

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

In the Matter of the Accusation Against:

**PCC VENTURES LLC,
dba PHARMACY CARE CONCEPTS
STEPHEN L. STANGE, PIC
HAROLD G. DELAMARTER, MEMBER
GREGORY JOHN VISLOCKY, MEMBER
RICK B. DELAMARTER, MD, MEMBER
SCOTT BRADLEY HANCOCK,
MEMBER
TRACY WILLIAM ZARLING, MEMBER
PAUL ERNEST HAFFNER, MEMBER
7720 Lorraine Avenue, Suite 102/103
Stockton, CA 95210**

Original Pharmacy Permit No. PHY 51484

and

**STEPHEN L. STANGE
4230 Heron Lakes Drive
Stockton, CA 95219**

Pharmacist License No. RPH 28242

Respondents.

Case No. 5294

OAH No. 2015110440

**STIPULATED SETTLEMENT AND
DISCIPLINARY ORDER AS TO
RESPONDENT STEPHEN L. STANGE
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 June 6, 2016.

It is so ORDERED on May 5, 2016.

BOARD OF PHARMACY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA



By

Amy Gutierrez, Pharm.D.
Board President

1 KAMALA D. HARRIS
Attorney General of California
2 JANICE K. LACHMAN
Supervising Deputy Attorney General
3 KRISTINA T. JARVIS
Deputy Attorney General
4 State Bar No. 258229
1300 I Street, Suite 125
5 P.O. Box 944255
Sacramento, CA 94244-2550
6 Telephone: (916) 324-5403
Facsimile: (916) 327-8643
7 *Attorneys for Complainant*

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9 **DEPARTMENT OF CONSUMER AFFAIRS**
10 **STATE OF CALIFORNIA**

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Original Pharmacy Permit No. PHY 51484

and

21 **STEPHEN L. STANGE**
22 **4230 Heron Lakes Drive**
23 **Stockton, CA 95219**

Pharmacist License No. RPH 28242

Respondents.

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

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1 **PARTIES**

2 1. Virginia Herold ("Complainant") is the Executive Officer of the Board of Pharmacy.
3 She brought this action solely in her official capacity and is represented in this matter by Kamala
4 D. Harris, Attorney General of the State of California, by Kristina T. Jarvis, Deputy Attorney
5 General.

6 2. On or about March 14, 2001, the Board issued Original Pharmacy Permit Number
7 PHY 45169 to Pharmacy Care Concepts, Inc., with Stephen L. Stange ("Respondent Stange") as
8 pharmacist-in-charge ("PIC") and president/treasurer. The pharmacy permit was canceled on
9 July 2, 2013, due to a change in ownership of the pharmacy, as set forth in paragraph 3 below.

10 3. On or about July 1, 2013, the Board issued Original Pharmacy Permit Number PHY
11 51484 to PCC Ventures LLC ("Respondent PCC" or "PCC"), doing business as Pharmacy Care
12 Concepts, with Respondent Stange as PIC and Harold G. Delamarter, Gregory John Vislocky,
13 Rick B. Delamarter, MD, Scott Bradley Hancock, Tracy William Zarling, and Paul Ernest
14 Haffner as members. The pharmacy permit was in full force and effect at all times relevant to the
15 charges brought herein and will expire on July 1, 2016, unless renewed.

16 4. On or about April 24, 1973, the Board issued Pharmacist License Number RPH
17 28242 Respondent Stange. The pharmacist license was in full force and effect at all times
18 relevant to the charges brought herein and will expire on August 31, 2017, unless renewed.

19 5. Respondent PCC is represented in this proceeding by attorney Ivan Petrzelka, whose
20 address is: 2855 Michelle Drive, Suite 180. Irvine, CA 92606.

21 6. Respondent Stange is represented in this proceeding by attorney Gregory P. Matzen,
22 whose address is: 2104 Big Sandy Court, Gold River, CA 95670.

23 **JURISDICTION**

24 7. Accusation No. 5294 was filed before the Board of Pharmacy (Board), Department of
25 Consumer Affairs, and is currently pending against Respondents. The Accusation and all other
26 statutorily required documents were properly served on Respondents on September 24, 2015.
27 Respondent timely filed their Notices of Defense contesting the Accusation.

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1 8. A copy of Accusation No. 5294 is attached as exhibit A and incorporated herein by
2 reference.

3 **ADVISEMENT AND WAIVERS**

4 9. Respondent Stange has carefully read, fully discussed with counsel, and understands
5 the charges and allegations in Accusation No. 5294. Respondent Stange has also carefully read,
6 fully discussed with counsel, and understands the effects of this Stipulated Settlement and
7 Disciplinary Order.

