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

Date: 1/24/16
Number AB17-0048

Notice of Violation

(3AAC 306.805)

Licensee	License Number	Type of License
Grant Anderson	10027	Standard Marijuana Cultivation Facility
D.B.A.	**How Delivered**	**Law Enforcement Agency**
Black Rapids LLC	Email	Alaska State Troopers
Street or P.O. Box	**City, State**	**Zip**
721 Cloud Rd	North Pole, AK	99709

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

VIOLATION: On January 19th, 2017 Rosie Creek Farm initiated transport manifest #0000017201 in Metrc for two 4g packages (test samples) to be transported to Canntest, LLC in Anchorage. The route to be traveled read as follows: Farm to Parks Highway, to Geist Road, to Johansen Expressway, meet with Black Rapids LLC (License #10027) at Walmart. Time of departure1/19/17 at1:30pm; time of arrival 1/19/17 2:00pm. Grant Anderson of Black Rapids LLC was listed as the sole person transporting the product.

Further investigation revealed that Emers drove the product to Walmart where he met with Anderson in the parking lot and the two packages were given to Anderson. I located a second manifest, #0000017301, which originated from Black Rapids LLC and included two of their own 4g test sample packages. This is the manifest that then accompanied manifest #17201 above, however there is nothing explaining this connection on either manifest. Manifest #17301 time of departure is not until 1/20/17 at 5:00am. There is nothing to account for the whereabouts of Emers' two packages from manifest #10027 once they were given to Anderson 15 hours earlier.

Metrc does not allow untested marijuana, including test samples, to be transferred between licensees other than directly from a cultivator to a testing facility. The "transfer" between Emers and Anderson was therefore not recorded in Metrc. Black Rapids LLC cannot represent itself while concurrently representing Rosie Creek Farm as its agent (transporter in this case).

Your attention is directed to 3 AAC 306.435 Marijuana inventory tracking system, 3 AAC 306.455 Required laboratory testing, 3 AAC 306.750 Transportation

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

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 APPREARANCE, 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.**

Sara Chambers, Acting Director
Alcohol & Marijuana Control Office
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 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: J. Bankowski
Filed By:	Title: Investigator III

black rapids llc

Sara Chambers
Interim Director, AMCO
550 W. 7th AVE, SUITE 1600
Anchorage, AK 99501
Dear Director Chambers,

In Response to Notice of Violation

BLUF: It was never the intent of myself Grant Anderson to subvert or sidestep the intended purpose of AMCO regulations governing the transport of Cannabis or regulations covering quarantine procedures. **The Intent** was the safety and security of personnel conducting the transfer, the public's safety, and the security from diversion of cannabis products.
IOT ensure that I (*and Black Rapids LLC*) fully comply with all regulations moving forward, I have ceased to provide transportation assistance to other cannabis businesses altogether and I will not rely on other companies to transport my product. I will also ensure that I push through to my intended destination without delay (*or transfers*) in all future transactions. Additionally, I will improve my transportation narratives within METRC to ensure that they cover, in depth, all facets of any transaction or transfer.

Discussion/Explanations:

- Operator Safety was the goal of how this transfer was structured. IOT conduct business in Anchorage during the work day trips must be executed very early in the morning. Tacking on side trips to collect product the day of the trip would only add time onto an already long driving day. Drivers fatigue could lead to accidents especially on the highway during Alaska's harsh winter months. An accident on Alaska's highway system with a driver carrying tens or even hundreds of thousands of dollars of product or cash is not good for anyone. the safety of the driver of the vehicle whether it be myself or anyone else is of paramount concern as well as is the safety of the public at large, and the security from diversion of cannabis products.
- This was a one-destination trip however generally these trips encompass several stops in Anchorage and the surrounding area. These transactions are lengthy so reducing time where possible is vital to operator and public safety as well as the security of the product.
- By cooperating cultivators ensure that there are Less vehicles carrying cannabis products on the Alaska road system thereby reducing the chances of an accident and enhancing public and industry safety.
- Because of the early hour in which Fairbanks-Anchorage transfers must be conducted, making Mr. Emery be up at two in the morning seemed like an undue burden.
- At no time was I acting as an agent of Black Rapids LLC during this transaction. I was acting as a friend of Mike Emery's. I have received no cash compensation and neither has Black Rapids. The equivalent it would seem would be that professional

transportation companies cannot transport test samples for more than one cultivation at a time.

- Both Black Rapids and Rosie Creek products were always contained within heat sealed bags and sealed sub-containers ensuring that they remained within a stable environment and were not able to be changed or adulterated before they reached testing. This ensured that they remained in a de facto state of quarantine at all times.
- Security/Tradecraft: My background is in Army transportation including 15 months spent on a VIP protective security detail (PSD) in Iraq and additional deployments to Iraq/Afghanistan. Utilizing hard lessons learned against adversaries like the Taliban. Al Qaeda, AQI, Mahdi Army, Quds, etc. I can confidently and competently transport high value product within the State, Unarmed and without armored vehicles. (A firefight in downtown Anchorage isn't good for anyone) I can do this by, for example, not arriving at my destination in the same vehicle I left in, not setting patterns like trip duration, randomizing departure/arrival time, Randomizing routes, Blending in, threat detection, threat mitigation in planning, threat de-escalation, rehearsing arrivals and departures, appearance, etc.

  Most of the other cultivators within the state do not have that type of experience or tradecraft. Neither can they afford the only option on the market which operates a lot like Blackwater did in Iraq (Blackwater killed a lot of civilians because of a philosophy of fight through it not avoid it) Obscurity is security. By cooperating we have been able to keep untrained personnel out of harm's way while simultaneously enhancing public safety by keeping those same untrained personnel off the roads and reducing the reliance on expensive, outdated and aggressively postured security companies who reduce safety by making themselves a high-profile target. I am also a licensed CDL which provides me with additional experience in the non-tactical, motor vehicle operation aspect of product distribution.

  I do hope that I will be allowed to assist other cultivators within the community in the future once the board has provided us a way forward

Thank you for your time.

Very Respectfully.
Grant Anderson
OWNER
Black Rapids LLC.