

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

In the Matter of the Accusation Against:

**X-PHARMACY CORP., dba THE MEDICINE SHOPPE;
MICHAEL EDWARD MILAD TADROS;
ABE RABADI**

**174 South Sunrise Way
Palm Springs, CA 92262**

Pharmacy Permit No. PHY 52578

Respondents.

Case No. 5906

**STIPULATED SURRENDER OF
LICENSE AND ORDER**

DECISION AND ORDER

The attached Stipulated Surrender 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 August 25, 2017.

It is so ORDERED on July 26, 2017.

BOARD OF PHARMACY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA



By

Amy Gutierrez, Pharm.D.
Board President

1 XAVIER BECERRA
Attorney General of California
2 JAMES M. LEDAKIS
Supervising Deputy Attorney General
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Attorneys for Complainant

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

11 In the Matter of the Accusation Against:
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13 **X-PHARMACY CORP, dba**
THE MEDICINE SHOPPE;
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15 **174 South Sunrise Way**
Palm Springs, CA 92262
16 **Pharmacy Permit No. PHY 52578**
17
18 Respondents.

Case No. 5906

**STIPULATED SURRENDER OF
LICENSE AND ORDER**

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

21 **PARTIES**

- 22 1. Virginia Herold (Complainant) is the Executive Officer of the Board of Pharmacy
23 (Board). She brought this action solely in her official capacity and is represented in this matter by
24 Xavier Becerra, Attorney General of the State of California, by David E. Hausfeld, Deputy
25 Attorney General.
26 2. The Medicine Shoppe; Michael Edward Milad Tadros; Abe Rabadi (Respondents) are
27 represented in this proceeding by attorney Tony Park, whose address is 49 Discovery, Suite 240,
28 Irvine, CA 92618.

1 ORDER

2 IT IS HEREBY ORDERED that Pharmacy Permit No. PHY 52578, issued to Respondents
3 X-Pharmacy Corp. dba The Medicine Shoppe; Michael Edward Milad Tadros and Abe Rabadi, is
4 surrendered and accepted by the Board of Pharmacy.

5 1. The surrender of Respondent's Pharmacy Permit and the acceptance of the
6 surrendered license by the Board shall constitute the imposition of discipline against
7 Respondents. This stipulation constitutes a record of the discipline and shall become a part of
8 Respondents' license history with the Board of Pharmacy.

9 2. As of March 1, 2017, Respondent Rabadi has had no ownership interest in
10 Respondent X-Pharmacy Corp. dba The Medicine Shoppe and will not have an ownership interest
11 or involvement in any new permit issued for the pending application for a change in ownership.

12 3. Respondent Rabadi, may not reapply for any license from the Board for three (3)
13 years from the effective date of this decision. Respondent Rabadi stipulates that should he apply
14 for any license from the Board on or after the effective date of this decision, all of the charges and
15 allegations contained in Accusation No. 5906 shall be deemed to be true, correct and admitted by
16 Respondent when the board determines whether to grant or deny the application. Respondent
17 Rabadi shall satisfy all requirements applicable to that license as of the date the application is
18 submitted to the board. Respondent Rabadi is required to report this surrender as disciplinary
19 action.

20 4. In the event that Respondent X-Pharmacy Corp. dba The Medicine Shoppe is sold
21 and an application for a new permit is submitted to the Board, the Board shall expedite the
22 processing of that application

23 5. Respondents shall lose all rights and privileges as a Pharmacy in California as of the
24 effective date of the Board's Decision and Order.

25 6. If Respondent Rabadi 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 Rabadi
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 5906 shall be deemed to be true, correct and admitted by Respondent Rabadi when the Board
2 determines whether to grant or deny the application or petition.

3 8. Respondents shall pay the agency its costs of investigation and enforcement in the
4 amount of \$4,000.00 within thirty (30) days of the effective date of the Decision and Order.

