

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

In the Matter of the Accusation Against:

**LAUDEN INTEGRATIVE PHARMACY, INC.
1820 41st Avenue, Suite F
Capitola, CA 95010**

**Original Permit No. PHY 43209
Sterile Compounding License No. LSC 99162**

and

**MEHRDAD REYHANI
394 Brooktree Ranch Road
Aptos, CA 95003**

Pharmacist License No. RPH 45597

Respondents.

Case No. 5963

OAH No. 2017051216

DECISION AND ORDER

The attached Stipulated Settlement of License and 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 29, 2017.

It is so ORDERED on October 30, 2017.

BOARD OF PHARMACY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA



By

Amy Gutierrez, Pharm.D.
Board President

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

11 In the Matter of the Accusation Against:

Case No. 5963

12 **LAUDEN INTEGRATIVE PHARMACY,**
13 **INC.**

OAH No. 2017051216

14 1820 41st Avenue, Suite F
Capitola, CA 95010

**STIPULATED SETTLEMENT AND
DISCIPLINARY ORDER**

15 Original Permit No. PHY 43209
16 Sterile Compounding License No. LSC
99162

17 and

18 **MEHRDAD REYHANI**
19 394 Brooktree Ranch Road
Aptos, CA 95003

20 Pharmacist License No. RPH 45597

21 Respondents.
22

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 PARTIES

26 1. Virginia Herold (Complainant) is the Executive Officer of the Board of Pharmacy
27 (Board). She brought this action solely in her official capacity and is represented in this matter by
28 Xavier Becerra, Attorney General of the State of California, by Nicholas Tsukamaki, Deputy

1 Attorney General.

2 2. Lauden Integrative Pharmacy, Inc. (Respondent Lauden) and Mehrdad Reyhani
3 (Respondent Reyhani) are represented in this proceeding by attorney Ivan Petrzelka, whose
4 address is: 49 Discovery, Suite 240, Irvine, CA 92618-6713.

5 3. On or about August 22, 1997, the Board issued Original Permit No. PHY 43209 to
6 Respondent Lauden. The Original Permit was in full force and effect at all times relevant to the
7 charges brought in Accusation No. 5963 and will expire on August 1, 2018, unless renewed.

8 4. On or about July 28, 2003, the Board issued Sterile Compounding License No. LSC
9 99162 to Respondent Lauden. The Sterile Compounding License was in full force and effect at
10 all times relevant to the charges brought in Accusation No. 5963 and expired on August 1, 2017.
11 The Sterile Compounding License has not been renewed.

12 5. On or about August 24, 1992, the Board issued Pharmacist License No. RPH 45597
13 to Respondent Reyhani. The Pharmacist License was in full force and effect at all times relevant
14 to the charges brought in Accusation No. 5963 and will expire on May 31, 2018, unless renewed.

15 JURISDICTION

16 6. Accusation No. 5963 was filed before the Board and is currently pending against
17 Respondents. The Accusation and all other statutorily required documents were properly served
18 on Respondents on January 18, 2017. Respondents timely filed their Notice of Defense
19 contesting the Accusation.

20 7. A copy of Accusation No. 5963 is attached as exhibit A and incorporated in this
21 Stipulated Settlement and Disciplinary Order by reference.

22 ADVISEMENT AND WAIVERS

23 8. Respondents have carefully read, fully discussed with counsel, and understand the
24 charges and allegations in Accusation No. 5963. Respondents have also carefully read, fully
25 discussed with counsel, and understand the effects of this Stipulated Settlement and Disciplinary
26 Order.

27 9. Respondents are fully aware of their legal rights in this matter, including the right to a
28 hearing on the charges and allegations in the Accusation; the right to confront and cross-examine

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

5 10. Respondents voluntarily, knowingly, and intelligently waive and give up each and
6 every right set forth above.

7 CULPABILITY

8 11. Respondents understand and agree that the charges and allegations in Accusation No.
9 5963, if proven at a hearing, constitute cause for imposing discipline upon their licenses.

10 12. For the purpose of resolving the Accusation without the expense and uncertainty of
11 further proceedings, Respondents agree that, at a hearing, Complainant could establish a factual
12 basis for the charges in the Accusation, and that Respondents hereby give up their right to contest
13 those charges.

14 13. Respondents agree that their licenses are subject to discipline and they agree to be
15 bound by the Board's probationary terms as set forth in the Disciplinary Order below.

16 CONTINGENCY

17 14. This stipulation shall be subject to approval by the Board. Respondents understand
18 and agree that counsel for Complainant and the staff of the Board may communicate directly with
19 the Board regarding this stipulation and settlement without notice to or participation by
20 Respondents or their counsel. By signing the stipulation, Respondents understand and agree that
21 they may not withdraw their agreement or seek to rescind the stipulation prior to the time the
22 Board considers and acts upon it. If the Board fails to adopt this stipulation as its Decision and
23 Order, the Stipulated Settlement and Disciplinary Order shall be of no force or effect, except for
24 this paragraph, it shall be inadmissible in any legal action between the parties, and the Board shall
25 not be disqualified from further action by having considered this matter.

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

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

7 17. In consideration of the foregoing admissions and stipulations, the parties agree that
8 the Board may, without further notice or formal proceeding, issue and enter the following
9 Disciplinary Order:

10 **DISCIPLINARY ORDER**

11 **AS TO RESPONDENT LAUDEN'S STERILE COMPOUNDING LICENSE**

12 IT IS HEREBY ORDERED that Sterile Compounding License No. LSC 99162 issued to
13 Respondent Lauden Integrative Pharmacy, Inc. (Respondent Lauden) is surrendered and accepted
14 by the Board of Pharmacy.

15 1. The surrender of the license and the acceptance of the surrendered license by the
16 Board shall constitute the imposition of discipline against Respondent Lauden. This stipulation
17 constitutes a record of the discipline and shall become a part of Respondent Lauden's license
18 history with the Board.

19 2. Respondent Lauden shall lose all rights and privileges to practice under its Sterile
20 Compounding License in California as of the effective date of the Board's Decision and Order.

