



THE STATE  
*of* **ALASKA**  
GOVERNOR MIKE DUNLEAVY

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

ALCOHOL & MARIJUANA CONTROL OFFICE

550 West 7<sup>th</sup> Avenue, Suite 1600

Anchorage, AK 99501

Main: 907.269.0350

**MEMORANDUM**

TO: Chair and Members of the Board      DATE: October 15, 2020  
FROM: Glen Klinkhart, Interim Director      RE: Fiberlite #13577  
Marijuana Control Board

This is a renewal application for a Standard Marijuana Cultivation Facility in the City and Borough of Sitka, by Darren H Phillips DBA Fiberlite.

Local Government Protest: 9/23/2020 - Approves

LG Protest Period Ends: N/A

Objection(s) Received/Date: No

Notice of Violation(s): Yes

MJ-17a Temp Ownership Change Report: No

Staff questions for Board: No

# Alcohol & Marijuana Control Office

Initiating License Application

6/25/2020 1:44:37 PM

**License Number:** 13577

**License Status:** Active-Operating

**License Type:** Standard Marijuana Cultivation Facility

**Doing Business As:** FIBERFLITE

**Business License Number:** 1052278

**Designated Licensee:** DARREN H PHILLIPS

**Email Address:** fiberflite@gmail.com

**Local Government:** Sitka (City and Borough of)

**Local Government 2:**

**Community Council:**

**Latitude, Longitude:** 57.049904, -135.309382

**Physical Address:** 120 Jarvis Street  
Unit C  
Sitka, AK 99835  
UNITED STATES

## Licensee #1

**Type:** Individual

**Name:** DARREN H PHILLIPS

**SSN:** [REDACTED]

**Date of Birth:** [REDACTED]

**Phone Number:** 209-608-5500

**Email Address:** fiberflite@gmail.com

**Mailing Address:** PO BOX 645  
SITKA, AK 99835  
UNITED STATES

**Note:** No entity officials entered for this license.

**Note:** No affiliates entered for this license.

# Notice of Violation

Email

(3AAC 306.805)

This form, all information provided and responses are public documents per Alaska Public Records Act AS 40.25

Date: 8/27/19

License #/Type: 13577

Standard Cultivation

Designated Licensee: Darren Phillips

AMCO Case#:

DBA: Fiberflite

Premises Address: 120 Jarvis Street Unit C Sitka, AK 99835

Mailing Address: PO BOX 645 SITKA, AK 99835

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.**

As of 8/26/2019, Fiberflite, 13577, Standard Cultivation, you were delinquent on your marijuana excise tax liability.

You have 30 days to resolve this matter with the Department of Revenue. If the delinquency is not resolved, an accusation may be brought to the Marijuana Control Board.

Your attention is directed to: AS 17.38.010(b)(2) legitimate, taxpaying business people, and not criminal actors, will conduct sales of marijuana; 3 AAC 306.480. Marijuana tax to be paid; 3 AAC 306.810. Suspension or revocation of license; AS 43.61.030(b). Marijuana cultivation facility fails to pay tax; AS 43.05.230(e) DOR can publish list of taxpayer(s) who failed to pay their taxes.; 15 AAC 61.020. License revocation and suspension.

**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. A licensee may respond, either orally or in writing, to the Notice.**

**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 Establishment License Number in your response.**

Alcohol & Marijuana Control Office  
ATTN: Enforcement  
550 W. 7<sup>th</sup> Ave, Suite 1600  
Anchorage, Alaska 99501  
[amco.enforcement@alaska.gov](mailto:amco.enforcement@alaska.gov)

Issuing Investigator: J. Hoelscher

Received by:

SIGNATURE:



SIGNATURE:

Delivered VIA: Email

Date:

# Notice of Violation

Email

(3AAC 306.805)

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Date: 9/18/19

License #/Type: 13577

Standard Cultivation

Designated Licensee: Darren H Phillips

AMCO Case#:

DBA: Fiberflite

Premises Address: 120 Jarvis Street Unit C, Sitka, AK 99835

Mailing Address: PO BOX 645 SITKA, AK 99835

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# Notice of Violation

Email

(3AAC 306.805)

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Date: 10/17/19

License #/Type: 13577

Standard Cultivation

Designated Licensee: Darren H Phillips

AMCO Case#:

DBA: Fiberflite

Premises Address: 120 Jarvis Street Unit C, Sitka, AK 99835

Mailing Address: PO BOX 645 SITKA, AK 99835

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**Note: This is not an accusation or a criminal complaint.**

As of 10/17/2019, Fiberflite, 13577, Standard Cultivation, you were delinquent on your marijuana excise tax liability.

You have 30 days to resolve this matter with the Department of Revenue. If the delinquency is not resolved, an accusation may be brought to the Marijuana Control Board.

Your attention is directed to: AS 17.38.010(b)(2) legitimate, taxpaying business people, and not criminal actors, will conduct sales of marijuana; 3 AAC 306.480. Marijuana tax to be paid; 3 AAC 306.810. Suspension or revocation of license; AS 43.61.030(b). Marijuana cultivation facility fails to pay tax; AS 43.05.230(e) DOR can publish list of taxpayer(s) who failed to pay their taxes.; 15 AAC 61.020. License revocation and suspension.

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# Notice of Violation

Email

(3AAC 306.805)

This form, all information provided and responses are public documents per Alaska Public Records Act AS 40.25

Date: 11/13/19

License #/Type: 13577

Standard Cultivation

Designated Licensee: Darren Phillips

AMCO Case#:

DBA: FIBERFLITE

Premises Address: 120 Jarvis Street Unit C Sitka, AK 99835

Mailing Address: PO Box 645 Sitka, AK 99835

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**Note: This is not an accusation or a criminal complaint.**

As of 11/8/2019, FIBERFLITE, 13577, Standard Cultivation, you were delinquent on your marijuana excise tax liability.

You have 30 days to resolve this matter with the Department of Revenue. If the delinquency is not resolved, an accusation will be brought to the Marijuana Control Board.

Your attention is directed to: AS 17.38.010(b)(2) legitimate, taxpaying business people, and not criminal actors, will conduct sales of marijuana; 3 AAC 306.480. Marijuana tax to be paid; 3 AAC 306.810. Suspension or revocation of license; AS 43.61.030(b). Marijuana cultivation facility fails to pay tax; AS 43.05.230(e) DOR can publish list of taxpayer(s) who failed to pay their taxes.; 15 AAC 61.020. License revocation and suspension.

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Issuing Investigator: J. Hoelscher

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SIGNATURE:



SIGNATURE:

Delivered VIA: Email

Date:

# Notice of Violation

Email

(3AAC 306.805)

This form, all information provided and responses are public documents per Alaska Public Records Act AS 40.25

Date: 2/20/20

License #/Type: 13577

Standard Cultivation

Designated Licensee: Darren Phillips

AMCO Case#:

DBA: FIBERFLITE

Premises Address: 120 Jarvis Street Unit C Sitka, AK 99835

Mailing Address: 120 Jarvis Street Unit C Sitka, AK 99835

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.

As of 2/20/2020, FIBERFLITE, 13577, Standard Cultivation, you were delinquent on your marijuana excise tax liability.

You have 30 days to resolve this matter with the Department of Revenue. If the delinquency is not resolved, an accusation may be brought to the Marijuana Control Board.

Your attention is directed to: AS 17.38.010(b)(2) legitimate, taxpaying business people, and not criminal actors, will conduct sales of marijuana; 3 AAC 306.480. Marijuana tax to be paid; 3 AAC 306.810. Suspension or revocation of license; AS 43.61.030(b). Marijuana cultivation facility fails to pay tax; AS 43.05.230(e) DOR can publish list of taxpayer(s) who failed to pay their taxes.; 15 AAC 61.020. License revocation and suspension.