5 9. If Respondent Rabadi should ever apply or reapply for a new license or certification,
6 or petition for reinstatement of a license, by any other health care licensing agency in the State of
7 California, all of the charges and allegations contained in Accusation, No. 5906 shall be deemed
8 to be true, correct, and admitted by Respondent for the purpose of any Statement of Issues or any
9 other proceeding seeking to deny or restrict licensure.

10 ACCEPTANCE

11 I have carefully read the above Stipulated Surrender of License and Order and have fully
12 discussed it with my attorney, Tony Park. I understand the stipulation and the effect it will have
13 on my Pharmacy Permit. I enter into this Stipulated Surrender of License and Order voluntarily,
14 knowingly, and intelligently, and agree to be bound by the Decision and Order of the Board of
15 Pharmacy.

16 DATED: 6/29/2017


X-PHARMACY CORP. DBA THE MEDICINE
SHOPPE; Respondent

18 DATED: 6/29/2017


MICHAEL EDWARD MILAD TADROS;
Respondent

20 DATED: 6/29/2017


ABE RABADI
Respondent

1 I have read and fully discussed with Respondent X-Pharmacy Corp. dba The Medicine
2 Shoppe; Michael Edward Milad Tadros and Abe Rabadi, the terms and conditions and other
3 matters contained in this Stipulated Surrender of License and Order. I approve its form and
4 content.

5 DATED: 07/05/2017


6 TONY PARK
Attorney for Respondents

7
8
9 **ENDORSEMENT**

10 The foregoing Stipulated Surrender of License and Order is hereby respectfully submitted
11 for consideration by the Board of Pharmacy of the Department of Consumer Affairs.

12 Dated:

Respectfully submitted,

13 XAVIER BECERRA
14 Attorney General of California
15 JAMES M. LEDAKIS
Supervising Deputy Attorney General

16
17 DAVID E. HAUSFELD
18 Deputy Attorney General
Attorneys for Complainant

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1 I have read and fully discussed with Respondent X-Pharmacy Corp. dba The Medicine
2 Shoppe; Michael Edward Milad Tadros and Abe Rabadi, the terms and conditions and other
3 matters contained in this Stipulated Surrender of License and Order. I approve its form and
4 content.

5 DATED: _____

6 TONY PARK
7 *Attorney for Respondents*

8
9 **ENDORSEMENT**

10 The foregoing Stipulated Surrender of License and Order is hereby respectfully submitted
11 for consideration by the Board of Pharmacy of the Department of Consumer Affairs.

12 Dated: 7/6/17

Respectfully submitted,

13 XAVIER BECERRA
14 Attorney General of California
15 JAMES M. LEDAKIS
16 Supervising Deputy Attorney General

17 

18 DAVID E. HAUSFELD
19 Deputy Attorney General
20 *Attorneys for Complainant*

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Exhibit A

Accusation No. 5906

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Palm Springs, CA 92262
16 **Pharmacy Permit No. PHY 52578**
17
18 Respondent.

Case No. 5906
ACCUSATION

19 Complainant alleges:

20 **PARTIES**

- 21 1. Virginia Herold (Complainant) brings this Accusation solely in her official capacity
22 as the Executive Officer of the Board of Pharmacy, Department of Consumer Affairs.
23 2. On or about August 17, 2015, the Board of Pharmacy issued Pharmacy Permit
24 Number PHY 52578 to X-Pharmacy Corp. dba The Medicine Shoppe; Michael Edward Milad
25 Tadros, President and 50% Shareholder; ABE Rabadi, (Respondent Rabadi) Sec/Treas/CFO and
26 50% Shareholder (Respondent). The Pharmacy Permit was in full force and effect at all times
27 relevant to the charges brought herein and will expire on August 1, 2017, unless renewed.

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1 JURISDICTION

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

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

7 5. Section 4300.1 of the Code states:

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

14 6. Section 4032 defines "license" to include any license, permit, registration, certificate
15 or exemption issued by the Board.

16 STATUTORY PROVISIONS

17 7. Section 490 of the Code provides, in pertinent part, that a board may suspend or
18 revoke a license on the ground that the licensee has been convicted of a crime substantially
19 related to the qualifications, functions, or duties of the business or profession for which the
20 license was issued.

