

**STATE OF WASHINGTON  
WASHINGTON STATE LIQUOR AND CANNABIS BOARD**

**In the Matter of:**

**RESOURCES UNLIMITED LLC  
d/b/a RESOURCES UNLIMITED**

**26420 PIONEER WAY NW  
POULSBO, WA 98370-0424**

**APPLICANT**

**License Application No. 417308  
UBI No. 603 355 279 001 0001**

**LCB No. M-25,491  
OAH No. 06-2015-LCB-00070**

**FINAL ORDER ON REVIEW  
FOLLOWING BRIEF  
ADJUDICATIVE PROCEEDING**

**I. REVIEWERS' CONSIDERATION**

1.1 Review. This matter comes before the Members of the Liquor and Cannabis Board to review the Findings of Fact, Conclusions of Law and Initial Order of Brief Adjudicative Proceeding entered by Administrative Law Judge, Terry A. Schuh on July 9, 2015. The Initial Order is attached and incorporated into this Order by this reference.

1.2 Record of Proceeding. The entire record of this proceeding was presented to the Members of the Liquor and Cannabis Board for review and the entry of a final decision.

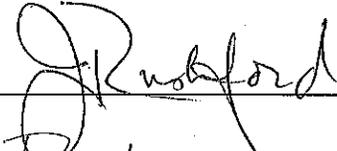
**II. ORDER**

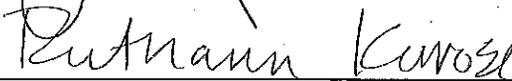
**NOW THEREFORE, IT IS HEREBY ORDERED** that the Administrative Law Judge's Findings of Fact, Conclusions of Law and Initial Order are hereby adopted as the final decision of the Board.

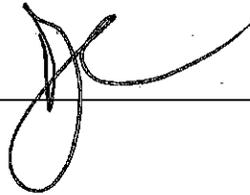
AND IT IS HEREBY FURTHER ORDERED that the application for a Marijuana Producer Tier 3/  
Processor license by Resources Unlimited LLC d/b/a Resources Unlimited is DENIED.

DATED this 11<sup>th</sup> day of August, 2015.

WASHINGTON STATE LIQUOR AND CANNABIS BOARD







**RIGHTS OF REVIEW**

Reconsideration. Pursuant to RCW 34.05.470, you have ten (10) days from the mailing of this Order to file a petition for reconsideration stating the specific grounds on which relief is requested. A petition for reconsideration, together with any argument in support thereof, should be filed by mailing or delivering it directly to the Washington State Liquor Control Board, Attn: Kevin McCarroll, 3000 Pacific Avenue Southeast, PO Box 43076, Olympia, WA 98504-3076, with a copy to all other parties of record and their representatives. Filing means actual receipt of the document at the Board's office. RCW 34.05.010(6). A copy shall also be sent to Mary M. Tennyson, Sr. Assistant Attorney General, 1125 Washington St. SE, P.O. Box 40110, Olympia, WA 98504-0110. A timely petition for reconsideration is deemed to be denied if, within twenty (20) days from the date the petition is filed, the agency does not (a) dispose of the petition or (b) serve the parties with a written notice specifying the date by which it will act on the petition. An order denying reconsideration is not subject to judicial review.

RCW 34.05.470(5). The filing of a petition for reconsideration is not a prerequisite for filing a petition for judicial review.

Stay of Effectiveness. The filing of a petition for reconsideration does not stay the effectiveness of this Order. The Board has determined not to consider a petition to stay the effectiveness of this Order. Any such request should be made in connection with a petition for judicial review under chapter 34.05 RCW and RCW 34.05.550.

Judicial Review. Proceedings for judicial review may be instituted by filing a petition in superior court according to the procedures specified in chapter 34.05 RCW, Part V, Judicial Review and Civil Enforcement. The petition for judicial review of this Order shall be filed with the appropriate court and served on the Board, the Office of the Attorney General, and all parties within thirty days after service of the final order, as provided in RCW 34.05.542.

Service. This Order was served on you the day it was deposited in the United States mail. RCW 34.05.010(19).

RECEIVED

AUG 03 2015

Liquor Control Board  
Board Administration

WASHINGTON STATE  
OFFICE OF ADMINISTRATIVE HEARINGS

In the Matter of the Denial of the  
Marijuana license application for the  
privileges of a Marijuana Producer Tier  
3 / Processor for:

Resources Unlimited LLC dba  
Resources Unlimited,

Location Address:  
26420 Pioneer Way NW  
Poulsbo, WA98370-0424,

Applicant.

