

# Alcohol & Marijuana Control Office

Initiating License Application

6/9/2018 8:20:57 AM

**License Number:** 13588

**License Status:** Active-Operating

**License Type:** Standard Marijuana Cultivation Facility

**Doing Business As:** AKFUNDING LLC

**Business License Number:** 1048589

**Designated Licensee:** James Hess

**Email Address:** info@akfunding.com

**Local Government:** Houston

**Community Council:**

**Latitude, Longitude:** 61.610393, -149.778711

**Physical Address:** 12975 W. Horizon Way  
Houston, AK 99694  
UNITED STATES

## Licensee #1

**Type:** Entity

**Alaska Entity Number:** 10028052

**Alaska Entity Name:** AKfunding LLC

**Phone Number:** 907-892-9966

**Email Address:** info@akfunding.com

**Mailing Address:** 189 E. Nelson Ave  
Wasilla, AK 99654  
UNITED STATES

## Entity Official #1

**Type:** Individual

**Name:** James Hess

[REDACTED]

[REDACTED]

**Phone Number:** 907-952-6106

**Email Address:** info@akfunding.com

**Mailing Address:** 189 E. Nelson Ave  
Wasilla, AK 99654  
UNITED STATES

## Entity Official #2

**Type:** Individual

**Name:** Kathleen Hess

[REDACTED]

[REDACTED]

**Phone Number:** 907-521-8722

**Email Address:** info@akfunding.com

**Mailing Address:** 189 E. Nelson Ave  
Wasilla, AK 99654  
UNITED STATES

## Affiliate #1

**Type:** Individual

**Name:** James Hess

[REDACTED]

[REDACTED]

**Phone Number:** 907-521-8722

**Email Address:** info@akfunding.com

**Mailing Address:** 189 E. Nelson Ave  
Wasilla, AK 99654  
UNITED STATES

## Affiliate #2

**Type:** Individual

**Name:** Kathleen Hess

[REDACTED]

[REDACTED]

**Phone Number:** 907-521-8722

**Email Address:** info@akfunding.com

**Mailing Address:** 189 E. Nelson Ave  
Wasilla, AK 99654  
UNITED STATES



Alaska Marijuana Control Board

## Form MJ-20: Renewal Application Certifications

### What is this form?

This renewal application certifications form is required for all marijuana establishment license renewal applications. Each person signing an application for a marijuana establishment license must declare that he/she has read and is familiar with AS 17.38 and 3 AAC 306. A person other than a licensee may not have direct or indirect financial interest (as defined in 3 AAC 306.015(e)(1)) in the business for which a marijuana establishment license is issued, per 3 AAC 306.015(a).

This form must be completed and submitted to AMCO's main office by each licensee (as defined in 3 AAC 306.020(b)(2)) before any license renewal application will be considered complete.

### Section 1 – Establishment Information

Enter information for the licensed establishment, as identified on the license application.

Licensee:	AKfunding LLC	License Number:	13588		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	AKfunding LLC				
Premises Address:	12975 W. Horizon Way				
City:	Houston	State:	AK	ZIP:	99694

### Section 2 – Individual Information

Enter information for the individual licensee who is completing this form.

Name:	James Hess
Title:	Member

### Section 3 – Changes to Licensed Marijuana Establishment

Read each line below, and then sign your initials in the box to the right of only the applicable statement:

Initials

I certify that no changes have been made, except for those that have been previously reported or requested on a form prescribed by the Board, to this licensed establishment's business name, ownership, licensed premises diagram, or operating plan, and (for marijuana product manufacturers) that I do not wish to request Board approval for production of any new proposed marijuana products.



I certify that a change has been or will be made to one or more of the items listed above for this establishment, and I understand that an additional form(s) and fee(s) must be submitted to AMCO before any renewal application for this license can be considered complete.



If you have selected the second certification, please list any and all of the types of changes that need to be reported/requested:

--



## Form MJ-20: Renewal Application Certifications

## Section 4 – Certifications

Read each line below, and then sign your initials in the box to the right of any applicable statements:

Initials

I certify that I have **not** been convicted of any criminal charge in the previous two calendar years.I certify that I have **not** committed any civil violation of AS 04, AS 17.38, or 3 AAC 306 in the previous two calendar years.I certify that a notice of violation has **not** been issued for this license.Sign your initials to the following statement only if you are unable to certify one or more of the above statements:

Initials

I have attached a written explanation for why I cannot certify one or more of the above statements, which includes the type of violation or offense, as required under 3 AAC 306.035(b).



