



Memorandum

Date: June 10, 2020

To: Marijuana Control Board members

Reference: License #10873 & #16991 E&M Holdings, LLC

Background:

Date: March 24, 2020

- Marijuana Licensing received email from Mark Woodward asking about the process of filing MJ-17 Ownership Change for #10873 and #16991 while transfer application for #10657 is in progress, and if separate ownership change fees were needed for each license.
 - AMCO Response on March 24, 2020: A Licensing Examiner explained the steps of effectuating an ownership change and the estimated time to effectuate. He told him that if he turned in the ownership changes for the existing licenses now and was able to get them effectuated prior to the June meeting, he could possibly amend the transfer for #10657 (updating ownership) so he wouldn't need to file another MJ-17 for #10657 post-approval.

Date: April 8, 2020

- Mark Woodward emailed Marijuana Licensing regarding an upcoming move overseas that would require him to be removed from the licenses, and he wanted to remove his name from the license renewal applications. The ownership change described at that time involved Mark Woodward at 40% and Eric Reimer at 40% to Eric Reimer at 80% (remaining 20% is divided among 6 people, one with 10% and the rest less than). He asked for suggestions on how to proceed and proposed that he be granted special approval from the Commissioner to remove him from the license without going in front of the Marijuana Control Board.
 - AMCO Response on April 9, 2020: The change in ownership structure described would be a transfer of controlling interest, which requires Board approval per 3 AAC 306.045(a). At the time, the Examiner said that the transfers would need to be effectuated before he could renew the licenses without his name on them.
 - There was an emergency board meeting the next day on April 10th, so staff waited to see if any of what was proposed could help him with this situation.

Date: April 10, 2020 (Friday at about 3:58 PM)

- Mark Woodward emailed, saying that he didn't hear anything in the emergency meeting that would be applicable to him, and asked if they would discuss it at the next emergency meeting.

- AMCO Response on April 13, 2020: The Examiner replied that he didn't know what would be discussed. He been talking about the situation with the Records and Licensing Supervisor and another Examiner, who noted that MJ-17s do not require Board approval. The Licensing Examiner sent Mark the definition of controlling interest in regulation and suggested that if they could do a non-controlling interest transfer (MJ-17) in the meantime, they could possibly get Mr. Woodward removed from the license before needing to file the renewal applications.

Date: May 19, 2020

- Mark Woodward emailed, reiterated the issue and asked about getting approval from the Director or special Board approval to remove him from the licenses, and that filing the MJ-17 would not be an option for him due to not being able to get the required paperwork and signatures from the other licensees.
 - AMCO response on May 21, 2020: The Examiner replied that only the Board has the authority to approve transfers of controlling interest, under 3 AAC 306.045(a). Additionally, 3 AAC 306.045(d) requires that any transfer application submitted between April 30 and July 1 be accompanied with a renewal application under the current ownership of the license.
 - The Examiner also informed him of his right to protest under 3 AAC 306.095(a) and reminded him of the Board deadline and provided Mr. Woodward the Board's email address. His email to the Board is included in the Marijuana Mailbox tab.

Date: May 22, 2020

- Mark Woodward emailed his appeal to the Board's email and to Marijuana Licensing.

Staff Recommendation: To uphold AMCO staff's decision to require the renewal applications reflect the current ownership (including Mr. Woodward) and requiring controlling interest transfers for all licenses held by E&M Holdings, LLC per 3 AAC 306.045(a) and 3 AAC 306.045(d).

Sincerely,

Glen Klinkhart
Interim Director
Alcohol Marijuana Control Board

Mark Woodward
1027 Millar Street
Ketchikan, AK 99901

May 22, 2020

Marijuana Control Board
Alcohol & Marijuana Control Office
550 West 7th Avenue, Suite 1600
Anchorage, Alaska 99501

Control Board Members:

I am currently a 34% shareholder of E&M Holdings, LLC, a corporation in Ketchikan, Alaska, that does business as The Stoney Moose (retail license 10873) and Stoney Moose Kitchens (product manufacturing license 16991). Recently I have been assigned to a new position in employment in my private life, and the work location is not only overseas in a sensitive area but also in a profession that requires extreme confidentiality. I could be transferred at any moment starting June 1, 2020, and therefore need to remove myself from ownership of E&M Holdings, LLC, effective immediately. Due to those extenuating circumstances, I would like to officially appeal my ownership transfer under 3 AAC 306.095(a) so that the Director can directly approve my removal from E&M Holdings, LLC, without the typical transfer of controlling interest approval from the MCB as per 3 AAC 306.045(a).

