

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

In the Matter of the Accusation Against:

**BEVERLY HILLS INTEGRATED  
SURGICAL, INC. DBA BEVERLY HILLS  
INTEGRATED SURGICAL PHARMACY,  
ABRAHAM KHORSHAD**  
9231 Olympic Boulevard, Suite 100  
Beverly Hills, CA 90212

**Clinic Permit No. CLN 2335,**

Respondent.

Case No. 6269

**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 September 5, 2018.

It is so ORDERED on August 6, 2018.

BOARD OF PHARMACY  
DEPARTMENT OF CONSUMER AFFAIRS  
STATE OF CALIFORNIA



By \_\_\_\_\_

Victor Law, R.Ph.  
Board President

1 XAVIER BECERRA  
Attorney General of California  
2 ARMANDO ZAMBRANO  
Supervising Deputy Attorney General  
3 CHRISTINE J. LEE  
Deputy Attorney General  
4 State Bar No. 282502  
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*Attorneys for Complainant*  
7

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

10 In the Matter of the Accusation Against:

Case No. 6269

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12 **SURGICAL, INC. DBA BEVERLY HILLS**  
13 **INTEGRATED SURGICAL PHARMACY,**  
14 **ABRAHAM KHORSHAD**  
9231 Olympic Boulevard, Suite 100  
Beverly Hills, CA 90212

**STIPULATED SURRENDER OF**  
**LICENSE AND ORDER**

15 **Clinic Permit No. CLN 2335**

16 Respondent.  
17

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

20 PARTIES

21 1. Virginia Herold (Complainant) is the Executive Officer of the Board of Pharmacy  
22 (Board). She brought this action solely in her official capacity and is represented in this matter by  
23 Xavier Becerra, Attorney General of the State of California, by Christine J. Lee, Deputy Attorney  
24 General.

25 2. Beverly Hills Integrated Surgical, Inc. dba Beverly Hills Integrated Surgical  
26 Pharmacy, Abraham Khorshad (Respondent) is represented in this proceeding by attorney Stacie  
27 K. Neroni of Nelson Hardiman LLP, whose address is 11835 W. Olympic Blvd., Ste. 900  
28 Los Angeles, CA 90064.

1 3. On or about August 12, 2013, the Board issued Permit No. CLN 2335 to Beverly  
2 Hills Integrated Surgical, Inc. dba Beverly Hills Integrated Surgical Pharmacy, Abraham  
3 Khorshad (Respondent). The Permit was in full force and effect at all times relevant to the  
4 charges brought in Accusation No. 6269 and will expire on August 1, 2018, unless renewed.

5 JURISDICTION

6 4. Accusation No. 6269 was filed before the (Board), and is currently pending against  
7 Respondent. The Accusation and all other statutorily required documents were properly served  
8 on Respondent on May 15, 2018. Respondent timely filed its Notice of Defense contesting the  
9 Accusation. A copy of Accusation No. 6269 is attached as Exhibit A and incorporated by  
10 reference.

11 ADVISEMENT AND WAIVERS

12 5. Respondent has carefully read, fully discussed with counsel, and understands the  
13 charges and allegations in Accusation No. 6269. Respondent also has carefully read, fully  
14 discussed with counsel, and understands the effects of this Stipulated Surrender of License and  
15 Order.

16 6. Respondent is fully aware of its legal rights in this matter, including the right to a  
17 hearing on the charges and allegations in the Accusation; the right to confront and cross-examine  
18 the witnesses against them; the right to present evidence and to testify on its own behalf; the right  
19 to the issuance of subpoenas to compel the attendance of witnesses and the production of  
20 documents; the right to reconsideration and court review of an adverse decision; and all other  
21 rights accorded by the California Administrative Procedure Act and other applicable laws.

22 7. Respondent voluntarily, knowingly, and intelligently waives and gives up each and  
23 every right set forth above.

24 CULPABILITY

25 8. Respondent admits the truth of each and every charge and allegation in Accusation  
26 No. 6269, agrees that cause exists for discipline and hereby surrenders their Clinic Permit No.  
27 CLN 2335 for the Board's formal acceptance.  
28

1 9. Respondent understands that by signing this stipulation Entity enables the Board to  
2 issue an order accepting the surrender of their Clinic Permit without further process.

3 CONTINGENCY

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

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

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

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

24 ORDER

25 IT IS HEREBY ORDERED that Clinic Permit No. CLN 2335, issued to Respondent  
26 Beverly Hills Integrated Surgical, Inc. dba Beverly Hills Integrated Surgical Pharmacy, Abraham  
27 Khorshad, is surrendered and accepted by the Board of Pharmacy.