8 10. Respondent Stange is fully aware of his legal rights in this matter, including the right
9 to a hearing on the charges and allegations in the Accusation; the right to be represented by
10 counsel at his own expense; the right to confront and cross-examine the witnesses against him;
11 the right to present evidence and to testify on his own behalf; the right to the issuance of
12 subpoenas to compel the attendance of witnesses and the production of documents; the right to
13 reconsideration and court review of an adverse decision; and all other rights accorded by the
14 California Administrative Procedure Act and other applicable laws.

15 11. Respondent Stange voluntarily, knowingly, and intelligently waives and gives up
16 each and every right set forth above.

17 **CULPABILITY**

18 12. Respondent Stange understands that the charges and allegations in Accusation No.
19 5294, if proven at hearing constitute cause for imposing discipline upon his Pharmacy License.

20 13. For the purposes of resolving the Accusation without the expense and uncertainty of
21 further proceedings, Respondent Stange agrees that, at a hearing, Complainant could establish a
22 factual basis for the charges in the Accusation and that those charges constitute cause for
23 discipline. Respondent Stange hereby gives up their right to contest that cause for discipline
24 exists based on those charges and agrees to be bound by the Board's Decision and Order.

25 14. Respondent Stange understands that by signing this stipulation he enables the Board
26 to issue an order revoking his Pharmacist License and placing it on probation subject to the terms
27 and conditions set forth in the Disciplinary Order below.

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1 **CONTINGENCY**

2 15. This stipulation shall be subject to approval by the Board of Pharmacy. Respondent
3 Stange understands and agrees that counsel for Complainant and the staff of the Board of
4 Pharmacy may communicate directly with the Board regarding this stipulation and settlement,
5 without notice to or participation by Respondent Stange or his counsel. By signing the
6 stipulation, Respondent Stange understands and agrees that he may not withdraw his agreement
7 or seek to rescind the stipulation prior to the time the Board considers and acts upon it. If the
8 Board fails to adopt this stipulation as its Decision and Order, the Stipulated Settlement and
9 Disciplinary Order shall be of no force or effect, except for this paragraph, it shall be inadmissible
10 in any legal action between the parties, and the Board shall not be disqualified from further action
11 by having considered this matter.

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

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

21 18. If there is any violation of probation for which a petition to revoke probation is filed by
22 the Board, then all of the charges and allegations in Accusation No. 5294 shall be deemed to be
23 true, correct, and admitted for the purpose of that proceeding.

24 19. In consideration of the foregoing admissions and stipulations, the parties agree that
25 the Board may, without further notice or formal proceeding, issue and enter the following
26 Disciplinary Order:

27 **DISCIPLINARY ORDER**

28 IT IS HEREBY ORDERED that Pharmacist License No. RPH 28242 issued to Respondent

1 Stephen L. Stange is revoked. However, the revocation is stayed and Respondent is placed on
2 probation for five (5) years on the following terms and conditions.

3 **1. Obey All Laws**

4 Respondent Stange shall obey all state and federal laws and regulations.

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

- 7 • an arrest or issuance of a criminal complaint for violation of any provision of the
8 Pharmacy Law, state and federal food and drug laws, or state and federal controlled
9 substances laws
- 10 • a plea of guilty or nolo contendere in any state or federal criminal proceeding to any
11 criminal complaint, information or indictment
- 12 • a conviction of any crime
- 13 • discipline, citation, or other administrative action filed by any state or federal agency
14 which involves respondent's pharmacist license or which is related to the practice of
15 pharmacy or the manufacturing, obtaining, handling, distributing, billing, or charging
16 for any drug, device or controlled substance.

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

18 **2. Report to the Board**

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

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1 **3. Interview with the Board**

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

7 **4. Cooperate with Board Staff**

8 Respondent Stange shall cooperate with the board's inspection program and with the board's
9 monitoring and investigation of respondent's compliance with the terms and conditions of his
10 probation. Failure to cooperate shall be considered a violation of probation.

11 **5. Continuing Education**

12 Respondent Stange shall provide evidence of efforts to maintain skill and knowledge as a
13 pharmacist as directed by the board or its designee.