Read each line below, and then sign your initials in the box to the right of each statement:

Initials

I certify that no person other than a licensee listed on my marijuana establishment license renewal application has a direct or indirect financial interest, as defined in 3 AAC 306.015(e)(1), in the business for which the marijuana establishment license has been issued.



I certify that I meet the residency requirement under AS 43.23 for a permanent fund dividend in the 2018 calendar year.



I certify that this establishment complies with any applicable health, fire, safety, or tax statute, ordinance, regulation, or other law in the state.



I certify that I am operating in compliance with the Alaska Department of Labor and Workforce Development's laws and requirements pertaining to employees.



I certify that I have not violated any restrictions pertaining to this particular license type, and that this license has not been operated in violation of a condition or restriction imposed by the Marijuana Control Board.



I certify that I understand that providing a false statement on this form, the online application, or any other form provided by or to AMCO is grounds for rejection or denial of this application or revocation of any license issued.



As an applicant for a marijuana establishment license renewal, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide all information required by the Marijuana Control Board in support of this application and understand that failure to do so by any deadline given to me by AMCO staff may result in additional fees or expiration of this license.

Signature of licensee

Notary Public in and for the State of Alaska

My commission expires:

03/18/2022

Printed name of licensee

Subscribed and sworn to before me this 12 day of June, 2018.

OFFICIAL SEAL  
Vickimari Horton  
Notary Public State of Alaska  
My Comm. Expires 03/18/2022

June 12, 2018

To AMCO

Re: License renewal violation explanation letter.

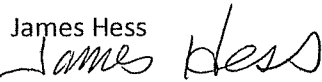
Case #AB18-535

On May 10, 2018, during a change of premise inspection I received a violation. Generally the violation consisted of an audit of metrc at my facility did not match plant counts.

I have explained the circumstances of these discrepancies and have put into place policies and procedures to ensure compliance in the future in my response to the NOV to the AMCO board.

If you have any questions please feel free to contact me.

James Hess

A handwritten signature in black ink that reads "James Hess". The signature is written in a cursive style with a large, stylized "J" and "H".

License 13588



Alaska Marijuana Control Board

## Form MJ-20: Renewal Application Certifications

### What is this form?

This renewal application certifications form is required for all marijuana establishment license renewal applications. Each person signing an application for a marijuana establishment license must declare that he/she has read and is familiar with AS 17.38 and 3 AAC 306. A person other than a licensee may not have direct or indirect financial interest (as defined in 3 AAC 306.015(e)(1)) in the business for which a marijuana establishment license is issued, per 3 AAC 306.015(a).

**This form must be completed and submitted to AMCO's main office by each licensee (as defined in 3 AAC 306.020(b)(2)) before any license renewal application will be considered complete.**

### Section 1 – Establishment Information

Enter information for the licensed establishment, as identified on the license application.

Licensee:	AKfunding LLC	License Number:	13588		
License Type:	Standard Marijuana Cultivation Facility				
Doing Business As:	AKfunding LLC				
Premises Address:	12975 W. Horizon Way				
City:	Houston	State:	AK	ZIP:	99694

### Section 2 – Individual Information

Enter information for the individual licensee who is completing this form.

Name:	Kathleen Hess
Title:	Member

### Section 3 – Changes to Licensed Marijuana Establishment

Read each line below, and then sign your initials in the box to the right of only the applicable statement:

Initials

I certify that no changes have been made, except for those that have been previously reported or requested on a form prescribed by the Board, to this licensed establishment's business name, ownership, licensed premises diagram, or operating plan, and (for marijuana product manufacturers) that I do not wish to request Board approval for production of any new proposed marijuana products.



I certify that a change has been or will be made to one or more of the items listed above for this establishment, and I understand that an additional form(s) and fee(s) must be submitted to AMCO before any renewal application for this license can be considered complete.



