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: 11/7/18 License #/Type: # 10037 Marijuana Retail Stores

Licensee: Bryant Thorp Address: 7107 Arctic Blvd. Anchorage, AK 99518

DBA: Arctic Herbery AMCO Case #: AB18001405

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.

On Tuesday, November 6th, 2018, A self report from Bryant Thorp operator of Arctic Herbery - License #10037,came into the Alcohol & Marijuana Control Office. The report was of a theft that occurred on Sunday, November 4th 2018 where a sample jar of marijuana product was left unattended by the employees, leaving easy access for a patron /customer who took the sample jar of marijuana from Arctic Herbery sales counter and left the retail store premises. After review of the security footage it was clear that Arctic Herbery employees did leave the sample jar of marijuana product unattended. In the Arctic Herbery operating plan it states: "Products will be displayed in a way the public does not have direct access to the inventor".

Leaving marijuana or marijuana products unattended and in easy access to the public is a violation of the State of Alaska statutes and regulations - AS 17.38 & 3AAC 306.

Your attention is directed to:

AS 17.38.070 AS 17.38.190

3 AAC 306.020(c)

3 AAC 306.315(2)

3 AAC 306.710(a)

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 of Violation. A licensee may respond, either orally or in writing to the Notice. 3 AAC 306.810 (2)(A)(B)(C) failed, within a reasonable time after receiving a notice of violation, to correct any defect that is the subject of the notice of violation of AS 17.8 or this chapter.

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 license number in your response.

Alcohol & Marijuana Control Office ATTN: Enforcement 550 W. 7th Ave, Suite 1600 Anchorage, Alaska 99501 amco.enforcement@alaska.gov

Issuing Investigator: K. Whiteman

Received by:

SIGNATURE:

SIGNATURE:

Delivered VIA: Email

Date:



Jana D. Weltzin
Licensed in Alaska & Arizona
3003 Minnesota Blvd., Suite 201
Anchorage, Alaska 99501
Phone 630-913-1113
Main Office 907-231-3750
JDW, LLC
jana@jdwcounsel.com

November 21, 2018

Re: Notice of Violation to Bryant Thorp of Arctic Herbery License #10037 AMCO case #AB18001405

Alcohol & Marijuana Control Office Via email

Dear MCB Members, AMCO & Enforcement Team,

This letter is in response to the notice of violation dated November 7th, 2018. Bryant, the sole licensee, had an unfortunate incident when a customer grabbed a smell jar from the counter, concealed it in his pocket, and completed his transaction. After the customer left, Bryant's employee noticed the jar was gone after the customer left the store. Bryant and his employees reviewed their video feed and identified the customer who slipped the jar into his pocket and concealed it. The next day, the same customer came into the store to make a purchase, the employees confronted the customer who immediately admitted what he had done, apologized, left the store and came back with the stolen jar, including most of the stolen product. Bryant promptly reported the incident to Enforcement and explained what happened, cooperated with all Enforcement requests and directives.

The sample jar, however, was not exactly left unattended, the employee had briefly turned her back and grab another product ordered by the same customer, and then went to move the transaction to the point of sale station. It was when the employee's back was turned away and the direct view of the jar was no longer maintained is when the customer grabbed the jar and concealed the jar in his pocket.

While Bryant appreciates the concerns in the NOV and has taken steps to further educate employees and management/placement of smell jars, he does not agree that the product was simply left unattended, that type of wording in the NOV leads one to conclude that an employee left the room and/or completely was negating the floor area. The action of the snatch, grab & conceal took a matter of seconds – it would have been difficult to prevent.

The customer who stole and returned the jar (and the product in the jar) apologized for his actions – the customer didn't have a reason or rationale, only that he is going through a tough time



Jana D. Weltzin Licensed in Alaska & Arizona 3003 Minnesota Blvd., Suite 201 Anchorage, Alaska 99501 Phone 630-913-1113 Main Office 907-231-3750 JDW, LLC jana@jdwcounsel.com

right now and he wanted to apologize directly to Bryant, the owner. It is encouraging to see that the customer regretted his actions and came back to apologize to his fellow community member and return the stolen product. As an Alaskan living in Anchorage, crime is very high, and this customer's return and apology is positive progress in my personal opinion.