My shares/ownership percentage (34%) would be transferred to Eric Riemer, the current Managing Member of E&M Holdings, LLC, who also is the largest shareholder with myself at this time. All the MJ-17 paperwork is completed, minus the notary signature (which I will complete and submit immediately to the Director if I receive approval from this appeal).

Again, what this appeal would allow me to do is remove myself from all ownership, and allow Eric to become a majority shareholder, with Director approval only. What it provides for me is a more discrete way of leaving, while also allowing AMCO to conduct any investigation needed for this type of transfer before granting approval. I am also more than willing to

discuss this matter further with any MCB Board Member or the AMCO Director/Investigator over the phone: 907-617-8246.

Thank you for your consideration regarding this appeal, as my transfer was unexpected, but something I have been striving towards my entire life. I would also like to officially thank Occupational Licensing Examiner TJ Zielinski for providing various scenarios to help me solve this issue; I truly believe TJ went above and beyond what was required, and I am extremely appreciative.

Sincerely,



Mark Woodward

From: [Marijuana Licensing \(CED sponsored\)](#)
To: [Mark Woodward](#)
Cc: [Marijuana Licensing \(CED sponsored\)](#)
Subject: RE: Appeal of Ownership Transfer
Date: Tuesday, May 26, 2020 9:41:02 AM
Attachments: [image001.png](#)

Good morning,

I have forwarded your email to Management and added your appeal to the June 10-11, 2020 Marijuana Control Board Meeting agenda. The agenda and call-in information should be posted on our website seven days before the meeting.

Thank you,



Jacqueline Drulis

Occupational Licensing Examiner
Alcohol & Marijuana Control Office
550 West 7th Avenue, Suite 1600
Anchorage, Alaska 99501

From: Mark Woodward [mailto:akmark21@gmail.com]
Sent: Friday, May 22, 2020 1:52 PM
To: Marijuana, CED ABC (CED sponsored) <marijuana@alaska.gov>
Cc: Marijuana Licensing (CED sponsored) <marijuana.licensing@alaska.gov>
Subject: Appeal of Ownership Transfer

Good afternoon MCB Members,

Please find the enclosed official appeal (3 AAC 306.095(a)); feel free to contact me regarding any questions or concerns: 907-617-8246.

Mark Woodward

From: [Marijuana Licensing \(CED sponsored\)](#)
To: [Mark Woodward](#)
Cc: [Marijuana Licensing \(CED sponsored\)](#)
Subject: RE: Ownership transfer situation
Date: Thursday, May 21, 2020 8:52:26 AM
Attachments: [image001.png](#)

Good morning Mark,

Under Alaska regulations, only the board has the authority to approve transfers of controlling interest in a marijuana license, per 3 AAC 306.045(a). I know that you had said before that you did not want your name to be on the renewal applications for the current licenses, but that is also now a requirement due to 3 AAC 306.045(d), which states: "A current holder of a marijuana establishment license must submit a license renewal application before or at the same time as an application for a transfer of a marijuana establishment license that is submitted after April 30 and before July 1."

You do have some options to bring your question to the Board. Under 3 AAC 306.095(a) [regarding Appeals]: "An aggrieved applicant or marijuana establishment license holder may appeal to the board regarding any action of the director, or an employee or agent of the board regarding an application for a new license, a license renewal, a license conversion, or a transfer of license to another person."