21 8. Section 493 of the Code states:

22 Notwithstanding any other provision of law, in a proceeding conducted by a
23 board within the department pursuant to law to deny an application for a license or
24 to suspend or revoke a license or otherwise take disciplinary action against a
25 person who holds a license, upon the ground that the applicant or the licensee has
26 been convicted of a crime substantially related to the qualifications, functions, and
27 duties of the licensee in question, the record of conviction of the crime shall be
28 conclusive evidence of the fact that the conviction occurred, but only of that fact,
and the board may inquire into the circumstances surrounding the commission of
the crime in order to fix the degree of discipline or to determine if the conviction is
substantially related to the qualifications, functions, and duties of the licensee in
question.

As used in this section, 'license' includes 'certificate,' 'permit,' 'authority,' and
'registration.'

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1 9. Section 4301 of the Code states, in pertinent part:

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

6

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

10 (g) Knowingly making or signing any certificate or other document that
11 falsely represents the existence or nonexistence of a state of facts.

12

13 (l) The conviction of a crime substantially related to the qualifications,
14 functions, and duties of a licensee under this chapter. . . . In all other cases, the
15 record of conviction shall be conclusive evidence only of the fact that the
16 conviction occurred. The board may inquire into the circumstances surrounding
17 the commission of the crime, in order to fix the degree of discipline or, in the case
18 of a conviction not involving controlled substances or dangerous drugs, to
19 determine if the conviction is of an offense substantially related to the
20 qualifications, functions, and duties of a licensee under this chapter. A plea or
21 verdict of guilty or a conviction following a plea of nolo contendere is deemed to
22 be a conviction within the meaning of this provision. The board may take action
23 when the time for appeal has elapsed, or the judgment of conviction has been
24 affirmed on appeal or when an order granting probation is made suspending the
25 imposition of sentence, irrespective of a subsequent order under Section 1203.4 of
26 the Penal Code allowing the person to withdraw his or her plea of guilty and to
27 enter a plea of not guilty, or setting aside the verdict of guilty, or dismissing the
28 accusation, information, or indictment.

. . . .

(p) Actions or conduct that would have warranted denial of a license.

. . . .

10. Section 4302 of the Code states:

22 "The board may deny, suspend, or revoke any license of a corporation where conditions
23 exist in relation to any person holding 10 percent or more of the corporate stock of the
24 corporation, or where conditions exist in relation to any officer or director of the corporation that
25 would constitute grounds for disciplinary action against a licensee."

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1 REGULATORY PROVISIONS

2 11. California Code of Regulations, title 16, section 1770, states:

3 For the purpose of denial, suspension, or revocation of a personal or facility
4 license pursuant to Division 1.5 (commencing with Section 475) of the Business and
5 Professions Code, a crime or act shall be considered substantially related to the
6 qualifications, functions or duties of a licensee or registrant if to a substantial degree
it evidences present or potential unfitness of a licensee or registrant to perform the
functions authorized by his license or registration in a manner consistent with the
public health, safety, or welfare.

7 COST RECOVERY

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

12 FACTS

13 13. On or about March 2, 2010, the Bureau of Automotive Repair (Bureau) issued
14 Automotive Repair Dealer Registration No. ARD 261018 to Abe I. Rabadi doing business as A &
15 Z Smog Test Only. On or about April 22, 2010, the Bureau issued Smog Check, Test Only,
16 Station License No. TC 261018 to Abe I. Rabadi doing business as A & Z Smog Test Only.
17 Respondent Rabadi in this matter is the same individual as the Respondent in the Bureau matters
18 discussed herein.

19 14. In early 2011, the Bureau conducted an undercover investigation against A & Z Smog
20 Test Only, in which the Bureau ran two undercover vehicles through the shop. The vehicles had
21 been set up to fail a properly conducted smog test. Respondent Rabadi issued false Certificates of
22 Compliance to both vehicles, stating that the vehicles had passed inspection. The smog
23 inspections were conducted using the "clean piping" method¹.

