



MEMORANDUM

TO: Peter Mlynarik, Chair, and
Members of the Marijuana Control Board

DATE: May 15, 2017

FROM: Erika McConnell, Director

RE: Notices of Violation

Between the April 4-5 board meeting and May 4, three NOVs have been issued:

- AB17-0158 to High Bush Buds, Inc. (#10831) retail store for violation of advertising restrictions (3 AAC 306.360)
- AB17-0169 to High Bush Buds, Inc., (#10831) retail store for violation of advertising restrictions (3 AAC 306.360)
- AB17-0117 to Einstein Enterprises, Inc., (#10082) product manufacturing facility for violation of transportation regulations (3 AAC 306.750)

I recommend that the board *AGAIN* emphasize to licensees that changes to the regulations are not final until 30 days after being signed by the Lieutenant Governor, which happens sometime after the board adopts a regulatory change. Licensees are held to **CURRENT REGULATIONS**, even if a change is in progress. Board consideration or adoption of a change to regulations that has not been finalized is not an excuse for violating current regulation.



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

Date: 4-10-17
Case Number: AB17-0158
Page 1 of 1 Page

Notice of Violation

(3AAC 306.805)

Licensee High Bush Buds, Inc.	License Number 10831	Type of License Retail Marijuana Store
D.B.A. High Bush Buds 36312 Irons, Ave., Suite 2	How Delivered Via USPS Certified Mail 7013 2250 0000 9617 5231 <i>4-13-17 E. Ma. Voice</i>	Law Enforcement Agency Alaska State Troopers
Street or P.O. Box 1009 Crow Court	City, State Kenai, AK	Zip 99611

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

Note: This is not an accusation or a criminal complaint

Upon reviewing your Facebook page, it was learned that you are using variations of the cartoon "Smiley Face" as a marketing tool. In one depiction, the cartoon character face has droopy/bloodshot eyes and a lit marijuana cigarette in its mouth. In the other, the cartoon characters eyes have been removed and replaced with marijuana leaves. This is a violation of regulations.

Your attention is directed to 3AAC306.360: Restriction on advertising of marijuana and marijuana products

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

***Please include your Marijuana Establishment License Number in your response.**

Alcohol & Marijuana Control Office
ATTN: Enforcement Unit
550 W. 7th Ave, Suite 1600
Anchorage, Alaska 99501

A Response is Required

3 AAC 306.805 provides that upon receipt of a Notice of Violation, a licensee may request to appear before the board and be heard regarding the Notice of Violation. The request must be made within ten days after receipt of the Notice. A Licensee shall respond, either orally or in writing, to the Notice.

Receipt:	Violation Observed By: FRH0
Filed By: F.R. Hamilton	Title: Investigator III

Date: 4/13/17

To: Alcohol & Marijuana Control Office

From: High Bush Buds License #10831

Re: Violation Dated 4-10-17
Case: AB17-0158

I received the violation concerning advertising using a cartoon character (Smiley face).

The post that included the cartoon character has been deleted. I monitor our Facebook page and use social media carefully. We do not advertise strains or prices. Our Facebook page is used to let our customers know if we are open and whether we have product on our shelves. Using a cartoon character was an oversight.

In the future, I will not use any artwork or cartoon characters in our Facebook post. This oversight will not be repeated.

Thank you for the opportunity to correct this error.

Patricia Patterson
High Bush Buds
License #10831
36312 Irons Ave #2
Soldotna AK 99669

907-398-0202





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

Date: 4-13-17
Case Number: AB17-0169
Page 1 of 1 Page

Notice of Violation

(3AAC 306.805)

Licensee High Bush Buds, Inc.	License Number 10831	Type of License Retail Marijuana Store
D.B.A. High Bush Buds 36312 Irons, Ave., Suite 2	How Delivered <i>4.13.17 via E-mail</i> Via USPS Certified Mail <i>& voice</i> 7013 2250 0000 9617	Law Enforcement Agency Alaska State Troopers
Street or P.O. Box 1009 Crow Court	City, State Kenai, AK	Zip 99611

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

Note: This is not an accusation or a criminal complaint

It has come to the attention of AMCO Enforcement that you are advertising a 420 BASH at your licensed premises. "Come join us for our 420 BASH! We will have sales throughout the store on pipes, bubblers, cones, vapes, you name it! High Bush Buds will have door prizes and giveaways [21+ to enter]. There are competitions at 1pm, 2pm, 3pm, & 4pm to Win a WaterPipe! And to top it all off, DONUTS FOR EVERYONE! It shall be fantastical!" This is a violation of regulations.

Your attention is directed to 3AAC306.360: Restriction on advertising of marijuana and marijuana products

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

***Please include your Marijuana Establishment License Number in your response.**

Alcohol & Marijuana Control Office
ATTN: Enforcement Unit
550 W. 7th Ave, Suite 1600
Anchorage, Alaska 99501

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Receipt:	Violation Observed By: FRH0
Filed By: F.R. Hamilton	Title: Investigator III



Lucky Raven Tobacco shared [High Bush Buds's](#) post

1 hr · 🌐

Come join us for our 420 BASH! We will have sales throughout the store on pipes, bubblers, cones, vapes, you name it! [High Bush Buds](#) will have door prizes and giveaways [21+ to enter]. There are competitions at 1pm, 2pm, 3pm, & 4pm to Win a WaterPipe! And to top it all off, DONUTS FOR EVERYONE! It shall be fantastical!