14 **6. Notice to Employers**

15 During the period of probation, respondent Stange shall notify all present and prospective
16 employers of the decision in case number 5294 and the terms, conditions and restrictions imposed
17 on respondent by the decision, as follows:

18 Within thirty (30) days of the effective date of this decision, and within fifteen (15) days of
19 respondent undertaking any new employment, respondent shall cause his direct supervisor,
20 pharmacist-in-charge (including each new pharmacist-in-charge employed during respondent's
21 tenure of employment) and owner to report to the board in writing acknowledging that the listed
22 individual(s) has/have read the decision in case number 5294, and terms and conditions imposed
23 thereby. It shall be respondent's responsibility to ensure that his employer(s) and/or supervisor(s)
24 submit timely acknowledgment(s) to the board.

25 If respondent works for or is employed by or through a pharmacy employment service,
26 respondent must notify his direct supervisor, pharmacist-in-charge, and owner at every entity
27 licensed by the board of the terms and conditions of the decision in case number 5294 in advance

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1 of the respondent commencing work at each licensed entity. A record of this notification must be
2 provided to the board upon request.

3 Furthermore, within thirty (30) days of the effective date of this decision, and within fifteen
4 (15) days of respondent undertaking any new employment by or through a pharmacy employment
5 service, respondent shall cause his direct supervisor with the pharmacy employment service to
6 report to the board in writing acknowledging that he has read the decision in case number 5294
7 and the terms and conditions imposed thereby. It shall be respondent's responsibility to ensure
8 that his employer(s) and/or supervisor(s) submit timely acknowledgment(s) to the board.

9 Failure to timely notify present or prospective employer(s) or to cause that/those
10 employer(s) to submit timely acknowledgments to the board shall be considered a violation of
11 probation.

12 "Employment" within the meaning of this provision shall include any full-time,
13 part-time, temporary, relief or pharmacy management service as a pharmacist or any
14 position for which a pharmacist license is a requirement or criterion for employment,
15 whether the respondent is an employee, independent contractor or volunteer.

16 **7. No Supervision of Interns, Serving as Pharmacist-in-Charge (PIC), Serving as**
17 **Designated Representative-in-Charge, or Serving as a Consultant**

18 During the period of probation, respondent Stange shall not supervise any intern
19 pharmacist, be the pharmacist-in-charge or designated representative-in-charge of any entity
20 licensed by the board nor serve as a consultant unless otherwise specified in this order.

21 Assumption of any such unauthorized supervision responsibilities shall be considered a violation
22 of probation.

23 **8. Reimbursement of Board Costs**

24 As a condition precedent to successful completion of probation, respondent shall pay to the
25 board its costs of investigation and prosecution in the amount of \$5,368.25. Respondent shall
26 make said payments in a payment plan approved by the Board in writing.

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

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

6 **9. Probation Monitoring Costs**

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

11 **10. Status of License**

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

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

19 **11. License Surrender While on Probation/Suspension**

20 Following the effective date of this decision, should respondent cease practice due to
21 retirement or health, or be otherwise unable to satisfy the terms and conditions of probation,
22 respondent may tender his license to the board for surrender. The board or its designee shall have
23 the discretion whether to grant the request for surrender or take any other action it deems
24 appropriate and reasonable. Upon formal acceptance of the surrender of the license, respondent
25 will no longer be subject to the terms and conditions of probation. This surrender constitutes a
26 record of discipline and shall become a part of the respondent's license history with the board.

27 Upon acceptance of the surrender, respondent shall relinquish his pocket and wall license to
28 the board within ten (10) days of notification by the board that the surrender is accepted.

1 Respondent may not reapply for any license from the board for three (3) years from the effective
2 date of the surrender. Respondent shall meet all requirements applicable to the license sought as
3 of the date the application for that license is submitted to the board, including any outstanding
4 costs.

5 **12. Notification of a Change in Name, Residence Address, Mailing Address or**
6 **Employment**

7 Respondent Stange shall notify the board in writing within ten (10) days of any change of
8 employment. Said notification shall include the reasons for leaving, the address of the new
9 employer, the name of the supervisor and owner, and the work schedule if known. Respondent
10 Stange shall further notify the board in writing within ten (10) days of a change in name,
11 residence address, mailing address, or phone number.

12 Failure to timely notify the board of any change in employer(s), name(s), address(es), or
13 phone number(s) shall be considered a violation of probation.

14 **13. Tolling of Probation**

15 Except during periods of suspension, respondent Stange shall, at all times while on
16 probation, be employed as a pharmacist in California for a minimum of 40 hours per calendar
17 month. Any month during which this minimum is not met shall toll the period of probation, i.e.,
18 the period of probation shall be extended by one month for each month during which this
19 minimum is not met. During any such period of tolling of probation, respondent must
20 nonetheless comply with all terms and conditions of probation.