21 3. Respondent Lauden shall cause to be delivered to the Board its wall license on or
22 before the effective date of the Decision and Order.

23 4. Respondent Lauden may not apply, reapply, or petition for any license from the
24 Board for three (3) years from the effective date of the Decision and Order.

25 5. If Respondent Lauden ever applies for licensure or petitions for reinstatement in the
26 State of California, the Board shall treat it as a new application for licensure. Respondent Lauden
27 must comply with all the laws, regulations and procedures for licensure in effect at the time the
28 application or petition is filed, and all of the charges and allegations contained in Accusation No.

1 5963 shall be deemed to be true, correct, and admitted by Respondent Lauden when the Board
2 determines whether to grant or deny the application or petition.

3 6. Prior to the issuance of a new or reinstated license to Respondent Lauden,
4 Respondent Lauden shall pay to the Board costs of investigation and enforcement in the amount
5 of \$6,500.00. Respondent Lauden is jointly and severally liable with Respondent Reyhani for
6 payment of those costs.

7 7. Should Respondent Lauden ever apply or reapply for a new license or certification, or
8 petition for reinstatement of a license, by any other health care licensing agency in the State of
9 California, all of the charges and allegations contained in Accusation No. 5963 shall be deemed to
10 be true, correct, and admitted by Respondent Lauden for the purpose of any Statement of Issues
11 or any other proceeding seeking to deny or restrict licensure.

12
13 **AS TO RESPONDENT LAUDEN'S ORIGINAL PERMIT**

14 IT IS HEREBY ORDERED that Original Permit No. PHY 43209 issued to Respondent
15 Lauden Integrative Pharmacy, Inc. is revoked. However, the revocation is stayed and Respondent
16 Lauden is placed on probation for four (4) years on the following terms and conditions.

17 1. **Obey All Laws**

18 Respondent Lauden shall obey all state and federal laws and regulations.

19 Respondent Lauden shall report any of the following occurrences to the Board, in writing,
20 within seventy-two (72) hours of such occurrence:

- 21 • an arrest or issuance of a criminal complaint for violation of any provision of the
22 Pharmacy Law, state and federal food and drug laws, or state and federal controlled
23 substances laws;
- 24 • a plea of guilty or nolo contendere in any state or federal criminal proceeding to any
25 criminal complaint, information or indictment;
- 26 • a conviction of any crime;
- 27 • discipline, citation, or other administrative action filed by any state or federal agency
28 which involves Respondent Lauden's original permit or which is related to the

1 practice of pharmacy or the manufacturing, obtaining, handling, distributing, billing,
2 or charging for any drug, device or controlled substance.

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

4 **2. Report to the Board**

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

13 **3. Interview with the Board**

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

19 **4. Cooperate with Board Staff**

20 Respondent Lauden shall cooperate with the Board's inspection program and with the
21 Board's monitoring and investigation of Respondent Lauden's compliance with the terms and
22 conditions of its probation. Failure to cooperate shall be considered a violation of probation.

23 **5. Reimbursement of Board Costs**

24 As a condition precedent to successful completion of probation, Respondent Lauden shall
25 pay the Board its costs of investigation and prosecution in the amount of \$6,500.00. Respondent
26 Lauden is jointly and severally liable with Respondent Reyhani for payment of those costs.
27 Respondent Lauden may pay those costs pursuant to a payment plan. There shall be no deviation
28 from that plan absent prior written approval by the Board or its designee. Failure to pay costs by

1 the deadline(s) as directed shall be considered a violation of probation.

2 The filing of bankruptcy by Respondent Lauden shall not relieve Respondent Lauden of its
3 responsibility to reimburse the Board its costs of investigation and prosecution.

4 **6. Probation Monitoring Costs**

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

9 **7. Status of License**

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

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

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

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

27 Upon acceptance of the surrender, Respondent Lauden shall relinquish the premises wall
28 and renewal license to the Board within ten (10) days of notification by the Board that the

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

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

17 Respondent Lauden further stipulates that it 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 Lauden 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 Lauden 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 Lauden 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, volunteer, temporary
3 and relief employees and independent contractors employed or hired at any time during
4 probation.

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

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

12 **11. Posted Notice of Probation**

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

27 If Respondent Lauden violates probation in any respect, the Board, after giving Respondent
28 Lauden notice and an opportunity to be heard, may revoke probation and carry out the

1 disciplinary order that was stayed. Notice and opportunity to be heard are not required for those
2 provisions stating that a violation thereof may lead to automatic termination of the stay and/or
3 revocation of the license. If a petition to revoke probation or an accusation is filed against
4 Respondent Lauden during probation, the Board shall have continuing jurisdiction and the period
5 of probation shall be automatically extended until the petition to revoke probation or accusation is
6 heard and decided, and the charges and allegations in Accusation No. 5963 shall be deemed true
7 and correct.

8 13. Completion of Probation

9 Upon written notice by the Board or its designee indicating successful completion of
10 probation, Respondent Lauden's license will be fully restored.

11 14. Remedial Education

12 Within thirty (30) days of the effective date of this decision, Respondent Lauden shall
13 submit to the Board or its designee, for prior approval, an appropriate program of remedial
14 education related to compounding. The program of remedial education shall consist of at least six
15 (6) hours for each member of Respondent Lauden's compounding staff. Those hours shall be
16 completed within six (6) months of the effective date of this decision at Respondent Lauden's
17 own expense. All remedial education shall be in addition to, and shall not be credited toward,
18 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
22 Board, is provided to the Board or its designee.

