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

In the Matter of the Accusation Against: **K & Z, INC. DBA, GLOBAL RX PHARMACY & COMPOUNDING** **4250 Barranca Parkway, Suite F** **Irvine, CA 92604** **Pharmacy Permit No. PHY 52535,** **KESHVAR ZEINALI** **57 Montanas Este** **Irvine, CA 92612** **Pharmacist License No. RPH 44044** Respondents.	Case No. 5728 OAH No. 2016070478 **STIPULATED SETTLEMENT AND DISCIPLINARY ORDER FOR PUBLIC REPROVAL**

DECISION AND ORDER

The attached Stipulated Settlement and Disciplinary Order for Public Reproval 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 April 20, 2017.

It is so ORDERED on March 21, 2017.

BOARD OF PHARMACY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA

By _____
Amy Gutierrez, Pharm.D.
Board President

XAVIER BECERRA
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Attorneys for Complainant

BEFORE THE
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In the Matter of the Accusation Against: **K & Z, INC. DBA, GLOBAL RX PHARMACY & COMPOUNDING** **4250 Barranca Parkway, Suite F** **Irvine, CA 92604** **Pharmacy Permit No. PHY 52535** **KESHVAR ZEINALI** **57 Montanas Este** **Irvine, CA 92612** **Pharmacist License No. RPH 44044** Respondents.	Case No. 5728 OAH No. 2016070478 **STIPULATED SETTLEMENT AND DISCIPLINARY ORDER FOR PUBLIC REPROVAL** **[Bus. & Prof. Code § 495]**

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

PARTIES

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

2. Respondent K&Z, Inc. doing business as Global RX Pharmacy & Compounding (Respondent) is represented in this proceeding by attorney Tony J. Park, Pharm.D., J.D., whose address is: Ivan Petrzelka, Pharm.D., J.D., California Pharmacy Lawyers, 2855 Michelle Drive, Suite 180, Irvine, CA 92606-1027.

JURISDICTION

3. On or about December 1, 2014, the Board issued Pharmacy Permit No. PHY 52535 to K&Z, Inc. doing business as Global Rx Pharmacy & Compounding (Respondent Global Rx Pharmacy & Compounding). The Pharmacy Permit was in full force and effect at all times relevant to the charges brought in Accusation No. 5728 and will expire on December 1, 2017, unless renewed.

4. On or about March 12, 1991, the Board of Pharmacy issued Pharmacist License Number RPH 44044 to Keshvar Zeinali (Respondent Keshvar Zeinali). The Pharmacist License was in full force and effect at all times relevant to the charges brought herein and will expire on December 31, 2018, unless renewed.

5. Accusation No. 5728 was filed before the Board of Pharmacy (Board), Department of Consumer Affairs and is currently pending against Respondents. The Accusation and all other statutorily required documents were properly served on Respondents on July 5, 2016. Respondents timely filed their Notices of Defense contesting the Accusation. A copy of Accusation No. 5728 is attached as exhibit A and incorporated herein by reference.

ADVISEMENT AND WAIVERS

6. Respondents have carefully read, fully discussed with counsel, and understand the charges and allegations in Accusation No. 5728. Respondents have also carefully read, fully discussed with counsel, and understand the effects of this Stipulated Settlement and Disciplinary Order for Public Reproval.

7. Respondents are fully aware of their legal rights in this matter, including the right to a hearing on the charges and allegations in the Accusation; the right to confront and cross-examine the witnesses against them; the right to present evidence and to testify on its own behalf; the right to the issuance of subpoenas to compel the attendance of witnesses and the production of

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

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

CULPABILITY

9. Respondent Global Rx Pharmacy & Compounding and Respondent Keshvar Zeinali understand and agree that the charges and allegations in Accusation No. 5728, if proven at a hearing, constitute cause for imposing discipline upon their respective Pharmacy Permit and Pharmacist License.

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

11. Respondents agree that their respective Pharmacy Permit and Pharmacist License are subject to discipline and they agree to be bound by the Disciplinary Order below.