1           6.     Respondents understand and agree that if they ever file an application for licensure or  
2 a licensed premises or a petition for reinstatement in the State of California, the Board shall treat  
3 it as a new application for licensure.

4           7.     Respondent may not reapply for any license from the Board for three (3) years from  
5 the effective date of this decision. Respondents stipulate that should they apply for any license  
6 from the Board on or after the effective date of this decision, all allegations set forth in the  
7 Accusation No. 6269 shall be deemed to be true, correct and admitted by Respondent when the  
8 Board determines whether to grant or deny the application. Respondents shall satisfy all  
9 requirements applicable to that license as of the date the application is submitted to the Board,  
10 including, but not limited to, taking and passing licensing examination(s) as well as fulfilling any  
11 education or experience requirements prior to the issuance of a new license.

12           8.     Respondent shall relinquish his clinic permit, including any indicia of licensure issued  
13 by the Board, to the Board within ten (10) days of the effective date of this decision. Respondent  
14 Clinic shall relinquish the premises wall license and renewal license to the Board within ten (10)  
15 days of the effective date of this decision.

16           9.     Respondent shall pay the agency its costs of investigation and enforcement in the  
17 amount of \$3,880.00 prior to issuance of a new or reinstated license.

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ACCEPTANCE

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

DATED: 6/29/2018



BEVERLY HILLS INTEGRATED SURGICAL,  
INC. DBA BEVERLY HILLS INTEGRATED  
SURGICAL PHARMACY, ABRAHAM  
KHORSHAD  
*Respondent*

I have read and fully discussed with Respondent Beverly Hills Integrated Surgical, Inc. dba Beverly Hills Integrated Surgical Pharmacy, Abraham Khorshad the terms and conditions and other matters contained in this Stipulated Surrender of License and Order. I approve its form and content.

DATED: 6/29/18



STACIE K. NERONI  
*Attorney for Respondent*

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ENDORSEMENT

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

Dated: 6/29/18

Respectfully submitted,

XAVIER BECERRA  
Attorney General of California  
ARMANDO ZAMBRANO  
Supervising Deputy Attorney General

  
CHRISTINE J. LEE  
Deputy Attorney General  
*Attorneys for Complainant*

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**Exhibit A**

**Accusation No. 6269**



1 XAVIER BECERRA  
Attorney General of California  
2 ARMANDO ZAMBRANO  
Supervising Deputy Attorney General  
3 CHRISTINE J. LEE  
Deputy Attorney General  
4 State Bar No. 282502  
300 So. Spring Street, Suite 1702  
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6 Facsimile: (213) 897-2804  
*Attorneys for Complainant*

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11 **STATE OF CALIFORNIA**

12 In the Matter of the Accusation Against:

Case No. 6269

13 **BEVERLY HILLS INTEGRATED**  
14 **SURGICAL, INC.**  
15 **DBA BEVERLY HILLS INTEGRATED**  
16 **SURGICAL PHARMACY,**  
17 **ABRAHAM KHORSHAD, Owner,**  
18 **President, and Administrator,**  
19 **FARIBERZ KARRAZI, Director,**  
20 **FARIBA KHARRAZI KHORSHAD,**  
21 **Consultant Pharmacist**  
9231 Olympic Boulevard, Suite 100  
Beverly Hills, CA 90212

**A C C U S A T I O N**

22 **Clinic Permit No. CLN 2335**

23 Respondents.

24 Complainant alleges:

25 **PARTIES**

- 26 1. Virginia Herold (Complainant) brings this Accusation solely in her official capacity  
27 as the Executive Officer of the Board of Pharmacy, Department of Consumer Affairs.  
28 2. On or about August 12, 2013, the Board of Pharmacy issued Clinic Permit Number  
CLN 2335 to Beverly Hills Integrated Surgical, Inc. dba Beverly Hills Integrated Surgical  
Pharmacy, with Abraham Khorshad as Owner, President, and Administrator since August 12,

1 2013, Nick H. Mashour as Director from August 12, 2013 to July 7, 2015, Fariberz Karrazi as  
2 Director since July 7, 2015, and Fariba Kharrazi Khorshad as Consultant Pharmacist since August  
3 12, 2013 (Respondents). The Clinic Permit was in full force and effect at all times relevant to the  
4 charges brought herein and will expire on August 1, 2018, unless renewed.

5 **JURISDICTION**

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

9 4. Section 4300 of the Code provides, in pertinent part, that every license issued by the  
10 Board may be suspended or revoked.