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

1 **15. Consultant Pharmacist Review of Pharmacy Operations**

2 During the period of probation, Respondent Lauden shall retain an independent consultant
3 at its own expense who shall be responsible for reviewing pharmacy operations on a monthly
4 basis for compliance by Respondent Lauden with state and federal laws and regulations
5 governing the practice of pharmacy. The consultant shall be a pharmacist licensed by and not on
6 probation with the Board and whose name shall be submitted to the Board or its designee, for
7 prior approval, within thirty (30) days of the effective date of this decision. During the period of
8 probation, the Board or its designee retains the discretion to reduce the frequency of the
9 pharmacist consultant's review of Respondent Lauden's operations. Failure to timely retain, seek
10 approval of, or ensure timely reporting by the consultant shall be considered a violation of
11 probation

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AS TO RESPONDENT REYHANI'S PHARMACIST LICENSE

14 IT IS HEREBY ORDERED that Pharmacist License No. RPH 45597 issued to Respondent
15 Mehrdad Reyhani (Respondent Reyhani) is revoked. However, the revocation is stayed and
16 Respondent Reyhani is placed on probation for four (4) years on the following terms and
17 conditions.

18 **16. Obey All Laws**

19 Respondent Reyhani shall obey all state and federal laws and regulations.

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

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

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- 1 • discipline, citation, or other administrative action filed by any state or federal agency
2 which involves Respondent Reyhani's pharmacist license or which is related to the
3 practice of pharmacy or the manufacturing, obtaining, handling, distributing, billing,
4 or charging for any drug, device or controlled substance.

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

6 **17. Report to the Board**

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

15 **18. Interview with the Board**

16 Upon receipt of reasonable prior notice, Respondent Reyhani 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 **19. Cooperate with Board Staff**

22 Respondent Reyhani shall cooperate with the Board's inspection program and with the
23 Board's monitoring and investigation of Respondent Reyhani's compliance with the terms and
24 conditions of his probation. Failure to cooperate shall be considered a violation of probation.

25 **20. Continuing Education**

26 Respondent Reyhani shall provide evidence of efforts to maintain skill and knowledge as a
27 pharmacist as directed by the Board or its designee.

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1 **21. Notice to Employers**

2 During the period of probation, Respondent Reyhani shall notify all present and prospective
3 employers of the Decision in case number 5963, and the terms, conditions and restrictions
4 imposed on Respondent Reyhani by the Decision, as follows:

5 Within thirty (30) days of the effective date of this Decision, and within fifteen (15) days of
6 Respondent Reyhani undertaking any new employment, Respondent Reyhani shall cause his
7 direct supervisor, pharmacist-in-charge (including each new pharmacist-in-charge employed
8 during Respondent Reyhani's tenure of employment) and owner to report to the Board in writing
9 acknowledging that the listed individual(s) has/have read the Decision in case number 5963, and
10 terms and conditions imposed thereby. It shall be Respondent Reyhani's responsibility to ensure
11 that his employer(s) and/or supervisor(s) submit timely acknowledgment(s) to the Board.

12 If Respondent Reyhani works for or is employed by or through a pharmacy employment
13 service, Respondent Reyhani must notify his direct supervisor, pharmacist-in-charge, and owner
14 at every entity licensed by the Board of the terms and conditions of the Decision in case number
15 5963 in advance of Respondent Reyhani commencing work at each licensed entity. A record of
16 this notification must be provided to the Board upon request.

17 Furthermore, within thirty (30) days of the effective date of this Decision, and within fifteen
18 (15) days of Respondent Reyhani undertaking any new employment by or through a pharmacy
19 employment service, Respondent Reyhani shall cause his direct supervisor with the pharmacy
20 employment service to report to the Board in writing acknowledging that he has read the Decision
21 in case number 5963 and the terms and conditions imposed thereby. It shall be Respondent
22 Reyhani's responsibility to ensure that his employer(s) and/or supervisor(s) submit timely
23 acknowledgment(s) to the Board.

24 Failure to timely notify present or prospective employer(s) or to cause that/those
25 employer(s) to submit timely acknowledgments to the Board shall be considered a violation of
26 probation.

27 "Employment" within the meaning of this provision shall include any full-time, part-time,
28 temporary, relief or pharmacy management service as a pharmacist or any position for which a

1 pharmacist license is a requirement or criterion for employment, whether Respondent is an
2 employee, independent contractor or volunteer.

3 **22. No Supervision of Interns, Serving as Pharmacist-in-Charge (PIC), Serving as**
4 **Designated Representative-in-Charge, or Serving as a Consultant**

5 During the period of probation, Respondent Reyhani shall not supervise any intern
6 pharmacist, be the pharmacist-in-charge or designated representative-in-charge of any entity
7 licensed by the Board nor serve as a consultant unless otherwise specified in this order.
8 Assumption of any such unauthorized supervision responsibilities shall be considered a violation
9 of probation.

10 **23. Reimbursement of Board Costs**

11 As a condition precedent to successful completion of probation, Respondent Reyhani shall
12 pay the Board its costs of investigation and prosecution in the amount of \$6,500.00. Respondent
13 Reyhani is jointly and severally liable with Respondent Lauden for payment of those costs.
14 Respondent Reyhani may pay those costs pursuant to a payment plan. There shall be no deviation
15 from that plan absent prior written approval by the Board or its designee. Failure to pay costs by
16 the deadline(s) as directed shall be considered a violation of probation.

17 The filing of bankruptcy by Respondent Reyhani shall not relieve Respondent Reyhani of
18 his responsibility to reimburse the Board its costs of investigation and prosecution.

19 **24. Probation Monitoring Costs**

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

24 **25. Status of License**

25 Respondent Reyhani shall, at all times while on probation, maintain an active, current
26 license with the Board, including any period during which suspension or probation is tolled.
27 Failure to maintain an active, current license shall be considered a violation of probation.

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

5 **26. License Surrender While on Probation/Suspension**

6 Following the effective date of this Decision, should Respondent Reyhani cease practice
7 due to retirement or health, or be otherwise unable to satisfy the terms and conditions of
8 probation, Respondent Reyhani may tender his license to the Board for surrender. The Board or
9 its designee shall have the discretion whether to grant the request for surrender or take any other
10 action it deems appropriate and reasonable. Upon formal acceptance of the surrender of the
11 license, Respondent Reyhani will no longer be subject to the terms and conditions of probation.
12 This surrender constitutes a record of discipline and shall become a part of Respondent Reyhani's
13 license history with the Board.