The due date to submit materials for the meeting is tomorrow (5/22/2020). If you'd like to appeal, please provide written reasons for your appeal before the end of 5/22/2020 and it could be added to the agenda. You can also email the board at marijuana@alaska.gov, and they will review and respond to correspondence sent to that address at the June meeting if the emails are received on or before 5/22. There is also the time allotted for public comment for items not on the agenda at each meeting that would be another opportunity for you to speak with the Board regarding this matter.

Sincerely,



TJ Zielinski

Occupational Licensing Examiner
Alcohol & Marijuana Control Office
550 West 7th Avenue, Suite 1600
Anchorage, Alaska 99501

From: Mark Woodward [<mailto:akmark21@gmail.com>]
Sent: Tuesday, May 19, 2020 10:01 AM
To: Marijuana Licensing (CED sponsored) <marijuana.licensing@alaska.gov>
Subject: Ownership transfer situation

Good morning,

I've discussed this issue previously with AMCO regarding an ownership change that needs to be completed for E&M Holdings, LLC, which currently has both a retail and product manufacturing licenses.

I am a 34% member of this company, and am trying to relinquish my percentage to another member; this would make the member a majority stakeholder member, and thus requires AMCO board approval for change.

Here is my predicament:

I have been relocated overseas for my job, and will be moving out of the country in August. Due to the very sensitive nature of my position and its location (Kuwait), I need to complete certain requirements before entering into the country, and first and foremost is my required removal from E&M Holdings, LLC, membership. However, because of Covid (and AMCO requirements regarding Ownership Change within the MJ-17), it will be extremely difficult to obtain all those requirements before the May 25th deadline for the next board meeting. Due to this, I cannot begin and complete other entry/exit requirements that my job requires until the ownership change takes place; I cannot remove myself from the State of Alaska-Commerce site that shows my ownership until the AMCO board approves the MJ-17 at a scheduled board meeting. (At one point AMCO Licensing did suggest an alternative regarding % ownership, but those suggestions cannot be applied to this situation.)

Is there ANY way I could obtain approval to remove myself effective immediately via the director or ask for special board approval to proceed with just a director's review at the next meeting? I have all the paperwork regarding my transfer to the other member (who is the other founding member of the company), the new Operating Agreement, etc., but it will be impossible to obtain all the other paperwork and requirements needed from the other members of the LLC.

Again, I really hate this situation, but I don't know what else to do.

Thank you for your consideration, and please contact me with questions: 907-617-8246

-Mark Woodward
E&M Holdings, LLC
dba The Stoney Moose
dba Stoney Moose Kitchens

From: [Marijuana Licensing \(CED sponsored\)](#)
To: [Mark Woodward](#)
Cc: [Marijuana Licensing \(CED sponsored\)](#)
Subject: RE: Licensing Situation
Date: Monday, April 13, 2020 8:47:37 AM
Attachments: [image001.png](#)

You too!

Sincerely,



TJ Zielinski

Occupational Licensing Examiner
Alcohol & Marijuana Control Office
550 West 7th Avenue, Suite 1600
Anchorage, Alaska 99501

From: Mark Woodward [mailto:akmark21@gmail.com]
Sent: Monday, April 13, 2020 8:32 AM
To: Marijuana Licensing (CED sponsored) <marijuana.licensing@alaska.gov>
Subject: Re: Licensing Situation

Good morning!

This is what I like about this office now - seems like you all find ways to get things done, much more than before.

Appreciate the thoughts and suggestions, and I will take it from here. Again, fantastic way to start the week - you all stay safe out there!!

-Mark

On Mon, Apr 13, 2020 at 7:59 AM Marijuana Licensing (CED sponsored) <marijuana.licensing@alaska.gov> wrote:

Good morning Mark,

I did not hear anything either. Information on what will be discussed on Wednesday isn't available to me but I'd rather not have you wait until after then. I've also been discussing your situation with my colleagues and another possibility was mentioned. Our office is not able to give legal advice and the details would be up to you, but it was pointed out that as a member of this LLC with 40% ownership, you don't hold a controlling interest in the entity or the license. Controlling interest is defined in regulation under 3 AAC 306.990(b)(14) as meaning:

"...ownership or control of

(A) 50 percent or more of the ownership interest or voting shares of a

corporation; or

(B) less than 50 percent if a person and family members jointly exert actual control as demonstrated by

- (1) making decisions for the corporation without independent participation of other owners;
- (2) exercising day-to-day control over the corporation's affairs;
- (3) disregarding formal legal requirements;
- (4) using corporation funds for personal expenses or investments, or intermingling corporation finances with personal finances; or
- (5) taking other actions that indicate the corporation is a mere instrumentality of the individual;

Changes of ownership that do not result in a change in controlling interest do not require approval from the Board, and can be approved by AMCO's Director. In order to file for this type of ownership change (under 3 AAC 306.040), you can file Form MJ-17: Ownership Change for your existing licenses along with the supporting documents listed on page 1 of the form (available at <https://www.commerce.alaska.gov/web/Portals/9/pub/MCB/MarijuanaApplication/MJ-17.pdf>). If you are only removing an individual, you do not need to submit Form MJ-00, MJ-09, or submit fingerprint cards and fees as listed on this page, just make sure that the change in ownership doesn't result in a different individual gaining controlling interest (since that would require a complete transfer application).

Sincerely,



TJ Zielinski

Occupational Licensing Examiner
Alcohol & Marijuana Control Office
550 West 7th Avenue, Suite 1600
Anchorage, Alaska 99501

From: Mark Woodward [mailto:akmark21@gmail.com]

Sent: Friday, April 10, 2020 3:57 PM

To: Marijuana Licensing (CED sponsored) <marijuana.licensing@alaska.gov>

Subject: Re: Licensing Situation

Good afternoon TJ,

So I listened today, but for the life of me cannot tell if they are going to address changing/loosening of regulations for licensing. Will they next Wednesday now?

Thanks again, as I'm really concerned about this.

-Mark

On Thu, Apr 9, 2020 at 11:56 AM Mark Woodward <akmark21@gmail.com> wrote:

Good afternoon TJ,

Yes, I can wait....I saw that there was a meeting. Thanks again.

-Mark

On Thu, Apr 9, 2020 at 11:53 AM Marijuana Licensing (CED sponsored)

<marijuana.licensing@alaska.gov> wrote:

Good morning Mark,

The Marijuana Control Board is meeting telephonically tomorrow afternoon at 1:00 PM to discuss the board's response to COVID-19-related matters. I don't believe that there will be a period for public comment, but if you would like to listen, call-in information can be found at <https://www.commerce.alaska.gov/web/Portals/9/pub/MCB/Minutes/2020/04.10/Agenda.pdf>.

I mention this because unless any emergency measures are approved, the current regulations are still in effect. The Board would first need to approve the transfers for each license, and AMCO would need to receive all necessary approvals to effectuate the transfers before the renewal applications could be filed without you listed, otherwise this change would be in violation of 3 AAC 306.045(a), which states:

- a. A person may not receive or transfer a marijuana establishment license or a controlling interest in a marijuana establishment license issued to a partnership, including a limited partnership, a limited liability company, a corporation, or a local government, without applying for and receiving the written consent of the board. Transfer of a license includes a sale of all or part of the interest of an individual owner.

If you do not mind waiting until after tomorrow's meeting, I should be able to provide you with a more up-to-date response.

Sincerely,



TJ Zielinski

Occupational Licensing Examiner
Alcohol & Marijuana Control Office
550 West 7th Avenue, Suite 1600
Anchorage, Alaska 99501

From: Mark Woodward [mailto:akmark21@gmail.com]

Sent: Wednesday, April 8, 2020 2:43 PM

To: Marijuana Licensing (CED sponsored) <marijuana.licensing@alaska.gov>

Subject: Licensing Situation

Good afternoon,

My name is Mark Woodward, and I used to be the co-owner of E&M Holdings, LLC, that is dba in Alaska as:

The Stoney Moose (retail 10873)

Stoney Moose Kitchens (product manuf. 16991)

and soon to be Stoney Moose Farms, currently under a MJ-17c review status

My problem is, I have accepted a full-time job overseas, and could begin work as soon as mid-July. I end all business relations with E&M Holdings, LLC, on May 31st, 2020. My business partner and I have hired a lawyer, and have successfully completed the transfer of shares between us as far as that goes - but the one thing we cannot do is change our business structure due to the constraints set forth by AMCO and making ownership changes on the state of Alaska business site.