License Application No. 417308  
UBI 603 355 279 001 0001

Docket No. 06-2015-LCB-00070

**INITIAL ORDER ON BRIEF  
ADJUDICATIVE PROCEEDING**

Agency: Liquor Control Board  
Program: Marijuana Licensing  
Agency No.: M-25,491

**1. ISSUE PRESENTED**

1.1. Whether the Liquor Control Board's decision to deny the Applicant's application for a marijuana license should be affirmed.

**2. ORDER SUMMARY**

2.1. The Liquor Control Board's decision to deny the Applicant's application for a marijuana license is affirmed.

**3. HEARING**

3.1. **Brief Adjudicative Proceeding:** A Brief Adjudicative Proceeding was conducted in this matter by the Administrative Law Judge, as delegated by the Liquor Control Board. The proceeding was conducted under RCW 34.05.482 through .494, Title 66 RCW, and Title 314 WAC.

3.2. **Administrative Law Judge:** Terry A. Schuh

3.3. **Applicant:** Resources Unlimited LLC dba Resources Unlimited

3.4. **Agency:** Liquor Control Board

3.5. **Documents reviewed:** The Administrative Law Judge reviewed the marijuana licensing records as listed in the "Index of Marijuana Licensing Records for BAP"

attached to the scheduling letter for this proceeding. The Administrative Law Judge also reviewed any additional documents submitted by the Applicant for this proceeding. The applicant did not submit additional documents.

#### 4. FINDINGS OF FACT

I find the following facts by a preponderance of the evidence:

- 4.1. Resources Unlimited LLC ("the Applicant") applied for a marijuana retail license during the time period prescribed by the Liquor Control Board ("LCB").
- 4.2. The Applicant has two members, Anne Derry and Billy Edge. Billy Edge is married to Brooke Edge. As a part of the application process, each of these three individuals was required to submit a Personal/Criminal History Statement. They did so.
- 4.3. Billy Edge submitted a complete criminal history statement that included five convictions involving drugs, at least three of which were felonies, and convictions for theft, criminal trespass, unlawful use of transportation, carrying a concealed weapon without a permit, and contributing to the delinquency of a minor. LCB did not assign criminal history points to any of these convictions because the felony convictions were more than ten years old and the gross misdemeanor and misdemeanor convictions were more than three years old. Nevertheless, "the nature and number of the criminal convictions cause[d] great concern" to LCB.
- 4.4. Brooke Edge submitted an incomplete criminal history statement. Brooke Edge failed to disclose two driving misdemeanor convictions. Also Brooke Edge was convicted of a drug felony on January 28, 2008. Accordingly, LCB assigned to Ms. Edge twelve criminal history points for the drug felony and eight points total for the two non-disclosed misdemeanors, for a total criminal history point assignment of twenty points.
- 4.5. LCB invited Billy Edge and Brooke Edge to explain why their criminal history statements should not disqualify the Applicant from licensure.
- 4.6. Billy Edge wrote that he turned his life around after participating in a behavior modification program while incarcerated in approximately 2003, apparently after the last of his convictions.
- 4.7. Brooke Edge wrote that she turned her life around as a result of completing 240 community service hours in 2008 at a local church, as well as the guidance and assistance from a woman she met at that church. This activity apparently occurred after the last of her convictions.
- 4.8. Further, Brooke Edge wrote that the failed disclosures occurred because she "was so wrapped up in the application process that [she] failed to list them."

4.9. Nevertheless, LCB denied the Applicant's application because of the criminal histories summarized above.

## 5. CONCLUSIONS OF LAW

Based upon the facts above, I make the following conclusions:

5.1. I have jurisdiction over the Applicant and subject matter of this proceeding under RCW 69.50.334, RCW 34.05.485(1)(c), RCW 34.12.040, Chapter 34.05 RCW, WAC 314-42-120(1), and Chapter 314-42 WAC.

5.2. When LCB denies a marijuana license application based upon the Applicant's criminal history, an appeal of that denial is addressed with a brief adjudicative proceeding. WAC 314-42-110. Accordingly, this appeal is appropriately resolved by a brief adjudicative proceeding.

5.3. LCB may investigate and consider criminal history to determine whether to grant an applicant a license. RCW 69.50.331(1); WAC 314-55-020(3).

5.4. If the applicant is a limited liability company, all members and their spouses must qualify for a marijuana license. WAC 314-55-035(1). In other words, the criminal history of members and spouses are, in effect, attributed to the Applicant.