14 Upon acceptance of the surrender, Respondent Reyhani shall relinquish his pocket and wall
15 license to the Board within ten (10) days of notification by the Board that the surrender is
16 accepted. Respondent Reyhani may not reapply for any license from the Board for three (3) years
17 from the effective date of the surrender. Respondent Reyhani shall meet all requirements
18 applicable to the license sought as of the date the application for that license is submitted to the
19 Board, including any outstanding costs.

20 **27. Notification of a Change in Name, Residence Address, Mailing Address or**
21 **Employment**

22 Respondent Reyhani shall notify the Board in writing within ten (10) days of any change of
23 employment. Said notification shall include the reasons for leaving, the address of the new
24 employer, the name of the supervisor and owner, and the work schedule if known. Respondent
25 Reyhani shall further notify the Board in writing within ten (10) days of a change in name,
26 residence address, mailing address, or phone number.

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

1 **28. Tolling of Probation**

2 Except during periods of suspension, Respondent Reyhani shall, at all times while on
3 probation, be employed as a pharmacist in California for a minimum of forty (40) hours per
4 calendar month. Any month during which this minimum is not met shall toll the period of
5 probation, i.e., the period of probation shall be extended by one month for each month during
6 which this minimum is not met. During any such period of tolling of probation, Respondent
7 Reyhani must nonetheless comply with all terms and conditions of probation.

8 Should Respondent Reyhani, regardless of residency, for any reason (including vacation)
9 cease practicing as a pharmacist for a minimum of forty (40) hours per calendar month in
10 California, Respondent Reyhani must notify the Board in writing within ten (10) days of the
11 cessation of practice, and must further notify the Board in writing within ten (10) days of the
12 resumption of practice. Any failure to provide such notification(s) shall be considered a violation
13 of probation.

14 It is a violation of probation for Respondent Reyhani's probation to remain tolled pursuant
15 to the provisions of this condition for a total period, counting consecutive and non-consecutive
16 months, exceeding thirty-six (36) months.

17 "Cessation of practice" means any calendar month during which Respondent Reyhani is not
18 practicing as a pharmacist for at least forty (40) hours, as defined by Business and Professions
19 Code section 4000 et seq. "Resumption of practice" means any calendar month during which
20 Respondent Reyhani is practicing as a pharmacist for at least forty (40) hours as a pharmacist as
21 defined by Business and Professions Code section 4000 et seq.

22 **29. Violation of Probation**

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

28 ///

1 If Respondent Reyhani violates probation in any respect, the Board, after giving
2 Respondent Reyhani notice and an opportunity to be heard, may revoke probation and carry out
3 the disciplinary order that was stayed. Notice and opportunity to be heard are not required for
4 those provisions stating that a violation thereof may lead to automatic termination of the stay
5 and/or revocation of the license. If a petition to revoke probation or an accusation is filed against
6 Respondent Reyhani during probation, the Board shall have continuing jurisdiction and the period
7 of probation shall be automatically extended until the petition to revoke probation or accusation is
8 heard and decided, and the charges and allegations in Accusation No. 5963 shall be deemed true
9 and correct.

10 **30. Completion of Probation**

11 Upon written notice by the Board or its designee indicating successful completion of
12 probation, Respondent Reyhani's license will be fully restored.

13 **31. Remedial Education**

14 Within thirty (30) days of the effective date of this decision, Respondent Reyhani shall
15 submit to the Board or its designee, for prior approval, an appropriate program of remedial
16 education related to pharmacy law/compliance, the role of the pharmacist-in-charge, and
17 controlled substances requirements. The program of remedial education shall consist of a total of
18 ten (10) hours for each year of probation. Fifty percent (50%) of the hours must be completed in
19 person. These hours must be completed at Respondent Reyhani's own expense. All remedial
20 education shall be in addition to, and shall not be credited toward, continuing education (CE)
21 courses used for license renewal purposes. Based on his attendance at the "CPhA Pharmacy Law
22 and Practice Conference" on September 16, 2017, in Garden Grove, CA, Respondent Reyhani
23 shall be credited six (6) hours of in person remedial education toward fulfillment of the first year
24 remedial education requirement specified in this Condition.

25 Failure to timely submit or complete the approved remedial education shall be considered a
26 violation of probation. The period of probation will be automatically extended until such
27 remedial education is successfully completed and written proof, in a form acceptable to the
28 Board, is provided to the Board or its designee.

1 Following the completion of each course, the Board or its designee may require Respondent
2 Reyhani, at his own expense, to take an approved examination to test Respondent Reyhani's
3 knowledge of the course. If Respondent Reyhani does not achieve a passing score on the
4 examination, this failure shall be considered a violation of probation. Any such examination
5 failure shall require Respondent Reyhani to take another course approved by the Board in the
6 same subject area.

7 **32. Supervised Practice**

8 During the period of probation, Respondent Reyhani shall practice only under the
9 supervision of a licensed pharmacist not on probation with the Board. Upon and after the
10 effective date of this Decision, Respondent Reyhani shall not practice pharmacy and his license
11 shall be automatically suspended until a supervisor is approved by the Board or its designee. The
12 supervision shall be, as required by the Board or its designee, either:

13 Continuous - At least 75% of a work week;

14 Substantial - At least 50% of a work week;

15 Partial - At least 25% of a work week; or

16 Daily Review - Supervisor's review of probationer's daily activities within 24 hours.

17 The supervision will begin at the Daily Review level.

18 Within thirty (30) days of the effective date of this Decision, Respondent Reyhani shall
19 have his supervisor submit notification to the Board in writing stating that the supervisor has read
20 the Decision in case number 5963 and is familiar with the required level of supervision as
21 determined by the Board or its designee. It shall be Respondent Reyhani's responsibility to
22 ensure that his employer(s), pharmacist-in-charge, and/or supervisor(s) submit timely
23 acknowledgement(s) to the Board. Failure to cause the direct supervisor and the pharmacist-in-
24 charge to submit timely acknowledgements to the Board shall be considered a violation of
25 probation.

