MJ-15 and its attachments

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Alaska Marijuana Control Board

Form MJ-15: Operating Plan Change

What is this form?

This operating plan change form is required for all marijuana establishment licensees seeking to change a licensed marijuana establishment's existing operating plan, as required by 3 AAC 306.100. With this form, a licensee may request changes to as much or as little as desired of Form MJ-01 and/or the corresponding operating plan supplemental for the establishment's license type. **The required $250 change fee may be made by check, cashier's check, or money order.**

Please complete and submit with this form the pages of Form MJ-01 and/or the corresponding operating plan supplemental that contain sections that you are requesting to change. **All fields must be completed of any page for which you are requesting changes** – upon board approval, the submitted pages will replace those currently on file. If your current, approved operating plan is on the original version of the forms, you may be required to complete and submit the new operating plan forms in their entirety.

The form(s) that I am requesting board approval to change is:

- [x] **Form MJ-01:** Marijuana Establishment Operating Plan
- [ ] **Form MJ-03:** Retail Marijuana Store Operating Plan Supplemental
- [ ] **Form MJ-04:** Marijuana Cultivation Facility Operating Plan Supplemental
- [x] **Form MJ-05:** Marijuana Product Manufacturing Facility Operating Plan Supplemental
- [ ] **Form MJ-06:** Marijuana Testing Facility Operating Plan Supplemental

This form must be completed and submitted to AMCO's main office prior to changing existing operations. The licensed establishment's operations may not be altered unless and until the director has given temporary approval or the Marijuana Control Board (MCB) has given final approval of the changes. Please note that licensees seeking to change operating plans for multiple licenses must submit a separate completed copy of this form for each license.

Section 1 – Establishment Information

Enter information for the business seeking to be licensed, as identified on the license application.

Licensee:	L & J Ventures, Inc.	**MJ License #:**		15790	
License Type:	Marijuana Product Manufacturing Facility				
Doing Business As:	Scorpion Grass				
Premises Address:	266 S. McCallister Dr., Suite 3				
City:	Wasilla	**State:**	Alaska	**ZIP:**	99654

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Section 2 – Summary of Changes

Provide a summary of the changes for which you are requesting approval.

Scorpion Grass will be making the following operating plan changes:
In terms of equipment, Scorpion Grass will be removing: Cascade sciences decarb/oven, so low winterization freezer, Heidolph HBX Rotary evaporator, Vacuum oven. And will be adding: Beckham Coulter J6-HC Refrigerated Centrifuge, High Tech 110 cup shredder/grinder, American Biotech supply refrigerator. The following equipment was on the original application, Scorpion Grass still intends to use the following, but not until later in the future (will not be used at time of inspection): Dewalt air compressor and Sasquatch 20 ton Rosin press.

MJ-01 page 2 Section 2.1 and 3.1: Remove "Key codes will be personalized for each employee to allow the licensees and management team to track access and entry" Currently Scorpion Grass will not have a track and trace system on their keypad entry. In the future, the establishment intends to install a track and trace system to where licensees can monitor each and every key pad entry within their facility.
MJ-01, Section 3.5, line 4: removing the words "areas of the building" and amending the sentence to read: "The alarm system will be set up to monitor for intrusions with motion detectors in all areas of the building that are near windows or entry points, active during closed hours, as well as door sensors on every exterior door and glass break sensors in each room that has windows"

Section 3 – Declarations

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

The proposed changes conform to all applicable public health, fire, and safety laws. [JH]

I understand that any temporary approval granted by the director is pending a final decision by the MCB; therefore, any investment I make, based upon temporary approval, is at my own risk. [JH]

As a marijuana establishment licensee, I declare under penalty of unsworn falsification that this form, including all accompanying schedules and statements, is true, correct, and complete.

James Hacker
Signature of licensee

JAMES HACKER
Printed name of licensee

Mackenzie R. Lilland NOTARY PUBLIC STATE OF ALASKA My Commission Expires October 12, 2022

Mackenzie R. Lilland
Notary Public in and for the State of Alaska.