CONTINGENCY

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

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

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

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

DISCIPLINARY ORDER

IT IS HEREBY ORDERED that Pharmacy Permit No. PHY 52535 issued to Respondent K&Z, Inc. doing business as Global Rx Pharmacy & Compounding (Respondent Global Rx Pharmacy & Compounding) and Pharmacist License No. RPH 44044 issued to Respondent Keshvar Zeinali shall be publicly reproved by the Board of Pharmacy under Business and Professions Code section 495 in resolution of Accusation No. 5728, attached as exhibit A.

Cost Recovery. Respondents shall pay $3,143.50 to the Board for its costs associated with the investigation and enforcement of this matter and shall be jointly and severally liable for these costs. Respondents shall be permitted to pay these costs in a payment plan approved by the Board. If Respondents fail to pay the Board costs as ordered, Respondents shall not be allowed to renew their respective Pharmacy Permit and Pharmacist License until Respondents pay costs in full.

ACCEPTANCE

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

DATED: 1-28-2017

KESHVAR ZEINALI, as an individual and as the authorized agent on behalf of K&Z, INC. DOING BUSINESS AS GLOBAL RX PHARMACY & COMPOUNDING
Respondents

I have read and fully discussed with Respondent K&Z, Inc. doing business as Global RX Pharmacy & Compounding and Respondent Keshvar Zeinali the terms and conditions and other matters contained in the above Stipulated Settlement and Disciplinary Order for Public Reproval. I approve its form and content.

DATED: January 29, 2017

IVAN PETRZELKA
Attorney for Respondents

ENDORSEMENT

The foregoing Stipulated Settlement and Disciplinary Order for Public Reproval is hereby respectfully submitted for consideration by the Board of Pharmacy of the Department of Consumer Affairs.

DATED: 1/30/17

Respectfully submitted,

XAVIER BECERRA
Attorney General of California
GREGORY J. SALUTE
Supervising Deputy Attorney General

DESIREE I. KELLOGG
Deputy Attorney General
Attorneys for Complainant

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Exhibit A

Accusation No. 5728

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Attorneys for Complainant

BEFORE THE
BOARD OF PHARMACY
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STATE OF CALIFORNIA

In the Matter of the Accusation Against: **K & Z, INC. DBA, GLOBAL RX PHARMACY & COMPOUNDING** **4250 Barranca Parkway, Suite F** **Irvine, CA 92604** **Pharmacy Permit No. PHY 52535** **KESHVAR ZEINALI** **57 Montanas Este** **Irvine, CA 92612** **Pharmacist License No. RPH 44044** Respondents.	Case No. 5728 **A C C U S A T I O N**

Complainant alleges:

PARTIES

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

2. On or about December 1, 2014, the Board of Pharmacy issued Pharmacy Permit Number PHY 52535 to K & Z, Inc., doing business as Global Rx Pharmacy & Compounding (Respondent Global Rx Pharmacy & Compounding). The Pharmacy Permit was in full force and

effect at all times relevant to the charges brought herein and will expire on December 1, 2016, unless renewed.

3. On or about March 12, 1991, the Board of Pharmacy issued Pharmacist License Number RPH 44044 to Keshvar Zeinali (Respondent Keshvar Zeinali). The Pharmacist License was in full force and effect at all times relevant to the charges brought herein and will expire on December 31, 2016, unless renewed.

JURISDICTION

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

5. Section 4011 of the Code provides that the Board shall administer and enforce both the Pharmacy Law [Bus. & Prof. Code, § 4000 et seq.] and the Uniform Controlled Substances Act [Health & Safety Code, § 11000 et seq.].

6. Section 4300(a) of the Code provides that every license issued by the Board may be suspended or revoked.

7. Section 4300.1 of the Code states:

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

STATUTORY PROVISIONS

8. Section 4013(a) of the Code states:

> Any facility licensed by the board shall join the board's e-mail notification list within 60 days of obtaining a license or at the time of license renewal.