26 If Respondent Reyhani changes employment, it shall be Respondent Reyhani's
27 responsibility to ensure that his employer(s), pharmacist-in-charge, and/or supervisor(s) submit
28 timely acknowledgement(s) to the Board. Respondent Reyhani shall have his new supervisor,

1 within fifteen (15) days after employment commences, submit notification to the Board in writing
2 stating the direct supervisor and pharmacist-in-charge have read the Decision in case number
3 5963 and is familiar with the level of supervision as determined by the Board. Respondent
4 Reyhani shall not practice pharmacy and his license shall be automatically suspended until the
5 Board or its designee approves a new supervisor. Failure to cause the direct supervisor and the
6 pharmacist-in-charge to submit timely acknowledgements to the Board shall be considered a
7 violation of probation.

8 Within ten (10) days of leaving employment, Respondent Reyhani shall notify the Board in
9 writing.

10 Subject to the above restrictions, Respondent Reyhani may continue to own or hold an
11 interest in any licensed premises in which he holds an interest at the time this Decision becomes
12 effective unless otherwise specified in this order.

13 **33. No Ownership of Licensed Premises**

14 Respondent Reyhani shall not acquire any new ownership, legal or beneficial interest nor
15 serve as a manager, administrator, member, officer, director, trustee, associate, or partner of any
16 additional business, firm, partnership, or corporation licensed by the Board. If Respondent
17 Reyhani currently owns or has any legal or beneficial interest in, or serves as a manager,
18 administrator, member, officer, director, trustee, associate, or partner of any business, firm,
19 partnership, or corporation currently or hereinafter licensed by the Board, Respondent Reyhani
20 may continue to serve in such capacity or hold that interest, but only to the extent of that position
21 or interest as of the effective date of this Decision. A violation of this restriction shall be
22 considered a violation of probation.

23 **34. Consultant for Owner or Pharmacist-In-Charge**

24 During the period of probation, Respondent Reyhani shall not supervise any intern
25 pharmacist or serve as a consultant to any entity licensed by the Board. Respondent Reyhani may
26 be a pharmacist-in-charge. However, if during the period of probation Respondent Reyhani
27 serves as a pharmacist-in-charge, Respondent Reyhani shall retain an independent consultant at
28 his own expense who shall be responsible for reviewing pharmacy operations on a monthly basis

1 for compliance by Respondent Reyhani with state and federal laws and regulations governing the
2 practice of pharmacy and for compliance by Respondent Reyhani with the obligations of a
3 pharmacist-in-charge. The consultant shall be a pharmacist licensed by and not on probation with
4 the Board and whose name shall be submitted to the Board or its designee, for prior approval,
5 within thirty (30) days of the effective date of this decision. Respondent Reyhani may be a
6 pharmacist-in-charge only at Lauden Integrative Pharmacy, Inc., PHY 43209, and not at any other
7 pharmacy. Failure to timely retain, seek approval of, or ensure timely reporting by the consultant
8 shall be considered a violation of probation.

9 **35. Ethics Course**

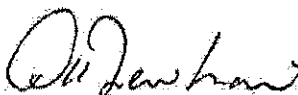
10 Within sixty (60) calendar days of the effective date of this Decision, Respondent Reyhani
11 shall enroll in a course in ethics, at Respondent Reyhani's expense, approved in advance by the
12 Board or its designee. Failure to initiate the course during the first year of probation, and
13 complete it within the second year of probation, is a violation of probation.

14 Respondent Reyhani shall submit a certificate of completion to the Board or its designee
15 within five days after completing the course.

16
17 ACCEPTANCE

18 I have carefully read the above Stipulated Settlement and Disciplinary Order and have fully
19 discussed it with my attorney, Ivan Petrzelka. I understand the stipulation and the effect it will
20 have on my Original Permit and Sterile Compounding License. I enter into this Stipulated
21 Settlement and Disciplinary Order voluntarily, knowingly, and intelligently, and agree to be
22 bound by the Decision and Order of the Board of Pharmacy.

23
24 DATED: 9-22-17



25 Mehrdad Reyhani for
26 LAUDEN INTEGRATIVE PHARMACY, INC.
27 Respondent
28

///

1 I have carefully read the above Stipulated Settlement and Disciplinary Order and have fully
2 discussed it with my attorney, Ivan Petrzelka. I understand the stipulation and the effect it will
3 have on my Pharmacist License. I enter into this Stipulated Settlement and Disciplinary Order
4 voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the
5 Board of Pharmacy.


6
7 DATED: 9-22-17 
8 MEHRDAD REYHANI
9 Respondent

10 I have read and fully discussed with Respondents Lauden Integrative Pharmacy, Inc. and
11 Mehrdad Reyhani the terms and conditions and other matters contained in the above Stipulated
12 Settlement and Disciplinary Order. I approve its form and content.

13 DATED: September 22, 2017 
14 IVAN PETRZELKA
15 Attorney for Respondents

16
17 ENDORSEMENT

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

20 Dated: 9/22/17 Respectfully submitted,
21 XAVIER BECERRA
22 Attorney General of California
23 DIANN SOKOLOFF
24 Supervising Deputy Attorney General
25 
26 NICHOLAS TSUKAMAKI
27 Deputy Attorney General
28 Attorneys for Complainant

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Exhibit A

Accusation No. 5963

1 KAMALA D. HARRIS
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E-mail: Nicholas.Tsukamaki@doj.ca.gov
7 *Attorneys for Complainant*

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

11 In the Matter of the Accusation Against:

Case No. 5963

12 **LAUDEN INTEGRATIVE PHARMACY,**
13 **INC.**
1820 41st Avenue, Suite F
14 Capitola, CA 95010

A C C U S A T I O N

15 **Original Permit No. PHY 43209**
16 **Sterile Compounding License No. LSC**
17 **99162**

18 **and**

19 **MEHRDAD REYHANI**
394 Brooktree Ranch Road
20 Aptos, CA 95003

21 **Pharmacist License No. RPH 45597**

22 Respondents.

23 Complainant alleges:

24 **PARTIES**

- 25 1. Virginia Herold (Complainant) brings this Accusation solely in her official capacity
26 as the Executive Officer of the Board of Pharmacy, Department of Consumer Affairs.
- 27 2. On or about August 22, 1997, the Board of Pharmacy (Board) issued Original Permit
28 No. PHY 43209 to Lauden Integrative Pharmacy, Inc. (Respondent Lauden). The Original Permit

1 was in full force and effect at all times relevant to the charges brought herein and will expire on
2 August 1, 2017, unless renewed.