My commission expires: October 12, 2022

Subscribed and sworn to before me this 2nd day of April, 2019.

AMCO Director Review for Temporary Approval Pending Final MCB Decision: Approved ☐ Disapproved ☐

Printed name of Director

Date

Signature of Director

Director Comments:

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Section 2 – Overview of Operations

2.1. Provide an overview of your proposed facility's operations. Include information regarding the intake, flow, and transfer of marijuana, marijuana concentrate, and marijuana product at and from your premises:

All shipments of marijuana and marijuana product that arrives at the facility will be first inspected by a member of the Scorpion Grass management team before it is accepted and added to the Facility's inventory. The shipment will be reconciled with the transport manifest, shipment labels and packaging labels to ensure consistency. All product will be weighed by Scorpion Grass and reconciled with the weight listed on the manifest and labels. Any shipments with discrepancies will be rejected. Shipments that pass initial inspection will be accepted into the facility, entered into METRC and added to the facility's inventory. All marijuana and marijuana products will be tracked from the time it is received, to it's use in a manufactured product or disposal to it's transfer to another licensed facility. Scorpion Grass' management team will reconcile each transaction to another licensed facility with METRC and the inventory on hand to ensure consistency and to resolve discrepancies immediately.
A random sample of each product manufactured at the facility will be sent to a licensed testing lab before being transferred to another licensed facility and the remainder of the production lot will be segregated from all other product until the testing results are received. Once passing testing results are received from the testing lab, marijuana products will be packaged and labeled in compliance with 3 AAC 306.565 and 306.570. The packaged products will then be transported by an agent of Scorpion Grass who holds a valid marijuana handler permit or by a third party transport company with valid marijuana handler permits. All transfers will be entered into METRC and a trip manifest will be sent with each shipment as well as stored on site as a business record.

Section 3 – Equipment and Compounds to be Used

Review the requirements under 3 AAC 306.555.

3.1. Describe the equipment and solvents, gases, chemicals, and other compounds the marijuana product manufacturing facility will use to create marijuana concentrates:

The following equipment will be used to create CO2 Oil, wax, shatter and budder:
- Beckman Coulter J6-HC Refrigerated Centrifuge
- closed loop CO2 extraction machine
- Hight Tech 110 cup shredder/grinder
- American Biotech supply refrigerator

The following solvents/gases/compounds will be used to create CO2 oil, wax, shatter and budder:
- CO2
- ethanol

A 20 ton press and air compressor will be used to create rosin.

Screen bubble bags, ice water or dry ice will be used to create bubble hash.

A kief drum tumber will be used to create kief.

Equipment used in creating all concentrates:
- freezer
- refrigerator

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Section 2 – Control Plan for Persons Under the Age of 21

2.1. Describe how the marijuana establishment will prevent persons under the age of 21 from gaining access to any portion of the licensed premises and marijuana items:

Scorpion Grass will have policies and training in place to prevent individuals under 21 from entering any part of the licensed premises. The entire premises will be designated as a restricted access area with signage posted on and around the building stating "Restricted Access Area: Visitors Must Be Escorted" as well as signs stating, "No One Under 21 Year of Age Allowed" and "Video and Audio Surveillance in Progress". Video surveillance cameras will be visible throughout the facility as well as around the exterior perimeter of the building to continuously monitor the premises and to deter unauthorized and underage individuals from attempting to access the premises.
There will be one main entrance for employees and an emergency exit. Both of which will remain locked at all times and will require a key code to unlock the door. Key codes will be personalized for each employee. The door will also be equipped with a door sensor, connected to the security alarm system, that will be triggered if an attempted intrusion occurs. If triggered, both an audible alarm as well as an electronic notification to the third party off-site monitoring center as well as to the licensees and general manager's mobile phones will be sent. In the future, Scorpion Grass intends to add a track and trace system to which licensee's can monitor and track access and entry per specific keycode entered into their system. Any visitors to the facility, with the exception of law enforcement, AMCO Enforcement or other duly authorized individuals, must be pre-arranged with a licensee or member of the management team. Visitors will be required to produce a valid, government issued, photo ID proving they are at least 21 years of age before being allowed to enter the premises. Any individual that does not produce said ID will be informed to exit the property immediately and that law enforcement will be contacted for back up if they do not comply promptly.