21 Should respondent, regardless of residency, for any reason (including vacation) cease
22 practicing as a pharmacist for a minimum of 40 hours per calendar month in California,
23 respondent must notify the board in writing within ten (10) days of the cessation of practice, and
24 must further notify the board in writing within ten (10) days of the resumption of practice. Any
25 failure to provide such notification(s) shall be considered a violation of probation.

26 It is a violation of probation for respondent's probation to remain tolled pursuant to the
27 provisions of this condition for a total period, counting consecutive and non-consecutive months,
28 exceeding thirty-six (36) months.

1 "Cessation of practice" means any calendar month during which respondent is
2 not practicing as a pharmacist for at least 40 hours, as defined by Business and
3 Professions Code section 4000 et seq . "Resumption of practice" means any calendar
4 month during which respondent is practicing as a pharmacist for at least 40 hours as a
5 pharmacist as defined by Business and Professions Code section 4000 et seq.

6 Respondent is required to practice as a pharmacist in a licensed pharmacy setting that
7 dispenses medication for a minimum of one year prior to the completion of probation. After the
8 first year of probation, the board or its designee may consider a modification of this requirement.
9 If respondent fails to comply with this requirement or a subsequent modification thereto, such
10 failure shall be considered a violation of probation.

11 **14. Violation of Probation**

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

17 If respondent violates probation in any respect, the board, after giving respondent notice
18 and an opportunity to be heard, may revoke probation and carry out the disciplinary order that
19 was stayed. Notice and opportunity to be heard are not required for those provisions stating that a
20 violation thereof may lead to automatic termination of the stay and/or revocation of the license. If
21 a petition to revoke probation or an accusation is filed against respondent during probation, the
22 board shall have continuing jurisdiction and the period of probation shall be automatically
23 extended until the petition to revoke probation or accusation is heard and decided.

24 **15. Completion of Probation**

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

27 **16. Community Services Program**

28 Within sixty (60) days of the effective date of this decision, respondent Stange shall submit

1 to the board or its designee, for prior approval, a community service program in which respondent
2 shall perform community service for at least 150 hours during the period of probation. At least
3 50% of these community service hours must be free health-care related services on a regular basis
4 to a community or charitable facility or agency. Within thirty (30) days of board approval
5 thereof, respondent shall submit documentation to the board demonstrating commencement of the
6 community service program. A record of this notification must be provided to the board upon
7 request. Respondent shall report on progress with the community service program in the
8 quarterly reports. Failure to timely submit, commence, or comply with the program shall be
9 considered a violation of probation.

10 **17. Remedial Education**

11 Within sixty (60) days of the effective date of this decision, respondent shall submit to the
12 board or its designee, for prior approval, an appropriate program of remedial education related to
13 prescription drug abuse, pharmacy security, pharmacy operations, and appropriate policies and
14 procedures. The program of remedial education shall consist of at least six (6) hours every year
15 of probation for a total of thirty (30) hours over the five year period at respondent's own expense.
16 At least 50% of the thirty (30) hours, a minimum of fifteen (15) hours, must be live, in-person
17 continuing education. All remedial education shall be in addition to, and shall not be credited
18 toward, continuing education (CE) courses used for license renewal purposes.

19 Failure to timely submit or complete the approved remedial education shall be considered a
20 violation of probation. The period of probation will be automatically extended until such
21 remedial education is successfully completed and written proof, in a form acceptable to the board,
22 is provided to the board or its designee.

23 Following the completion of each course, the board or its designee may require the
24 respondent, at his own expense, to take an approved examination to test the respondent's
25 knowledge of the course. If the respondent does not achieve a passing score on the examination,
26 this failure shall be considered a violation of probation. Any such examination failure shall
27 require respondent to take another course approved by the board in the same subject area.

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18. No Ownership of Licensed Premises

Respondent shall not own, have any legal or beneficial interest in, or serve as a manager, administrator, member, officer, director, trustee, associate, or partner of any business, firm, partnership, or corporation currently or hereinafter licensed by the board. Respondent shall sell or transfer any legal or beneficial interest in any entity licensed by the board within ninety (90) days following the effective date of this decision and shall immediately thereafter provide written proof thereof to the board. Failure to timely divest any legal or beneficial interest(s) or provide documentation thereof shall be considered a violation of probation.

