

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

In the Matter of the Petition for Reduction of Penalty of:

CHAMPION HEALTH SERVICES, INC., Petitioner

Agency Case No. 5185

OAH No. 2023050481

DECISION

This matter was heard by videoconference before a quorum of the Board of Pharmacy (Board) on May 17, 2023. Administrative Law Judge Danette C. Brown, Office of Administrative Hearings, presided from Sacramento, California.

Kristina T. Jarvis, Deputy Attorney General, appeared pursuant to Government Code section 11522.

Petitioner Champion Health Services, Inc., appeared through its Chief Executive Officer, Erika Marie Hoffman.

Evidence was received, the record closed, and the matter submitted for decision on May 17, 2023.

FACTUAL FINDINGS

License History

1. On November 28, 2012, the Board issued petitioner Wholesale Permit No. WLS 6040 (permit). The permit will expire on November 1, 2023, unless renewed.

2. On March 15, 2016, Virginia Herold, a former Board Executive Officer, filed an Accusation against petitioner and designated representatives Erika Marie Hoffman and Monica Marie Hoffman (the Hoffman sisters). The Accusation alleged unprofessional conduct against petitioner and the Hoffman sisters based upon: (1) practicing pharmacy without a license; (2) aiding and abetting the unlicensed practice of pharmacy and wholesaling; (3) holding, selling, delivering, or offering misbranded drugs for sale; (4) delivering or proffering for delivery misbranded drugs; (5) knowingly selling misbranded drugs; (6) engaging in dishonest acts by Erika Marie Hoffman when she told a Board inspector that SportsPharm Pharmaceuticals, Inc. (SportsPharm), described below, ceased operations in August 2012 when it had not done so; (7) failing to notify the Board of a change in beneficial ownership interest; and (8) general unprofessional conduct.

3. The circumstances underlying the allegations are that, from 2009 through January 2014, Erika Marie Hoffman worked for SportsPharm as Director of Sports Medicine and Chief Operating Officer (COO). From October 2008 to 2013, Monica Marie Hoffman was the Chief Financial Officer (CFO) and Eric Parent served as President.

The Board previously cited SportsPharm twice, once on June 21, 2011, for conducting, operating, practicing, or acting as a wholesaler of dangerous drugs and

controlled substances, and again on August 27, 2014, for the same violation, and for performing pharmacy activities without being licensed by the State of California as a pharmacy. SportsPharm received prescription documents for compound formulations from prescribers, determining that they were prescriptions and sending them to Artesia Pharmacy, Inc., doing business as Triad Compounding Pharmacy (Triad) without a licensed pharmacist to evaluate and interpret the documents. Triad then dispensed, furnished and sold the drugs to SportsPharm and petitioner.

On November 28, 2012, petitioner's ownership changed hands from Teresa Hoffman (mother of the Hoffman sisters) to Eric Parent and the Hoffman sisters. Neither petitioner nor anyone on petitioner's behalf reported the change in ownership to the Board within 30 days. Petitioner occupied the same premises as SportsPharm, and the Hoffman sisters concurrently operated petitioner and SportsPharm.

From May 2013 to March 2016, petitioner and the Hoffman sisters purchased dangerous drugs in bulk, sent dangerous drugs to be repackaged into smaller units, and sold the drugs without patient package inserts containing a brief summary of the side effects, contraindications, and effectiveness of the drugs. Despite being told by Board inspectors that the package inserts were required to be included in the drug packaging, and that failure to do so would be considered misbranding, petitioner and the Hoffman sisters did not include the inserts in the drug packaging.

4. On August 28, 2017, Mr. Parent, on petitioner's behalf, signed a Stipulated Settlement and Disciplinary Order agreeing that the charges and allegations, if proven at hearing, constituted cause for discipline of petitioner's permit. Petitioner agreed to the Board revoking its permit, staying the revocation, and placing petitioner on five years' probation with terms and conditions, including: submit quarterly reports to the Board; reimburse to the Board its costs of investigation and

prosecution of \$26,804.75; pay probation monitoring costs; provide a signed statement of the owners and any officer, under penalty of perjury, that the individuals have read and are familiar with state and federal laws and regulations governing the practice of pharmacy; retain an independent consultant specializing in wholesaling to review petitioner's operations on a monthly basis for compliance of state and federal laws and regulations by petitioner; and complete an ethics course by all owners and officers. The Hoffman sisters executed individual Stipulated Settlements, both dated August 28, 2017, regarding their designated representative licenses.

5. On October 16, 2017, the Board adopted petitioner's Stipulated Settlement and Disciplinary Order as its Decision in the matter. The Decision became effective on November 15, 2017.

Petition for Reduction of Penalty

6. On January 31, 2023, Erika Marie Hoffman, petitioner's current Chief Executive Officer, signed and later filed a Petition for Reduction of Penalty (Petition), to excuse Monica Marie Hoffman from completing the required ethics course due to her medical disability. Petitioner began probation on November 15, 2017. To date, with the exception of Monica Marie Hoffman's ethics course completion, petitioner has met all terms and conditions of probation, including paying all costs to the Board.

