both super busy but I am following up on my email below regarding this license and licensee – could you please take a look and get us a response so I can update my client.

Thanks so much, jana

From: Jana Weltzin
Sent: Wednesday, October 04, 2017 4:37 PM
To: 'McConnell, Erika B (CED)' <erika.mcconnell@alaska.gov>; Dinegar, Harriet C (LAW) <harriet.dinegar@alaska.gov>
Cc: Valerie Mastolier <valerie@jdwcounsel.com>; Christina Thibodeaux <christina@jdwcounsel.com>; Jana Weltzin (jana@jdwcounsel.com) <jana@jdwcounsel.com>
Subject: License number 13217 - Glacier Valley Shop - Legal Clarification Requested

Good afternoon Harriet and Erika –

Attached is an incomplete letter we received in regards to license number 13217 – Glacier

Valley Shop – which is owned by Forgetmenot Enterprises, INC., of which 100% is owned by VC Enterprises, LLC, which is owned 100% by member Norvin Perez – and is managed by Roland Adam Gray ("Adam"). Adam has no ownership interest in either entity, he is a paid employee whose responsibility it is to be a project manager and general manager of the entities and the retail shop.

The attached incomplete letter requires (first paragraph) Adam to be added to the license "at least as an affiliate." I was a bit confused by this request –Adam doesn't seem to meet the definition of affiliate in the regulations:

"*Affiliate" means a person that directly or indirectly through on or more intermediaries controls, or is controlled by, or is under common control with, a partnership, limited liability company, or corporation subject to this chapter.*

Honestly, just based on the plain reading of the definition above, I do not understand what exactly would meet the definition of an affiliate. Maybe the term "agent" would be more appropriate to use – especially in this situation, Adam is an agent of both entities, he is employed to be the general manager of the businesses and to run the daily operations with the oversight of Norvin Perez.

Dr. Perez owns a medical practice in the same building that the marijuana establishments will be housed, so he's onsite all the time but he is seeing patients (it's an urgent care type of practice, no marijuana cross over). Adam is also the manager of the medical practice and Dr. Perez wants to use him in the same in capacity for these MJ licenses. Adam has no ownership interest, he is paid a salary for his work just like any other employee.

The VC Enterprises, LLC operating agreement is structured so that the entity is a manager managed company. Managers for LLCs may be members, but they do not have to be a member or hold any stake in the company at all – "unless otherwise provided in an operating agreement of the company, a manager of a limited liability company *may be a person who is not an individual or a member of the company*. A company may have more than one manager." Alaska Stat. Ann. § 10.50.120 (Emphasis added).

The only requirements for a person to be a manager for an LLC is that the operating agreement must provide for the entity to be managed by a manager and that the members of the LLC (in this case there is only one member) must vote and elect the manager to the position of manager. Dr. Perez elected Adam as the manager – and has engaged him in employment to manage the entity and licenses accordingly.

It is my understanding that key employees do not have to be licensees, the regulations only require that persons who have an ownership interest in the entity that owns the license be licensees (again – there is the outstanding question as to what is an affiliate? And I think Erika recommended removal of the affiliate term last meeting but I cannot recall if the board took action on it) Adam certainly is an Agent of the LLC.

Adam is an employee – not an owner, he does not have a direct or indirect financial interest other than receiving a salary – can you help clarify exactly what is being asked of us in the first paragraph of this incomplete letter? And if my explanation above changes your understanding of Adam's interest in the entity, can you please send me communication

striking that request from the incomplete letter?

Thanks so much to you both, Jana

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Think green, please don't print unnecessarily