THE STATE of ALASKA
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community, and Economic Development

Alcohol and Marijuana Control Office

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Anchorage, AK 99501
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MEMORANDUM

TO: Chair and Members of the Board

DATE: January 11, 2022

FROM: Jane P. Sawyer, Regulations Specialist

RE: TI'oh Suu by Green Degree lic. 25902

This matter is regarding a new application for a retail marijuana store in the area of Northway (there is no local government) that has been in delegation since August 2021. The applicant is Kerby's Corporation (owned by Kerby Coman 100%) doing business as TI'oh Suu by 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.

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 businesses 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.