BEFORE THE BOARD OF PHARMACY DEPARTMENT OF CONSUMER AFFAIRS STATE OF CALIFORNIA

In the Matter of the Accusation Against:

MODERN HEALTHCARE, INC., DBA AD-RX PHARMACY

6240 Wilshire Blvd. Los Angeles, CA 90048

IRA HALPERN, Owner and President RICHARD I. KATZ, Owner and Secretary ROBERT ANTOINE CHARLES, Pharmacist-In-Charge

(From 5/4/06 to 7/2/07) RAMONA EDERY

Pharmacist-In-Charge (From 7/26/07 to present)

Pharmacy Permit No. PHY 44831,

and

ROBERT ANTOINE CHARLES

5533 Holt Avenue Los Angeles, CA 90056

Pharmacist License No. RPH 51100

Respondent.

Case No. 3539

OAH No. L-2010040989

STIPULATED SETTLEMENT AND DISCIPLINARY ORDER AS TO RESPONDENT MODERN HEALTHCARE, INC., DBA AD-RX PHARMACY ONLY

DECISION AND ORDER

The attached Stipulated Settlement and Disciplinary Order is hereby adopted by the Board of Pharmacy, Department of Consumer Affairs, as its Decision in this matter.

This decision shall become effective on April 2, 2012.

It is so ORDERED on March 2, 2012.

BOARD OF PHARMACY DEPARTMENT OF CONSUMER AFFAIRS STATE OF CALIFORNIA

(. Wusi

STANLEY C. WEISSER Board President

KAMALA D. HARRIS Attorney General of California 2 MARC D. GREENBAUM Supervising Deputy Attorney General 3 MICHAEL A. CACCIOTTI Deputy Attorney General State Bar No. 129533 300 So. Spring Street, Suite 1702 Los Angeles, CA 90013 Telephone: (213) 897-2932 Facsimile: (213) 897-2804 5 б Attorneys for Complainant BEFORE THE **BOARD OF PHARMACY** 8 DEPARTMENT OF CONSUMER AFFAIRS STATE OF CALIFORNIA 9 10 Case No. 3539 In the Matter of the Accusation Against: 11 MODERN HEALTHCARE, INC., DBA OAH No. L-2010040989 12 AD-RX PHARMACY 6240 Wilshire Blvd. STIPULATED SETTLEMENT AND Los Angeles, CA 90048 DISCIPLINARY ORDER AS TO 13 IRA HĀLPERN, Owner and President RESPONDENT MODERN RICHARD I. KATZ, Owner and Secretary 14 HEALTHCARE, INC., DBA AD-RX ROBERT ANTOINÉ CHARLES, PHARMACY ONLY 15 Pharmacist-In-Charge (From 5\4\06 to 7\2\07) 16 RAMONA EDERY, Pharmacist-In-Charge 17 (From 7\26\07 to present) Pharmacy Permit No. PHY 44831, 18 19 and ROBERT ANTOINE CHARLES 20 5533 Holt Avenue Los Angeles, CA 90056 21 22 Pharmacist License No. RPH 51100 23 Respondents. 24 25 IT IS HEREBY STIPULATED AND AGREED by and between the parties to the above-26 27 entitled proceedings that the following matters are true: 28 111

STIPULATED SETTLEMENT (3539)

· 12

PARTIES

- Virginia Herold (Complainant) is the Executive Officer of the Board of Pharmacy.
 She brought this action solely in her official capacity and is represented in this matter by Kamala D. Harris, Attorney General of the State of California, by Michael A. Cacciotti, Deputy Attorney General.
- 2. Respondent Modern Healthcare, Inc., dba AD-RX Pharmacy (Respondent or Respondent owner) is represented in this proceeding by attorney Jay N. Hartz, whose address is: Jay N. Hartz, Hooper, Lundy & Bookman, P.C., 1875 Century Park East, Suite 1600 Los Angeles, CA 90067-2517.
- 3. On or about May 18, 2000, the Board of Pharmacy issued Pharmacy Permit No. PHY 44831 to Respondent. The Pharmacy Permit was in full force and effect at all times relevant to the charges brought in Accusation No. 3539 and will expire on May 1, 2012, unless renewed.

