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

In the Matter of the Statement of Issues Against:

Case No. 3445

COLLEGE PHARMACY

3505 Austin Bluffs Pkwy., Ste 101 Colorado Springs, CO 80918

Applicant

Respondent.

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 November 1, 2010.

It is so ORDERED on October 20, 2010.

BOARD OF PHARMACY DEPARTMENT OF CONSUMER AFFAIRS STATE OF CALIFORNIA

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Ву

STANLEY C. WEISSER Board President

1	EDMUND G. Brown Jr.					
2	Attorney General of California JAMES M. LEDAKIS Supervising Deputy Attorney General					
3	Supervising Deputy Attorney General Ron Espinoza					
4	Deputy Attorney General State Bar No. 176908					
5	110 West "A" Street, Suite 1100 San Diego, CA 92101					
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7	Telephone: (619) 645-2100 Facsimile: (619) 645-2061					
8	Attorneys for Complainant					
9	BEFORE THE BOARD OF PHARMACY					
10	DEPARTMENT OF CONSUMER AFFAIRS STATE OF CALIFORNIA					
11						
12	In the Matter of the First Amended Statement of Issues Against: Case No. 3445					
13	COLLEGE PHARMACY STIPULATED SETTLEMENT AND DISCIPLINARY ORDER					
14	3505 Austin Bluffs Pkwy., Ste. 101 Colorado Springs, CO 80918					
15	Respondent.					
15 16	Respondent.					
1	Respondent. In the interest of a prompt and speedy settlement of this matter, consistent with the public					
16						
16 17	In the interest of a prompt and speedy settlement of this matter, consistent with the public					
16 17 18	In the interest of a prompt and speedy settlement of this matter, consistent with the public interest and the responsibility of the Board of Pharmacy of the Department of Consumer Affairs,					
16 17 18 19	In the interest of a prompt and speedy settlement of this matter, consistent with the public interest and the responsibility of the Board of Pharmacy of the Department of Consumer Affairs, the parties hereby agree to the following Stipulated Settlement and Disciplinary Order which will					
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- 2. College Pharmacy (Respondent) is represented in this proceeding by attorney Samuel Spital, Esq., whose address is 8880 Rio San Diego Drive, Suite 800, San Diego, CA 92108-1642.
- 3. On or about December 24, 2008, the Board of Pharmacy, Department of Consumer Affairs, received an application for a Nonresident Pharmacy Permit from Respondent College Pharmacy. On or about December 2, 2008, Rachel Christopher, on behalf of Respondent College Pharmacy, certified under penalty of perjury to the truthfulness of all statements, answers, and representations in the application. The Board denied the application on May 27, 2009. On or about July 1, 2009, Respondent filed a written request for a hearing on the denial.
- 4. On or about March 19, 2009, the Board of Pharmacy, Department of Consumer Affairs, also received an application for a Nonresident Sterile Injectable Compounding Pharmacy Permit from Respondent College pharmacy. This application was deemed denied pursuant to the First Amended Statement of Issues filed herein.
- 5. Jerry Gillick, President and Chief Executive Officer (CEO) of Respondent College Pharmacy, has been and is authorized to enter into this stipulated settlement on behalf of said Respondent.

JURISDICTION

6. First Amended Statement of Issues No. 3445 was filed before the Board of Pharmacy (Board), Department of Consumer Affairs, and is currently pending against Respondent. The initial Statement of Issues and all other statutorily required documents were properly served on Respondent on January 4, 2010. The First Amended Statement of Issues and all other statutorily required documents were properly served on Respondent on June 9, 2010. A copy of First Amended Statement of Issues No. 3445 is attached as Exhibit A and incorporated herein by reference.

ADVISEMENT AND WAIVERS

7. Jerry Gillick has carefully read, fully discussed with counsel, and understands the charges and allegations in First Amended Statement of Issues No. 3445. Jerry Gillick has also carefully read, fully discussed with counsel, and understands the effects of this Stipulated Settlement and Disciplinary Order.