7. In her written statement to the Board, Monica Marie Hoffman explained that at the time of the Board settlement with petitioner, she was battling breast cancer. In 2018, she was diagnosed with sarcoma cancer and underwent treatment. In January 2021, she battled COVID-19 pneumonia. In May 2021, after her medical team recommended a new environment for her illness, Monica Marie Hoffman moved with

her mother and caretaker to Florida. She requests that the Board provide her with compassion and release her from the ethics course requirement.

Rehabilitation Evidence

8. The Hoffman sisters, who are twins, testified at hearing. Erica Marie Hoffman testified that she was an employee of SportsPharm and believed the company's wholesaling and pharmacy practices were legal. She then assumed an ownership interest in petitioner. She acknowledged the errors made by petitioner cited in the Accusation. She attributed the errors as "on the job training." She seeks a reduction in the penalty of probation by excusing her sister Monica Marie Hoffman from the ethics course requirement, explaining that her sister was diagnosed with breast cancer and went on medical leave for almost three years to undergo chemotherapy and radiation treatment and surgeries. Her sister was then diagnosed with a second cancer, sarcoma. Her sister remains on medical leave, continuing to suffer from brain fog and forgetfulness.

9. Erica Marie Hoffman asserted that probation has been a financial hardship. Petitioner's wholesale business is "struggling to keep its doors open." She hopes to "clear" petitioner's wholesale permit without any further issues.

10. Monica Marie Hoffman testified that she thought she was trained properly by her previous bosses at SportsPharm and was unaware of the required package inserts when she began working for petitioner. She confirmed her medical struggles, stating that on November 2, 2015, she was diagnosed with a rare, aggressive form of breast cancer. She did not return to work after intensive cancer treatment. She entered into the Board's Stipulated Settlement and Disciplinary Order knowing of the ethics course requirement and did not foresee that her health condition would worsen.

She drained her savings account to pay for the Board's costs and her legal fees. She returned to work for one month in 2018, received a call from the hospital, and was informed of her diagnosis of an aggressive form of sarcoma cancer. On January 27, 2021, she caught COVID-19 and pneumonia, and was discharged from the hospital on February 6, 2021. For the past seven years, Monica Marie Hoffman has had no work income, disability payments, or government aid. The required ethics course is over two days, and costs \$2,000. This would be a financial burden on her, and she cannot sit still over the course of two days for eight hours. She will not be able to recall course material because her memory is failing.

11. Finally, petitioner submitted four letters of recommendation to support its Petition.

(a) Teresa Hoffman, the Hoffman sisters' mother, confirmed Monica Marie Hoffman's various illnesses and health struggles. Both sisters were hospitalized in January and February 2021 with COVID-19 pneumonia. The pulmonary doctor advised the sisters to move to a wet climate. Teresa and Monica Marie Hoffman moved to Florida on May 5, 2021. Her daughter Monica Marie Hoffman remains on probation. Teresa Hoffman believes the Board has an ethical responsibility to release Monica Marie Hoffman due to her health issues.

(b) Michael Herbst is a certified athletic trainer and was a medical coordinator for the New York Mets organization. He is now retired. SportsPharm and petitioner supplied the organization with non-controlled medications, over-the-counter products, and a few medical supplies. He believed Erica Marie Hoffman unfairly received the vast majority of blame for the actions of SportsPharm's principals, and petitioner "was the unlucky recipient who has

paid a heavy burden and fine.” Mr. Herbst believes that given Monica Marie Hoffman’s “lack of day-to-day involvement with [petitioner] and her medical conditions, the need to complete the ethics course seems moot.”

- (c) Alisa Tuchscher-Keches is a licensed pharmacy technician. She has not worked for petitioner but has knowledge of the Hoffmans’ employment under SportsPharm. She expressed knowledge of Monica Marie Hoffman’s health struggles. She described petitioner as having an excellent reputation.
- (d) Rodney Patterson, Pharm.D., conducted periodic reviews of petitioner as a requirement of probation. He affirmed that completion of petitioner’s probation has been “held up” because Monica Marie Hoffman has not yet completed the ethics course requirement. He expressed knowledge of and explained her health problems precluding her from completing the course. He further explained that Erica Marie Hoffman “handles the operations almost entirely, [with] software help from Eric.” He confirmed that petitioner has complied with all terms of probation except the required ethics course still needed to be completed by Monica Marie Hoffman.

Analysis

12. In considering reduction of penalty, the Board may consider factors including, but not limited to: all activities since the disciplinary action was taken; the offense underlying the discipline; activities while the registration was in good standing; documented rehabilitative efforts; and the petitioner’s general reputation for truth and professional ability. (Bus & Prof. Code, § 4309, subd. (d).)

13. To evaluate rehabilitation, courts look with favor on those who have achieved “reformation and regeneration” and possess a changed “state of mind.”