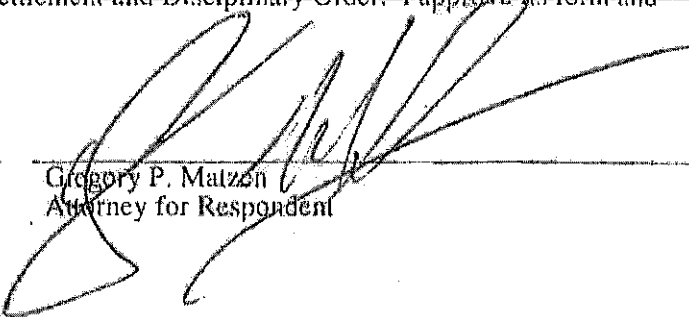
ACCEPTANCE

I have carefully read the above Stipulated Settlement and Disciplinary Order and have fully discussed it with my attorney, Gregory P. Matzen. I understand the stipulation and the effect it will have on my Pharmacist License. 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: 2/23/16 
STEPHEN L. STANGE
Respondent

APPROVAL AS TO FORM AND CONTENT

I have read and fully discussed with Respondent PCC Ventures, LLC dba Pharmacy Care Concepts; Stephen L. Stange, Pharmacist-in-Charge the terms and conditions and other matters contained in the above Stipulated Settlement and Disciplinary Order. I approve its form and content.

DATED: 2/24/16 
Gregory P. Matzen
Attorney for Respondent

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ENDORSEMENT

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

Dated: February 26, 2016

Respectfully submitted,

KAMALA D. HARRIS
Attorney General of California
JANICE K. LACHMAN
Supervising Deputy Attorney General


KRISTINA T. JARVIS
Deputy Attorney General
Attorneys for Complainant

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Exhibit A

Accusation No. 5294

1 KAMALA D. HARRIS
Attorney General of California
2 JANICE K. LACHMAN
Supervising Deputy Attorney General
3 KRISTINA T. JARVIS
Deputy Attorney General
4 State Bar No. 258229
1300 I Street, Suite 125
5 P.O. Box 944255
Sacramento, CA 94244-2550
6 Telephone: (916) 324-5403
Facsimile: (916) 327-8643
7 *Attorneys for Complainant*

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17 **7720 Lorraine Avenue, Suite 102/103**
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A C C U S A T I O N

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19 **and**

20 **STEPHEN L. STANGE**
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21 **Stockton, CA 95219**

22 **Pharmacist License No. RPH 28242**

23 Respondents.

24
25 Complainant alleges:

26 **PARTIES/LICENSE INFORMATION**

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

1 2. On or about March 14, 2001, the Board issued Original Pharmacy Permit Number
2 PHY 45169 to Pharmacy Care Concepts, Inc., with Stephen L. Stange ("Respondent Stange") as
3 pharmacist-in-charge ("PIC") and president/treasurer. The pharmacy permit was canceled on
4 July 2, 2013, due to a change in ownership of the pharmacy, as set forth in paragraph 3 below.

5 3. On or about July 1, 2013, the Board issued Original Pharmacy Permit Number PHY
6 51484 to PCC Ventures LLC ("Respondent PCC" or "PCC"), doing business as Pharmacy Care
7 Concepts, with Respondent Stange as PIC and Harold G. Delamarter, Gregory John Vislocky,
8 Rick B. Delamarter, MD, Scott Bradley Hancock, Tracy William Zarling, and Paul Ernest
9 Haffner as members. The pharmacy permit was in full force and effect at all times relevant to the
10 charges brought herein and will expire on July 1, 2016, unless renewed.

11 4. On or about April 24, 1973, the Board issued Pharmacist License Number RPH
12 28242 Respondent Stange. The pharmacist license was in full force and effect at all times
13 relevant to the charges brought herein and will expire on August 31, 2017, unless renewed.

14 **JURISDICTION**

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

17 **STATUTORY AND REGULATORY PROVISIONS**

18 6. Code section 4300 states, in pertinent part:
19 (a) Every license issued may be suspended or revoked.
20 (b) The board shall discipline the holder of any license issued by the
21 board, whose default has been entered or whose case has been heard by the board and
found guilty, by any of the following methods:

- 22 (1) Suspending judgment.
23 (2) Placing him or her upon probation.
24 (3) Suspending his or her right to practice for a period not exceeding one
25 year.
26 (4) Revoking his or her license.
27 (5) Taking any other action in relation to disciplining him or her as the
board in its discretion may deem proper . . .