5.5. An Applicant's failure to meet the criminal history standards outlined in WAC 314-55-040 constitutes a basis for the Liquor Control Board to deny a marijuana license application. WAC 314-55-050(4).

5.6. More specifically, a criminal history accumulating eight or more points as described in WAC 314-55-040(1) is grounds for denying a marijuana license application. WAC 314-55-040(1), (3).

5.7. Here, LCB's calculation and assignment of criminal history points to Brooke Edge is accurate and consistent with the provisions of RCW 314-55-040(1). Ms. Edge did not contest LCB's calculation of criminal history points. Rather, she argued that she has subsequently changed her life and that the non-disclosures were simply errors. However, LCB considered these arguments when it determined to assign the criminal history points. LCB "has broad discretionary authority to approve or deny a marijuana license application". WAC 314-55-050. I am not persuaded that I am authorized to substitute my discretion for LCB's in this instance. Moreover, although I applaud Ms. Edge for having changed her life, it does not necessarily follow that she is prepared to function in the legal drug industry. Also, the regulations do not distinguish between persons who willfully fail to disclose convictions and those whose failure is accidental. Therefore, LCB's decision to deny the Applicant's application for a marijuana license based upon Brooke Edge's criminal history points should be affirmed.

5.8. LCB may consider "any prior criminal conduct" of an applicant when LCB reviews an application for a license. RCW 69.50.331(1).

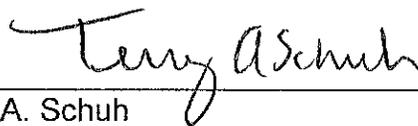
5.9. Here, Billy Edge has twelve criminal convictions from 1981 through 2003, including several drug-related felonies. Mr. Edge argued that he has subsequently changed his life. However, LCB considered this argument when it determined to deny the application because Mr. Edge's convictions "caused great concern". Although LCB does not specifically state what the great concern is that is caused by the convictions, it is apparent that the sheer number of them and that they include several drug-related convictions implies the obvious. LCB "has broad discretionary authority to approve or deny a marijuana license application". WAC 314-55-050. I am not persuaded that I am authorized to substitute my discretion for LCB's in this instance. Moreover, although I applaud Mr. Edge for having changed his life, it does not necessarily follow that he is prepared to function in the legal drug industry. This is particularly so given Mr. Edge's drug convictions. Therefore, LCB's decision to deny the Applicant's application for a marijuana license based upon Billy Edge's criminal history points should be affirmed.

## 6. INITIAL ORDER

IT IS HEREBY ORDERED THAT:

- 6.1. The Liquor Control Board's decision to deny the Applicant's application for a marijuana producer tier 3 / processor license is **AFFIRMED**.
- 6.2. The Applicant's application for a marijuana producer tier 3 / processor license is denied.

Issued from Tacoma, Washington, on the date of mailing



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Terry A. Schuh  
Senior Administrative Law Judge  
Office of Administrative Hearings

## RIGHTS OF REVIEW

If you are dissatisfied with the order in the brief adjudicative proceeding, you may appeal to the Board. This appeal process is called an administrative review. Your appeal must state the reasons for requesting an administrative review and must be received by the Board, in writing, within twenty-one (21) days after the initial order on

brief adjudicative proceeding is deposited in the U.S. mail. RCW 34.05.488, RCW 34.05.491, and WAC 314-142-130.

A copy of the request for administrative review must be mailed to all other parties and their representatives at the time the request is filed. Within ten (10) days after service of the request for administrative review, any of the other parties may file a response to that request with the Liquor Control Board. Copies of the response must be mailed to all other parties and their representatives at the time the response is filed.

Address for filing a request for administrative review with the Board:

Washington State Liquor Control Board  
Attention: Kevin McCarroll  
3000 Pacific Avenue SE  
PO Box 43076  
Olympia, Washington 98504-3076

The Board will either uphold or overturn this initial order. The Board's decision will be the final agency decision and will be mailed to the last address furnished to the Liquor Control Board. The order will include a description of any further appeal rights you may have.

