THE STATE of ALASKA
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community, and Economic Development

Alcohol and Marijuana Control Office

550 West 7th Avenue, Suite 1600
Anchorage, AK 99501
Main: 907.269.0350

MEMORANDUM

TO: Chair and Members of the Board

DATE: October 14, 2021

FROM: Jacqlene Drulis, Local Government Specialist

RE: Alaska Off Grid Cannabis Co. #27711

This application, for a Standard Marijuana Cultivation Facility in the Kenai Peninsula Borough, by Alaska Off Grid Cannabis Co., DBA: Alaska Off Grid Cannabis Co., was approved with delegation at the August 2021 Marijuana Control Board meeting.

A protest from the Kenai Peninsula Borough was received on September 22, 2021 (attached to this memo). The Kenai Peninsula Borough staff plan to attend the October 2021 Marijuana Control Board Meeting.

Office of the Borough Clerk
144 North Binkley Street, Soldotna, Alaska 99669 • (907) 714-2160 • (907) 714-2388 Fax

Johni Blankenship, MMC
Borough Clerk

10/11/2021

Sent via email: agency email

Director
Alcohol & Marijuana Control Office

RE: Protest of New Application for Standard Marijuana Cultivation Facility

Business Name: Alaska Off Grid Cannabis Co. License
Location: Borough/30992 Ram Rack Road, Anchor Point, AK 99556
License No.: 27711

Dear Mr. Klinkhart,

The Kenai Peninsula Borough (KPB) Assembly reviewed this application at its September 21, 2021 meeting and determined that the 50% owner and principal of Alaska Off Grid Cannabis Co. (License #27711), Mr. Shawn McDonough, is delinquent in tax obligations owed to the KPB.

Mr. McDonough is jointly and severally liable for monies owed on a final judgment entered in case no. 3KN-19-00481CI. The debt owed on the judgment is significant and remains outstanding. At its meeting on September 21, 2021, the KPB Assembly voted to protest the license pursuant to KPB Code of Ordinances § 7.30.020(A)(1), provided below for your reference.

7.30.020. Assembly review—Standards.

A. The assembly shall cause a protest to be filed with the State of Alaska Marijuana Control Board on any application submitted for a new marijuana license, or any application requesting approval of a relocation of the licensed premises, or any application requesting approval of a transfer of a license to another person, or the application for renewal of a license, within the borough, in the following situations:

1. Where borough records indicate that the applicant, applicant's affiliates and/or transferor is in violation of the borough sales, and/or personal and real property tax ordinances and regulations, has any unpaid balance due on tax accounts for which the applicant and/or transferor is liable or has failed to comply with any of the filing, reporting or payment provisions of the borough ordinances or regulations. A protest shall not be filed for balances due secured by a payment agreement authorized by borough ordinances, as long as:

a. The applicant, applicant's affiliates or transferor is in compliance with the payment agreement; and

b. The payment agreement requires payment in full by the end of the next license year; and

c. The applicant, applicant's affiliates or transferor is involved in no more than two payment agreements within the prior five (5) years.

d. Notwithstanding the provisions of this subsection, the borough is not required to file a protest if the transferor and/or applicant or applicant's affiliates have

made satisfactory arrangements with the borough for the discharge of a tax obligation from the proceeds of the transfer or by payment from the person to whom the license is to be transferred. Further, if the proposed transferee holds a security interest in the license or licensed premises and seeks the transfer as part of an action foreclosing or protecting that security interest the borough will not protest a transfer to the holder of the security interest so long as satisfactory arrangements have been made by the transferee to pay the delinquent taxes in accordance with this chapter and other provisions of the borough code and no other provisions of this chapter would cause or allow a protest to be made.

Sincerely,

Johni Blankenship, MMC
Borough Clerk

cc: alaskaoffgridcannabis@gmail.com

Office of the Borough Clerk
144 North Binkley Street, Soldotna, Alaska 99669 • (907) 714-2160 • (907) 714-2388 Fax

Johni Blankenship, MMC
Borough Clerk

September 22, 2021

Sent via email: amco.localgovernmentonly@alaska.gov

Director
Alcohol & Marijuana Control Office

RE: Protest of New Application for Standard Marijuana Cultivation Facility

Business Name	:	Alaska Off Grid Cannabis Co.
License Location	:	Borough/30992 Ram Rack Road, Anchor Point, AK 99556
License No.	:	27711

Dear Mr. Klinkhart,

At its regularly scheduled meeting of Tuesday, September 21, 2021, the Kenai Peninsula Borough Assembly protested the issuance of the Standard Marijuana Cultivation Facility, new license application for Alaska Off Grid Cannabis Co. based upon a judgment obtained against co-owner, Shawn McDonough in the amount of $59,267.04 on July 22, 2021 for unpaid sales taxes for a separate business entity, Boss Hogz Restaurant. A copy of the judgment is attached herein. Should the judgment be paid in full prior to your consideration of the application, the borough will notify your office and will withdraw its protest.

Should you have any questions, or need additional information, please do not hesitate to let us know.