9. Section 4113, subdivision (c) of the Code states: "The pharmacist-in-charge shall be responsible for a pharmacy's compliance with all state and federal laws and regulations pertaining to the practice of pharmacy."

10. Section 4169(a)(3) states;

(a) A person or entity shall not do any of the following:

. . .

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

11. Section 4301 of the Code states in pertinent part:

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

. . . .

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

. . . .

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

. . . .

12. Health and Safety Code section 111335 provides that any drug or device is misbranded if its labeling or packaging does not conform to the requirements of Chapter 4 (commencing with Section 110290.)

13. Health and Safety Code section 111400 provides that any drug or device is misbranded if it is dangerous to health when used in the dosage, or with the frequency or duration prescribed, recommended, or suggested in its labeling.

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

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

16. Title 21 United States Code section 352 states:

A Drug or device shall be deemed to be misbranded—

...

(f) Directions for use and warnings on label

Unless its labeling bears (1) adequate directions for use; and (2) such adequate warnings against use in those pathological conditions or by children where its use may be dangerous to health, or against unsafe dosage or methods or duration of administration or application, in such manner and form, as are necessary for the protection of users, except that where any requirement of clause (1) of this paragraph, as applied to any drug or device, is not necessary for the protection of the public health, the Secretary shall promulgate regulations exempting such drug or device from such requirement. Required labeling for prescription devices intended for use in health care facilities or by a health care professional and required labeling for in vitro diagnostic devices intended solely by electronic means, provided that the labeling complies with all applicable requirements of law, and that the manufacturer affords such users the opportunity to request the labeling in paper form, and after such request, promptly provides the requested information without additional cost.

...

REGULATORY PROVISIONS

17. California Code of Regulations, title 16, section 1735, subdivision (a):

states in pertinent part:

"Compounding" means any of the following activates occurring in a licensed pharmacy, by or under the supervision of a licensed pharmacist, pursuant to a prescription:

(1) Altering the dosage form or delivery system of a drug

(2) Altering the strength of a drug

(3) Combining components or active ingredients

(4) Preparing a drug product from chemicals or bulk drug substances

...

COST RECOVERY

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

DRUG

19. Domperidone is a drug not approved for use in humans in the United States by the Food and Drug Administration. Drug products compounded using domperiodone are subject to the approval requirements of the Federal Food, Drug and Cosmetic Act.

FACTUAL ALLEGATIONS

20. From November 14, 2014 to the present, Respondent Keshvar Zeinalia has been and is the Pharmacist-in-Charge (PIC) of Respondent Global Rx Pharmacy & Compounding. From February 9, 2015 through November 11, 2015, Respondents did not join the Board's email notification list at the time of license renewal.

21. On June 7, 2004, the FDA issued a talk paper titled, "FDA Warns Against Women Using Unapproved Drug, Domperidone, to Increase Milk Production." The paper stated in pertinent part that domperidone is an "unapproved drug" and that it is "not approved in the U.S. for any indication." It also warned breast feeding women not to use the product because of safety concerns, and that FDA field personnel were alerted to be on the lookout for attempts to import domperidone so it could be detained. The paper stated, "[t]he letters issued by FDA today stated that all drug products containing domperidone (whether compounded or not) violate the Federal Food, Drug, and Cosmetic Act (the Act) because they are unapproved new drugs and misbranded. In addition, distribution within the U.S., or importation of domperidone-containing products, violates the law."

22. On April 9, 2010, the FDA issued a warning letter to Alexandria Medical Arts Pharmacy & Compounding Laboratory regarding the compounding of domperidone. The warning letter explained the Act as it relates to compounded drugs and FDA's regulatory approach to compounding and stated that compounding drugs using domperiodone was inappropriate.

23. On March 18, 2011, the FDA issued an import alert for domperidone indicating the agency learned domperidone was being imported as a bulk active pharmaceutical ingredient for pharmacy compounding and presented a public health risk and violated the Act.