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SIGNATURE:

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Date:

# Notice of Violation

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Date:

License #/Type:

Designated Licensee:

AMCO Case#:

DBA:

Premises Address:

Mailing Address:

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Issuing Investigator:

SIGNATURE:

Delivered VIA:

Received by:

SIGNATURE:

Date:

### Section 3: Violations and Charges- Letter of Explanation for Violations

Dear Amco,

This letter will serve as my explanation for violation type Delayed Payment in reference to my MJ-20 application renewal for 2020. There are causative factors for the receipt for this notice.

- The primary reason for my receipt of this notice is the same as anyone else who has received this notice, an unfair tax burden levied on the growers of marijuana in the state of Alaska. This should come as no surprise since it has widely reported in Newspapers across the country that include: US News and Word Report, The Chicago Tribune, and Alaska Dispatch News, etc.. The problem with this tax structure is twofold:
  - Unlike in other industries, where the manufacturer, wholesaler, and retailer would share the burden by each pay a percentage of their sales in taxes, the structure for marijuana taxes in Alaska burdens ONLY the marijuana grower with a flat tax. Like any other agricultural industry, the marijuana industry is subject to disease and pestilence that can affect crop yield. If I am unable to obtain a yield that makes my business profitable due to any of these factors the percentage of my sales that I pay to taxes increases. This can be a heavy burden for a new business that is also trying to pay rent, payroll, etc. Compound the taxes with this addition of interest and penalties and this can be devastating to a business.
  - In other agricultural businesses that are affected by decreased crop yields due to weather, pestilence, or disease the grower would compensate for his/her decreased yields by increasing the price of his crop. I am unable to compensate for my losses in yield by increasing my prices because the State of Alaska still maintains a thriving underground market that limits how much marijuana can be sold for in the retail market. Therefore, this limits the amount that I can sell my product for.

AMCO

AUG 31 2020



Alaska Marijuana Control Board

**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 by each licensee (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:	DARRIN PHILLIPS	License Number:	13577		
License Type:	STANDARD MARIJUANA CULTIVATION FACILITY				
Doing Business As:	FIBERFLITE				
Premises Address:	120 SARVIS STREET, UNIT C				
City:	SITKA	State:	Alaska	ZIP:	99835

**Section 2 – Individual Information**

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

Name:	DARRIN PHILLIPS
Title:	OWNER

**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 certify 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 to this license between July 1, 2019 and June 30, 2020.

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).

AUG 31 2020

**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.



I certify that I am operating in compliance with the Alaska Department of Labor and Workforce Development's laws and requirements pertaining to employees.



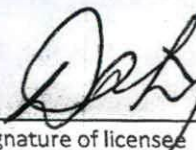
I certify that I have not violated any restrictions pertaining to this particular license type, and that this license has not been operated in violation of a condition or restriction imposed by the Marijuana Control Board.



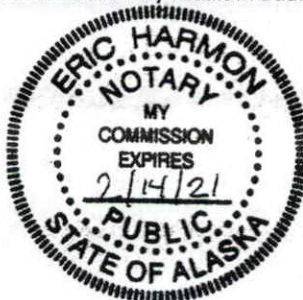
I certify that I understand that providing a false statement on this form, the online application, or any other form provided by or to AMCO is grounds for rejection or denial of this application or revocation of any license issued.



As an applicant for a marijuana establishment license renewal, I declare under penalty of unsworn falsification that I have read and am familiar with AS 17.38 and 3 AAC 306, and that this application, including all accompanying schedules and statements, is true, correct, and complete. I agree to provide all information required by the Marijuana Control Board in support of this application and understand that failure to do so by any deadline given to me by AMCO staff may result in additional fees or expiration of this license.

  
Signature of licensee

DARREN PHILIPS  
Printed name of licensee



Eric Harmon  
Notary Public in and for the State of Alaska

My commission expires: 2/14/21

Subscribed and sworn to before me this 25 day of June, 2020.

AMCO