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

In the Matter of the Accusation Against:

**ZAVEN KHANBEKYAN
13920 Boxwood Place
Panorama City, CA 91402**

**Wholesaler Designated Representative No.
EXC 20708**

Respondent.

Case No. 6281

DEFAULT DECISION AND ORDER

[Gov. Code, §11520]

FINDINGS OF FACT

1. On or about April 5, 2021, Complainant Anne Sodergren, in her official capacity as the Executive Officer of the Board of Pharmacy, Department of Consumer Affairs, filed Accusation No. 6281 against Zaven Khanbekyan (Respondent) before the Board of Pharmacy. (Accusation attached as Exhibit A.)

2. On or about May 10, 2010, the Board of Pharmacy (Board) issued Wholesaler Designated Representative No. EXC 20708 to Respondent. The Wholesaler Designated Representative expired on May 1, 2018, and has not been renewed.

3. On or about April 9, 2021, Respondent was served by Certified and First Class Mail copies of the Accusation No. 6281, Statement to Respondent, Notice of Defense, Request for Discovery, and Discovery Statutes (Government Code sections 11507.5, 11507.6, and 11507.7) at

1 Respondent's address of record which, pursuant to Business and Professions Code section 4100,
2 is required to be reported and maintained with the Board. Respondent's address of record was
3 and is 13920 Boxwood Place, Panorama City, CA 91402.

4 4. Service of the Accusation was effective as a matter of law under the provisions of
5 Government Code section 11505(c) and/or Business and Professions Code section 124.

6 5. Government Code section 11506(c) states, in pertinent part:

7 (c) The respondent shall be entitled to a hearing on the merits if the respondent
8 files a notice of defense . . . and the notice shall be deemed a specific denial of all
9 parts of the accusation . . . not expressly admitted. Failure to file a notice of defense
10 . . . shall constitute a waiver of respondent's right to a hearing, but the agency in its
11 discretion may nevertheless grant a hearing.

12 6. The Board takes official notice of its records and the fact that Respondent failed to
13 file a Notice of Defense within 15 days after service upon him of the Accusation, and therefore
14 waived his right to a hearing on the merits of Accusation No. 6281.

15 7. California Government Code section 11520(a) states, in pertinent part:

16 (a) If the respondent either fails to file a notice of defense . . . or to appear at
17 the hearing, the agency may take action based upon the respondent's express
18 admissions or upon other evidence and affidavits may be used as evidence without
19 any notice to respondent

20 8. Pursuant to its authority under Government Code section 11520, the Board finds
21 Respondent is in default. The Board will take action without further hearing and, based on the
22 relevant evidence contained in the Default Decision Investigatory Evidence Packet in this matter,
23 as well as taking official notice of all the investigatory reports, exhibits and statements contained
24 therein on file at the Board's offices regarding the allegations contained in Accusation No. 6281,
25 finds that the charges and allegations in Accusation No. 6281, are separately and severally, found
26 to be true and correct by clear and convincing evidence.

27 9. The Board finds that the actual costs for Investigation and Enforcement are \$2,373.75
28 as of May 4, 2021.

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1 **DETERMINATION OF ISSUES**

2 1. Based on the foregoing findings of fact, Respondent Zaven Khanbekyan has
3 subjected his Wholesaler Designated Representative No. EXC 20708 to discipline.

4 2. The agency has jurisdiction to adjudicate this case by default.

5 3. The Board of Pharmacy is authorized to revoke Respondent's Wholesaler Designated
6 Representative based upon the following violations alleged in the Accusation which are supported
7 by the evidence contained in the Default Decision Investigatory Evidence Packet in this case:

8 a. Respondent has subjected his license to discipline under sections 490 and 4301,
9 subdivisions (l) and (f), in that on or about January 12, 2021, Respondent was convicted in case
10 number CD271598 of violating Penal Code section 550(b)(3) and Labor Code section 3215, each
11 as a felony, before the San Diego Superior Court.

12 **ORDER**

13 IT IS SO ORDERED that Wholesaler Designated Representative No. EXC 20708, issued to
14 Respondent Zaven Khanbekyan, is revoked.

15 Pursuant to Government Code section 11520, subdivision (c), Respondent may serve a
16 written motion requesting that the Decision be vacated and stating the grounds relied on within
17 seven (7) days after service of the Decision on Respondent. The agency in its discretion may
18 vacate the Decision and grant a hearing on a showing of good cause, as defined in the statute.