JURISDICTION

4. Accusation No. 3539 was filed before the Board of Pharmacy (Board), Department of Consumer Affairs, and is currently pending against Respondent. The Accusation and all other statutorily required documents were properly served on Respondent on January 27, 2010. Respondent timely filed its Notice of Defense contesting the Accusation. A copy of Accusation No. 3539 is attached as exhibit A and incorporated herein by reference.

ADVISEMENT AND WAIVERS

- 5. Respondent has carefully read, fully discussed with counsel, and understands the charges and allegations in Accusation No. 3539. Respondent has also carefully read, fully discussed with counsel, and understands the effects of this Stipulated Settlement and Disciplinary Order.
- 6. Respondent is fully aware of its legal rights in this matter, including the right to a hearing on the charges and allegations in the Accusation; the right to be represented by counsel at its own expense; the right to confront and cross-examine the witnesses against them; the right to present evidence and to testify on its own behalf, the right to the issuance of subpoenas to compel the attendance of witnesses and the production of documents; the right to reconsideration and

court review of an adverse decision; and all other rights accorded by the California Administrative Procedure Act and other applicable laws.

7. Respondent voluntarily, knowingly, and intelligently waives and gives up each and every right set forth above.

CULPABILITY

- 8. Respondent understands and agrees that the charges and allegations in Accusation No. 3539, if proven at a hearing, constitute cause for imposing discipline upon its Pharmacy Permit.
- 9. For the purpose of resolving the Accusation without the expense and uncertainty of further proceedings, Respondent agrees that, at a hearing, Complainant could establish a factual basis for the charges in the Accusation, and that Respondent hereby gives up its right to contest those charges.
- 10. Respondent agrees that its Pharmacy Permit is subject to discipline and they agree to be bound by the Board's probationary terms as set forth in the Disciplinary Order below.

CONTINGENCY

- 11. This stipulation shall be subject to approval by the Board. Respondent understands and agrees that counsel for Complainant and the staff of the Board may communicate directly with the Board regarding this stipulation and settlement, without notice to or participation by Respondent or its counsel. By signing the stipulation, Respondent understands and agrees that they may not withdraw its agreement or seek to rescind the stipulation prior to the time the Board considers and acts upon it. If the Board fails to adopt this stipulation as its Decision and Order, the Stipulated Settlement and Disciplinary Order shall be of no force or effect, except for this paragraph, it shall be inadmissible in any legal action between the parties, and the Board shall not be disqualified from further action by having considered this matter.
- 12. The parties understand and agree that facsimile copies of this Stipulated Settlement and Disciplinary Order, including facsimile signatures thereto, shall have the same force and effect as the originals.

- 13. This Stipulated Settlement and Disciplinary Order is intended by the parties to be an integrated writing representing the complete, final, and exclusive embodiment of their agreement. It supersedes any and all prior or contemporaneous agreements, understandings, discussions, negotiations, and commitments (written or oral). This Stipulated Settlement and Disciplinary Order may not be altered, amended, modified, supplemented, or otherwise changed except by a writing executed by an authorized representative of each of the parties.
- 14. In consideration of the foregoing admissions and stipulations, the parties agree that the Board may, without further notice or formal proceeding, issue and enter the following Disciplinary Order:

DISCIPLINARY ORDER

IT IS HEREBY ORDERED that Pharmacy Permit No. PHY 44831 issued to Respondent is revoked. However, the revocation is stayed and Respondent is placed on probation for five (5) years on the following terms and conditions:

1. Obey All Laws

Respondent owner shall obey all state and federal laws and regulations.

Respondent owner shall report any of the following occurrences to the board, in writing, within seventy-two (72) hours of such occurrence:

- an arrest or issuance of a criminal complaint for violation of any provision of the

 Pharmacy Law, state and federal food and drug laws, or state and federal controlled
 substances laws
- a plea of guilty or nolo contendre in any state or federal criminal proceeding to any criminal complaint, information or indictment
- a conviction of any crime
- discipline, citation, or other administrative action filed by any state or federal agency which involves respondent's Pharmacy license or which is related to the practice of pharmacy or the manufacturing, obtaining, handling or distributing, billing, or charging for any drug, device or controlled substance.

Failure to timely report any such occurrence shall be considered a violation of probation.

