CORRESPONDENCE

THE STATE of ALASKA
GOVERNOR BILL WALKER

Department of Commerce, Community, and Economic Development

ALCOHOL & MARIJUANA CONTROL OFFICE
550 West 7th Avenue, Suite 1600
Anchorage, AK 99501
Main: 907.269.0350

October 30, 2018

AK Frost, LLC
DBA: AK Frost
Via email: kyle@anseralaska.com

Re: Retail Marijuana Store License 10866

Dear applicant,

AMCO has reviewed the documents submitted for the transfer of controlling interest for the license referenced above. This letter is notice under 3 ACC 306.025(e)(2) that your application is incomplete and additional items are needed to complete the application. The additional items that need correction or resubmittal are listed below—please be sure to read the entire letter. **Please note that if the corrections and/or additional documents submitted in response to this letter are not found to be complete, your application will be returned to you in accordance with 3 AAC 306.025(e)(1), and you will need to file a new application and pay a new fee should you wish to continue pursuing licensure.**

- **MJ-17c License Transfer Application**
  - Make and initial the following corrections to this application (or fill out a brand new one which must be signed by all appropriate parties and notarized). The corrected application will need to re-posted, and the local government and community council will need to be re-notified.
    - Page 2: write/type the title of Blackstone Investments, LLC in relation to AK Frost, LLC.
    - You submitted Exhibit 3.1 as the breakdown of membership of Blackstone Investments, LLC. However, this list is missing required information requested on section 3 of MJ-17c. In other words, in addition to what is already listed in this paper, every person listed here needs their title, telephone number, and email address listed. So, to keep it clean and consistent please grab extra copies of page 2 of MJ-17c and put the information of these individuals in those pages.
    - Page 3, section 4: "Seeking concurrent transfers of:…" does not answer the question of disclosing which individual(s) has the financial interest. Please make a clear reference that what you are referring to is the individuals listed on the breakdown of Blackstone Investments, LLC (which should be part of the MJ-17c).
    - Signature line on page 3: please print the name of the person who signed this form.

- **MJ-00 Application Certifications**
  - The unit number for the licensed premises on Kelly Wilmes, and Marc Eid's MJ-00s needs to be corrected. They should list 102 not 100.

- **MJ-01 Operating Plan**
  - Page 2:
    - 2.1: your statement "Any individual not employed at the facility must obtain a visitor's badge before escorted through the facility" makes me think that you do not understand the difference between licensed premises and restricted access area(s) particularly in a retail marijuana store. The question is asking about preventing persons under 21 from gaining access to the **licensed premises** not the restricted access area(s). Please re-do this box.
    - 3.2: in this box I am not sure if you are using the words 'Visitor' and 'Customer' interchangeably but visitors to the restricted access area(s) get logged in, etc. with a visitor's badge, and are subject to the 5-1 ratio rule. On the other hand, every-day customers (who are not 'Visitors' for the purposes of logging, badge, etc.) should only be in the retail/customer area which should not be designated as a restricted access area. FURTHERMORE, the business records should be retained for the current year and three preceding calendar years. Please correct this box accordingly.
  - Page 4:
    - 3.5: please add to your answer in this box and describe how you will comply with 3 AAC 306.715(e). Please read it, it is a fairly new subsection of the regulation.
  - Page 6:
    - 4.2: reminder: current six months must be maintained on the licensed premises of the retail marijuana store.

- **MJ-02 Premises Diagram**
  - Diagram 1&2:
    - Outline in color the licensed premises. Label it.
    - Within the licensed premises, outline in a different color the restricted access area(s). Label it.
    - Do not designate the bathroom as a restricted access area. Leave it only as part of the licensed premises but not restricted access area.
  - Diagram 5:
    - Outline in a different color (other than red), the licensed premises but use the same color you used for diagram 1&2.
    - The bathroom should be part of the licensed premises but not a restricted access area. Grab a different color and outline/shade it and label that outline/shade: licensed but not restricted access area.
    - This diagram also needs cross streets and points of reference as requested on the MJ-02 guideline.