19 This Decision shall become effective at 5:00 p.m. on July 14, 2021.

20 It is so ORDERED on June 14, 2021.

21 BOARD OF PHARMACY
22 DEPARTMENT OF CONSUMER AFFAIRS
23 STATE OF CALIFORNIA

24 

25 By

26 Seung W. Oh, Pharm.D.
27 Board President

28 82849140.DOCX
SD2021800225

Attachment:
Exhibit A: Accusation

Exhibit A

Accusation

1 XAVIER BECERRA
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2 JAMES M. LEDAKIS
Supervising Deputy Attorney General
3 MICHAEL M. KARIMI
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7 Facsimile: (619) 645-2061
Attorneys for Complainant

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

13 In the Matter of the Accusation Against:

Case No. 6281

14 **ZAVEN KHANBEKYAN**
15 **13920 Boxwood Place**
Panorama City, CA 91402

ACCUSATION

16 **Designated Representative License No.**
17 **EXC 20708**

Respondent.

18
19
20 **PARTIES**

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

23 2. On or about May 10, 2010, the Board issued Designated Representative License
24 Number EXC 20708 to Zaven Khanbekyan (Respondent). The Designated Representative
25 License expired on May 1, 2018, and has not been renewed.

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1 **JURISDICTION**

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

5 4. Code section 4300, subdivision (a), states, “Every license issued may be suspended or
6 revoked.”

7 5. Code section 4300.1 states:

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

12 **STATUTORY PROVISIONS**

13 6. Code section 482 states:

14 (a) Each board under this code shall develop criteria to evaluate the rehabilitation
15 of a person when doing either of the following:

16 (1) Considering the denial of a license by the board under Section 480.

17 (2) Considering suspension or revocation of a license under Section 490.

18 (b) Each board shall consider whether an applicant or licensee has made a
19 showing of rehabilitation if either of the following are met:

20 (1) The applicant or licensee has completed the criminal sentence at issue
21 without a violation of parole or probation.

22 (2) The board, applying its criteria for rehabilitation, finds that the applicant
23 is rehabilitated.

24

25 (d) This section shall become operative on July 1, 2020.

26 7. Code section 490 states:

27 (a) In addition to any other action that a board is permitted to take against a
28 licensee, a board may suspend or revoke a license on the ground that the licensee has
been convicted of a crime, if the crime is substantially related to the qualifications,
functions, or duties of the business or profession for which the license was issued.

(b) Notwithstanding any other provision of law, a board may exercise any
authority to discipline a licensee for conviction of a crime that is independent of the

1 authority granted under subdivision (a) only if the crime is substantially related to the
2 qualifications, functions, or duties of the business or profession for which the licensee's
license was issued.

3 (c) A conviction within the meaning of this section means a plea or verdict of
4 guilty or a conviction following a plea of nolo contendere. An action that a board is
5 permitted to take following the establishment of a conviction may be taken when the
6 time for appeal has elapsed, or the judgment of conviction has been affirmed on appeal,
or when an order granting probation is made suspending the imposition of sentence,
irrespective of a subsequent order under Section 1203.4 of the Penal Code.

7

8 8. Code section 493 states:

9 (a) Notwithstanding any other law, in a proceeding conducted by a board within
10 the department pursuant to law to deny an application for a license or to suspend or
11 revoke a license or otherwise take disciplinary action against a person who holds a
12 license, upon the ground that the applicant or the licensee has been convicted of a crime
substantially related to the qualifications, functions, and duties of the licensee in
question, the record of conviction of the crime shall be conclusive evidence of the fact
that the conviction occurred, but only of that fact.

13 (b) (1) Criteria for determining whether a crime is substantially related to the
14 qualifications, functions, or duties of the business or profession the board regulates
shall include all of the following:

15 (A) The nature and gravity of the offense.

16 (B) The number of years elapsed since the date of the offense.

17 (C) The nature and duties of the profession.

18 (2) A board shall not categorically bar an applicant based solely on the type
19 of conviction without considering evidence of rehabilitation.

20 (c) As used in this section, "license" includes "certificate," "permit," "authority,"
and "registration."

21

22 9. Code section 4301 states:

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

25 ...

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

28 ...