: 18

2. Report to the Board

Respondent owner shall report to the board quarterly, on a schedule as directed by the board or its designee. The report shall be made either in person or in writing, as directed. Among other requirements, respondent owner shall state in each report under penalty of perjury whether there has been compliance with all the terms and conditions of probation. Failure to submit timely reports in a form as directed shall be considered a violation of probation. Any period(s) of delinquency in submission of reports as directed may be added to the total period of probation. Moreover, if the final probation report is not made as directed, probation shall be automatically extended until such time as the final report is made and accepted by the board.

3. Interview with the Board

Upon receipt of reasonable prior notice, respondent owner shall appear in person for interviews with the board or its designee, at such intervals and locations as are determined by the board or its designee. Failure to appear for any scheduled interview without prior notification to board staff, or failure to appear for two (2) or more scheduled interviews with the board or its designee during the period of probation, shall be considered a violation of probation.

4. Cooperate with Board Staff

Respondent owner shall cooperate with the board's inspection program and with the board's monitoring and investigation of respondent's compliance with the terms and conditions of their probation. Failure to cooperate shall be considered a violation of probation.

5. Reimbursement of Board Costs

As a condition precedent to successful completion of probation, respondent owner shall pay to the board its costs of investigation and prosecution in the amount of \$19,000.00. Respondent owners' shall make payments on a payment plan approved by the board. There shall be no deviation from this schedule absent prior written approval by the board or its designee. Failure to pay costs by the deadline(s) as directed shall be considered a violation of probation.

The filing of bankruptcy by respondent owner shall not relieve respondent of their responsibility to reimburse the board its costs of investigation and prosecution.

б

· .

.27

6. Probation Monitoring Costs .

Respondent owner shall pay any costs associated with probation monitoring as determined by the board each and every year of probation. Such costs shall be payable to the board on a schedule as directed by the board or its designee. Failure to pay such costs by the deadline(s) as directed shall be considered a violation of probation.

7. Status of License

Respondent owner shall, at all times while on probation, maintain current licensure with the board. If respondent owner submits an application to the board, and the application is approved, for a change of location, change of permit or change of ownership, the board shall retain continuing jurisdiction over the license, and the respondent shall remain on probation as determined by the board. Failure to maintain current licensure shall be considered a violation of probation.

If respondent owner's license expires or is cancelled by operation of law or otherwise at any time during the period of probation, including any extensions thereof or otherwise, upon renewal or reapplication respondent owner's license shall be subject to all terms and conditions of this probation not previously satisfied.

8. License Surrender While on Probation/Suspension

Following the effective date of this decision, should respondent owner discontinue business, respondent owner may tender the premises license to the board for surrender. The board or its designee shall have the discretion whether to grant the request for surrender or take any other action it deems appropriate and reasonable. Upon formal acceptance of the surrender of the license, respondent will no longer be subject to the terms and conditions of probation.

Upon acceptance of the surrender, respondent owner shall relinquish the premises wall and renewal license to the board within ten (10) days of notification by the board that the surrender is accepted. Respondent owner shall further submit a completed Discontinuance of Business form according to board guidelines and shall notify the board of the records inventory transfer.

Respondent owner shall also, by the effective date of this decision, arrange for the continuation of care for ongoing patients of the pharmacy by, at minimum, providing a written

notice to ongoing patients that specifies the anticipated closing date of the pharmacy and that identifies one or more area pharmacies capable of taking up the patients' care, and by cooperating as may be necessary in the transfer of records or prescriptions for ongoing patients. Within five days of its provision to the pharmacy's ongoing patients, Respondent owner shall provide a copy of the written notice to the board. For the purposes of this provision, "ongoing patients" means those patients for whom the pharmacy has on file a prescription with one or more refills outstanding, or for whom the pharmacy has filled a prescription within the preceding sixty (60) days.

Respondent owner may not apply for any new licensure from the board for three (3) years from the effective date of the surrender. Respondent owner shall meet all requirements applicable to the license sought as of the date the application for that license is submitted to the board.

Respondent owner further stipulates that he or she shall reimburse the board for its costs of investigation and prosecution prior to the acceptance of the surrender.