(*Pacheco v. State Bar* (1987) 43 Cal.3d 1041, 1058.) Moreover, fully acknowledging the wrongfulness of past actions is an essential step towards rehabilitation. (*Seide v. Committee of Bar Examiners* (1989) 49 Cal.3d 933, 940.) While a candid admission of misconduct and full acknowledgment of wrongdoing are necessary steps in the rehabilitation process, they are only first steps. A truer indication of rehabilitation is presented when a licensee demonstrates by sustained conduct over an extended period of time that she is once again safe to practice without oversight. (*In re Trebilcock* (1981) 30 Cal.3d 312, 315-316.)

14. Considering the factors above, petitioner has established rehabilitation sufficient to grant the Petition by removing the ethics course requirement for Monica Marie Hoffman based upon a medical disability.

LEGAL CONCLUSIONS

1. Business and Professions Code section 4309 allows a licensee to petition for the modification of probation. In evaluating the petition, the Board shall consider petitioner's documented rehabilitative efforts. (*Id.*, subd. (d).)

2. The burden rests on the petitioner to prove that she has been rehabilitated and is entitled to the relief requested. (*Flanzer v. Bd. of Dental Examiners* (1990) 220 Cal.App.3d 1392, 1398.) The standard of proof is clear and convincing evidence to a reasonable certainty, which is proof so clear as to leave no substantial doubt and sufficiently strong to command the unhesitating assent of every reasonable mind. (*In re Marriage of Weaver* (1990) 224 Cal.App.3d 478, 487.)

3. As set forth in the Factual Findings as a whole, petitioner has shown sufficient evidence of rehabilitation to establish that it would not be contrary to the

public interest, safety, or welfare to remove the ethics course requirement for Monica Marie Hoffman.

ORDER

The petition for reduction of penalty filed by petitioner Champion Health Services, Inc., Wholesale Permit No. WLS 6040, is GRANTED.

This Decision shall become effective at 5:00 p.m. on August 11, 2023.

It is so ORDERED on July 14, 2023.

BOARD OF PHARMACY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA

By

A handwritten signature in black ink, appearing to read "Seung W. Oh". The signature is written in a cursive style with a large, sweeping initial "S".

Seung W. Oh, Pharm.D.
Board President

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

In the Matter of the Accusation Against:

**CHAMPION HEALTH SERVICES, INC.
5481 Commercial Drive #B
Huntington Beach, CA 92649**

Wholesale Permit No. WLS 6040

**ERIKA MARIE HOFFMAN
16369 Wimbledon Lane
Huntington Beach, CA 92649**

Designated Representative License No. EXC 20558

**MONICA MARIE HOFFMAN
18504 Beach Blvd #615
Huntington Beach, CA 92648**

Designated Representative License No. EXC 22306

Respondents.

Case No. 5185

OAH No. 2016090341

**STIPULATED SETTLEMENT AND
DISCIPLINARY ORDER AS TO
CHAMPION HEALTH SERVICES,
INC. 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 at 5:00 p.m. on November 15, 2017.

It is so ORDERED on October 16, 2017.

BOARD OF PHARMACY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA



By

Amy Gutierrez, Pharm.D.
Board President

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8 **BEFORE THE**
9 **BOARD OF PHARMACY**
10 **DEPARTMENT OF CONSUMER AFFAIRS**
STATE OF CALIFORNIA

11 In the Matter of the Accusation Against:

Case No. 5185

12 **CHAMPION HEALTH SERVICES, INC.**
13 **5481 Commercial Drive #B**
Huntington Beach, CA 92649

OAH No. 206090341

14 **Wholesale Permit No. WLS 6040**

STIPULATED SETTLEMENT AND
DISCIPLINARY ORDER AS TO
CHAMPION HEALTH SERVICES, INC.
ONLY

15 **ERIKA MARIE HOFFMAN**
16 **4302 Pickwick Circle, Apt. 120**
Huntington Beach, CA 92649

17 **Designated Representative License No.**
EXC 20558

18 **MONICA MARIE HOFFMAN**
19 **16369 Wimbledon Lane**
Huntington Beach, CA 92649

20 **Designated Representative License No.**
21 **EXC 22306**

22 Respondent.

23 IT IS HEREBY STIPULATED AND AGREED by and between the parties to the above-
24 entitled proceedings that the following matters are true:

25 ///

26 ///

1 PARTIES

2 1. Virginia Herold (Complainant) is the Executive Officer of the Board of Pharmacy
3 (Board). She brought this action solely in her official capacity and is represented in this matter by
4 Xavier Becerra, Attorney General of the State of California, by Cristina Felix, Deputy Attorney
5 General.

6 2. Respondent Champion Health Services, Inc. (Respondent) is represented in this
7 proceeding by attorney Michael Steponovich, Jr., whose address is 1835 West Orangewood
8 Avenue, Suite 255, Orange California 92868-2066.

9 3. On or about November 28, 2012, the Board issued Wholesale Permit Number 6040 to
10 Respondent. The Pharmacy Permit was in full force and effect at all times relevant to the charges
11 brought in Accusation No. 5185, and will expire on November 1, 2018, unless renewed. Erika
12 Marie Hoffman, EXC 20558, is and has been the Designated Representative-In Charge of
13 Respondent since November 28, 2012.