3 3. On or about July 28, 2003, the Board issued Sterile Compounding License No. LSC
4 99162 to Lauden. The Sterile Compounding License was in full force and effect at all times
5 relevant to the charges brought herein and will expire on August 1, 2017, unless renewed.

6 4. On or about August 24, 1992, the Board issued Pharmacist License No. RPH 45597
7 to Mehrdad Reyhani (Respondent Reyhani). The Pharmacist License was in full force and effect
8 at all times relevant to the charges brought herein and will expire on May 31, 2018, unless
9 renewed.

10 JURISDICTION

11 5. This Accusation is brought before the Board under the authority of the following
12 laws. All section references are to the Business and Professions Code (Code) unless otherwise
13 indicated.

14 6. Section 4011 of the Code provides that the Board shall administer and enforce both
15 the Pharmacy Law (Bus. & Prof. Code, § 4000 et seq.) and the Uniform Controlled Substances
16 Act (Health & Safety Code, § 11000 et seq.).

17 7. Section 4300, subdivision (a) of the Code provides that every license issued by the
18 Board may be suspended or revoked.

19 8. Section 4300.1 of the Code provides that the expiration, cancellation, forfeiture, or
20 suspension of a Board-issued license, the placement of a license on a retired status, or the
21 voluntary surrender of a license by a licensee, shall not deprive the Board of jurisdiction to
22 commence or proceed with any investigation of, or action or disciplinary proceeding against, the
23 licensee or to render a decision suspending or revoking the license.

24 STATUTORY PROVISIONS

25 9. Section 4301 of the Code states:

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

1 ...

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

4 ...

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

9 ...”

10 10. Health and Safety Code section 11164 provides, in pertinent part:

11 “Except as provided in Section 11167, no person shall prescribe a controlled substance, nor
12 shall any person fill, compound, or dispense a prescription for a controlled substance, unless it
13 complies with the requirements of this section.

14 “(a) Each prescription for a controlled substance classified in Schedule II, III, IV, or V,
15 except as authorized by subdivision (b), shall be made on a controlled substance prescription form
16 as specified in Section 11162.1 and shall meet the following requirements

17 ...

18 “(b)(1) Notwithstanding paragraph (1) of subdivision (a) of Section 11162.1, any controlled
19 substance classified in Schedule III, IV, or V may be dispensed upon an oral or electronically
20 transmitted prescription, which shall be produced in hard copy form and signed and dated by the
21 pharmacist filling the prescription or by any other person expressly authorized by provisions of
22 the Business and Professions Code. Any person who transmits, maintains, or receives any
23 electronically transmitted prescription shall ensure the security, integrity, authority, and
24 confidentiality of the prescription.”

25 11. Health and Safety Code section 11165, subdivision (d) provides, in pertinent part:

26 “For each prescription for a Schedule II, Schedule III, or Schedule IV controlled substance,
27 as defined in the controlled substances schedules in federal law and regulations, specifically
28 Sections 1308.12, 1308.13, and 1308.14, respectively, of Title 21 of the Code of Federal

1 Regulations, the dispensing pharmacy, clinic, or other dispenser shall report the following
2 information to the Department of Justice as soon as reasonably possible, but not more than seven
3 days after the date a controlled substance is dispensed, in a format specified by the Department of
4 Justice:

5 ...”

6 12. Health and Safety Code section 11200, subdivision (b) states: “No prescription for a
7 Schedule III or IV substance may be refilled more than five times and in an amount, for all refills
8 of that prescription taken together, exceeding a 120-day supply.”

9 **REGULATORY PROVISIONS**

10 13. California Code of Regulations, title 16, section 1711 provides, in pertinent part:

11 “(a) Each pharmacy shall establish or participate in an established quality assurance
12 program which documents and assesses medication errors to determine cause and an appropriate
13 response as part of a mission to improve the quality of pharmacy service and prevent errors.

14 ...

15 “(e) The primary purpose of the quality assurance review shall be to advance error
16 prevention by analyzing, individually and collectively, investigative and other pertinent data
17 collected in response to a medication error to assess the cause and any contributing factors such
18 as system or process failures. A record of the quality assurance review shall be immediately
19 retrievable in the pharmacy. . . .

20 ...

21 “(f) The record of the quality assurance review, as provided in subdivision (e) shall be
22 immediately retrievable in the pharmacy for at least one year from the date the record was
23 created.”

24 14. California Code of Regulations, title 16, section 1716 provides, in pertinent part:

25 “Pharmacists shall not deviate from the requirements of a prescription except upon the prior
26 consent of the prescriber or to select the drug product in accordance with Section 4073 of the
27 Business and Professions Code.”

28 ///

1 15. California Code of Regulations, title 16, section 1717 provides, in pertinent part:
2 “(c) Promptly upon receipt of an orally transmitted prescription, the pharmacist shall reduce
3 it to writing, and initial it, and identify it as an orally transmitted prescription. . . .”

4 16. California Code of Regulations, title 16, section 1717.3, subdivision (a) states: “No
5 person shall dispense a controlled substance pursuant to a preprinted multiple check-off
6 prescription blank.”

7 17. California Code of Regulations, title 16, section 1735.2 provides, in pertinent part:
8 “(e) A drug preparation shall not be compounded until the pharmacy has first prepared a
9 written master formula document that includes at least the following elements:

- 10 . . .
11 “(2) Equipment to be used.
12 . . .
13 “(6) Quality reviews required at each step in preparation of the drug.
14 . . .”

15 18. California Code of Regulations, title 16, section 1735.4 provides, in pertinent part:
16 “(a) Each compounded drug preparation shall be affixed with a container label prior to
17 dispensing that contains at least:

- 18 . . .
19 “(2) Name (brand or generic) and strength, volume, or weight of each active ingredient. . .
20 .”