9. Notice to Employees

Respondent owner shall, upon or before the effective date of this decision, ensure that all employees involved in permit operations are made aware of all the terms and conditions of probation, either by posting a notice of the terms and conditions, circulating such notice, or both. If the notice required by this provision is posted, it shall be posted in a prominent place and shall remain posted throughout the probation period. Respondent owner shall ensure that any employees hired or used after the effective date of this decision are made aware of the terms and conditions of probation by posting a notice, circulating a notice, or both. Additionally, respondent owner shall submit written notification to the board, within fifteen (15) days of the effective date of this decision, that this term has been satisfied. Failure to submit such notification to the board shall be considered a violation of probation.

"Employees" as used in this provision includes all full-time, part-time, volunteer, temporary and relief employees and independent contractors employed or hired at any time during probation.

10. Owners and Officers: Knowledge of the Law

Respondent shall provide, within thirty (30) days after the effective date of this decision, signed and dated statements from its owners, including any owner or holder of ten percent (10%) or more of the interest in respondent or respondent's stock, and any officer, stating under penalty of perjury that said individuals have read and are familiar with state and federal laws and regulations governing the practice of pharmacy. The failure to timely provide said statements under penalty of perjury shall be considered a violation of probation.

11. Posted Notice of Probation

Respondent owner shall prominently post a probation notice provided by the board in a place conspicuous and readable to the public. The probation notice shall remain posted during the entire period of probation.

Respondent owner shall not, directly or indirectly, engage in any conduct or make any statement which is intended to mislead or is likely to have the effect of misleading any patient, customer, member of the public, or other person(s) as to the nature of and reason for the probation of the licensed entity.

Failure to post such notice shall be considered a violation of probation.

12. Violation of Probation

If a respondent owner has not complied with any term or condition of probation, the board shall have continuing jurisdiction over respondent license, and probation shall be automatically extended until all terms and conditions have been satisfied or the board has taken other action as deemed appropriate to treat the failure to comply as a violation of probation, to terminate probation, and to impose the penalty that was stayed.

If respondent owner violates probation in any respect, the board, after giving respondent owner notice and an opportunity to be heard, may revoke probation and carry out the disciplinary order that was stayed. If a petition to revoke probation or an accusation is filed against respondent during probation, the board shall have continuing jurisdiction and the period of probation shall be automatically extended until the petition to revoke probation or accusation is heard and decided.

·3

5 6

8

10 11

12 13

14

15 16

17 18

19 20

21

2223

24 25

26 27

28

13. Completion of Probation

Upon written notice by the board or its designee indicating successful completion of probation, respondent license will be fully restored.

14. Community Services Program

Within sixty (60) days of the effective date of this decision, respondent owner shall submit to the board or its designee, for prior approval, a community service program in which respondent shall provide free health-care related services to a community or charitable facility or agency in the amount of \$100,000.00 during the first three (3) years of probation.

Within thirty (30) days of board approval thereof, respondent owner shall submit documentation to the board demonstrating commencement of the community service program.

Respondent owner shall report on progress with the community service program in the quarterly reports, until the requirement is fully complete.

Failure to timely submit, commence, comply with, or complete the program shall be considered a violation of probation.

15. Report of Controlled Substances.

Respondent owner shall submit quarterly reports to the board detailing the total acquisition and disposition of such controlled substances as the board may direct. Respondent owner shall specify the manner of disposition (e.g., by prescription, due to burglary, etc.) or acquisition (e.g., from a manufacturer, from another retailer, etc.) of such controlled substances. Respondent owner shall report on a quarterly basis or as directed by the board. The report shall be delivered or mailed to the board no later than ten (10) days following the end of the reporting period.

Failure to timely prepare or submit such reports shall be considered a violation of probation.

16. Separate Quarterly Audit

Respondent owner shall prepare and maintain a quarterly audit of all Hydrocodone products in a format as directed by the Board. Failure to maintain such audit or make it available for inspection shall be considered a violation of probation.

