



## MEMORANDUM

TO: Marijuana Control Board                      DATE: November 13, 2019

FROM: Erika McConnell, Director              RE: Rainforest Farms, LLC, #10050, Retail Store

On May 23, 2019, I served an accusation on Rainforest Farms, LLC, holder of license #10050 for a marijuana retail store, DBA Rainforest Farms, LLC.

On August 20, 2019, the Marijuana Control Board reviewed the accusation and found that that Rainforest Farms, LLC committed the acts alleged in the accusation. The board assessed a civil fine of \$30,000. The board then suspended \$28,000 of the fine pending approval of a transfer of this license at the November 13-15, 2019, board meeting.

The board's action was conveyed to the licensee in a letter sent on October 9, 2019, by email and registered mail (return receipt received by AMCO on 10/17/19). In the letter, the licensee was provided an opportunity to appeal the board's decision (by 10/24/19) and I requested payment of the \$2,000 fine by October 31 if the licensee did not appeal. The licensee did not appeal, and the licensee has not paid the \$2,000 fine.

In regards to the pending transfer, an incomplete letter was sent to the applicant on August 23, 2019, listing corrections that need to be made to the application. Under 3 AAC 306.025(e) and (f), the applicant has 90 days (to 11/21/19) to complete the application. As of the writing of this memo (11/6/19), the applicant has not submitted any corrections.

Attachments: August 23, 2019 Incomplete letter  
October 9, 2019 Board Action letter  
Accusation



August 23, 2019

WCC, Inc.  
DBA: Green Leaf Alaska  
Via email: [aaron.bean@greenleafalaska.com](mailto:aaron.bean@greenleafalaska.com)

Re: Retail Marijuana Store License #10050

Dear applicant,

The Alcohol and Marijuana Control Office has reviewed the documents submitted for the transfer of ownership for the license referenced above. This letter is notice under 3 AAC 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.

- **All Forms**
  - Fillable PDF versions of the application forms are available on AMCO's website at <https://www.commerce.alaska.gov/web/amco/MarijuanaLicenseApplication.aspx>. Where possible, please type your information into each section rather than writing it by hand.
- **MJ-17c License Transfer Application**
  - Page 1, Section 1 – Transferor Information:
    - The Doing Business As name must be listed as Rainforest Farms, LLC.
  - Page 2, Section 3 – Entity Ownership Information:
    - The information provided for the entity in this section is inconsistent with the information provided for WCC, Inc. with the Alaska Division of Corporations, Business and Professional Licensing (CBPL). Please review your entity information with CBPL. It may be necessary to file a Notice of Change of Officials. If you do so, provide us with a copy that CBPL has stamped received as proof that the change has been filed.
    - It appears that Aaron Bean's name is listed twice, but the handwriting is difficult to read. If the President and Treasurer listed in this section are the same individual, he can be listed once but with both titles included in the Titles section.
- **MJ-17d Unaltered Operating Plan and/or Premises Diagram Affidavit**
  - Section 2 – Certification:
    - You certified that no changes are being made to the operating plan or premises diagram for this license, but submitted Form MJ-01 and MJ-02. Please verify whether or not changes are being made on Form MJ-01 and MJ-02, or if they should be disregarded. You can reply via email to [marijuana.licensing@alaska.gov](mailto:marijuana.licensing@alaska.gov).
- **MJ-00 Application Certifications**
  - Page 1, Section 1 – Establishment Information for Aaron Bean:
    - This establishment is located in Juneau, but the zip code listed in this section is for Sitka.
  - If Mellissa Bean will be an official of this entity, she will need to complete and submit this form.