- 8. Jerry Gillick is fully aware of Respondent's legal rights in this matter, including the right to a hearing on the charges and allegations in the First Amended Statement of Issues; the right to confront and cross-examine the witnesses against it; 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.
- 9. On behalf of Respondent, Jerry Gillick voluntarily, knowingly, and intelligently waives and gives up each and every right set forth above.

CULPABILITY

- 10. Respondent admits the truth of each and every charge and allegation in First Amended Statement of Issues No. 3445.
- 11. Respondent agrees that its applications for a Nonresident Pharmacy Permit and for a Nonresident Sterile Injectable Compounding Pharmacy Permit are subject to denial, and it agrees to be bound by the Board of Pharmacy's imposition of discipline as set forth in the Disciplinary Order below.

RESERVATION

12. The admissions made by Respondent herein are only for the purposes of this proceeding, or any other proceedings in which the Board of Pharmacy is involved, and shall not be admissible in any other civil, administrative or criminal proceeding.

CONTINGENCY

13. This stipulation shall be subject to approval by the Board of Pharmacy. Jerry Gillick understands and agrees that counsel for Complainant and the staff of the Board of Pharmacy 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, Jerry Gillick understands and agrees that Respondent 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.

- 14. The parties understand and agree that facsimile copies of this Stipulated and Stipulated and Disciplinary Order, including facsimile signatures thereto, shall have the same force and effect as the originals.
- 15. This Stipulated Settlement and Disciplinary Order is intended by the parts 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 Displinary 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.
- 16. In consideration of the foregoing admissions and stipulations, the parties gree that the Board may, without further notice or formal proceeding, issue and enter the following Disciplinary Order:

DISCIPLINARY ORDER

IT IS HEREBY ORDERED that upon satisfaction of all statutory and regulatry requirements for issuance of a license, a Nonresident Pharmacy Permit and a Nonresident Sterile Injectable Compounding Pharmacy Permit shall be issued to Respondent and immeditely revoked; the order of revocation is stayed and Respondent is placed on probation foreven (7) years upon 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, i writing, within seventy-two (72) hours of such occurrence:

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□ 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

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 Nonresident Pharmacy Permit or Nonresident Sterile Injectable Compounding Pharmacy Permit 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.

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. 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.

6. Status of License(s)

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(s), 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(s) 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(s) shall be subject to all terms and conditions of this probation not previously satisfied.

7. 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(s) 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(s), 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(s) to the board within ten (10) days of notification by the board that the surrender

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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.

8. 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.

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"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.

9. 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.

10. 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.

11. Violation of Probation

If a respondent owner or respondent has not complied with any term or condition of probation, the board shall have continuing jurisdiction over respondent license(s), 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 or respondent 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. Notice and opportunity to be heard are not required for those

provisions stating that a violation thereof may lead to automatic termination of the stay and/or revocation of the license. 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.

12. Completion of Probation

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

13. 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.

ACCEPTANCE

I have carefully read the above Stipulated Settlement and Disciplinary Order and have fully discussed it with my attorney, Samuel Spital, Esq. I understand the stipulation and the effect it will have on Respondent's Nonresident Pharmacy Permit and Nonresident Sterile Injectable Compounding Pharmacy Permit and the applications thereto. I enter into this Stipulated Settlement and Disciplinary Order voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the Board of Pharmacy.

DATED: 8/23/2010

JERRY GILLICK, President and CEO of Respondent College Pharmacy

1	I have read and fully discussed	with Jerry Gillick the terms and conditions and other
2	matters contained in the above Stipu	lated Settlement and Disciplinary Order. I approve its form
3	and content.	a Si
4	DATEL: 8-24-/0	
5		SAMUEL SPITAL, ESQ. Attorney for Respondent
6		
7		ENDORSEMENT
8	The foregoing Stipulated Settle	ement and Disciplinary Order is hereby respectfully
9	submitted for consideration by the B	oard of Pharmacy of the Department of Consumer Affairs.
10	9-25-11)	
11	DATED: 8-25-10	Respectfully Submitted,
12		EDMUND G. BROWN JR. Attorney General of California
13		James M. Ledakis Supervising Deputy Attorney General
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15		RON ESPINOZA
16		Deputy Attorney General Attorneys for Complainant
17		morneys for Compranam
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]		STIPULATED SETTLEMENT