- **MJ-03 Retail Supplemental**
  - Page 4: the warning statement "Keep out of (the) reach of children" on the Back-Label is missing the *The.* Please correct.
  - Page 5, 8.1: your answer to this box is incomplete. Please re-review 3 AAC 306.740 and describe how you store, manage, and dispose any marijuana including expired marijuana or marijuana products (for example, how do you store the marijuana or marijuana

product waste during the three-day waiting period?, how do you render it unusable, and what ratio?, what do you do with waste once it has been rendered unsuable?).

- **MJ-07 Public Notice Posting Affidavit**
  - As mentioned above, under bullet point MJ-17c License Transfer Application, you will need to re-post a copy of the corrected/new transfer application at both the licensed premises and another conspicuous location. NOW, please make sure that the other conspicuous location is a grocery store such as Fred Meyer or Carrs where there is a public bulletin board, and can be left up for the entire ten days.
  - You will need to fill out a new MJ-07, and submit it to me.

- **MJ-08 Local Government Notice Affidavit**
  - As mentioned above, under bullet point MJ-17c License Transfer Application, please submit a copy of the corrected/new transfer application to the Municipality of Anchorage, and Taku/Campbell community council.
  - You will need to fill out a new MJ-08, and submit it to me.

- **MJ-09 Statement of Financial Interest**
  - The unit number for the licensed premises on Kelly Wilmes, and Marc Eid's MJ-00s needs to be corrected. They should list 102 not 100.

- **Publisher's Affidavit**
  - The newspaper ran in the Mat-Su Valley. It needs to run in Anchorage, in a newspaper of regular circulation (the Alaska Journal of Commerce is not acceptable, just FYI). Please run your transfer of controlling interest ad in Anchorage once a week for three consecutive weeks, and submit the affidavit of publication with a copy of the ad. The wording of the ad looks fine.

- **Entity Documents**
  - AK Frost, LLC (licensee)
    - Is it possible you can provide me with a filled-out (but not filed, yet) Notice of Change of Officials that will be submitted to Division of Corporations (a separate state agency) once and if the transfer application is approved by the Marijuana Control Board.
  - Blackstone Investments, LLC (proposed 100% member of AK Frost, LLC)
    - The list of members for this company on Division of Corporations' website https://www.commerce.alaska.gov/cbp/main/Search/EntityDetail/10083469 should list all the members of this company, it does not appear they are according to your list of members titled as Exhibit 3.1 of the operating agreement. For our purposes, this particular company does not need to wait for the MCB to approve the transfer application.
    - Please submit the operating agreement signed by all members.

It is very important that you submit the above corrections and/or documents in a timely manner so that AMCO staff has adequate time to review the corrections and/or additional documents which must be found to be complete within 90 days of the date of this letter.

Respectfully,

Jane Sawyer, Occupational Licensing Examiner
For,
Erika McConnell, Director
marijuana.licensing@alaska.gov

From:	Marijuana Licensing (CED sponsored)
To:	"Kyle"; "Jana Weltzin"; "Valerie Mastolier"; Sherri Lindfors
Cc:	Marijuana Licensing (CED sponsored)
Subject:	Incomplete Transfer Application Notice-AK Frost license 10866
Date:	Tuesday, October 30, 2018 4:25:00 PM
Attachments:	10866 Incomplete Transfer Application Notice.pdf

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Hello,

Your transfer application has been reviewed, attached is correspondence regarding corrections, additional documents, and/or resubmittals that need to be addressed.

Please make sure to read the entire letter. If the submitted corrections are not found to be complete, your application will be returned to you in accordance with 3 AAC 306.025(e)(1), and you will need to file a new application and pay a new fee should you wish to continue pursuing licensure. Essentially, we will accept corrections one time within your 90-day deadline period. Feel free to call or email if you need clarification on any items from the Incomplete Letter.

Please let me know if you need copies of the transfer paperwork I have. I want to make sure you receive this email and its attachment first. Send any documents/correspondence to marijuana.licensing@alaska.gov

Respectfully,
Jane Sawyer
Occupational Licensing Examiner
Alcohol and Marijuana Control Office
550 W 7th Avenue Ste. 1600
Anchorage, AK 99501
907-269-0350