///

///

ACCEPTANCE I have carefully read the above Stipulated Settlement and Disciplinary Order and have fully 2 discussed it with my attorney, Jay N. Hartz. I understand the stipulation and the effect it will 3 have on my Pharmacy Permit. I enter into this Stipulated Settlement and Disciplinary Order 4 voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the 5 Board. б 10/10/1011 DATED: 7 MODERN HEALTHCARE, INC., DBA AD-RX 8 PHARMACY Respondent 9 I have read and fully discussed with Respondent Modern Healthcare, Inc., dba AD-RX 10 Pharmacy the terms and conditions and other matters contained in the above Stipulated 11 Settlement and Disciplinary Order. I approve its form and content. 12 DATED: 13 Jay N. Hartzk Attorney for Respandent 14 15 ENDORSEMENT 16 The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully 17 submitted for consideration by the Board of Pharmacy of the Department of Consumer Affairs. 18 10/10/11 19 Dated: Respectfully submitted, 20 Kamala D. Harris Attorney General of California 21 MARC D. GREENBAUM Supervising Deputy Attorney General 22 23 MICHAEL A. CACCIOTTI 2:4 Deputy Attorney General 25 Attorneys for Complainant 26 LA2009604651 27 Stipulation.rtf 28

Exhibit A

Accusation No. 3539

2	EDMUND G. BROWN JR. Attorney General of California GLORIA A. BARRIOS Supervising Deputy Attorney General	,
3	MICHAEL A. CACCIOTTI Deputy Attorney General	
4	State Bar No. 129533 300 So. Spring Street, Suite 1702	
5	Los Angeles, CA 90013 Telephone: (213) 897-2932	
6	Facsimile: (213) 897-2804	
7	Attorneys for Complainant	
8		RE THE PHARMACY
9	DEPARTMENT OF C	CONSUMER AFFAIRS CALIFORNIA
10	STATE OF	
11	In the Matter of the Accusation Against:	Case No. 3539
12	MODERN HEALTHCARE, INC.,	ACCUSATION
13	d.b.a., AD-RX PHARMACY 6240 Wilshire Blvd.	
14	Los Angeles, CA 90048 IRA R. HALPERN, Owner and President	
15	RICHARD I. KATZ, Owner and Secretary ROBERT ANTOINE CHARLES,	
16	Pharmacist-In-Charge, (From 5/4/06 to 7/2/07)	
17	RAMONA EDERY, Pharmacist-In-Charge,	
18	(From 7/26/07 to present)	
19	Pharmacy Permit No. PHY 44831	
20	and	
21	ROBERT ANTOINE CHARLES	
ļ	6240 Wilshire Blvd. Los Angeles, CA 90048	
22	Pharmacist License No. RPH 51100	
23	Respondents.	
24		
25	Complainant alleges:	
26	PAR	TIES
27 :	1. Virginia Herold (Complainant) bring	gs this Accusation solely in her official capacity
28	as the Executive Officer of the Board of Pharma	cy, Department of Consumer Affairs.
}		:

2. On or about May 18, 2000, the Board of Pharmacy (Board) issued Pharmacy Permit No. PHY 44831 to Modern Healthcare, Inc., to do business as AD-RX Pharmacy, with Ira R. Halpern, as 50% Owner and President, since May 18, 2000, Richard I. Katz, as 50% Owner and Secretary, since May 18, 2000, Robert Antoine Charles, as Pharmacist-in-Charge from May 4 2006 to Juy 2, 2007, and Ramona Edery, as Pharmacist-in-Charge from July 26, 2007 to present. (Respondent Pharmacy). The Pharmacy Permit was in full force and effect at all times relevant to the charges brought herein and will expire on May 1, 2010, unless renewed.

3. On or about September 7, 1999, the Board issued Pharmacist License No. RPH 51100 to Robert Antoine Charles (Respondent Charles). The Pharmacist License was in full force and effect at all times relevant to the charges brought herein, expired on July 31, 2009, and has not been renewed.

JURISDICTION

4. This Accusation is brought before the Board, under the authority of the following laws. All section references are to the Business and Professions Code unless otherwise indicated.

STATUTORY PROVISIONS

- 5. Section 118, subdivision (b) provides, in pertinent part, that the expiration of a license shall not deprive the Board jurisdiction to proceed with a disciplinary action during the period within which the license may be renewed, restored, reissued or reinstated.
 - 6. Section 4081 states, in pertinent part:
- "(a) All records of manufacture and of sale, acquisition, or disposition of dangerous drugs or dangerous devices shall be at all times during business hours open to inspection by authorized officers of the law, and shall be preserved for at least three years from the date of making. A current inventory shall be kept by every manufacturer, wholesaler, pharmacy, veterinary foodanimal drug retailer, physician, dentist, podiatrist, veterinarian, laboratory, clinic, hospital, institution, or establishment holding a currently valid and unrevoked certificate, license, permit, registration, or exemption under Division 2 (commencing with Section 1200) of the Health and Safety Code or under Part 4 (commencing with Section 16000) of Division 9 of the Welfare and Institutions Code who maintains a stock of dangerous drugs or dangerous devices.

