Notice(s) of Violation

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May 12, 2017

Sent Via Electronic Mail

RE: Response to Notice of Violation Dated March 3, 2017 re: Einstein Labs, marijuana product manufacturing facility license no. 10082

Dear Marijuana Control Board:

I am writing on behalf of my client Einstein Labs, a product manufacturing license, number 10082. The brief summary of the situation that prompted the violation is as follows:

On February 11 and 27 of 2017 and on March 8, 2017 a licensee of Einstein Labs went to AK Fuzzy Budz in Anchorage and picked up marijuana and transported it directly back to Einstein Lab's manufacturing facility licensed premises in Anchorage.

On March 12, 2017 a licensee of Einstein Labs came from Anchorage to Rosie Creek Farm's cultivation facility and picked up 1726 grams of marijuana and transported the same directly back to Einstein Lab's manufacturing facility licensed premises in Anchorage.

On March 16, 2017, Einstein Labs designated licensee, Justin Roland, received NOV case number 17-0117 stating the following allegation violated 3 AAC 306.750(a)(2):

> 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.

Around January 17, 2017 Einstein Labs received an email from AMCO stating that license number 10082 was now in the Active status. The email included a PDF attachment titled MJ_Post_Approval_PMFL_Instructions. The first paragraph reads as follows:

> <u>What happens after my product manufacturing facility application is approved by the MCB?</u> The following steps are to be taken after your application for a marijuana product manufacturing facility license has been approved by the board. You may not operate your business until the following requirements have been

met.

The document then lists the steps numbered from one to nine. Step numbers eight and nine read as follows:

> 8. After the hold in Metrc is removed, you may begin ordering and **transporting marijuana from licensed cultivation facilities into your product manufacturing facility**. AMCO investigators will visit again to take a look at your space with the product manufacturing and marijuana in place.
> 9. Congratulations, you are now operating a marijuana establishment license in the State of Alaska!

Please see attached instructions (emphasis added). The designated licensee of Einstein Labs, Justin Roland, relied on the information provided to him by the State agency regulating and licensing his marijuana establishment. His actions were in-line with the instructions provided to him by AMCO.

Accordingly, we request this NOV case number 17-0117 be dismissed and removed from Einstein Lab's record entirely or a memo be added to their file indicating that this Licensee acted in accordance with the instructions that were provided by AMCO which incorrectly indicated that a manufacturing licensee may transport product from a cultivator license.

Sincerely,

Jana D. Weltzin

THE STATE of ALASKA
GOVERNOR BILL WALKER

Department of Commerce, Community, and Economic Development
ALCOHOL & MARIJUANA CONTROL OFFICE
550 W 7th Ave, STE 1600
Anchorage, Alaska 99501
Main: 907.269.0350
TDD: 907.465.5437
Fax: 907.334.2285

Post Approval FAQ

Q: What happens after my product manufacturing facility application is approved by the MCB?

The following steps are to be taken after your application for a marijuana product manufacturing facility license has been approved by the board. You may not operate your business until the following requirements have been met.

1. When all other approvals (Local Government, Fire Marshall, DEC, etc.) have been met, you will be contacted by this office to notify you that your license status has been changed to active in our database. This doesn't mean you can open your doors or start operating your business. The status change is a necessary step so that you may be credentialed into METRC
2. The licensee will have taken a METRC training class and passed the test.
3. The licensee will place a request to the METRC Support Team to be credentialed into METRC.
4. When you have access to METRC, contact AMCO Investigators to schedule your initial inspection. Don't schedule an initial inspection unless you are within two weeks from being 100% ready to operate your business once the marijuana is transported in. Do not bring any marijuana into the facility before your initial inspection.
5. Set up your facility in METRC and order labels. The labels should take 4-5 days to arrive.
6. When your labels have been ordered, send an email to AMCO.enforcement@alaska.gov, notifying them that you are ready for your "empty shelf" inspection. AMCO staff will place your account in METRC on an administrative hold until the inspection.
7. On the day of your inspection, the enforcement officer will bring your license. If your facility matches what you've submitted to the board and all requirements are in place, you will receive your license and the administrative hold will be removed from METRC.
8. After the hold in Metrc is removed, you may begin ordering and transporting marijuana from licensed cultivation facilities into your product manufacturing facility. AMCO investigators will visit again to take a look at your space with the product manufacturing and marijuana in place.
9. Congratulations, you are now operating a marijuana establishment license in the State of Alaska!

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

Date: 3-16-17
Case Number: 17-0117

Notice of Violation

(3AAC 306.805)

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

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