- **MJ-07 Public Notice Posting Affidavit**
  - Per 3 AAC 306.025(c), the notice requirements of the application must be completed within ninety days of submitting all application items, including fees. Due to this, as well as the corrections necessary on Form MJ-17c, you will need to post a corrected copy of MJ-17c at the location of your premises and one other conspicuous location for **ten** days. Afterward, complete and submit a new MJ-07.
  - Section 2 – Certification:
    - Provide the address of the other conspicuous location on your new MJ-07.
    - This form must be signed by a proposed licensee (transferee).
- **MJ-08 Local Government Notice Affidavit**
  - This form was completed by the current licensee (transferor). It must be completed by the transferee.
  - Due to the corrections required on your MJ-17c, it will be necessary to provide a copy of the corrected MJ-17c to your local government. Afterward, complete a new MJ-08.
- **Publisher’s Affidavit**
  - The advertisement does not correctly identify the DBA of the current licensee (Rainforest Farms, LLC), duplicates some of the language (...is applying under 3 AAC 306.045 for Retail Marijuana Store 10050 transfer of a Retail Marijuana Store...), and does not cite the correct regulation for a Retail Marijuana Store.
    - The correct regulation is 3 AAC 306.300.
  - It will be necessary to run a corrected advertisement **one** time and provide a new affidavit from the publisher.
- **MJ-09 Statement of Financial Interest**
  - If Mellissa Bean will be an official of this entity, she will need to complete and submit this form.
- **MJ-19 Creditors Affidavit**
  - Page 1, Section 1 – Transferor Information:
    - The Doing Business As name must be listed as Rainforest Farms, LLC.
- **Proof of Possession for Proposed Premises**
  - If a lease is used to show right and title to the premises, the lessee/tenant identified in the lease must be the proposed licensee, WCC, Inc.
  - This lease expired on 12/31/2016, and a valid lease will be required. Note that until this transfer is approved by the Marijuana Control Board, Rainforest Farms, LLC must maintain right and title to the premises.
  - A lease must contain a disclaimer that the landlord/lessor will not take possession of or remove marijuana from the premises, and will contact AMCO in the event that removal is necessary. This is typically included in the Default section of a lease.
- **Entity Documents**
  - The following documents are required with your application:
    - A copy of WCC, Inc.’s corporate by-laws
    - The name of each corporate officer
    - A list of all shareholders and their ownership percentage
- **Food Permit Application**
  - The FM-1 Permit provided was issued to Rainforest Farms and states that it is not transferable for a change of ownership. If a new Food Safety Permit has not been issued, please provide a copy of a Food Safety Permit Application that is stamped received by the Division of Environmental Health.

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,

A handwritten signature in black ink, appearing to read "TJ Zielinski". The signature is fluid and cursive, with the first name "TJ" being more prominent.

TJ Zielinski, Occupational Licensing Examiner

For,

Erika McConnell, Director

[marijuana.licensing@alaska.gov](mailto:marijuana.licensing@alaska.gov)



THE STATE  
of **ALASKA**  
GOVERNOR MICHAEL J. DUNLEAVY

**Department of Commerce, Community,  
and Economic Development**

ALCOHOL AND MARIJUANA CONTROL OFFICE  
550 West 7<sup>th</sup> Avenue, Suite 1600  
Anchorage, AK 99501  
Main: 907.269.0350

October 9, 2019

Rainforest Farms, LLC  
DBA Rainforest Farms, LLC  
216 2<sup>nd</sup> Street  
Juneau, AK 99801

Via: [rainforestjames@gmail.com](mailto:rainforestjames@gmail.com) and certified mail

Re: Rainforest Farms, LLC, License #10050

Dear Rainforest Farms, LLC:

On August 20, 2019, the Marijuana Control Board reviewed the accusation against retail marijuana store license #10050 issued to Rainforest Farms, LLC. The board found that that you committed the acts alleged in the accusation and assessed a civil fine of \$30,000. The board then suspended \$28,000 of the fine pending approval of a transfer of this license at the November 13-15, 2019, board meeting.

The Board's regulations and the Alaska Administrative Procedure Act, AS 44.62.330 et seq., provide you with a means to appeal the Board's decision. Specifically, 3 AAC 306.820 allows you to initiate a formal hearing as provided under AS 44.62.390.

If you request a formal hearing, the Office of Administrative Hearings will assign an administrative law judge to hear the matter. We understand that at the hearing before the Board at which the Board made the above described decision, you were represented by Chris Peloso, Esq. You may, but are not obligated to be, represented by Mr. Peloso or by any other attorney in proceedings before the Office of Administrative Hearings.

If you intend to request a formal hearing, you must notify AMCO in writing, within 15 days of receiving this notice. A Notice of Defense form is enclosed for this purpose; however, you may submit any written notice that meets the requirements of AS 44.62.390.

Your Notice of Defense must be sent to:

Administrative Officer  
Alcohol and Marijuana Control Office  
550 West 7th Ave, Suite 1600  
Anchorage, AK 99501

Should you decide not to request a formal hearing, please send your civil fine of \$2,000, payable by check or money order, to the address above by October 31, 2019.

Rainforest Farms, LLC

October 9, 2019

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You may contact me with any questions or to request additional information. However, I cannot provide you with any legal advice.

Sincerely,

*Erika McConnell*

Erika McConnell

Director

CC: License file

Encl.