Section 3 – Security

Restricted Access Areas (3 AAC 306.710):

3.1. Describe how you will prevent unescorted members of the public from entering restricted access areas:

The manufacturing facility is located on the second floor of the building and will be designated as a restricted access area in it's entirety with signage posted on and around the building stating "Restricted Access Area: Visitors Must Be Escorted" as well as signs stating, "Video and Audio Surveillance in Progress". Video surveillance cameras will be visible throughout the facility as well as around the exterior perimeter of the building to continuously monitor the premises and to deter unauthorized individuals from attempting to access the premises.
There will be one main entrance (located on the first floor of the building) for employees and an emergency exit. Both of which will remain locked at all times and will require a key code to unlock. The main entrance is further secured by a locked, gated fence with access controlled via remote. The licensees and general manager will control who has access to the remotes that will unlock the gate and allow access to the main entrance. Key codes will be personalized for each employee. The door will also be equipped with a door sensor, connected to the security alarm system, that will be triggered if an attempted intrusion occurs. If triggered, both an audible alarm as well as an electronic notification to the third party off-site monitoring center as well as to James and Lisa's mobile phones will be sent. In the future, Scorpion Grass intends to add a track and trace system to which licensee's can monitor and track access and entry per specific keycode entered into their system.
All employees will be required to clearly display on their person an employee ID badge bearing their photograph at all times while on the licensed premises. Employees will also be required to either keep their marijuana handler permit on their person during working hours or filed on-site. All visitors will be required to sign in to the visitor log and clearly display on their person a visitor badge at all times while on the premises. This will help everyone to easily identify individuals that have been authorized to access the premises.

3.2. Describe your recordkeeping and processes for admitting visitors into and escorting them through restricted access areas:

With the exception of law enforcement, AMCO Enforcement or other duly authorized agent, all visitors will be required to pre-arrange their visit with a licensee or member of the Scorpion Grass management team. Visitors will be instructed to arrive at the retail store main entrance where they will be escorted to the employee main entrance by a Scorpion Grass employee. A designated employee or licensee will meet the individual at the employee entrance door and will immediately ask to see their valid, government issued, photo identification regardless of how familiar the employee or licensee is with the potential visitor. Once the age and identity of the individual has been confirmed as being at least 21 years of age and a pre-arranged visitor or duly authorized agent, they will be allowed to enter the building and sign into the visitor log. The visitor log will record the individual's full name, organization if applicable, date, time in and out of the facility and reason for the visit. Each visitor (with the exception of law enforcement, AMCO Enforcement or other duly authorized agent such as from the Mat-Su Borough or Health Dept) will be issued a visitor badge and will be instructed to clearly display it on their person at all times while on the licensed premises and return the badge upon exit. At this time, the employee or licensee will brief the visitor on the company's policy's regarding hygiene, safety, regulatory compliance and any other pertinent information the visitor should be aware of while inside the manufacturing facility. A designated employee or licensee will escort and actively supervise the visitor(s) during the entire visit. At no time will there be more than 5 visitors per supervising employee or licensee on the premises. Once the visit has concluded, all visitors will be required to exit the premises and return their visitor badges.
The visitor log will be filed in the locked cabinet within the secured, shared office located on the second floor of the building and will be backed up electronically to the company's computer hard drive (the office is shared between the co-owned (same licensees and entity) and co-located cultivation, retail and manufacturing facilities as shown on the premises diagram). The visitor log will be made available to AMCO Enforcement or other agent of the MCB upon request.