Exhibit A

First Amended Statement of Issues No. 3445

1	EDMUND G. Brown Jr.					
2	Attorney General of California JAMES M. LEDAKIS Canada					
3	Supervising Deputy Attorney General RON ESPINOZA					
4	Deputy Attorney General State Bar No. 176908					
5	110 West "A" Street, Suite 1100 San Diego, CA 92101					
6	P.O. Box 85266 San Diego, CA 92186-5266					
7	Telephone: (619) 645-2100 Facsimile: (619) 645-2061					
8	Attorneys for Complainant					
9	BEFORE THE BOARD OF PHARMACY					
10	DEPARTMENT OF CONSUMER AFFAIRS STATE OF CALIFORNIA					
11	In the Matter of the First Amended Statement Case No. 3445					
12	of Issues Against:					
13	COLLEGE PHARMACY 3505 Austin Bluffs Pkwy Ste. 101 FIRST AMENDED STATEMENT OF					
14	3505 Austin Bluffs Pkwy., Ste. 101 Colorado Springs, CO 80918 FIRST AMENDED STATEMENT OF ISSUES					
15	Respondent.					
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17	Complainant alleges:					
18	<u>PARTIES</u>					
19	1. Virginia Herold (Complainant) brings this First Amended Statement of Issues solely					
20	in her official capacity as the Executive Officer of the Board of Pharmacy, Department of					
21	Consumer Affairs.					
22	2. On or about December 24, 2008, the Board of Pharmacy, Department of Consumer					
23	Affairs, received an application for a Nonresident Pharmacy Permit from College Pharmacy					
24	(Respondent). On or about December 2, 2008, Rachel Christopher, on behalf of College					
25	Pharmacy, certified under penalty of perjury to the truthfulness of all statements, answers, and					
26	representations in the application. The Board denied the application on May 27, 2009.					
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FIRST AMENDED STATEMENT OF ISSUES

- 13						
1	3.	On or about March 19, 2009, the Board of Pharmacy, Department of Consumer				
2	Affairs, a	lso received an application for a Nonresident Sterile Injectable Compounding Pharmacy				
3	Permit fro	om Respondent College pharmacy. This application is deemed denied pursuant to the				
4	First Am	ended Statement of Issues filed herein.				
5		JURISDICTION				
6	4.	This First Amended Statement of Issues is brought before the Board of Pharmacy				
7	(Board), Department of Consumer Affairs, under the authority of the following laws. All section					
8	references are to the Business and Professions Code (Code) unless otherwise indicated.					
9	5.	Section 4300, subdivision (c), of the Code states:				
10		(c) The board may refuse a license to any applicant guilty of unprofessional				
11		conduct. The board may, in its sole discretion, issue a probationary license to any applicant for a license who is guilty of unprofessional conduct and who has met				
12		all other requirements for licensure. The board may issue the license subject to any terms or conditions not contrary to public policy, including, but not limited to,				
13		the following				
14		STATUTORY PROVISIONS				
15	6.	Section 4301 of the Code states:				
16		The board shall take action against any holder of a license who is guilty of				
17		unprofessional conduct or whose license has been procured by fraud or misrepresentation or issued by mistake. Unprofessional conduct shall include,				
18		but is not limited to, any of the following:				
19		(n) The reversation arranging or other dissimilar by eacther state of a				
20		(n) The revocation, suspension, or other discipline by another state of a license to practice pharmacy, operate a pharmacy, or do any other act for which				
21		a license is required by this chapter.				
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23	7.	Section 480 of the Code states:				
24		(a) A board may deny a license regulated by this code on the grounds that				
25		the applicant has one of the following:				
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	(3)(A)	Done any	act that if	done by	a licentiate	of the	business or	î
profe	ssion in	question,	would be	grounds	for suspens	ion or i	revocation	of
licen	se.							