STATE OF ALASKA

MARIJUANA CONTROL BOARD

In the matter of )  
Rainforest Farms, LLC )  
DBA Rainforest Farms, LLC )  
216 2<sup>nd</sup> Street )  
Juneau, AK 99801 )  
Respondent )  
 )  
\_\_\_\_\_ ) Accusation No. 2019-04

**ACCUSATION**

Petitioner, Erika McConnell, Director of the Marijuana Control Board, acting in her official capacity and upon information and belief, alleges as follows:

**INFORMATION**

1. Respondent, Rainforest Farms, LLC ,DBA Rainforest Farms, LLC, is the holder of a Retail Marijuana Store license, located at 216 2<sup>nd</sup> Street, Juneau, Alaska, license number 10050.
2. According to MCB records, Rainforest Farms, LLC, is owned by James Barrett 47.5 percent, Giono Barrett, 47.5 percent, and Michael Healy, 5 percent.
3. The license was first issued to Rainforest Farms, LLC, on November 14, 2016.
4. A license transfer application for this license was initiated on May 17, 2019.
5. WCC, Inc. is a business corporation owned by Aaron Bean 100 percent. Aaron Bean is not a licensee.

**COUNT 1**

6. Petitioner incorporates paragraphs 1-5 of this accusation as if fully set forth in Count 1.

7. Rainforest Farms, LLC, entered into a Purchase Agreement with WCC, Inc. The board is in possession of two different Purchase Agreements, one of which was signed by James Barrett for Rainforest Farms, LLC, on February 4, 2019, and by Aaron Bean for WCC, Inc., on February 14, 2019, and the other of which was signed by both individuals but is undated. (See Attachment A, Dated Purchase Agreement; Attachment B, Undated Purchase Agreement)

8. WCC, Inc. has paid \$50,000 to Rainforest Farms, LLC, as a down payment referenced in the Dated Purchase Agreement. (See Attachment C, Down Payment Receipt)

9. Both Purchase Agreements state, "Subject to the provisions set forth in this agreement, as of midnight at the beginning of the date of this agreement...the Seller [Rainforest Farms, LLC] hereby sells, conveys, assigns, and transfers to the Buyer [WCC, Inc.] the assets set forth on Schedule 1...free and clear of any and all liens and encumbrances, and the Buyer hereby accepts the sale, conveyance, assignment, and transfer of the Purchased Assets and assumes the Buyer's obligations under the contracts listed on Schedule 1."

10. James Barrett, one of the owners of Rainforest Farms, LLC, stated in an email that Rainforest Farms sold the retail store on February 5. (Attachment D, Barrett Email)

11. Rainforest Farms, LLC's lawyer stated that Rainforest Farms, LLC, entered into a Management Agreement with WCC, Inc. The Management Agreement that was provided was signed by Aaron Bean for WCC, Inc., on February 21, 2019, but is not signed by James Barrett of Rainforest Farms, LLC. (Attachment E, Peloso Letter; Attachment F, Management Agreement)



12. The Management Agreement states, “Management Authority over legal compliance, financial matters of the retail license including accounting, management of inventory, store operations, marketing, branding or rebranding, staffing, and matters as detailed below [selection, supervision, hiring and firing, pay, and promotion of staff; price and product schedules including inventory management; contract and lease management; state license, local permit(s) compliance and management; management of all operations; approval and execution of budget] shall be exclusively granted from Rainforest Farms, LLC to WCC, Inc.”

13. In Metrc, Aaron Bean was created as an Administrator on the Rainforest Farms License #10050 account, on February 7, 2019. (Attachment G, Rainforest Farms License 10050 Metrc Employees List; Attachment H, Bean Metrc Account)

14. The above-described actions, consisting of undisclosed financial interest by a non-licensee, unreported ownership change, and sale and transfer of a Retail Marijuana Store license without approval by the Marijuana Control Board, violate AS 17.38.070(a), 3 AAC 306.015(a), 3 AAC 306.040, and 3 AAC 306.045, which is grounds for discipline under 3 AAC 306.810(b).

**Wherefore**, in accordance with AS 17.38.121(b)(3) and 3 AAC 306.810, petitioner asks:

15. That the Marijuana Control Board find that the respondent, Rainforest Farms, LLC, dba Rainforest Farms, LLC, committed the acts alleged above.

16. That the Marijuana Control Board suspend the Retail Marijuana Store license issued to Rainforest Farms, LLC, dba Rainforest Farms, LLC, license number 10050, until such time as either an ownership change is approved by the Director to add Aaron Bean or WCC, Inc.

as a licensee on license number 10050, or a transfer of ownership is approved by the Marijuana Control Board, a license is issued by the director, and an inspection is performed by the board's staff;

17. That the Marijuana Control Board impose a civil fine of \$30,000 on Rainforest Farms, LLC, for violating AS 17.38.070(a), 3 AAC 306.015(a), 3 AAC 306.040, and 3 AAC 306.045.

18. For such other relief as the Marijuana Control Board considers appropriate.

Dated at Anchorage, Alaska, this 23<sup>rd</sup> day of May, 2019.



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Erika McConnell, Director  
Marijuana Control Board