21 19. California Code of Regulations, title 16, section 1751.6 provides, in pertinent part:

22 “(b) The pharmacist-in-charge shall ensure that all pharmacy personnel engaging in
23 compounding sterile drug preparations have training and demonstrated competence in the safe
24 handling and compounding of sterile drug preparations, including hazardous agents if the
25 pharmacy compounds products with hazardous agents.

26 “(c) Records of training and demonstrated competence shall be available for each individual
27 and shall be retained for three years beyond the period of employment.

28 . . .

1 “(e) Pharmacies that compound sterile drug preparations must comply with the following
2 training requirements:

3 ...

4 “(2) Each person engaged in sterile compounding must successfully complete practical
5 skills training in aseptic technique and aseptic area practices using models that are comparable to
6 the most complex manipulations to be performed by the individual. Each pharmacist responsible
7 for, or directly supervising and controlling, aseptic techniques or practices, must demonstrate the
8 skills needed to ensure the sterility of compounded drug preparations. Evaluation must include
9 written testing and a written protocol of periodic routine performance checks involving adherence
10 to aseptic area policies and procedures. Each person’s proficiency and continuing training needs
11 must be reassessed at least every 12 months. Results of these assessments must be documented
12 and retained in the pharmacy for three years.”

13 **COSTS**

14 20. Section 125.3 of the Code provides, in pertinent part, that the Board may request the
15 administrative law judge to direct a licentiate found to have committed a violation or violations of
16 the licensing act to pay a sum not to exceed the reasonable costs of the investigation and
17 enforcement of the case, with failure of the licentiate to comply subjecting the license to not being
18 renewed or reinstated. If a case settles, recovery of investigation and enforcement costs may be
19 included in a stipulated settlement.

20 **FACTUAL BACKGROUND**

21 21. On or about March 9, 2016, two Board Inspectors performed an inspection of Lauden
22 Integrative Pharmacy.

23 22. During the inspection the Inspectors determined that the pharmacy was verifying
24 compounded products without having completed required staff training.

25 23. The Inspectors also discovered approximately 58 schedule III and IV controlled
26 substance prescriptions from approximately February 1, 2013 to February 16, 2016 that
27 Respondents had either refilled more than five (5) times or had refilled in quantities exceeding a
28 120-day supply.

1 24. The Inspectors discovered approximately five (5) filled controlled substance
2 prescriptions that were on pre-printed, multiple check-off type forms.

3 25. The Inspectors discovered approximately twenty-seven (27) filled controlled
4 substance prescriptions that had been transmitted by phone and that were not reduced to writing,
5 initialed by the pharmacist, or identified as orally transmitted prescriptions.

6 26. The Inspectors discovered approximately four (4) filled controlled substance
7 prescriptions that were not written on a proper controlled substance prescription form.

8 27. The Inspectors discovered a prescription for liquor carbonis detergens 2% in
9 mometasone 0.1% cream. The label for this prescription used the acronym "LCD" rather than
10 spelling out "liquor carbonis detergens." Respondents mistakenly prepared this prescription as an
11 ointment rather than as a cream. At the time of the inspection, a quality assurance record for that
12 medication error was not immediately retrievable.

13 28. One of the Inspectors reviewed master formulas for alprostadil 100 mcg/ml,
14 alprostadil 500 mcg/ml, and trimix. Those master formulas were missing the equipment to be
15 used during compounding and the quality reviews required at each step in preparation of the drug.

16 29. The Prescription Drug Monitoring Program, which is part of the Controlled Substance
17 Utilization Review and Evaluation System (CURES), requires weekly reporting of dispensed
18 schedule II-IV controlled substance prescriptions. On six (6) occasions between approximately
19 May 2013 and January 2016, Respondents submitted CURES reports at more than 7 day
20 intervals.

21 **FIRST CAUSE FOR DISCIPLINE**

22 **(Failure to Maintain Record of Quality Assurance Review)**

23 30. Respondents are subject to disciplinary action under section 4301, subdivisions (j)
24 and/or (o) of the Code and California Code of Regulations, title 16, section 1711, subdivisions (e)
25 and/or (f), in that Respondents made an error in filling a medication and a quality assurance
26 record for that medication error was not immediately retrievable in the pharmacy. The
27 circumstances of Respondents' conduct are set forth above in paragraph 27.

28 ///

1 **SECOND CAUSE FOR DISCIPLINE**

2 **(Maintaining Incomplete Master Formulas for Compounded Drugs)**

3 31. Respondents are subject to disciplinary action under section 4301, subdivisions (j)
4 and/or (o) of the Code and California Code of Regulations, title 16, section 1735.2, subdivisions
5 (e)(2) and (e)(6), in that Respondents maintained master formulas for certain compounded drugs
6 that were missing the equipment to be used during compounding and the quality reviews required
7 at each step in preparation of the drugs. The circumstances of Respondents' conduct are set forth
8 above in paragraph 28.

9 **THIRD CAUSE FOR DISCIPLINE**

10 **(Deviation from Prescription Requirements)**

11 32. Respondents are subject to disciplinary action under section 4301, subdivisions (j)
12 and/or (o) of the Code and California Code of Regulations, title 16, section 1716, in that
13 Respondents deviated from the requirements of a prescription. The circumstances of
14 Respondents' conduct are set forth above in paragraph 27.

15 **FOURTH CAUSE FOR DISCIPLINE**

16 **(Failure to Provide Name of Compounded Drug on Container Label)**

17 33. Respondents are subject to disciplinary action under section 4301, subdivisions (j)
18 and/or (o) of the Code and California Code of Regulations, title 16, section 1735.4, subdivision
19 (a)(2), in that Respondents failed to provide the name of a compounded drug on that drug's
20 container label. The circumstances of Respondents' conduct are set forth above in paragraph 27.