(B) The board may deny a license pursuant to this subdivision only if the crime or act is substantially related to the qualifications, functions, or duties of the business or profession for which application is made.

8. Section 482 of the Code states:

Each board under the provisions of this code shall develop criteria to evaluate the rehabilitation of a person when:

- (a) Considering the denial of a license by the board under Section 480; or
- (b) Considering suspension or revocation of a license under Section 490.

Each board shall take into account all competent evidence of rehabilitation furnished by the applicant or licensee.

9. Section 4313 of the Code states:

In determining whether to grant an application for licensure or whether to discipline or reinstate a license, the board shall give consideration to evidence of rehabilitation. However, public protection shall take priority over rehabilitation and, where evidence of rehabilitation and public protection are in conflict, public protection shall take precedence.

REGULATIONS

- 10. California Code of Regulations, Title 16, Section 1769, states:
 - (a) When considering the denial of a facility or personal license under Section 480 of the Business and Professions Code, the board, in evaluating the rehabilitation of the applicant and his present eligibility for licensing or registration, will consider the following criteria:
 - (1) The nature and severity of the act(s) or offense(s) under consideration as grounds for denial.
 - (2) Evidence of any act(s) committed subsequent to the act(s) or crime(s) under consideration as grounds for denial under Section 480 of the Business and Professions Code.
 - (3) The time that has elapsed since commission of the act(s) or crime(s) referred to in subdivision (1) or (2).

- (4) Whether the applicant has complied with any terms of parole, probation, restitution or any other sanctions lawfully imposed against the applicant.
 - (5) Evidence, if any, of rehabilitation submitted by the applicant.

FIRST CAUSE FOR DENIAL OF APPLICATION

(Discipline By Another State- Colorado)

- 11. Respondent's applications are subject to denial under Code sections 480, subdivision (a)(3)(A), and 4300, subdivision (c), in conjunction with Section 4301, subdivision (n), in that Respondent was disciplined by another state. The circumstances are as follows:
- a. On or about April 7, 2004, in Case No. 2004-838, the Colorado State Board of Pharmacy and Respondent entered into a stipulation whereby discipline was imposed upon Respondent, including assessment of a \$1,000 fine. The discipline arose from Respondent failing to timely notify the state pharmacy board of a change of its pharmacist manager.
- b. On or about December 21, 2005, in Case No. 2005-0002, the Colorado State Board of Pharmacy and Respondent entered into a stipulation whereby discipline was imposed upon Respondent, including assessment of a \$50,000 fine. The discipline arose because pharmacists employed by Respondent dispensed prescriptions to a practitioner's office under employee names, rather than under a specific patient's name; because pharmacists employed by Respondent failed to list the patient's address on three prescription orders; and because Respondent did not have specific compounding records for a prescription order.
- c. On or about December 18, 2007, in Case No. 2008-569, the Colorado State Board of Pharmacy and Respondent entered into a stipulation whereby discipline was imposed upon Respondent, including assessment of a \$250,000 fine. The discipline arose because in or about 2004 through 2007, Respondent allegedly sold or distributed human growth hormone (hGH) imported from China in the United States that had not been approved by the United States Food and Drug Administration (FDA). Although Respondent stipulated to the discipline, it did not make admissions and denied the charges.

d. On or about April 10, 2009, in Case Nos. 2008-569, 2009-639 and 2009-1779, the Colorado State Board of Pharmacy and Respondent entered into a stipulation whereby discipline was imposed upon Respondent, including 7 years probation. The discipline arose because in or about April 2008, Respondent purchased hGH, a controlled substance under Colorado law, from a source that was not a registered prescription drug wholesaler in the State of Colorado; because in or about March 2008, Respondent received a prescription order from and sold hGH to a veterinarian in Illinois where the veterinarian was listed as both the prescribing practitioner and the patient; and because these actions violated the prior stipulation entered into between Respondent and the Colorado State Board of Pharmacy in Case No. 2008-569.