14 JURISDICTION

15 4. Accusation No. 5185 was filed before the Board, and is currently pending against
16 Respondent. The Accusation and all other statutorily required documents were properly served
17 on Respondent on March 23, 2016. Respondent timely filed its Notice of Defense contesting the
18 Accusation.

19 5. A copy of Accusation No. 5185 is attached as exhibit A and incorporated herein by
20 reference.

21 ADVISEMENT AND WAIVERS

22 6. Respondent, through its authorized representative, has carefully read, fully discussed
23 with counsel, and understands the charges and allegations in Accusation No. 5185. Respondent
24 has also carefully read, fully discussed with counsel, and understands the effects of this Stipulated
25 Settlement and Disciplinary Order.

26 7. Respondent, through its authorized representative, is fully aware of its legal rights in
27 this matter, including the right to a hearing on the charges and allegations in the Accusation; the
28 right to confront and cross-examine the witnesses against it; the right to present evidence and to

1 testify on its own behalf; the right to the issuance of subpoenas to compel the attendance of
2 witnesses and the production of documents; the right to reconsideration and court review of an
3 adverse decision; and all other rights accorded by the California Administrative Procedure Act
4 and other applicable laws.

5 8. Respondent, through its authorized representative, voluntarily, knowingly, and
6 intelligently waives and gives up each and every right set forth above.

7 CULPABILITY

8 9. Respondent, through its authorized representative, understands and agrees that the
9 charges and allegations in Accusation No. 5185, if proven at a hearing, constitute cause for
10 imposing discipline upon his wholesale permit.

11 10. For the purpose of resolving the Accusation without the expense and uncertainty of
12 further proceedings, Respondent agrees, through its authorized representative, that, at a hearing,
13 Complainant could establish a factual basis for the charges in the Accusation, and that
14 Respondent hereby gives up its right to contest those charges.

15 11. Respondent, through its authorized representative, further agrees that in any future
16 proceedings before the Board all allegations set forth in the Accusation shall be deemed admitted.

17 12. Respondent, through its authorized representative, agrees that its Wholesale Permit is
18 subject to discipline and it agrees to be bound by the Board's probationary terms as set forth in the
19 Disciplinary Order below.

20 CONTINGENCY

21 13. This stipulation shall be subject to approval by the Board of Pharmacy. Respondent,
22 through its authorized representative, understands and agrees that counsel for Complainant and
23 the staff of the Board of Pharmacy may communicate directly with the Board regarding this
24 stipulation and settlement, without notice to or participation by Respondent or its counsel. By
25 signing the stipulation, Respondent, through its authorized representative, understands and agrees
26 that they may not withdraw its agreement or seek to rescind the stipulation prior to the time the
27 Board considers and acts upon it. If the Board fails to adopt this stipulation as its Decision and
28 Order, the Stipulated Settlement and Disciplinary Order shall be of no force or effect, except for

1 this paragraph, it shall be inadmissible in any legal action between the parties, and the Board shall
2 not be disqualified from further action by having considered this matter.

3 14. The parties understand and agree that Portable Document Format (PDF) and facsimile
4 copies of this Stipulated Settlement and Disciplinary Order, including PDF and facsimile
5 signatures thereto, shall have the same force and effect as the originals.

6 15. This Stipulated Settlement and Disciplinary Order is intended by the parties to be an
7 integrated writing representing the complete, final, and exclusive embodiment of their agreement.
8 It supersedes any and all prior or contemporaneous agreements, understandings, discussions,
9 negotiations, and commitments (written or oral). This Stipulated Settlement and Disciplinary
10 Order may not be altered, amended, modified, supplemented, or otherwise changed except by a
11 writing executed by an authorized representative of each of the parties.

12 16. In consideration of the foregoing admissions and stipulations, the parties agree that
13 the Board may, without further notice or formal proceeding, issue and enter the following
14 Disciplinary Order:

15 **DISCIPLINARY ORDER**

16 IT IS HEREBY ORDERED that Wholesale Permit No. WLS 6040 issued to Respondent
17 Champion Health Service, Inc. is revoked. However, the revocation is stayed and Respondent is
18 placed on probation for five (5) years on the following terms and conditions.

19 **1. Obey All Laws**

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

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

- 23 an arrest or issuance of a criminal complaint for violation of any provision of the
24 Pharmacy Law, state and federal food and drug laws, or state and federal controlled
25 substances laws
26 a plea of guilty or nolo contendere in any state or federal criminal proceeding to any
27 criminal complaint, information or indictment
28 a conviction of any crime

1 □ discipline, citation, or other administrative action filed by any state or federal agency
2 which involves respondent's Permit or Sterile Compounding Permit or which is
3 related to the practice of pharmacy or the manufacturing, obtaining, handling or
4 distributing, billing, or charging for any drug, device or controlled substance.