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1 7. Code section 4300.1 states:

2 The expiration, cancellation, forfeiture, or suspension of a board-issued
3 license by operation of law or by order or decision of the board or a court of law, the
4 placement of a license on a retired status, or the voluntary surrender of a license by a
5 licensee shall not deprive the board of jurisdiction to commence or proceed with any
6 investigation of, or action or disciplinary proceeding against, the licensee or to render
7 a decision suspending or revoking the license.

8 8. Code section 4301 states, in pertinent part:

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

13

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

19 9. Code section 4032 states that "[l]icense means and includes any license, permit,
20 registration, certificate, or exemption issued by the board and includes the process of applying for
21 and renewing the same."

22 10. Code section 4022 states:

23 "Dangerous drug" or "dangerous device" means any drug or device
24 unsafe for self-use in humans or animals, and includes the following:

25 (a) Any drug that bears the legend: "Caution: federal law prohibits
26 dispensing without prescription," "Rx only," or words of similar import.

27 (b) Any device that bears the statement: "Caution: federal law restricts
28 this device to sale by or on the order of a -----," "Rx only," or words of similar
import, the blank to be filled in with the designation of the practitioner licensed to use
or order use of the device.

(c) Any other drug or device that by federal or state law can be lawfully
dispensed only on prescription or furnished pursuant to Section 4006.

11. Code section 4063 states, in pertinent part, that "[n]o prescription for any dangerous
drug or dangerous device may be refilled except upon authorization of the prescriber. The
authorization may be given orally or at the time of giving the original prescription . . ."

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1 19. "Concerta", a brand of methylphenidate, is a Schedule II controlled substance as
2 designated by Health and Safety Code section 11055, subdivision (d)(6). Concerta is used to treat
3 attention deficit hyperactivity disorder (ADHD).

4 20. "Fentanyl" is a Schedule II controlled substance as designated by Health and Safety
5 Code section 11055, subdivision (c)(8). Fentanyl is used as part of anesthesia to help prevent
6 pain after surgery or other medical procedure.

7 21. "Adderall XR" is a compound consisting of mixed salts of dextroamphetamine and/or
8 amphetamine, and is a Schedule II controlled substance as designated by Health and Safety Code
9 section 11055, subdivision (d)(1). Adderall XR is indicated for the treatment of ADHD.

10 22. The above controlled substances are dangerous drugs within the meaning of Code
11 section 4022 in that they require a prescription under federal law.

12 BACKGROUND

13 23. On or about November 6, 2013, the Board received a report from PIC Stange,
14 notifying them that an unlicensed staff member, M. M., may have obtained 960 tablets of Norco
15 10/325 mg from the pharmacy without a valid prescription. PIC Stange stated that on or about
16 June 10, 2013, a legal prescription was obtained from a physician's assistant for M. M.'s
17 husband, J. M., for 240 tablets of Norco 10/325 mg, *with zero refills*. On August 2, 2013, M. M.
18 presented a photocopy of the prescription to the billing technician, who processed it, and the
19 prescription was then filled by pharmacy technician C. L. M. M. took the prescription before it
20 was reviewed by a pharmacist.

21 24. PIC Stange also stated that on August 29, 2013, September 14, 2013, and October 2,
22 2013, M. M. presented C. L. with prescription labels "from the initial dispensing date (August 2,
23 2013)." C. L. filled the prescriptions (240 tablets of Norco 10/325 mg in each instance) after
24 M. M. "promised" that she had a valid refill for each label. It appeared that M. M. took each of
25 the prescriptions before final review by a pharmacist.

26 25. PIC Stange listed various corrective actions the pharmacy had taken since the
27 incident, including filing a police report with the Stockton Police Department and suspending

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1 M. M. from her employment on October 12, 2013 (M. M. subsequently resigned on October 14,
2 2013).

3 26. On or about November 14, 2013, the Board sent a letter to PIC Stange, requesting
4 certain information and documents pertaining to the reported theft/loss of controlled substances.

5 27. On or about December 19, 2013, the Board received various documents from PIC
6 Stange, including a Drug Enforcement Agency (DEA) Form 106 dated October 16, 2013. PCC
7 reported a loss of controlled substances valued at \$2,000, including 14,706 tablets of
8 hydrocodone/acetaminophen 10/325; the type of theft/loss was listed as "Employee Pilferage".
9 PIC Stange also provided the Board with a statement, indicating that the business was sold to
10 PCC on June 27, 2013, and that he and the new owner, pharmacist Scott Hancock ("Hancock"),
11 conducted an inventory or audit of Schedule 2 medications and hydrocodone-related products,
12 which "reflected a much larger problem than previously discovered." PIC Stange submitted a
13 copy of the audit; it was conducted for the time period from June 28, 2013 to November 26, 2013.
14 PIC Stange indicated in an additional statement that the audit was based on an inventory from
15 June 27, 2013 to November 26, 2013, purchase records from various wholesalers, including
16 Valley Wholesale and HD Smith (Smart Source), prescription utilization reports, and reverse
17 distributor reports.

