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To:	Marijuana Licensing (CED sponsored); Marijuana, CED ABC (CED sponsored); Smith, Jedediah R (CED)
Cc:	Christina Thibodeaux; Jana Weltzin; Valerie Mastolier
Subject:	Public Comment for Financial Background
Date:	Thursday, January 11, 2018 4:30:04 PM
Attachments:	Public Comment for Financial Background .pdf

Attached

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Think green, please don't print unnecessarily

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January 11, 2018

Marijuana Control Board
Director McConnell
Sent Via Email

Re: Public Comment Relating to Regulation Project "Financial Background Investigations"

Dear Honorable Members of the Marijuana Control Board & Director McConnell:

Thank you for considering my public comment for the regulation projects identified below.

Financial Background Investigations Proposed Regulation

Change in section 3AAC 306(15)(a) – adding ownership interest or controlling interest, no objection, this seems reasonable.

Change in section 3AAC 306(15)(e) – section (1)(A) change seems reasonable but also seems to be unclear as to what measures the department of AMCO would have to investigate such types of relationships. The language as currently drafted would lend an investigator to make very subjective conclusions that are not easy to quantify by any factual or fixed measure. For example, what does ordinary compensation mean? And how does one classify ordinary compensation for an employee who risks federal criminal action every day working at an establishment that is in the business of engaging in a commercial marijuana business. Similarly, what is under compensation?

In section (1)(A)(ii) proposes an addition of making persons who lend money, real property, or personal property for use of the business licensees. This, in part, directly contradicts this Board's previous decision, a decision of which I have in writing from the former director's administration and a decision of which the entire marijuana regulated industry has relied upon. The Board

specifically stated on the record at the Feb. 11, 2016 meeting and the November 20, 2015 meeting that the Board did not consider promissory notes and lenders of such funds to be a prohibited financial interest, requiring such a lender to be a licensee. This provision would make any person who lends any monies, property, or personal property (equipment, etc.) or any person who rendered services without immediate compensation (design professionals, accountants, etc.) a prohibited financial interest, meaning they too would need to be a licensee. This section of the proposed regulation is an overstep and is not acceptable. Section iii of this same provision is also, unacceptable.

Section iv. – being a spouse of an applicant or licensee would require that spouse to be a licensee – Alaska isn't even a community property state, in Alaska you have to actively opt into the community property status. Otherwise, Alaska is an equitable property state, making this specific proposal an incredible overreach as the spouse who is a licensee and owner of the business owns that business by default as their own separate property. There is no rational to force the other spouse, who may have a job that doesn't allow for this type of business participation, risk of being terminate, at risk for liability, for a business that isn't even owned by that spouse. Many spouses don't want to be business owners in this industry – to force one spouse to be on a licensee because of a choice another made is unconstitutional and comes from an archaic line of reasoning.

Change in section 3AAC 306(15)(e)(B)(i) – the Board specifically decided to keep percentage based leases in the regulations – your draft online has that percentage lease type still included – please fix it, as the board's actions are not properly reported on your proposed regulation draft.

Change in section 3 AAC 306.020(b)(4) – Last meeting I do not think it was clear to the board – **if you, the Board accepts this proposed regulation packet as written you will force all landlords, lenders, lessors of equipment, and spouses to become licensees – if you want to do background checks on the above named persons, your remedy is to have the legislator amend the statute to allow for it. That is the only option for you unless you are prepared to force all these identified people (lenders, landlords, spouses) to be licensees.**

Thank you for your continued hard work, dedication and commitment to the success of this newly regulated industry.

Respectfully submitted for your consideration,

___*Jana Weltzin /s/*_____
Jana D. Weltzin, Esq.