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

6 **2. Report to the Board**

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

15 **3. Interview with the Board**

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

21 **4. Cooperate with Board Staff**

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

25 **5. Reimbursement of Board Costs**

26 As a condition precedent to successful completion of probation, respondent shall pay to the
27 board its costs of investigation and prosecution in the amount of \$26,804.75. Respondent is
28 jointly and severally responsible with Erika Marie Hoffman and Monica Marie Hoffman for

1 payment in full of this total amount. Effective the date of the Decision, Respondent, Erika Marie
2 Hoffman, and Monica Marie Hoffman shall make fifty-eight (58) monthly payments in the
3 amount of \$454.31 and one final payment of \$454.77.

4 There shall be no deviation from this schedule absent prior written approval by the board or
5 its designee. Failure to pay costs by the deadline(s) as directed shall be considered a violation of
6 probation.

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

9 **6. Probation Monitoring Costs**

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

14 **7. Status of License**

15 Respondent owner shall, at all times while on probation, maintain an active, current license
16 with the board, including any period during which suspension or probation is tolled. Failure to
17 maintain an active, current license shall be considered a violation of probation.

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

22 **8. License Surrender While on Probation/Suspension**

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

28 Upon acceptance of the surrender, respondent owner shall relinquish the premises wall and

1 renewal permit to the board within ten (10) days of notification by the board that the surrender is
2 accepted. Respondent owner shall further submit a completed Discontinuance of Business form
3 according to board guidelines and shall notify the board of the records inventory transfer.

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

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

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

19 9. Notice to Employees

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

1 notification to the board shall be considered a violation of probation.

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

5 **10. Owners and Officers: Knowledge of the Law**

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

12 **11. Posted Notice of Probation**

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

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

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

21 **12. Violation of Probation**

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

27 If respondent owner violates probation in any respect, the board, after giving respondent
28 owner notice and an opportunity to be heard, may revoke probation and carry out the disciplinary

1 order that was stayed. Notice and opportunity to be heard are not required for those provisions
2 stating that a violation thereof may lead to automatic termination of the stay and/or revocation of
3 the permit. If a petition to revoke probation or an accusation is filed against respondent during
4 probation, the board shall have continuing jurisdiction and the period of probation shall be
5 automatically extended until the petition to revoke probation or accusation is heard and decided,
6 and the charges and allegations in the First Amended Accusation shall be deemed true and
7 correct.

8 **Consultant for Wholesaler**

9 13. During the period of probation, Respondent shall retain an independent consultant
10 who specializes in wholesaling at its own expense, who shall be responsible for reviewing
11 wholesaling operations on a monthly basis for compliance by Respondent with state and federal
12 laws and regulations governing the practice of a wholesaling and for compliance by Respondent
13 with the obligations of owners and the designated representative-in-charge. A physical inspection
14 shall be completed by the consultant on a quarterly basis. The consultant shall be a pharmacist or
15 designated representative licensed by, and not on probation with, any board of pharmacy and
16 whose name shall be submitted to the Board or its designee for prior approval within (30) days of
17 the effective date of this decision. Respondent may submit the names and obtain approval of two
18 consultants. Any consultant who is not licensed in California may not participate in or supervise
19 any activity constituting the practice of wholesaling in California, and shall, within 30 days of the
20 effective date of this decision, sign and return to the Board an acknowledgement stating that the
21 consultant has reviewed and is familiar with all California statutes and regulations governing
22 practices being overseen by the consultant, including wholesaling practices. During the period of
23 probation, the Board or its designee retains the discretion to reduce the frequency of the
24 consultant's review of Respondent's operations. Failure to timely retain, seek approval of, or
25 ensure timely reporting by the consultant shall be considered a violation of probation.

26 **14. Completion of Probation**

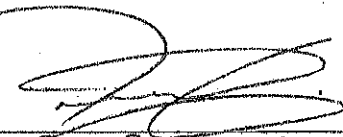
27 Upon written notice by the board or its designee indicating successful completion of
28 probation, respondent license will be fully restored.

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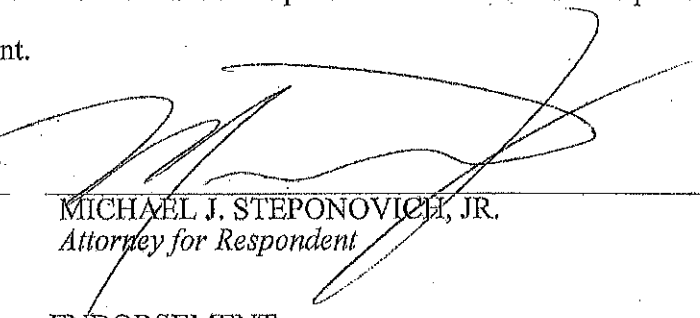
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ACCEPTANCE

I have carefully read the above Stipulated Settlement and Disciplinary Order and have fully discussed it with my attorney, Michael J. Stephonovich, Jr., Esq. I understand the stipulation and the effect it will have on my Wholesale Permit. 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: 8/28/17 
Name: ERIC PARENT
Title: President
for CHAMPION HEALTH SERVICES, INC.
Respondent

I have read and fully discussed with Respondent Champion Health Services, Inc., the terms and conditions and other matters contained in the above Stipulated Settlement and Disciplinary Order. I approve its form and content.