	"(b)	The owner, officer, and partner of a pharmacy, wholesaler, or veterinary food-anima
drug	retaile	r shall be jointly responsible, with the pharmacist-in-charge or representative-in-
charg	ge, for 1	maintaining the records and inventory described in this section."

Section 4113, subdivision (a) states: 7.

"Every pharmacy shall designate a pharmacist-in-charge and within 30 days thereof, shall notify the board in writing of the identity and license number of that pharmacist and the date he or she was designated."

- Section 4300 provides, in pertinent part, that every license issued by the Board is subject to discipline, including suspension or revocation.
 - 9. Section 4301 states, in pertinent part:

"The board shall take action against any holder of a license who is guilty of unprofessional conduct or whose license has been procured by fraud or misrepresentation or issued by mistake, Unprofessional conduct shall include, but is not limited to, any of the following:

"(i) The violation of any of the statutes of this state, of any other state, or of the United States regulating controlled substances and dangerous drugs.

"(o) Violating or attempting to violate, directly or indirectly, or assisting in or abetting the violation of or conspiring to violate any provision or term of this chapter or of the applicable federal and state laws and regulations governing pharmacy, including regulations established by the board or by any other state or federal regulatory agency."

Section 4401 states:

"Every pharmacist who desires to retain his or her license on the books of the board shall biennially pay to the executive officer of the board the renewal fee, established by the board, within the limits prescribed by this chapter. In return for the payment of the renewal fee, a certificate of renewal shall be issued."

/// 27 28

23

24

25

26

///

8

б

11 12

13

14 .

16

17

18

19

20_.

22

23

24

25

26 27[.]

28

REGULATORY PROVISIONS

- 11. California Code of Regulations, title 16, section 1714 states, in pertinent part:
- "(b) Each pharmacy licensed by the board shall maintain its facilities, space, fixtures, and equipment so that drugs are safely and properly prepared, maintained, secured and distributed.

 The pharmacy shall be of sufficient size and unobstructed area to accommodate the safe practice of pharmacy.
- "(d) Each pharmacist while on duty shall be responsible for the security of the prescription department, including provisions for effective control against theft or diversion of dangerous drugs and devices, and records for such drugs and devices. Possession of a key to the pharmacy where dangerous drugs and controlled substances are stored shall be restricted to a pharmacist."
 - 12. California Code of Regulations, title 16, section 1718 states:

"Current Inventory" as used in Sections 4081 and 4332 of the Business and Professions

Code shall be considered to include complete accountability for all dangerous drugs handled by
every licensee enumerated in Sections 4081 and 4332. The controlled substances inventories
required by Title 21, CFR, Section 1304 shall be available for inspection upon request for at least
3 years after the date of the inventory."

COST RECOVERY

13. Section 125.3 states, in pertinent part, that the Board may request the administrative law judge to direct a licentiate found to have committed a violation or violations of the licensing act to pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.

CONTROLLED SUBSTANCE

14. "Norco," is the brand name for Hydrocodone 10mg./Acetaminophen 325mg. It is a Schedule III controlled substance as defined in Health and Safety Code section 11056, subdivision (e)(4) and is categorized as a dangerous drug pursuant to section 4022.

.15

FIRST CAUSE FOR DISCIPLINE

(Failure to Maintain Adequate Security for Dangerous Drugs)