As I stated in a previous email to TJ Zielinski dated March 24th, E&M Holdings needs to do an entire ownership change due to Eric (my business partner) wanting to bring in new investors and me leaving, but right now it will be next to impossible getting the extreme amounts of paperwork required to be notarized, let alone fingerprinting and background checks. In fact, some of my current investors would possibly refuse to go do that because they don't want to leave their house. Not only that, but E&M Holdings, LLC, needs to begin license renewals for both The Stoney Moose and Stoney Moose Kitchens. I do NOT want my name to be a part of those renewals, nor anything else AMCO related, going forward due to the extreme sensitivity of my new job. But right now in order for those businesses to apply they are required to put my name down.

Any suggestions on how to proceed here?

I have one: I would like to request a special circumstance for just myself to do an ownership change from E&M Holdings, to be reviewed and hopefully approved by the Commissioner. AMCO currently has my fingerprint cards, background check, and investor interest statement on file this year due to my MJ-17c license transfer application currently in review. With just my information, AMCO could then allow myself and Eric to proceed with changing our state filing from he and I each owning 40% to Eric now owning 80%.

Thanks again for any assistance regarding this unique situation.

-Mark Woodward
907-617-8246

From: [Marijuana Licensing \(CED sponsored\)](#)
To: [Mark Woodward](#)
Cc: [Marijuana Licensing \(CED sponsored\)](#)
Subject: RE: Stoney Moose Kitchens #10657 - Transfer Application in the Review Queue
Date: Tuesday, March 24, 2020 1:06:19 PM
Attachments: [image001.png](#)

Good afternoon Mark,

Thank you for that, fortunately I am able to work from home for the time being. I hope you all stay safe and healthy also.

For the ownership changes, we would need separate forms and fees for each license with the exception of fingerprint cards and fees – one card and one fee for each new owner is fine.

For MJ-17 Ownership Changes, we generally submit fingerprint cards to the Department of Public Safety before reviewing your forms. Once the forms are complete, we need to have gotten the background check results back before we are able to bring the Ownership Changes to the AMCO Director for approval. Background checks typically take two to four weeks, but at times it can take a few months. If you were able to get your MJ-17 forms approved and effectuated before your transfer application went in front of the Board, you could update your transfer application (MJ-17c) accordingly without needing to file a separate MJ-17 for #10657, but I'm not sure how possible that might be in present circumstances.

Sincerely,



TJ Zielinski

Occupational Licensing Examiner
Alcohol & Marijuana Control Office
550 West 7th Avenue, Suite 1600
Anchorage, Alaska 99501

From: Mark Woodward [mailto:akmark21@gmail.com]
Sent: Tuesday, March 24, 2020 11:10 AM
To: Marijuana Licensing (CED sponsored) <marijuana.licensing@alaska.gov>
Subject: Re: Stoney Moose Kitchens #10657 - Transfer Application in the Review Queue

Morning TJ,

First off, as a state employee I hope you are staying safe, and I truly appreciate the work you continue to do. But also please know that if it's between my store's work being done and you/your families health/sanity, PLEASE choose your health/sanity!!!

Now that the 10657 application is in the Review Queue, E&M Holdings, LLC (dba The Stoney Moose

(10873), Stoney Moose Kitchens (16991), and the hopefully soon to be created Stoney Moose Farms (10657) is going to have to complete a MJ-17 Ownership change. So I have a couple questions with that:

- Do I have to complete a change for all three businesses, and would all three require the \$250 fee?
- Would that MJ-17 cause any problems with the 10657 application going through?

Just don't want to cause any problems with that application going through, and want to do the MJ-17 the right way.

Thanks again!

-Mark Woodward