CERTIFICATE OF SERVICE IS ATTACHED

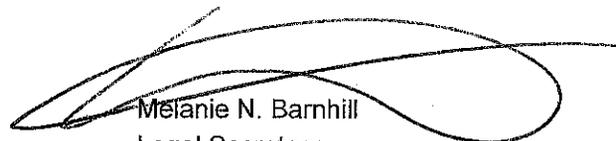
**CERTIFICATE OF SERVICE FOR OAH DOCKET NO. 06-2015-LCB-00070**

I certify that true copies of this document were served from Tacoma, Washington upon the following as indicated:

<p>Billy Edge Resources Unlimited LLC d/b/a Resources Unlimited 14262 State Route 530 Concrete, WA 98237</p>	<p><input checked="" type="checkbox"/> First Class Mail, Postage Prepaid <input type="checkbox"/> Certified Mail, Return Receipt <input type="checkbox"/> Hand Delivery via Messenger <input type="checkbox"/> Campus Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> E-mail</p>
<p>Becky Smith Licensing Director Washington State Liquor Control Board PO Box 43098 Olympia, WA 98504</p>	<p><input checked="" type="checkbox"/> First Class Mail, Postage Prepaid <input type="checkbox"/> Certified Mail, Return Receipt <input type="checkbox"/> Hand Delivery via Messenger <input type="checkbox"/> Campus Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> E-mail</p>
<p>Kevin McCarroll Adjudicative Proceedings Coordinator Washington State Liquor Control Board PO Box 43076 Olympia, WA 98504</p>	<p><input checked="" type="checkbox"/> First Class Mail, Postage Prepaid <input type="checkbox"/> Certified Mail, Return Receipt <input type="checkbox"/> Hand Delivery via Messenger <input type="checkbox"/> Campus Mail <input type="checkbox"/> Facsimile <input type="checkbox"/> E-mail</p>

Date: Thursday, July 09, 2015

OFFICE OF ADMINISTRATIVE HEARINGS

  
Melanie N. Barnhill  
Legal Secretary



Washington State  
Liquor and Cannabis Board

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August 12, 2015

Billy Edge  
Resources Unlimited LLC  
d/b/a Resources Unlimited  
14262 State Route 530  
Concrete, WA 98237-9611

Becky Smith,  
Licensing Director  
WSLCB  
PO Box 43098  
Olympia, WA 98504-3098

RE: FINAL ORDER ON REVIEW FOLLOWING BRIEF ADJUDICATIVE PROCEEDING  
APPLICANT: Resources Unlimited LLC  
TRADE NAME: Resources Unlimited  
LOCATION: 26420 Pioneer Way NW, Poulsbo, WA 98370  
LICENSE NO. 417308  
LCB HEARING NO. M-25,491  
OAH NO. 06-2015-LCB-00070  
UBI: 603 355 279 001 0001

Dear Parties:

Please find the enclosed Final Order on Review Following Brief Adjudicative Proceeding and Declaration of Service by Mail in the above-referenced matter. If you have any questions, please contact me at (360) 664-1602.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin McCarroll".

Kevin McCarroll  
Adjudicative Proceedings Coordinator

Enclosures (2)

cc: Frank O'Dell, Licensing Supervisor, WSLCB  
Linda Thompson, Licensing Adjudications Coordinator, WSLCB

**WASHINGTON STATE LIQUOR AND CANNABIS BOARD**

In the Matter of:

RESOURCES UNLIMITED LLC  
d/b/a RESOURCES UNLIMITED

26420 PIONEER WAY NW  
POULSBO, WA 98370-0424

APPLICANT

License Application No. 417308  
UBI No. 603 355 279 001 0001

LCB No. M-25,491

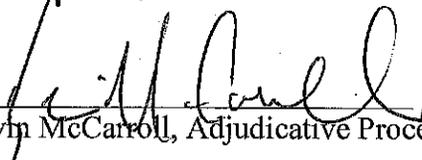
OAH No. 06-2015-LCB-00070

DECLARATION OF SERVICE BY  
MAIL

I certify that I caused a copy of the FINAL ORDER ON REVIEW FOLLOWING BRIEF ADJUDICATIVE PROCEEDING in the above-referenced matter to be served on all parties or their counsel of record by US Mail Postage Prepaid via Consolidated Mail Service for applicants and licensees, by electronic mail for WSLCB offices, and Campus Mail via Consolidated Mail Services for state offices on the date below to:

BILLY EDGE RESOURCES UNLIMITED LLC d/b/a RESOURCES UNLIMITED 14262 STATE ROUTE 530 CONCRETE, WA 98237-9611	LIQUOR CONTROL BOARD MAIL STOP 43098, LICENSING DIVISION BECKY SMITH, LICENSING DIRECTOR
BILLY EDGE RESOURCES UNLIMITED LLC d/b/a RESOURCES UNLIMITED 26420 PIONEER WAY NW POULSBO, WA 98370-0424	

DATED this 12<sup>th</sup> day of August, 2015, at Olympia, Washington.

  
Kevin McCarroll, Adjudicative Proceedings Coordinator