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: January 11, 2022

FROM: Jane P. Sawyer, Regulations Specialist

RE: Green Degree Lic. 27096

This matter is regarding a new application for a retail marijuana store in the Mat-Su Borough that has been in delegation since August 2021. The applicant is Kerby's Corporation (owned by Kerby Coman 100%) doing business as Green Degree.

Between the March/April 2021 and the August 2021 meetings, the board tabled the application, and then delegated the approval of the issuance of the new license to the director pending past-due taxes be paid.

As of October 2021, state taxes are still due to Revenue from what it is believed the operation of a different (previously) licensed business under a different company: Alaska Frontier Cannabis, LLC, doing business as the same name, owned by Robert A Mays, III and Kerby Coman.

Other pending regulatory and procedural requirements are: approval from the Mat-Su Borough and fire marshal.

Staff felt the board should know that on August 24, 2021, AMCO received a tax lien from the Internal Revenue Service (IRS) against Kerby's Corporation. The IRS stated *"marijuana licenses for these business should not be sold or transferred without first addressing the Liens"*

Because of what I just explained, the new license has not been issued and the application continues to be in delegation.

The board should know that our regulations do not address denial of a new license application specifically based on past-due taxes (like it does for renewals or transfers), and it is not a normal process for AMCO to inquire about taxes owed when processing an application for a new license.

Kerby Coman would like to address the board.

For reference, 3 AAC 306.080(a) states: after review of the application, including the applicant's proposed operating plan and all relevant information, the board will deny an application for a new license or a new onsite consumption endorsement if the board finds that

(1) the application is not complete as required under the applicable provisions of 3 AAC 306.020 – 3 AAC 306.055, or contains any false statement of material fact;

(2) the license or endorsement would violate any restriction in 3 AAC 306.010 or 3 AAC 306.015;

(3) the license or endorsement would violate any restriction applicable to the particular license or endorsement type authorized under this chapter;

(4) the license or endorsement is prohibited under this chapter as a result of an ordinance or election conducted under AS 17.38.210, 3 AAC 306.200, or 3 AAC 306.230;

(5) the applicant's actions or the operating plan does not adequately demonstrate that the applicant will comply with applicable provisions of this chapter;

(6) the license or endorsement would not be in the best interests of the public;

(7) a protest by the local governing body is not arbitrary, capricious, and unreasonable.

Attachments: Meeting minutes from prior meetings. New application. IRS tax lien for Kerby's Corporation showing Kerby's Corporation owes $244,605.59.