*If you have selected the second certification, please list any and all of the types of changes that need to be reported/requested:*

--



# Form MJ-20: Renewal Application Certifications

## Section 4 – Certifications

Read each line below, and then sign your initials in the box to the right of any applicable statements:

Initials

I certify that I have **not** been convicted of any criminal charge in the previous two calendar years.

RH

I certify that I have **not** committed any civil violation of AS 04, AS 17.38, or 3 AAC 306 in the previous two calendar years.

RH

I certify that a notice of violation has **not** been issued for this license.

Sign your initials to the following statement **only if you are unable to certify one or more of the above statements**:

Initials

I have attached a written explanation for why I cannot certify one or more of the above statements, which includes the type of violation or offense, as required under 3 AAC 306.035(b).

RH

Read each line below, and then sign your initials in the box to the right of each statement:

Initials

I certify that no person other than a licensee listed on my marijuana establishment license renewal application has a direct or indirect financial interest, as defined in 3 AAC 306.015(e)(1), in the business for which the marijuana establishment license has been issued.

RH

I certify that I meet the residency requirement under AS 43.23 for a permanent fund dividend in the 2018 calendar year.

RH

I certify that this establishment complies with any applicable health, fire, safety, or tax statute, ordinance, regulation, or other law in the state.

RH

I certify that I am operating in compliance with the Alaska Department of Labor and Workforce Development's laws and requirements pertaining to employees.

RH

I certify that I have not violated any restrictions pertaining to this particular license type, and that this license has not been operated in violation of a condition or restriction imposed by the Marijuana Control Board.

RH

I certify that I understand that providing a false statement on this form, the online application, or any other form provided by or to AMCO is grounds for rejection or denial of this application or revocation of any license issued.

RH

As an applicant for a marijuana establishment license renewal, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide all information required by the Marijuana Control Board in support of this application and understand that failure to do so by any deadline given to me by AMCO staff may result in additional fees or expiration of this license.

*Rathleen M. Mess*

Signature of licensee

*Rathleen M. Mess*

Printed name of licensee

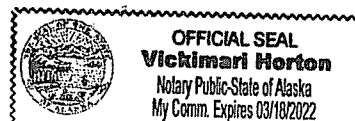
*Vicki Horton*

Notary Public in and for the State of Alaska

My commission expires:

*03/18/2022*

Subscribed and sworn to before me this *12* day of *June*, 20*18*.





June 12, 2018

To AMCO

Re: License renewal violation explanation letter.

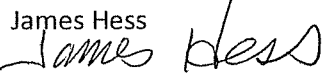
Case #AB18-535

On May 10, 2018, during a change of premise inspection I received a violation. Generally the violation consisted of an audit of metrc at my facility did not match plant counts.

I have explained the circumstances of these discrepancies and have put into place policies and procedures to ensure compliance in the future in my response to the NOV to the AMCO board.

If you have any questions please feel free to contact me.

James Hess

A handwritten signature in black ink that reads "James Hess". The signature is written in a cursive style with a large, stylized "J" and "H".

License 13588

# Notice of Violation

(3AAC 306.805)

This form, all information provided and responses are public documents per Alaska Public Records ACT AS 40.25

Date: 5/10/18

License #/Type: 13588 standard cultivation

Licensee: James Hess

Address: 12975 W Horizon Way, Houston, AK 99694

DBA: AKfunding

AMCO Case #: AB18-535

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.

Inspection of AKfunding revealed their plant count was off by:

21 purple Urkel in Cultivation but not In metrc

1 OG Kush in metrc but not in cultivation

1 Girl Scout cookie in metrc not in cultivation

39 northern lights additional not in metrc

16 golden goat additional not in metrc

30 wino additional not in metrc

26 sgt pepper additional not in metrc

5 super bud not in cultivation

Tag # ending in 10 was still in metrc but was harvested

From plant # ending in 105 there was a large branch cut off because it was dying but was not recorded as waste or harvest, it was sitting on a shelf above the computer and was completely dry. There were multiple plants above 8" tall that were not yet tagged and in the metrc system.

These are in violation of 3 AAC 304.435 Marijuana Inventory Tracking System.