18 28. On or about January 17, 2014, PIC Stange submitted additional documents to the
19 Board, including a letter dated January 10, 2014. PIC Stange stated that since the reported loss of
20 controlled substances following the sale of PCC was significant, he and Hancock conducted
21 another audit for a time period prior to the sale, specifically, from January 18, 2013 (the date the
22 last biennial inventory was completed at PPC prior to the sale) to June 27, 2013 (the date of sale).
23 This audit revealed significant losses as well, as set forth below. PIC Stange also provided DEA
24 Form 106 dated January 14, 2014, showing that the losses applied to Pharmacy Care Concepts,

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1 Inc. PIC Stange stated in an additional statement to the Board that the audit was based on
2 inventory records from January 18, 2013 to June 26, 2013, purchase records from wholesalers
3 Valley Wholesale and HD Smith, prescription utilization reports, and reverse distributor reports.

Drug and Strength	Quantity Reported Loss (Units) for Audit Period from 01/18/2013 – 11/26/2013
hydrocodone/acetaminophen 10/325 mg	20,601
hydrocodone/acetaminophen 10/500 mg	489
hydrocodone/acetaminophen 7.5/325 mg	2,230
hydrocodone/acetaminophen 7.5/500 mg	705
hydrocodone/acetaminophen 7.5/750 mg	3,604
hydrocodone/acetaminophen 5/325 mg	850
hydrocodone/acetaminophen 5/500 mg	1,192
Fentanyl 12 mcg patch	17
Mixed amphetamine salts ER 20 mg	90

11 29. On or about March 4, 2014, Board Inspector C. H. conducted an inspection and
12 investigation at the pharmacy.

13 30. C. H. asked PIC Stange if they ever found the original prescription. PIC Stange told
14 C. H. that they only had a copy. C. H. asked PIC Stange why the prescription was filled when
15 only a copy of the original prescription was presented. PIC Stange stated that he thought M. M.
16 may have exploited the normal workflow for long-term care facilities.

17 31. PIC Stange explained that for some controlled substance prescriptions, the board and
18 care facility had the original order from the patient or the patient's family. The care facility
19 normally faxed a copy of the original prescription to PCC so the order could be prepared for the
20 patient and delivered the same day. The fax copy of the prescription was sent through the
21 workflow in order to get it filled, and the medication was then placed in a bin for delivery the
22 same day. Once the medication was delivered, the original prescription was picked up and
23 brought to the pharmacy that day. The pharmacist would sign the original prescription as well as
24 the faxed copy, indicating final review of the prescription. The clerk or technician would keep a
25 second copy of the prescription at their workstation as a reminder to follow up with the
26 pharmacist and driver to ensure the original prescription was brought to the pharmacy. The only
27 copy the pharmacy had of the prescription was the one found next to clerk S. The copy had not

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1 been signed by a pharmacist. PIC Stange told C. H. he verified with the physician's assistant that
2 the prescription was valid and that there were no refills authorized.

3 32. C. H. obtained various documents from the pharmacy, including a copy of the
4 original prescription and copies of pharmacy labels confirming that the prescription was
5 processed as RX# 1326725 on August 2, 2013, with no refills. C. H. also obtained a controlled
6 substances inventory log, purchase records from June 28, 2013 to November 26, 2013, from
7 Smart Source, Cardinal, and Valley Wholesale, and drug usage reports from June 28, 2013 to
8 November 26, 2013, for each controlled substance included in the audit.

9 33. On or about May 30, 2014, C. H. sent HD Smith and Valley Wholesaler requests for
10 copies of records of purchases, sales, returns, and credits for certain products sold to or purchased
11 from PCC for the time period from June 28, 2013 through November 26, 2013.

12 34. On or about June 2, 2014, C. H. received copies of purchase records from HD Smith.
13 C. H. found that the purchase record data corresponded to the data from PCC's audit.

14 35. On or about June 5, 2014, C. H. received copies of purchase records from Valley
15 Wholesaler. C. H. reviewed the purchase data twice for accuracy and compared it to the purchase
16 data reported in PCC's audit. C. H. found no discrepancies.