24. On March 12, 2012, the FDA issued a revised import alert for domperidone. This revised import alert stated that ". . . domperidone is not appropriate for pharmacy compounding use because this bulk active ingredient is not a component of an FDA approved drug, or is a component of a drug that was withdrawn or removed from the market for safety reasons."

25. On or about April 14, 2015, the Board sent a subscriber alert, providing notice to licensees that "domperidone is not FDA-approved for any use in humans in the United States. Drug products compounded using domperidone are subject to the approval requirements of the federal Food, Drug and Cosmetic Act."

26. Respondents did not possess a FDA-approved Investigational New Drug application, allowing them expanded access for domperiodone.

27. From February 9, 2015 through June 12, 2015, Respondents compounded 400 capsules of domperidone 10mg and dispensed approximately 360 capsules containing domperidone to patients.

FIRST CAUSE FOR DISCIPLINE

(Failure to Join Board's Notification List)

28. Respondents are subject to disciplinary action under Code section 4013(a), for failing to join the Board's email notification list at the time of license renewal, as set forth in paragraph 20, which is incorporated herein by reference.

SECOND CAUSE FOR DISCIPLINE

(Sold Misbranded Drugs)

29. Respondents are subject to disciplinary action under Code section 4301(j) for violating statutes regulating controlled substances and dangerous drugs, in that Respondents sold misbranded drugs, as defined by Health & Safety Code section 111400 and United States Code, title 21, section 352(f) in violation of Health and Safety Code section 111440, as set forth in paragraphs 19 through 27, which are incorporated herein by reference.

THIRD CAUSE FOR DISCIPLINE

(Delivered or Proffered for Delivery Misbranded Drugs)

30. Respondents are subject to disciplinary action under Code section 4301(j), for violating statutes regulating controlled substances and dangerous drugs, in that Respondents delivered or proffered for delivery misbranded drugs, as defined by Health & Safety Code section 111400, in violation of Health and Safety Code section 111450, as set forth in paragraphs 19 through 27, which are incorporated herein by reference.

FOURTH CAUSE FOR DISCIPLINE

(Commission of Prohibited Acts)

31. Respondents are subject to disciplinary action under Code sections 4301(o) and/or 4169(a)(3), and Health and Safety Code section 11335, in that Respondents purchased domperidone powder and dispensed compounded drug capsules containing domperidone without having an approved Investigational New Drug application on file, as set forth in paragraphs 19 through 27, which are incorporated herein by reference.

FIFTH CAUSE FOR DISCIPLINE

(Unprofessional Conduct)

32. Respondents are subject to disciplinary action under Code section 4301 for unprofessional conduct in that they engaged in the activities described in paragraphs 19 through 27 above, which are incorporated herein by reference.

DISCIPLINARY CONSIDERATIONS

33. To determine the degree of discipline, if any, to be imposed on Respondents, Complainant alleges that on or about August 18, 2015, the Board issued Citation number CI 2015 66607 and a fine against Keshar Zeinali for violating California Code of Regulations, title 16, section 1735.3(a), in that he failed to maintain a compounding log for each compounded drug product which complied with the requirements of section 1735.3(a). He paid the fine on or about September 17, 2015.

PRAYER

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

1. Revoking or suspending Pharmacy Permit Number PHY 52535, issued to K & Z, Inc., doing business as Global Rx Pharmacy & Compounding;

2. Revoking or suspending Pharmacist License Number RPH 44044, issued to Keshvar Zeinali;

3. Ordering K & Z, Inc., doing business as Global Rx Pharmacy & Compounding and Keshvar Zeinali to pay the Board of Pharmacy the reasonable costs of the investigation and enforcement of this case, pursuant to Business and Professions Code section 125.3;

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

DATED: 6/30/16

Virginia Herold

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

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BEFORE THE
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DECISION AND ORDER

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

This Decision shall become effective on _____.

It is so ORDERED.

_____

FOR THE BOARD OF PHARMACY
DEPARTMENT OF CONSUMER AFFAIRS