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 may respond, either orally or in writing, to the Notice. 3 AAC 306.810(3)(A)(B)(C) failed, within a reasonable time after receiving a notice of violation from the director, to correct any defect that is the subject of the notice of violation of AS 17.38 or this chapter, a condition or restriction imposed by the board or other applicable law.

IT IS RECOMMENDED THAT YOU RESPOND IN WRITING TO DOCUMENT YOUR RESPONSE FOR THE MARIJUANA CONTROL BOARD.

\*Please send your response to the address below and include your Marijuana Establishment License Number in your response.

Alcohol & Marijuana Control Office  
ATTN: Enforcement  
550 W. 7<sup>th</sup> Ave, Suite 1600  
Anchorage, Alaska 99501  
[amco.enforcement@alaska.gov](mailto:amco.enforcement@alaska.gov)

Issuing Investigator: J. Rukes

Received by:

SIGNATURE: 

SIGNATURE:

Delivered VIA: Mail

Date:



May 17, 2018

To AMCO Board

Response to Violation letter Case # AB18-535

In regard to the plants listed as not being in Metrc.

I would like to point out that these plants were clones approximately 2 to 3 inches tall.

According to our records, on May 4<sup>th</sup> we did a hand count and verified the count in Metrc.

On Sunday May 6<sup>th</sup> we received a request from another cultivator for a large amount of clones for his operation. (Screen shots of request available)

We finished pulling his clones on the evening of May 7<sup>th</sup>, we also pulled clones for our operation while we were at it. (Screen shot of confirmation of completion available)

We realize that we should have immediately entered these clones into metrc instead of waiting a few days. We have since produced a log book ( Exhibit 1) that we now track every clone in as it is being taken and use as a cross reference to entry into metrc.

In regards to 2 clones in metrc but not on site.

I can only surmise that we miscounted 2 clones.

In regard to Plant tag # 10 harvested but still in metrc.

We have no explanation other than we missed entering it. We have now produced a harvest batch log book (exhibit 2) to use as a cross reference to metrc

Regarding piece from plant # 105.

We took that piece from the plant when it looked like it was dying, we were unaware of the "manicure" function in metrc. We put our own label on it so we could keep track of it while we figured out what to do (Exhibit 3)

In regard to plants above 8 inches tall.

We had measured all untagged plants the evening before the investigators arrived and noted several had just gone above the 8" mark, we literally had the plant tags out and were beginning the process of tagging when they arrived.

I fully understand that we had a breakdown in the timeliness of our metrc reporting and this is very important to the industry and its tracking, as well as still learning the metrc system.

I would like to assure you that there was no intent to divert or deceive and this will not happen again.