17 36. On or about June 20, 2014, C. H. used the documents she received from PCC,
18 including the inventory records, purchase records, and dispensing records, to verify their audit
19 results for all drugs which showed a significant loss, as well as oxycodone IR (all strengths),
20 methadone 5 mg, methylphenidate 36 mg, and oxycodone/acetaminophen 5/325 mg and 10/325.

21 C. H. found no discrepancies. C. H. then used the purchase records she received from HD Smith
22 and Valley Wholesaler to independently verify selected PCC audit entries for the

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1 hydrocodone/acetaminophen products with a significant loss. C. H. found no discrepancies. The
2 audit conducted by PCC revealed the following losses as verified by C. H.:

3 Drug and Strength	4 Reported Loss (Units) for Audit Period from 06/28/2013 – 11/26/2013	5 % of Acquisition
6 hydrocodone/acetaminophen 10/325 mg	14,706	34.2
7 hydrocodone/acetaminophen 10/500 mg	204	40.8
8 hydrocodone/acetaminophen 7.5/325 mg	911	13.6
9 hydrocodone/acetaminophen 7.5/500 mg	614.5	61.4
10 hydrocodone/acetaminophen 7.5/750 mg	751	150
11 oxycodone/acetaminophen 10/325 mg	141	3.8
12 methadone 5 mg	100	8.3
13 methylphenidate 36 mg	30	33

14 **CAUSE FOR DISCIPLINE**

15 **(Violations of the Pharmacy Law and State
16 Laws and Regulations Governing Pharmacy)**

17 37. Respondents PCC and Stange are subject to disciplinary action pursuant to Code
18 section 4301, subdivision (o), for unprofessional conduct, in that Respondents violated or
19 attempted to violate, directly or indirectly, assisted in or abetted the violation of, or conspired to
20 violate provisions or terms of the Pharmacy Law (Bus. & Prof. Code § 4300, et seq.) and state
21 laws and regulations governing pharmacy, as follows:

22 a. On or about August 29, 2013, September 14, 2013, and October 2, 2013, Respondents
23 PCC and Stange authorized or permitted pharmacy technician C. L. to dispense refills of RX#
24 1326725, for 240 tablets of the controlled substance hydrocodone/acetaminophen 10/325 mg, for
25 patient J. M. when, in fact, the physician's assistant who issued the original prescription had not
26 authorized any refills, in violation of Code section 4063.

27 b. Respondents PCC and Stange failed to maintain on their premises and/or have
28 available for inspection by Board inspector C. H. the original prescription for RX# 1326725
issued for patient J. M., as set forth in paragraphs 30 and 31 above, in violation of Code section
4105.

c. On and between June 28, 2013 and November 26, 2013, Respondents PCC and
Stange failed to maintain or ensure the security of the prescription department and/or include

1 provisions for effective control against theft or diversion of dangerous drugs and devices,
2 resulting in a significant loss of controlled substances, as set forth in paragraph 36 above, in
3 violation of Regulation 1714, subdivision (d).

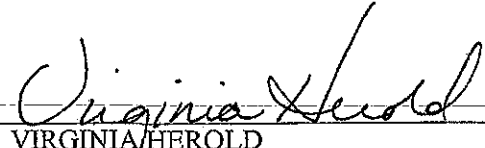
4 d. On and between January 18, 2013 and June 27, 2013, Respondent Stange failed to
5 maintain or ensure the security of the prescription department and/or include provisions for
6 effective control against theft or diversion of dangerous drugs and devices, resulting in a
7 significant loss of controlled substances, as set forth in paragraph 28 above, in violation of
8 Regulation 1714, subdivision (d).

9 **PRAYER**

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

- 12 1. Revoking or suspending Pharmacy Permit Number PHY 51484, issued to PCC
13 Ventures LLC, doing business as Pharmacy Care Concepts;
- 14 2. Revoking or suspending Pharmacist License Number RPH 28242, issued to Stephen
15 L. Stange;
- 16 3. Ordering PCC Ventures LLC, doing business as Pharmacy Care Concepts, and
17 Stephen L. Stange to pay the Board of Pharmacy the reasonable costs of the investigation and
18 enforcement of this case, pursuant to Business and Professions Code section 125.3;
- 19 4. Taking such other and further action as deemed necessary and proper.

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21 DATED: 9/12/15


22 VIRGINIA HEROLD
23 Executive Officer
24 Board of Pharmacy
25 Department of Consumer Affairs
26 State of California
27 Complainant

28 SA2014117593