SECOND CAUSE FOR DENIAL OF APPLICATION

(Discipline By Another State- Arizona)

- 12. Respondent's applications are subject to denial under Code sections 480, subdivision (a)(3)(A), and 4300, subdivision (c), in conjunction with Section 4301, subdivision (n), in that Respondent was disciplined by another state. The circumstances are as follows:
- a. On or about May 14, 2008, in Case No. 08-0044-PHR, the Arizona State Board of Pharmacy and Respondent entered into a stipulation whereby discipline was imposed upon Respondent, including 7 years probation, based upon the discipline imposed by the Colorado State Board of Pharmacy in December 2007 in Case No. 2008-569 (see First Cause for Denial above).

THIRD CAUSE FOR DENIAL OF APPLICATION

(Discipline By Another State- Missouri)

- 13. Respondent's applications are subject to denial under Code sections 480, subdivision (a)(3)(A), and 4300, subdivision (c), in conjunction with Section 4301, subdivision (n), in that Respondent was disciplined by another state. The circumstances are as follows:
- a. On or about May 28, 2008, the Missouri State Board of Pharmacy issued Respondent a pharmacy permit whereby discipline was imposed upon Respondent, including 3 years probation, based upon the discipline imposed by the Colorado State Board of Pharmacy in December 2007 in Case No. 2008-569 (see First Cause for Denial above).

FOURTH CAUSE FOR DENIAL OF APPLICATION

(Discipline By Another State- Indiana)

- 14. Respondent's applications are subject to denial under Code sections 480, subdivision (a)(3)(A), and 4300, subdivision (c), in conjunction with Section 4301, subdivision (n), in that Respondent was disciplined by another state. The circumstances are as follows:
- a. As the result of filing a federal criminal action (Criminal Action No. 07-cr-00338-MSK), the United States indicted Respondent College Pharmacy in 2007. The basis of the criminal indictment was that while under ownership of Thomas Bader, Respondent allegedly sold and distributed human growth hormones illegally in the United States between 2004 and 2007. In August 2008, the United States, in a substantially related case (Civil Action No. 08-cv-01790-MSK), filed a complaint in federal civil court against Respondent for forfeiture *in rem* and for a permanent injunction based upon its alleged distribution of the human growth hormone (hGH).
- b. Pursuant to a consent decree, and without contesting the allegations, the federal criminal and civil cases were resolved with Respondent in September 2008, when Respondent agreed to entry of a permanent injunction whereby it would, *inter alia*, refrain from introducing into interstate commerce hGH other than hGH that is contained in a FDA approved drug product, dispensed pursuant to a patient-specific prescription, and for approved uses only as determined by the Secretary of Health and Human Services or the FDA. In addition, Respondent agreed to a forfeiture judgment against it in the amount of 3.5 million to the United States. The federal criminal action was subsequently dismissed without prejudice as to Respondent.
- c. In or about 2007, Respondent submitted an application to the Indiana Board of Pharmacy to renew its registration as a nonresident pharmacy. On January 17, 2008, the Indiana Board of Pharmacy sent Respondent a letter denying the application based on "the information regarding the current federal indictment being reviewed by the Colorado federal Grand Jury." Respondent appealed the denial, and an administrative hearing was held. On or about May 7, 2009, in Case No. 2008 IBP 0009, as a result of the administrative hearing, the Indiana Board of Pharmacy issued Respondent a nonresident pharmacy registration, but placed Respondent on probation.

PRAYER

WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged, and that following the hearing, the Board of Pharmacy issue a decision:

1. Denying the applications of College Pharmacy for a Nonresident Pharmacy Permit and for a Nonresident Sterile Injectable Compounding Pharmacy Permit;

2. Taking such other and further action as deemed necessary and proper.

DATED: 6/3/10

Executive Officer
Board of Pharmacy

Department of Consumer Affairs

State of California Complainant

SD2009804663