THE STATE of ALASKA
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community, and Economic Development

Alcohol and Marijuana Control Office

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MEMORANDUM

TO: Chair and Members of the Board

DATE: January 11, 2022

FROM: Jane P. Sawyer, Regulations Specialist

RE: Hilltop Premium Green LLC lic. 12635

This matter is related to the transfer application of retail marijuana store license 12635 in Sutton in the Mat-Su, from Hilltop Premium Green LLC (owned by Lynette Kudlacek, Chad Kudlacek, and Kerby Coman) to Kerby's Corporation owned by Kerby Coman 100%.

While this is a retail store, and retail stores do not pay state taxes to Revenue, our/AMCO process is to send an inquiry to Revenue regarding taxes for all transfer applications regardless of type of license.

Between the March/April 2021 and the August 2021 meetings, the board tabled the application, and then delegated the approval of the transfer of the license to the director pending past-due taxes be paid. As of October 2021, state taxes are still due to Revenue. In reading some of Kerby Coman's correspondence with our office, it is believed that the past-due taxes are from a cultivation facility that is no longer in business in which Kerby Coman was one of the licensees. That cultivation facility was a different entity and a different (previously) licensed business: Alaska Frontier Cannabis, LLC doing business as the same name, owned by Robert A Mays, III and Kerby Coman.

Because of what I just explained, the transfer of the license to Kerby's Corporation has not been effectuated and Hilltop Premium Green, LLC (with the persons listed in this memo, above) continues to be the licensee of the retail marijuana store with license 12635.

Kerby Coman is eager to transfer this license to Kerby's Corporation, he expressed desire to address the board regarding this issue.

Another thing for the board to know is that the Internal Revenue Service (IRS) submitted a tax lien for Kerby's Corporation's marijuana licenses, but the tax lien is for when there is an applicable license transfer within Kerby's Corporation or a license transfer completely out of Kerby's Corporation.

Attachments: Meeting minutes from prior meetings. Non-compliance notice from DOR. Transfer application. IRS tax lien for Kerby's Corporation.