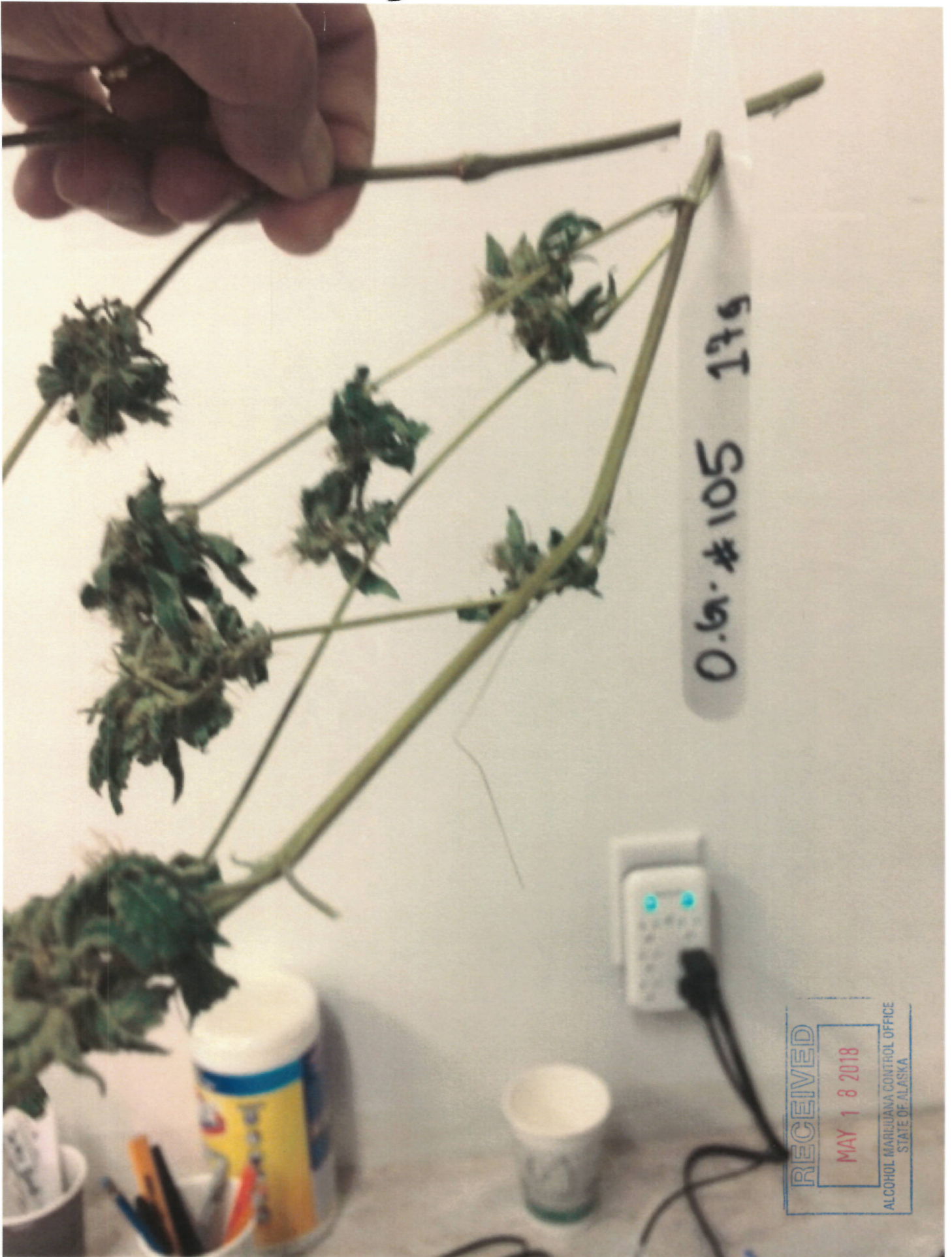
James Hess

License 13588

*James Hess*



EXHIBIT 3



RECEIVED  
MAY 18 2018  
ALCOHOL MARLIANA CONTROL OFFICE  
STATE OF ALASKA



EXHIBIT 2

[illegible]

RECEIVED

MAY 18 2018

ALCOHOL MARIJUANA CONTROL OFFICE  
STATE OF ALASKA



Date:

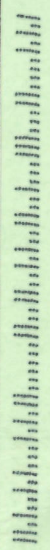
Strain:

Qty:

Metric:

MAY 13 2018

ALCOHOL MARIJUANA CONTROL OFFICE  
STATE OF ALASKA

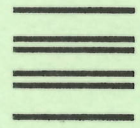


**AMCO**  
**550 W 7th Ave, Suite 1600**  
**Anchorage, AK 99501**

*Rukes*

• Sender: Please print your name, address, and ZIP+4® in this box•

First-Class Mail  
Postage & Fees Paid  
USPS  
Permit No. G-10



UNITED STATES POSTAL SERVICE

ANCHORAGE AK 99501  
15 MAY 1992

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

James "Monte" Hess  
189 E. Nelson Ave  
Wasilla, AK 99654

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature *[Signature]* ☒ Agent ☐ Addressee

B. Received by (Printed Name) *V. Finch* C. Date of Delivery *5/15/18*

D. Is delivery address different from item 1? ☒ Yes ☐ No  
If YES, enter delivery address below:

3. Service Type

<input type="checkbox"/> Certified Mail®	<input type="checkbox"/> Priority Mail Express™
<input type="checkbox"/> Registered	<input type="checkbox"/> Return Receipt for Merchandise
<input type="checkbox"/> Insured Mail	<input type="checkbox"/> Collect on Delivery

4. Restricted Delivery? (Extra Fee) ☐ Yes ☐ No

2. Article Number (Transfer from service label) **7016 2710 0000 8600 4019**