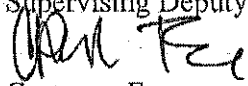
DATED: 8/28/17 
MICHAEL J. STEPONOVICH, JR.
Attorney for Respondent

ENDORSEMENT

The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully submitted for consideration by the Board of Pharmacy.

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Dated: 08/28/2017

Respectfully submitted,
XAVIER BECERRA
Attorney General of California
THOMAS L. RINALDI
Supervising Deputy Attorney General

CRISTINA FELIX
Deputy Attorney General
Attorneys for Complainant

SD2014707179 Champion Stipulation.docx

Exhibit A

Accusation No. 5185

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2 ARMANDO ZAMBRANO
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Attorneys for Complainant.

7
8 BEFORE THE
BOARD OF PHARMACY
DEPARTMENT OF CONSUMER AFFAIRS
9 STATE OF CALIFORNIA

10 In the Matter of the Accusation Against:

Case No. 5185

11 CHAMPION HEALTH SERVICES, INC.
12 5481 Commercial Drive #B
13 Huntington Beach, CA 92649

ACCUSATION

14 Wholesale Permit No. WLS 6040

15 ERIKA MARIE HOFFMAN
4302 Pickwick Circle, Apt. 120
16 Huntington Beach, CA 92649

17 Designated Representative License No.
EXC 20558

18 MONICA MARIE HOFFMAN
16369 Wimbledon Lane
19 Huntington Beach, CA 92649

20 Designated Representative License No.
EXC 22306

21 Respondents.
22

23 Complainant alleges:
24

25 PARTIES

26 1. Virginia Herold (Complainant) brings this Accusation solely in her official capacity
27 as the Executive Officer of the Board of Pharmacy, Department of Consumer Affairs.
28

1 agent, or a nonresident wholesaler, who sells for resale, or negotiates for distribution, or takes
2 possession of, any drug or device included in Section 4022."

3 10. Section 4053(a) of the Code states:

4 Notwithstanding Section 4051, the board may issue a license as a designated
5 representative to provide sufficient and qualified supervision in a wholesaler or
6 veterinary food-animal drug retailer. The designated representative shall protect the
7 public health and safety in the handling, storage, and shipment of dangerous drugs
8 and dangerous devices in the wholesaler or veterinary food-animal drug retailer.

9 11. Section 4110(a) of the Code states:

10 No person shall conduct a pharmacy in the State of California unless he or she
11 has obtained a license from the board. A license shall be required for each pharmacy
12 owned or operated by a specific person. A separate license shall be required for each
13 of the premises of any person operating a pharmacy in more than one location. The
14 license shall be renewed annually. The board may, by regulation, determine the
15 circumstances under which a license may be transferred.

16 12. Section 4160 of the Code provides, in pertinent part, that a wholesaler license shall be
17 required for a person or entity to act as a wholesaler, that every wholesaler shall be supervised or
18 managed by a Designated Representative in Charge, and that the Designated Representative in
19 Charge shall be responsible for the wholesaler's compliance with state and federal laws.

20 13. Section 4169(a)(3) states:

21 A person or entity may not do any of the following:

22 Purchase, trade, sell, or transfer dangerous drugs that the person knew or
23 reasonably should have known were misbranded, as defined in Section 111335 of the
24 Health and Safety Code.

25 14. Section 4202(i) of the Code states:

26 For licenses referred to in subdivisions (f), (g) [wholesale license], and (h), any
27 change in the proposed beneficial ownership interest shall be reported to the board
28 within 30 days thereafter upon a form to be furnished by the board.

15. Section 4301 of the Code 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:

(f) The commission of any act involving moral turpitude, dishonesty, fraud,
deceit, or corruption, whether the act is committed in the course of relations as a
licensee or otherwise, and whether the act is a felony or misdemeanor or not.

1
2 (j) The violation of any of the statutes of this state, of any other state, or of the
3 United States regulating controlled substances and dangerous drugs.

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

9
10 16. Health and Safety Code section 111330(d) states:

11 Any drug subject to Section 111470 is misbranded unless the manufacturer,
12 packer, or distributor of the drug includes, in all advertisements and other descriptive
13 matter issued or caused to be issued by the manufacturer, packer, or distributor with
14 respect to that drug, a true statement of all the following:

15 (d) Such other information, in brief summary relating to side effects,
16 contraindications, and effectiveness as shall be required by regulations promulgated
17 by the department.

18 17. Health and Safety Code section 111335 states:

19 Any drug or device is misbranded if its labeling or packaging does not conform
20 to the requirements of Chapter 4 (commencing with Section 110290).

21 18. Health and Safety Code section 111440 provides that it is unlawful for any person to
22 manufacture, sell, deliver, hold, or offer for sale any drug or device that is misbranded.

23 19. Health and Safety Code section 111450 provides that it is unlawful for any person to
24 receive in commerce any drug or device that is misbranded or to deliver or proffer for delivery
25 any drug or device.