HIGH BUSH BUDS & LUCKY RAVEN TOBACCO

420 BASH

GIVEAWAYS & SALES

WIN A SMOKING PIPE COMPETITIONS!
 DOOR PRIZES AT HIGH BUSH BUDS!
 SALES EVERYWHERE AT LUCKY RAVEN!
 DONUTS FOR EVERYONE!

THURSDAY APRIL 20

SALES, GIVEAWAYS, & DONUTS ALL DAY
 COMPETITIONS AT
 1PM - 2PM - 3PM - 4PM

LUCKY RAVEN ENTRANCE: 19+
 HIGH BUSH BUDS ENTRANCE: 21+
 MUST BE 21+ TO COMPETE IN GAMES

[High Bush Buds](#) · Celebrate 420!

1 hr · 🌐

👍 Like Page

NEXT THURSDAY IS 4/20! We're so happy to announce all the fun! We will have a fun friendly competitions at 1pm, 2pm, 3pm, & 4pm to WIN A WATERPIPE! High Bush Bu...

[See More](#)

👍 Like 💬 Comment ➦ Share

Date: 4/13/17

To: Alcohol & Marijuana Control Office

From: High Bush Buds License #10831

Re: Violation Dated 4-13-17
Case: AB17-0169

I received the violation concerning advertising having a 420 Bash Facebook Post- Advertisement.

All 420 Bash Facebook posts have been removed. The joint post or advertisement was done without looking at it from a regulatory manner. It very much looks as if High Bush was encouraging sales with games. Now that it has been brought to my attention I have to admit, I feel a bit foolish that I did not see the obvious violation.

On April 20 2017,

1. High Bush Buds will be giving away containers and lanyards to some of our customers, this will happen inside the store.
2. Any sales or specials offered by Lucky Raven Tobacco will not be connected in any way to High Bush Buds.
3. Any advertising by Lucky Raven Tobacco will be for their store and their store only, with no association to High Bush Buds.
4. If Lucky Raven Tobacco chooses to giveaway donuts and drinks on the property, it will be done as far away from the High Bush Buds front door as possible.
5. In order to demonstrate High Bush Buds commitment to compliance, Lucky Raven Tobacco has agreed to halt all game-like events during the 420 Bash. This is being done so there will be no confusion or concerns.

For Future, it will be very easy to make sure this does not occur again. Simply, do not have any joint events or do any joint advertising with Lucky Raven Tobacco. High Bush will be more mindful when advertising or promoting their store in order to stay in compliance.

Thank you for the opportunity to correct this error.

Patricia Patterson
High Bush Buds
License #10831
36312 Irons Ave #2
Soldotna AK 99669

907-398-0202





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

Date: 3-16-17
Case Number: 17-0117
Page 1 of 1 Page

Notice of Violation

(3AAC 306.805)

Licensee Einstein Enterprises, Inc.	License Number 10082	Type of License Marijuana Product Manufacturing Facility
D.B.A. Einstein Labs	How Delivered Certified USPS 7013 2250 0000 9617 5149	Law Enforcement Agency Anchorage Police Department
Street or P.O. Box 18621 N. Lowrie Loop	City, State Eagle River, AK	Zip 99577-2690

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

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

On 3-15-17, Justin Roland of Einstein Labs telephoned AMCO to advise he was going to Rosie Creek Farm on 3-16-17 to purchase product and that there would be a large amount of waste logged in METRC from the way the sale was structured. Roland intended on picking up the product and transporting it back to his facility. This type of transport is not permitted by a marijuana product manufacturing facility. Further review of METRC manifests noted that you completed that same type of unauthorized transport from Rosie Creek Farm on 3-12-15 and Fuzzy Budz on 2-11-17, 2-27-17 and 3-8-17, both cultivation facilities.

Your attention is directed to 3AAC306.750: Transportation, specifically (a)(2) which reads; a marijuana product manufacturing facility may transport a marijuana product to another marijuana product manufacturing facility, a marijuana test facility, or a marijuana retail store.

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

***Please include your Marijuana Establishment License Number in your response.**

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Receipt:	Violation Observed By: FRH0
Filed By: F.R. Hamilton	Title: Investigator III

April 8th, 2017

Dear Erika McConnell,

Please see the below response in regards to the notice of violation regarding transportation for Einstein Labs, License #10082, Case # 17-0117.

It is our sincerest apologizes for misunderstanding the transportation regulation which lead to the Notice of Violation. This particular regulation has had a great deal of discussion surrounding it and so we were attempting to use our best judgement and good faith effort to operate within what was outlined in the regulation as well the most up to date info and understanding from the board. As board members have stated in previous meetings, limiting transportation between certain marijuana facilities is an issue and the intent was not to prohibit the type of transportation we were cited for but rather adjust the regulation to ensure a healthier industry. We believed we complied with the spirit of the law in regards to the outlined regulation and so felt that we were meeting expectations with an evolving set of laws & regulations.

Moving forward we hope that the transportation issue will be fixed to allow for transportation between all facilities as it provides a more workable industry model that allows for safer and more efficient industry standards.

Finally, in order to ensure that another violation regarding transportation does not occur, Einstein Labs will only transport its products to other marijuana product manufacturing facilities, marijuana test facilities and marijuana retail stores (as outlined by local and state regulations). Products being received or transported to Einstein Labs will be the sole responsibility of the marijuana cultivation facility.

Furthermore, each employee has been provided training to ensure complete understanding of the above information and overall regulations regarding the process for transportation to and from the facility.

Thank you for your time,
Justin Roland