24 15. On or about August 17, 2011, the Bureau filed Accusation No. 79/12-18 against Abe
25 I. Rabadi doing business as A & Z Smog Test Only. The Accusation alleged 13 Causes for

26
27 ¹ "Clean piping" is sampling the (clean) tailpipe emissions and/or the RPM readings of
28 another vehicle for the purpose of illegally issuing smog certifications to vehicles that are not in
compliance or are not present in the smog check area during the time of the certification.

1 Discipline against Respondent Rabadi, including misleading statements, fraud, failure to provide
2 a written estimate, violations of the Motor Vehicle Inspection program, violations of regulations
3 of the Motor Vehicle Inspection program, dishonesty, fraud or deceit, and aiding and abetting
4 unlicensed activity.

5 16. On December 30, 2011 a Stipulated Settlement and Disciplinary Order was signed by
6 the Bureau with an effective date of February 6, 2012. Respondent Rabadi's Automotive Repair
7 Dealer Registration No. ARD 261018 and his Smog Check, Test Only, Station License No. TC
8 261018 for A & Z Smog Test Only were revoked by the Bureau.

9 17. On or about September 25, 2009, the Bureau issued Automotive Repair Dealer
10 Registration No. ARD 259545 to Abe I. Rabadi doing business as Smog Stop Test Only. On or
11 about September 29, 2009, the Bureau issued Smog Check, Test Only, Station License No. TC
12 259545 to Abe I. Rabadi doing business as Smog Stop Test Only. On or about July 15, 2009, the
13 Bureau issued Advanced Emission Specialist License Number EA 631177 to Respondent Rabadi.
14 The license was renewed as Smog Check Inspector License No. EO 631177, effective May 3,
15 2013.

16 18. In May of 2011, the Bureau conducted an investigation against Smog Stop Test Only,
17 in which the Bureau determined that twenty vehicles has been issued false Certificates of
18 Compliance by Respondent Rabadi, between April 5, 2011 and May 3, 2011. The smog
19 inspections were conducted using the "clean plugging" method².

20 19. On or about September 17, 2013, the Bureau filed First Amended Accusation No.
21 79/12-75 against Abe I. Rabadi doing business as Smog Stop Test Only. The Accusation alleged
22 eight Causes for Discipline against Respondent Rabadi, including untrue or misleading
23 statements, fraud, violations of the Motor Vehicle Inspection program, violations of regulations
24 of the Motor Vehicle Inspection program, and dishonesty, fraud or deceit.

25
26 ² Clean-plugging is the use of the On Board Diagnostic, generation II readiness monitor
27 status and stored fault code (trouble code) status of a passing vehicle for the purpose of illegally
28 issuing a smog certificate to another vehicle that is not in compliance due to a failure to complete
the minimum number of self tests, known as monitors, or due to the presence of a stored fault
code that indicates an emission control system or component failure.

1 20. On September 25, 2013, neither Respondent Rabadi, nor his attorney appeared for the
2 hearing in that matter. On November 1, 2013, a Default decision and Order was issued, with an
3 effective date of November 20, 2013. Respondent Rabadi's Automotive Repair Dealer
4 Registration No. ARD 259545 and his Smog Check, Test Only, Station License No. TC 259545
5 for Smog Stop Test Only were revoked by the Bureau. In addition, Respondent Rabadi's Smog
6 Check Inspector License No. EO 631177 was also revoked.

7 21. On December 3, 2014, the Board received a community pharmacy permit application
8 for The Medicine Shoppe. Included with this application were an Individual Personal Affidavit, a
9 Certification of Personnel and an Individual Financial Affidavit, all signed by Respondent
10 Rabadi, under penalty of perjury, on November 7, 2014. Respondent Rabadi failed to disclose in
11 these documents that he had been disciplined by the Bureau of Automotive Repair and that the
12 licenses issued by the Bureau, to him, had been revoked. Specifically, Respondent Rabadi
13 answered "No" to the following questions:

14 "Have you as an individual ever been issued any professional or vocational
15 license such as a medical doctor, attorney, dentist, contractor, etc. that has been
16 disciplined by a state regulatory board?"