26 20. California Code of Regulations, title 16, section 1717(e) provides in pertinent part
27 that:

28 Prescriptions for other dangerous drugs which are not controlled substances
may also be transferred by direct communication between pharmacists or by the
receiving pharmacist's access to prescriptions or electronic files that have been
created or verified by a pharmacist at the transferring pharmacy. The receiving
pharmacist shall create a written prescription; identifying it as a transferred
prescription; and record the date of transfer and the original prescription number.
When a prescription transfer is accomplished via direct access by the receiving
pharmacist, the receiving pharmacist shall notify the transferring pharmacy of the
transfer. A pharmacist at the transferring pharmacy shall then assure that there is a
record of the prescription as having been transferred, and the date of transfer...

1 **COST RECOVERY**

2 21. Section 125.3 of the Code provides, in pertinent part, that the Board may request the
3 administrative law judge to direct a licensee found to have committed a violation or violations of
4 the licensing act to pay a sum not to exceed the reasonable costs of the investigation and
5 enforcement of the case.

6 **FACTUAL ALLEGATIONS**

7 22. From 2009 through January 2014, Respondent Erika Hoffman was employed by
8 SportsPharm Pharmaceuticals, Inc. and held the position of Director of Sports Medicine and Chief
9 Operating Officer. In February 2014, she executed a lease agreement as the Vice President, Chief
10 Operating Officer of SportPharm Pharmaceuticals, Inc. Eric Parent was the President of
11 SportPharm Pharmaceuticals, Inc. From October 2008 until 2013, Respondent Monica Hoffman
12 was the Chief Financial Officer of SportPharm Pharmaceuticals, Inc.

13 23. On or about June 21, 2011, the Board issued a Citation and Fine against SportPharm
14 Pharmaceuticals, Inc. for violating Business and Professions Code section 4160(a), on the
15 grounds that SportsPharm Pharmaceuticals, Inc. conducted, operated, practiced and acted as a
16 wholesaler of dangerous drugs and controlled substances.

17 24. On or about August 27, 2014, the Board issued a Citation and Fine against SportPharm
18 Pharmaceuticals, Inc. for violating Business and Professions Code section 4160(a), on the
19 grounds that SportsPharm Pharmaceuticals, Inc. conducted, operated, practiced and acted as a
20 wholesaler of dangerous drugs and controlled substances. SportPharm Pharmaceuticals, Inc. was
21 also cited for violating Business and Professions Code section 4110(a) in that it conducted a
22 pharmacy without being licensed by the State of California as a pharmacy by receiving
23 prescription documents for compound formulations from prescribers, determining that they were
24 prescriptions and sending them to Triad Compounding Pharmacy without a licensed pharmacist to
25 evaluate and interpret the documents.

26 25. Since November 28, 2012, Respondent Erika Hoffman was the Designated
27 Representative-in-Charge (DRIC) of Respondent Champion Health Services. Eric Parent,
28

1 Respondent Erika Hoffman and Respondent Monica Hoffman are the owners of Respondent
2 Champion Health Services.

3 26. Teresa M. Hoffman was listed as the President and the sole owner of Respondent
4 Champion Health Services on its application for a wholesaler permit but is no longer an officer or
5 owner of Champion Health Services. Respondents Champion Health Services and Erika Hoffman
6 failed to report the change in ownership to the Board within thirty days.

7 27. Respondent Champion Health Services was located in the same facilities as
8 SportsPharm Pharmaceuticals, Inc. and shared facilities with it. Respondents Erika and Monica
9 Hoffman operated SportsPharm Pharmaceuticals, Inc. and Respondent Champion Health
10 Services, Inc. concurrently until at least September 2013.

11 28. From at least October 28, 2011 through August 8, 2013, SportPharm Pharmaceuticals,
12 Inc received prescriptions for compounded drug products from various prescribers. Respondents
13 then reviewed these prescription orders and sent them to Artesia Pharmacy, Inc., doing business
14 as Triad Compounding Pharmacy. Artesia Pharmacy, Inc., doing business as Triad Compounding
15 Pharmacy then dispensed, furnished and sold the drugs to SportsPharm Pharmaceuticals, Inc. and
16 to Respondent Champion Health Services.

17 29. From May 2013 to the present, Respondents purchased dangerous drugs in bulk, sent
18 dangerous drugs to be repackaged into smaller units and sold drugs without patient package
19 inserts that contained a brief summary of the side effects, contraindications and effectiveness of
20 the drugs, to patients.

21 30. In May 2013, Board inspectors advised Respondent Champion Health Services and
22 Erika Hoffman that patient package inserts were required to be included in the drug packaging
23 and that without them, the drugs would be considered misbranded. However, Respondents
24 continued their practice of not including those patient package inserts in drugs sold by them.

25 31. On or about December 3, 2014, the Board conducted an inspection of Respondent
26 Champion Health Services. Respondent Erika Hoffman informed Board inspectors that as of
27 August 2012, SportsPharm ceased to exist and that she left her employment at SportsPharm
28 because "she knew how [the owner] was operating SportsPharm was illegal, because he refused to

1 obtain licensure in California, as well as, out-of-state licenses" and that she left "SportsPharm to
2 create Champion Health Services, Inc. to conduct a similar business with the appropriate
3 licensure."