11 5. Section 493 of the Code provides, in pertinent part, that "'license' includes  
12 'certificate,' 'permit,' 'authority,' and 'registration.'"

13 6. Section 4300.1 of the Code states:

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

19 **STATUTORY PROVISIONS**

20 7. Section 4301 of the Code states:

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

24 . . . .

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

28 . . . .

1           “(l)     The conviction of a crime substantially related to the qualifications, functions, and  
2 duties of a licensee under this chapter. The record of conviction of a violation of Chapter 13  
3 (commencing with Section 801) of Title 21 of the United States Code regulating controlled  
4 substances or of a violation of the statutes of this state regulating controlled substances or  
5 dangerous drugs shall be conclusive evidence of unprofessional conduct. In all other cases, the  
6 record of conviction shall be conclusive evidence only of the fact that the conviction occurred.  
7 The board may inquire into the circumstances surrounding the commission of the crime, in order  
8 to fix the degree of discipline or, in the case of a conviction not involving controlled substances  
9 or dangerous drugs, to determine if the conviction is of an offense substantially related to the  
10 qualifications, functions, and duties of a licensee under this chapter. A plea or verdict of guilty or  
11 a conviction following a plea of nolo contendere is deemed to be a conviction within the meaning  
12 of this provision. The board may take action when the time for appeal has elapsed, or the  
13 judgment of conviction has been affirmed on appeal or when an order granting probation is made  
14 suspending the imposition of sentence, irrespective of a subsequent order under Section 1203.4 of  
15 the Penal Code allowing the person to withdraw his or her plea of guilty and to enter a plea of not  
16 guilty, or setting aside the verdict of guilty, or dismissing the accusation, information, or  
17 indictment.

18           . . . .

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

23           8.       Section 4302 of the Code states:

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

28

1           9.       Section 4307 of the Code states, in pertinent part:

2           “(a)   Any person who has been denied a license or whose license has been revoked or is  
3 under suspension, or who has failed to renew his or her license while it was under suspension, or  
4 who has been a manager, administrator, owner, member, officer, director, associate, partner, or  
5 any other person with management or control of any partnership, corporation, trust, firm, or  
6 association whose application for a license has been denied or revoked, is under suspension or has  
7 been placed on probation, and while acting as the manager, administrator, owner, member,  
8 officer, director, associate, partner, or any other person with management or control had  
9 knowledge of or knowingly participated in any conduct for which the license was denied,  
10 revoked, suspended, or placed on probation, shall be prohibited from serving as a manager,  
11 administrator, owner, member, officer, director, associate, partner, or in any other position with  
12 management or control of a licensee as follows:

13           “(1)   Where a probationary license is issued or where an existing license is placed on  
14 probation, this prohibition shall remain in effect for a period not to exceed five years.

15           “(2)   Where the license is denied or revoked, the prohibition shall continue until the  
16 license is issued or reinstated.

17           “(b)   “Manager, administrator, owner, member, officer, director, associate, partner, or  
18 any other person with management or control of a license” as used in this section and Section  
19 4308, may refer to a pharmacist or to any other person who serves in such capacity in or for a  
20 licensee.”

21           10.       Section 4308 of the Code states:

22           “Whenever a person is prohibited from serving as a manager, administrator, owner,  
23 member, officer, director, associate, partner, or in any other position with management or control  
24 of a licensee as provided by Section 4307, the board shall, in each case where it has that  
25 information, notify in writing each licensee for whom the person is a manager, administrator,  
26 owner, member, officer, director, associate, partner, or in any other position with management or  
27 control of the prohibition. The board shall send the notification to the licensee's address of record.  
28 The licensee shall have 30 days from the date that the notice is sent to remove and replace the

1 prohibited person and, where appropriate, file a change of permit to reflect that change.”

2 **REGULATORY PROVISIONS**

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

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

10 **COST RECOVERY**

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

15 **FIRST CAUSE FOR DISCIPLINE**

16 **(Conviction of a Substantially Related Crime)**

17 13. Respondents are subject to disciplinary action under Code sections 4301, subdivisions  
18 (l) and (o) and 4302, in conjunction with California Code of Regulations, title 16, section 1770,  
19 on the grounds of unprofessional conduct, in that Abraham Khorshad, the Owner, President, and  
20 Administrator of Beverly Hills Integrated Surgical, Inc., was convicted of a substantially related  
21 crime, as follows:

22 a. On or about May 5, 2017, Abraham Khorshad, after pleading nolo contendere, was  
23 convicted of three felony counts of violating Penal Code section 550(a)(8) [health care fraud]  
24 with enhancement pursuant to Penal Code section 186.11(a)(2) [multiple felonies involving fraud  
25 resulting in loss between \$100,000 and \$500,000] in the criminal proceeding entitled *The People*  
26 *of the State of California v. Abraham Khorshad* (Super. Ct. Orange County, 2017, No.  
27 13ZF0179). The court sentenced Khorshad to serve 270 days in county jail and placed Khorshad  
28

1 on three (3) years probation along with requiring Khorshad to pay fines and restitution totaling  
2 more than \$8.6 million.