It is unfortunate that the practice of self-reporting is met with an NOV, as NOVs are difficult to overcome and remove – NOVs also will effect a banking institution's (as some come online to provide financial services to marijuana licensees) decision on whether or not to accept a licensee into their banking program, as part of a financial institution's due diligence will review whether a licensee has received any NOVs, and given the risk to such a financial institution to provide services to marijuana companies, and the sheer demand for those services, this NOV will make it difficult for Bryant to be considered a viable participant in a newly established banking program.

In sum, the impact of this NOV, generated by a self-reporting incident, may have long term unintended negative effects on Bryant and his business.

Bryant last week went to Vegas for the Marijuana BizCon Convention and is in the process of negotiating a purchase of new display devices that will have smell jars secured to the counter with a cable. Thank you for your consideration and if there are any further questions or concerns Bryant will be more than willing to clarify them.

Truly and Sincerely Yours,

Jana D. Weltzin, Esq.

Alcohol & Marijuana Control Office

License Number: 10037

License Status: Active-Operating

License Type: Retail Marijuana Store

Doing Business As: ARCTIC HERBERY

Business License Number: 1065302

Designated Licensee: Bryant Thorp

Email Address: bryant@gci.net

Local Government: Anchorage (Municipality of)

Community Council: Taku Campbell

Latitude, Longitude: 61.156277, -149.891521

Physical Address: 7107 Arctic Blvd

Anchorage, AK 99518 UNITED STATES

Licensee #1

Type: Entity

Alaska Entity Number: 10055175

Alaska Entity Name: 7107 Ventures, LLC

Phone Number: 907-311-1895 Email Address: bryant@gci.net

Mailing Address: 7107 Arctic Boulevard

Anchorage, AK 99518

UNITED STATES

Entity Official #1

Type: Individual

Name: Bryant Thorp

Phone Number: 907-317-1895 Email Address: bryant@gci.net

Mailing Address: 7107 Arctic Boulevard

Anchorage, AK 99518

UNITED STATES

Note: No affiliates entered for this license.



Alaska Marijuana Control Board

Alcohol and Marijuana Control Office 550 W 7th Avenue, Suite 1600 Anchorage, AK 99501

marijuana.licensing@alaska.gov

https://www.commerce.alaska.gov/web/amco Phone: 907.269.0350

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 <u>by each licensee</u> (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:	7107 Ventures, LLC	License	Number:	10037	,
License Type:	Retail Marijuana Store				
Doing Business As:	Arctic Herbery				
Premises Address:	7107 Arctic Blvd				
City:	Anchorage	State:	Alaska	ZIP:	99518

Section 2 - Individual Information

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

Name:	Bryant Thorp
Title:	Manager, Member

Section 3 – Violations & Charges Read each line below, and then sign your initials in the box to the right of any applicable statements: Initials I cartify 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).

2

[Form MJ-20] (rev 4/24/2019) Page 1 of 2



Alaska Marijuana Control Board

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 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 or I have submitted a residency exception affidavit (MJ-20a) along with this application.				
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 the license is operated in accordance with the operating plan currently approved by the Marijuana Control Board.	70			
I certify that I am operating in compliance with the Alaska Department of Labor and Workforce Development's laws a requirements pertaining to employees.	and 3			
I certify that I have not violated any restrictions pertaining to this particular license type, and that this license has not operated in violation of a condition or restriction imposed by the Marijuana Control Board.	been			
I certify that I understand that providing a false statement on this form, the online application, or any other form proby or to AMCO is grounds for rejection or denial of this application or revocation of any license issued.	vided			
As an applicant for a marijuana establishment license renewal, I declare under penalty of unsworn falsification that I familiar with AS 17.38 and 3 AAC 306, and that this application, including all accompanying schedules and statement and complete. I agree to provide all information required by the Marijuana Control Board in support of this application that failure to do so by any deadline given to me by AMCO staff may result in additional fees or expiration of this lice	s, is true, correct, on and understand			
That failure to do so by any deadline given to the by Aivico stan may result in additional fees of expiration of this lice	nse.			
Signature of licensee VALERIE MASTOLIER Notary Public in and for the Sta	te of Alaska			
Bryant Thorp State of Alaska My Commission Expires Jun 7, 2022 My commission expires:	7/22			
Printed name of licensee	· t			

[Form MJ-20] (rev 4/24/2019) Page 2 of 2

Subscribed and sworn to before me this day of day of