- 15. Respondents, Pharmacy and Charles and each of them, are subject to disciplinary action under section 4301, subdivisions (j) and (o), as defined in California Code of Regulations, title 16, section 1714, subdivisions (b) and (d), in that Respondents failed to maintain adequate security for dangerous drugs, as follows:
- a. On or about June 20, 2007, Respondents notified the Board of a loss of approximately 470,000 tablets of hydrocodone with acetaminophen 10mg./325mg., due to employee pilferage. An audit of Respondent Pharmacy's records of acquisition and disposition revealed that from on or about December 27, 2006 to on or about June 14, 2007, Respondents had a shortage of at least 343,378 tablets of hydrocodone with acetaminophen 10mg./325mg.
- b. On or about February 11, 2008, the Board conducted a routine inspection and investigation at Respondent Pharmacy. The inspection revealed that the controlled substances, Schedules II, III, IV, and V were dispersed throughout the pharmacy. A review of the Drug Enforcement Administration (DEA) 222 forms and the Schedule II controlled substance order forms revealed the date and quantities received were not documented on the DEA 222 forms upon receiving the Schedule II controlled substance deliveries. The inspection further revealed that re-ordering of prescription drugs was not designated to a specific person. The pharmacy technicians and pharmacists were allowed to order drugs from AmerisourceBergen. When the drugs were delivered, a pharmacist did not always sign for the deliveries and the invoices were not always reviewed or signed by the pharmacist. A correction was ordered by the Board.

SECOND CAUSE FOR DISCIPLINE

(Failure to Maintain Current Inventory and Complete Accountability)

16. Respondents, Pharmacy and Charles and each of them, are subject to disciplinary action under section 4301, subdivisions (j) and (o), for violating section 4081, subdivisions (a) and (b), as defined in California Code of Regulations, title 16, section 1718, in that Respondents

failed to maintain current inventory and complete accountability for all dangerous drugs handled by every licensee. Complainant refers to, and by this reference incorporates, the allegations set forth above in paragraph 15, subparagraphs (a) through (b), inclusive, as though set forth fully.

THIRD CAUSE FOR DISCIPLINE

(Failure to Renew Pharmacist License)

17. Respondent Charles is subject to disciplinary action under section 4401, in that on or about July 31, 2009, Respondent's Pharmacist License No. RPH 51100 expired and has not been renewed. On or about August 22, 2009, the Board mailed Respondent a delinquency notice, with no response from Respondent.

FOURTH CAUSE FOR DISCIPLINE

(Failure to Timely Notify the Board of a Designated Pharmacist-in-Charge)

18. Respondent Pharmacy is subject to disciplinary action under section 4113, subdivision (a), in that Respondent failed to timely notify the Board in writing within 30 days of designation, of the identity and license number of the designated Pharmacist-in-Charge and the date of designation. On or about July 2, 2007, Respondent Charles disassociated, as the Pharmacist-in-Charge of Respondent Pharmacy. On or about July 26, 2007, Ramona Ederly was associated, as the new Pharmacist-in-Charge of Respondent Pharmacy. On or about August 15, 2007, the Board sent a letter addressed to Pharmacist-in-Charge Respondent Charles, requesting information regarding the loss or theft of controlled substances that occurred from June 2006 through May 2007, with a repy requested by August 31, 2007. However, due to Respondent Charles no longer being the Pharmacist-in-Charge of Respondent Pharmacy, there was a delay in the Board's letter getting to the correct person. On or about September 18, 2007, Sherri Cherman, Pharm.D., EVP/CCO of Respondent Pharmacy, received the Board's letter and sent a response to the Board, dated September 20, 2007.

DISCIPLINARY CONSIDERATIONS

19. In order to determine the degree of discipline, if any, to be imposed on Respondent, Complainant alleges that on or about March 7, 2007, the Board issued Citation No. CI 2006

2:6

27

1	32299, against Respondent AD-RX Pharmacy for violating California Code of Regulations, title		
2	16, section 1716 (variation from prescription). The citation and order is now final.		
3	PRAYER		
4	WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged,		
5	and that following the hearing, the Board issue a decision:		
6	1. Revoking or suspending Pharmacy Permit No. PHY 44831, issued to Respondent		
.7	Pharmacy;		
8	2. Revoking or suspending Pharmacist License No. RPH 51100, issued to Respondent		
9	Charles;		
10	3. Ordering Respondents, Pharmacy and Charles to pay the Board the reasonable costs		
11	of the investigation and enforcement of this case, pursuant to section 125.3;		
12	4. Taking such other and further action as deemed necessary and proper.		
13	DATED: 1610 ligite teld		
14	VIRGINIA HEROLD Executive Officer		
15	Board of Pharmacy Department of Consumer Affairs		
16	State of California Complainant		
17			
18			
19			
20			
21			
22			
23			
24.			
25			
26.	LA2009604651		
27	60502866.doc Jz-12/17/09		
28			