21 **FIFTH CAUSE FOR DISCIPLINE**

22 **(Performing CURES Reporting at Longer than Permitted Intervals)**

23 34. Respondents are subject to disciplinary action under section 4301, subdivisions (j)
24 and/or (o) of the Code and Health and Safety Code section 11165, subdivision (d), in that
25 Respondents submitted CURES reports at more than seven (7) day intervals. The circumstances
26 of Respondents' conduct are set forth above in paragraph 29.

27 ///

28 ///

1 **SIXTH CAUSE FOR DISCIPLINE**

2 **(Excessive Refills of Controlled Substances)**

3 35. Respondents are subject to disciplinary action under section 4301, subdivisions (j)
4 and/or (o) of the Code and Health and Safety Code section 11200, subdivision (b), in that
5 Respondents refilled certain schedule III and IV controlled substance prescriptions either more
6 than five (5) times or in quantities exceeding a 120-day supply. The circumstances of
7 Respondents' conduct are set forth above in paragraph 23.

8 **SEVENTH CAUSE FOR DISCIPLINE**

9 **(Failure to Maintain Records of Compounding Training)**

10 36. Respondents are subject to disciplinary action under section 4301, subdivisions (j)
11 and/or (o) of the Code and California Code of Regulations, title 16, section 1751.6, subdivisions
12 (b), (c), and/or (e)(2), in that Respondents failed to maintain records of compounding training as
13 required. The circumstances of Respondents' conduct are set forth above in paragraph 22.

14 **EIGHTH CAUSE FOR DISCIPLINE**

15 **(Dispensing Controlled Substances Based on Improper Forms)**

16 37. Respondents are subject to disciplinary action under section 4301, subdivisions (j)
17 and/or (o) of the Code and California Code of Regulations, title 16, section 1717.3, subdivision
18 (a), in that Respondents dispensed controlled substances pursuant to preprinted multiple check-off
19 prescription forms. The circumstances of Respondents' conduct are set forth above in paragraph
20 24.

21 **NINTH CAUSE FOR DISCIPLINE**

22 **(Inadequate Documenting of Orally Transmitted Prescriptions)**

23 38. Respondents are subject to disciplinary action under section 4301, subdivisions (j)
24 and/or (o) of the Code, Health and Safety Code section 11164, subdivision (b)(1), and California
25 Code of Regulations, title 16, section 1717, subdivision (c), in that Respondents filled orally
26 transmitted controlled substance prescriptions without reducing the prescriptions to writing,
27 initialing them, and/or identifying them as orally transmitted prescriptions. The circumstances of
28 Respondents' conduct are set forth above in paragraph 25.

1 **TENTH CAUSE FOR DISCIPLINE**

2 **(Filling Prescriptions Based on Improper Prescription Forms)**

3 39. Respondents are subject to disciplinary action under section 4301, subdivisions (j)
4 and/or (o) of the Code and Health and Safety Code section 11164, subdivision (a), in that
5 Respondents filled controlled substance prescriptions that were not written on a proper controlled
6 substance prescription form. The circumstances of Respondents' conduct are set forth above in
7 paragraph 26.

8 **DISCIPLINE CONSIDERATIONS**

9 40. To determine the degree of discipline, if any, to be imposed on Respondent Lauden,
10 Complainant alleges that on or about November 9, 2015, in Case No. CI 2011 49844, the Board
11 issued a Modified Citation and Fine to Respondent Lauden based on a violation of section 4126.5,
12 subdivision (a)(4) of the Code (non-compliant sales to a wholesaler). That Citation is now final
13 and is incorporated by reference as if fully set forth herein.

14 41. To determine the degree of discipline, if any, to be imposed on Respondent Lauden,
15 Complainant further alleges that on or about December 12, 2014, in Case No. CI 2014 62140, the
16 Board issued a Modified Citation to Respondent Lauden based on a violation of section 4169,
17 subdivision (a)(1) of the Code (purchasing from an unlicensed entity). That Citation is now final
18 and is incorporated by reference as if fully set forth herein.

19 42. To determine the degree of discipline, if any, to be imposed on Respondent Reyhani,
20 Complainant alleges that on or about February 23, 2012, in Case No. CI 2011 51418, the Board
21 issued a Citation and Fine and Order of Abatement to Respondent Reyhani based on a violation
22 of section 4126.5, subdivision (a)(4) of the Code (non-compliant sales to a wholesaler). That
23 Citation is now final and is incorporated by reference as if fully set forth herein.

24 43. To determine the degree of discipline, if any, to be imposed on Respondent Reyhani,
25 Complainant further alleges that on or about March 28, 2014, in Case No. CI 2013 60628, the
26 Board issued a Citation and Fine to Respondent Reyhani based on a violation of California Code
27 of Regulations, title 16, section 1751.7, subdivision (c) (dispensing sterile injectable drug
28 products that are compounded from more than one non-sterile ingredient before receipt of end

1 product testing results). That Citation is now final and is incorporated by reference as if fully set
2 forth herein.

3 44. To determine the degree of discipline, if any, to be imposed on Respondent Reyhani,
4 Complainant further alleges that on or about August 22, 2014, in Case No. CI 2014 62142, the
5 Board issued a Citation and Fine to Respondent Reyhani based on a violation of section 4169,
6 subdivision (a)(1) of the Code (purchasing from an unlicensed entity). That Citation is now final
7 and is incorporated by reference as if fully set forth herein.

8 **PRAYER**

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

- 11 1. Revoking or suspending Original Permit No. PHY 43209 issued to Lauden
12 Integrative Pharmacy, Inc.;
- 13 2. Revoking or suspending Sterile Compounding License No. LSC 99162 issued to
14 Lauden Integrative Pharmacy, Inc.;
- 15 3. Revoking or suspending Pharmacist License No. RPH 45597 issued to Mehrdad
16 Reyhani;
- 17 4. Ordering Lauden Integrative Pharmacy, Inc. and Mehrdad Reyhani to pay the Board
18 of Pharmacy the reasonable costs of the investigation and enforcement of this case pursuant to
19 Business and Professions Code section 125.3; and,
- 20 5. Taking such other and further action as deemed necessary and proper.

21
22 DATED: 1/11/17



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

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