Sincerely,

Johni Blankenship, MMC
Borough Clerk

JB/ts

Encl.

cc: alaskaoffgridcannabis@gmail.com

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
THIRD JUDICIAL DISTRICT AT KENAI

KENAI PENINSULA BOROUGH, a Municipal Corporation,	)	
Plaintiff,	)	
vs.	)	
ROBERTS AND MCDONOUGH LLC, HELGA MONINGKA, individually SHAWN MCDONOUGH, individually all dba BOSS HOGZ,	)	
Defendants.	)	Case No. 3KN-19-00481CI

Corrected **FINAL JUDGMENT**

Pursuant to the Court's Order on Judgment Amount dated May 28, 2021 awarding judgment in favor of Plaintiff and against Defendants, jointly and severally, the court grants judgment as follows:

JUN 30 2021

MONIES OWED ON CONFESSION OF JUDGMENT

The Defendants, knowingly and voluntarily entered into a Confession of Judgment in December of 2019 confessing to jointly and severally owing the Borough **$30,284.73** in overdue sales taxes, interest, penalties and fees. Prior to the court's order, the Defendant's made three (3) payments toward the Confession of Judgment: $1401 on December 18, 2019; $1401 on January 15, 2020 and $1401 on February 18, 2020 (breakdown of application of payments follows). Defendants failed to provide any evidence that

any other payments on the Confession of Judgment were made. The current amount owed as of June 30, 2021 is **$29,710.55.**

	Taxes	Penalty	Interest	Fees	Costs
($30,284.73)	$26240.83	$1853.71	$1738.44	$165	$286.75
NSF Fee				$25	
12/1/2020			$218.66		
12/18/2019	(1298.76)		(102.24)		
01/01/2020			$207.92		
01/15/2020	(1330.32)		(45.68)	(25)	
02/01/2020			$196.76		
02/18/2020	(1360.42)	(5.13)	(35.45)		
03/01/2020			$186.28		
04/01/2020			$186.28		
05/01/2020			$186.28		
06/01/2020			$186.28		
07/01/2020			$186.28		
08/01/2020			$186.28		
09/01/2020			$186.28		
10/01/2020			$186.28		
11/01/2020			$186.28		
12/01/2020			$186.28		
01/01/2021			$186.28		
02/01/2021			$186.28		
03/01/2021			$186.28		
04/01/2021			$186.28		
05/01/2021			$186.28		
06/01/2021			$186.28		
TOTAL	$22,251.33	$1848.58	$5,158.89	$165	$286.75

** Calculated through June 30, 2021

MONIES OWED ON REMAINING SALES TAXES

The Confession of Judgment covered the quarterly filing periods of December 2017, June 2018, September 2018, December 2018 and March 2019.

As per the evidence presented by the Plaintiff in the form of Affidavits and witness testimony, the amounts due for the remaining monthly tax periods of January 2020 through and including January 2021 are as follows:

Taxes Owed	(Jan. 2020 - Jan. 2021)	$17,331.09
Penalties	(Jan. 2020 - Dec. 2020)	$ 1,711.26
Fees	(Jan. 2020 - Oct. 2020)	$ 850.00
Interest	(Jan. 2020 - Jan. 2021)	$ 1,371.74
BALANCE DUE		**$21,264.09**

COMBINED TOTAL JUDGMENT

Combining the two separate components in this matter: the Confession of Judgment amount with the monies proven owed following the Confession of Judgment date, brings the total owed to:

Confession of Judgment December 2017 - March 2019	$29,710.55
January 2020 to January 2021	$21,264.09
TOTAL JUDGMENT AMOUNT OWED:	**$50,974.64**

ATTORNEY'S FEES

On June 9, 2021, the Plaintiff filed a Motion for Attorney's Fees based upon the Settlement Agreement between the parties. Defendants did not object. Pursuant to the Agreement between the Parties, the Court awards Plaintiff attorney fees in the total amount of **$8,292.40.**

FINAL JUDGMENT

Combining the balance owed from the Confession of Judgment, for the quarterly periods of December 2017, June 2018, September 2018, December 2018 and March 2019 ($29,710.55), the remaining balance owed for sales taxes, penalty interest and fees for the monthly periods of January 2020 through and including January 2021($21,264.09), and the award of attorney fees ($8,292.40), the court awards the Plaintiff Final Judgment against the Defendants, Roberts and McDonough LLC, Helga Moningka (DOB 9/14/82), and Shawn McDonough (DOB 5/6/74), jointly and severally, in the amount **$59,267.04.**

Pursuant to KPB 5.18.620(B) interest at the rate of ten (10%) percent per annum shall continue to accrue from the date of the Judgment until the balance is paid in full.

IT IS SO ORDERED.

Dated this 22nd day of July, 2021.

Honorable Lance Joanis
Superior Court Judge

I certify that a copy of the foregoing was
__mailed to_____
__place in court box to_____
__faxed to_____
✓ scanned to Burley / Chaobal
AK 7-23-21
Clerk Date