4 **FIRST CAUSE FOR DISCIPLINE**

5 **(Unlicensed Practice of Pharmacy against Respondents)**

6 32. Respondents are subject to disciplinary action under Code section 4301(o), for
7 violating California Code of Regulations, title 16, section 1717(e), in that they engaged in the
8 practice of pharmacy by transferring prescriptions for dangerous drugs from an unlicensed entity,
9 SportsPharm Pharmaceuticals, Inc. to Artesia Pharmacy, Inc., doing business as Triad
10 Compounding Pharmacy for the purpose of dispensing and filling of prescriptions, as set forth in
11 paragraphs 22 through 31 above, which are incorporated herein by reference.

12 **SECOND CAUSE FOR DISCIPLINE**

13 **(Aiding and Abetting Unlicensed Practice of Pharmacy and Wholesaling against**
14 **Respondents)**

15 33. Respondents are subject to disciplinary action under Code section 4301(o), for
16 violating Business and Professions Code sections 4160(a) and 4110(a), in that they aided and
17 abetted SportsPharm Pharmaceuticals, Inc. in the unlicensed practice of pharmacy and
18 wholesaling, doing business as Triad Compounding Pharmacy for the dispensing and filling of
19 prescriptions, as set forth in paragraphs 22 through 31 above, which are incorporated herein by
20 reference.

21 **THIRD CAUSE FOR DISCIPLINE**

22 **(Held, Sold, Delivered or Offered for Sale Misbranded Drugs against Respondents)**

23 34. Respondents are subject to disciplinary action under Code section 4301(j), for
24 violating statutes regulating controlled substances and dangerous drugs and state laws governing
25 pharmacy, in that Respondents sold, offered for sale, held or delivered misbranded drugs, as
26 defined by Health & Safety Code section 111330(d) in violation of Health and Safety Code
27 section 111440, as set forth in paragraphs 22 through 31, which are incorporated herein by
28 reference.

1 **FOURTH CAUSE FOR DISCIPLINE**

2 **(Delivered or Proffered for Delivery Misbranded Drugs against Respondents)**

3 35. Respondents are subject to disciplinary action under Code section 4301(j), for
4 violating statutes regulating controlled substances and dangerous drugs and state laws governing
5 pharmacy, in that Respondents delivered or proffered for delivery misbranded drugs, as defined
6 by Health & Safety Code section 111330(d) in violation of Health and Safety Code section
7 111450, as set forth in paragraphs 22 through 31, which are incorporated herein by reference.

8 **FIFTH CAUSE FOR DISCIPLINE**

9 **(Knowingly Selling Misbranded Drugs against Respondents)**

10 36. Respondents are subject to disciplinary action under Code section 4301(o), for
11 violating Business and Professions Code section 4169(a)(3), in that Respondents knowingly sold
12 misbranded drugs, as defined by Health & Safety Code sections 111335, as set forth in paragraphs
13 22 through 31, which are incorporated herein by reference.

14 **SIXTH CAUSE FOR DISCIPLINE**

15 **(Dishonest Acts against Respondent Erika Hoffman)**

16 37. Respondent Erika Hoffman is subject to disciplinary action under Code section
17 4301(f), for violating Business and Professions Code section 4169(a)(3), in that Respondent Erika
18 Hoffman engaged in dishonest acts when she informed the Board inspector that SportsPharm had
19 ceased operations in August 2012 when it had not done so, as set forth in paragraphs 22 through
20 31, which are incorporated herein by reference.

21 **SEVENTH CAUSE FOR DISCIPLINE**

22 **(Failure to Notify Board of Change in Beneficial Ownership Interest against Respondent**
23 **Champion Health Services and Erika Hoffman)**

24 38. Respondents are subject to disciplinary action under Code section 4301(o), for
25 violating Business and Professions Code section 4201(l), in that Respondents Champion Health
26 Services and Erika Hoffman failed to notify the Board of a change in beneficial ownership
27 interest, as set forth in paragraphs 22 through 31, which are incorporated herein by reference.
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EIGHTH CAUSE FOR DISCIPLINE

(Unprofessional Conduct against Respondents)

39. Respondents are subject to disciplinary action under Code section 4301 for unprofessional conduct in that they engaged in the activities described in paragraphs 22 through 31 above, which are incorporated herein by reference.

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. Revoking or suspending Wholesale Permit Number WLS 6040, issued to Champion Health Services, Inc.;

2. Revoking or suspending Designated Representative License Number EXC 20558 issued to Erika Marie Hoffman;

3. Revoking or suspending Designated Representative License Number EXC 22306 issued to Monica Marie Hoffman;

4. Ordering Champion Health Services, Inc., Erika Marie Hoffman and Monica Marie Hoffman to pay the Board of Pharmacy the reasonable costs of the investigation and enforcement of this case, pursuant to Business and Professions Code section 125.3;

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

DATED: 3/15/16

VIRGINIA HEROLD
Executive Officer
Board of Pharmacy
Department of Consumer Affairs
State of California
Complainant

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