3 b. The circumstances underlying the conviction are that between June 2005 and October  
4 2013, Respondent Khorshad and two other individuals co-owned companies known as Durable  
5 Medical Equipment and Aspen Medical Resources LLC, which provided durable medical  
6 equipment to workers' compensation patients, including hot/cold units. The Respondents  
7 instructed their sales staff to obtain prescriptions written by doctors and chiropractors, and sought  
8 multiple prescription extensions from the doctors' offices to justify rental of a hot/cold unit to the  
9 workers' compensation patients for multiple months. The Respondents instructed their billing  
10 staff to submit claims to insurance carriers that made it appear as if two hot/cold units were  
11 provided to the patients instead of only one, and billed the hot/cold unit to the insurance carriers  
12 at rental rates well in excess of the manufacturer's suggested retail price. The Respondent also  
13 submitted claims to insurance carriers in the same manner under an additional company, known  
14 as National DME, without disclosing to the insurance carriers that National DME and Aspen  
15 Medical Resources LLC were actually the same company. The Respondent directed their staff to  
16 file liens at the Workers' Compensation Appeals Board for any unpaid balances for these claims  
17 and aggressively sought collection between approximately 2009 and October 2013. The  
18 investigation revealed millions of dollars in fraudulent overbilling.

19 **SECOND CAUSE FOR DISCIPLINE**

20 **(Acts Involving Dishonesty, Fraud, or Deceit)**

21 14. Respondents are subject to disciplinary action under Code sections 4301, subdivision  
22 (f), and 4302, in that Abraham Khorshad committed acts involving dishonesty, fraud, or deceit  
23 between 2009 and October 2013. Complainant refers to, and by this reference incorporates, the  
24 allegations set forth above in paragraph 13, as though set forth fully.

25 **OTHER MATTERS**

26 15. Pursuant to Code section 4307, if discipline is imposed on Clinic Permit Number  
27 CLN 2335, issued to Beverly Hills Integrated Surgical, Inc. dba Beverly Hills Integrated Surgical  
28 Pharmacy, while Abraham Khorshad has been the Owner, President, and Administrator and had

1 knowledge of or knowingly participated in any conduct for which the licensee was disciplined,  
2 Abraham Khorshad shall be prohibited from serving as a manager, administrator, owner, member,  
3 officer, director, associate, or partner of a licensee for five years if Clinic Permit Number CLN  
4 2335 is placed on probation, or until Clinic Permit Number CLN 2335 is reinstated if it is  
5 revoked.

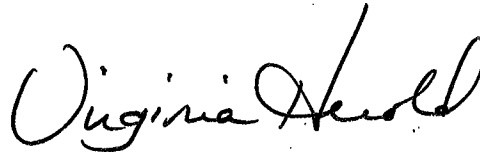
6 **PRAYER**

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 Clinic Permit Number CLN 2335, issued to Beverly Hills  
10 Integrated Surgical, Inc. dba Beverly Hills Integrated Surgical Pharmacy;
- 11 2. Prohibiting Abraham Khorshad from serving as a manager, administrator, owner,  
12 member, officer, director, associate, or partner of a licensee for five years if Clinic Permit  
13 Number CLN 2335 is placed on probation, or until Clinic Permit Number CLN 2335 is reinstated,  
14 as applicable, if Clinic Permit Number CLN 2335 issued to Beverly Hills Integrated Surgical, Inc.  
15 dba Beverly Hills Integrated Surgical Pharmacy is revoked;
- 16 3. Ordering Beverly Hills Integrated Surgical, Inc. dba Beverly Hills Integrated Surgical  
17 Pharmacy and Abraham Khorshad to pay the Board of Pharmacy the reasonable costs of the  
18 investigation and enforcement of this case, pursuant to Business and Professions Code section  
19 125.3; and,
- 20 4. Taking such other and further action as deemed necessary and proper.

21  
22  
23 DATED: \_\_\_\_\_

4/28/18



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

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