17 "Have you ever had a pharmacy permit, or any professional or vocational
18 license or registration denied, suspended, revoked, placed on probation or other
19 disciplinary action taken by this or any other governmental authority in this state
20 or any other state?"

21 "Will funding be provided in any amount from an individual, partnership or
22 corporation whose professional or vocational license has been revoked, denied or
23 in any other manner disciplined by a regulatory board in California or any other
24 state?"

25 22. The community pharmacy permit application received from Respondent Rabadi also
26 contained an Individual Financial Affidavit in which Respondent Rabadi indicated he would be
27 contributing \$10,000 toward the Medicine Shoppe from his ownership interest in another smog
28

1 shop called C. B. Smog. C. B. Smog was owned by his daughter. The Bureau of Automotive
2 Repair will not permit a revoked licensee from holding an ownership interest in another shop.

3 23. On or about January 13, 2016, in a criminal proceeding entitled *People of the State of*
4 *California v. Abe Rabadi*, in Riverside County Superior Court, Case Number RIF1502699,
5 Respondent Rabadi was convicted on his plea of guilty of violating Penal Code section 502,
6 subdivision (c) (1), knowingly accessing a computer record in order to alter data to defraud and
7 deceive. In exchange for his guilty plea additional felony charges of violations of Penal Code
8 section 115, forgery and Vehicle Code section 4463, subdivision (a) (2), forging a vehicle
9 registration were dismissed. These charges arose from his activities at C. B. Smog.

10 24. As a result of the conviction, Respondent Rabadi was sentenced to three years formal
11 probation, serve 1 day in county jail, participate in and complete any counseling, rehabilitation
12 and treatment program deemed appropriate by the probation officer, and payment of fees and
13 fines.

14 **FIRST CAUSE FOR DISCIPLINE**

15 **(Unprofessional Conduct - Dishonesty and Fraud)**

16 25. Respondent Rabadi has subjected his license to disciplinary action under section
17 4301, subdivision (f), in that Respondent Rabadi's actions, while holding licenses issued by the
18 Bureau of Automotive Repair were dishonest, fraudulent and deceitful. This conduct led to the
19 revocation of five licenses held by Respondent Rabadi. In addition, Respondent Rabadi failed to
20 disclose these facts in his application for licensure to the Board of Pharmacy.

21 **SECOND CAUSE FOR DISCIPLINE**

22 **(Unprofessional Conduct - False Representation)**

23 26. Respondent Rabadi has subjected his license to disciplinary action under section
24 4301, subdivision (g), in that on or about November 7, 2014, Respondent Rabadi knowingly
25 made a false statement of fact in his application by falsely stating he had no disciplinary history
26 with any state regulatory agency.

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1 **THIRD CAUSE FOR DISCIPLINE**

2 **(Unprofessional Conduct - Criminal Conviction)**

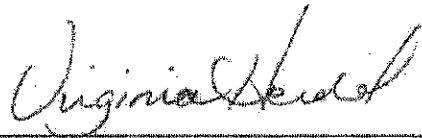
3 27. Respondent Rabadi has subjected his license to disciplinary action under sections 490
4 and 4301, subdivision (l) of the Code, in that Respondent Rabadi was convicted of a crime that is
5 substantially related to the qualifications, functions, and duties of a pharmacy owner.

6 **PRAYER**

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

- 9 1. Revoking or suspending Pharmacy Permit Number PHY 52578, issued to The
10 Medicine Shoppe; Michael Edward Milad Tadros; Abe Rabadi;
- 11 2. Ordering Respondent Abe Rabadi to pay the Board of Pharmacy the reasonable costs
12 of the investigation and enforcement of this case, pursuant to Business and Professions Code
13 section 125.3; and,
- 14 3. Taking such other and further action as deemed necessary and proper.

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16
17
18 DATED: 11/2/16


19 VIRGINIA HEROLD
20 Executive Officer
21 Board of Pharmacy
22 Department of Consumer Affairs
23 State of California
24 Complainant

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