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3.5. An alarm system is required for all license types that must be activated on all exterior doors and windows when the licensed premises is closed for business. Describe the security alarm system for the proposed premises, explain how it will meet all regulatory requirements, and outline your policies and procedures regarding the actions to be taken by a licensee, employee, or agent when the alarm system alerts of an unauthorized breach:

Scorpion Grass will contract with a third party security company to install the alarm system, maintain the equipment, periodically test the devices and continuously monitor the facility at an off-site security monitoring center. The alarm system will be set up to monitor for intrusions with motion detectors in all areas of the building that are near windows or entry points, active during closed hours, as well as door sensors on every exterior door (there are no doors leading to the manufacturing facility as it is on the second floor, this refers to the main entrance and emergency exit doors) and glass break sensors in each room that has windows (the building will only have windows to the retail store and the off ice). If triggered, an automatic, electronic alert will be sent to the security monitoring center as well as to James and Lisa's cell phones and/or the general manager. This will also trigger an audible alarm to help deter potential intruders. Live security footage will also be accessible to the licensees and/or the general manager via their cellular phones so they may keep an eye on the facility even when they are away.

The alarm system will be active at all times that the facility is closed. The last employee or licensee to leave the facility each night will activate the alarm system and the first employee or licensee to arrive in the morning will deactivate the system.

In the event that the alarm system sends an electronic alert to local law enforcement to notify them of an unauthorized breach, the management team will evacuate the building (if it's safe to do and necessary) to a pre-determined safe location. A designated employee will take a head count of employees and any visitors that may have been on the premises to ensure everyone is accounted for. Management will await instruction from law enforcement and comply with all directives. Once it is safe to do so, employees will return to the facility and inspect for property damage, theft, take inventory and submit all necessary and requested documentation to law enforcement officials and to AMCO enforcement. Additionally, any event that occurs on the licensed premises that involves local law enforcement will be promptly reported to AMCO Enforcement via email.

3.6. Describe your policies and procedures for preventing diversion of marijuana or marijuana product, including by employees:

The video surveillance system will continuously monitor storage, product manufacturing areas, and packaging areas. Employees will perform mandatory inventory counts each week and document the reports as official business records. Additionally, the management team will perform routine internal audits by reconciling the inventory on hand with the recorded data in METRC to ensure they match. Scorpion Grass will not tolerate any theft or diversion, and all employees will complete mandatory training in recognizing such activity. Scorpion Grass understands that diversion is a two-way street and is equally profitable diverting product out of the legal system as it is diverting product from the illegal system into the legal market. In the event that theft or diversion is suspected, all employees will be trained to alert management immediately. In the event that an employee is caught stealing marijuana or marijuana products, OR infusing the facility with non-regulated black-market product, Scorpion Grass will notify local law enforcement and AMCO enforcement immediately, comply with all directives, and provide all necessary information and records for the investigation. James, Lisa and the general manager will take the necessary steps to ensure that illegal conduct by an employee does not compromise the facility's license and legitimate business operations. Once a theft is reported, the general manager will update the product records in the tracking system, as needed, to maintain an accurate and comprehensive accounting for all marijuana products and inventory. Lisa, James and the general manager will comply with all inquiries and investigations lodged by AMCO as a result. Documentation related to marijuana theft will be maintained as a business record for five (5) years and made available to AMCO upon request. Video recordings will be stored for at least forty (40) days. Cameras will provide a full view of the manufacturing areas, entryway, safes, money counting areas, and product packaging areas. Security monitors and video recording equipment will be located in the shared office on the second floor of the building with access limited to James, Lisa and the general manager.

3.7. Describe your policies and procedures for preventing loitering:

Signage stating "No Loitering" and that the premises is under video surveillance will be prominently posted around the facility. Designated Scorpion Grass personnel will be trained to perform routine, but unscheduled patrols of the premises to check for individuals with no official business on the property. Individuals found to be loitering on the premises will be met with a verbal request to exit the premises per the no loitering policy and if they do not comply law enforcement will be contacted for back up. Additionally, the employee main entrance will be secured by a locked gated fence to help prevent unauthorized access and/or loiterers.

You must be able to certify the statement below. Read the following and then sign your initials in the box to the right: **Initials**

3.8. I certify that if any additional security devices are used, such as a motion detector, pressure switch, and duress, panic, or hold-up alarm, to enhance security of the licensed premises, I will have written policies and procedures describing their use. JH

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