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

19

20 **REGULATORY PROVISIONS**

21 10. California Code of Regulations, title 16, section 1769, subdivision (c), states:

22 Suspension or revocation of a license.

23 When considering the suspension or revocation of a facility or a personal license
24 on the ground that the licensee has been convicted of a crime, the board will consider
25 whether the licensee made a showing of rehabilitation and is presently fit for a license,
26 if the licensee completed the criminal sentence at issue without a violation of parole or
27 probation. In making this determination, the board will consider the criteria in
28 subdivisions (b)(1)(A) through (E). If the licensee has not completed the criminal
sentence at issue without a violation of parole or probation or the board determines that
the licensee did not make the showing of rehabilitation based on the criteria in
subdivisions (b)(1)(A) through (E), the board will apply the following criteria in
evaluating the licensee's rehabilitation:

(1) Nature and gravity of the act(s) or offenses.

(2) Total criminal record.

(3) The time that has elapsed since commission of the act(s) or offenses.

(4) Whether the licensee has complied with all terms of parole, probation,
restitution or any other sanctions lawfully imposed against the licensee.

(5) The criteria in subdivisions (b)(1)(A) through (E), as applicable.

(6) Evidence, if any, of rehabilitation submitted by the licensee, including as
provided in the board's Disciplinary Guidelines, identified in section 1760.

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

2 (a) For the purpose of denial, suspension, or revocation of a personal or facility
3 license pursuant to Section 141 or Division 1.5 (commencing with Section 475) of the
4 Business and Professions Code, a crime, professional misconduct, or act shall be
5 considered substantially related to the qualifications, functions or duties of the practice,
6 profession, or occupation that may be performed under the license type sought or held
7 if to a substantial degree it evidences present or potential unfitness of an applicant or
8 licensee to perform the functions authorized by the license in a manner consistent with
9 the public health, safety, or welfare.

10 (b) In making the substantial relationship determination required under
11 subdivision (a) for a crime, the board will consider the following criteria:

12 (1) The nature and gravity of the offense;

13 (2) The number of years elapsed since the date of the offense; and

14 (3) The nature and duties of the practice, profession, or occupation that may
15 be performed under the license type sought or held.

16 (c) For purposes of subdivision (a), substantially related crimes, professional
17 misconduct, or acts shall include, but are not limited to, those which:

18 (1) Violate or attempt to violate, directly or indirectly, or to aid, abet or
19 conspire to violate, any provision of law of this state, or any other jurisdiction,
20 governing the practice of pharmacy.

21 (2) Violate or attempt to violate, directly or indirectly, or to aid, abet or
22 conspire to violate, any provision of Chapter 13 (commencing with Section 801) of
23 Title 21 of the United States Code regulating controlled substances or any law of this
24 state, or any other jurisdiction, relating to controlled substances or dangerous drugs.

25 (3) Violate or attempt to violate, directly or indirectly, or to aid, abet or
26 conspire to violate, any provision of law of this state, or any other jurisdiction, relating
27 to government provided or government supported healthcare.

28 (4) Involve dishonesty, fraud, deceit, or corruption related to money, items,
documents, or personal information.

(5) Involve a conviction for driving under the influence of drugs or alcohol.

COST RECOVERY

12. Code section 125.3 states, 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.

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1 **CAUSE FOR DISCIPLINE**

2 **(January 12, 2021 Criminal Convictions - Insurance Fraud**
3 **and Workers' Compensation Fraud)**

4 13. Respondent has subjected his license to disciplinary action under Code sections 490
5 and 4301, subdivision (l), because he was convicted of crimes that are substantially related to the
6 qualifications, functions, and duties of a licensed designated representative. On or about January
7 12, 2021, in a criminal proceeding titled *The People of the State of California v. Zaven*
8 *Khanbekyan*, in San Diego County Superior Court, Case No. SCD271598, Respondent was
9 convicted on his plea of guilty of violating Penal Code section 550(b)(3) (concealing an event
10 affecting claim), and Labor Code section 3215 (offering, delivering, receiving and accepting
11 compensation for referring clients/patients), both felonies. Fifty-one (51) additional charges of
12 insurance and workers' compensation fraud were dismissed pursuant to the plea agreement.

13 14. Respondent served four days in county jail and was sentenced to two years in the
14 custody of the Department of Corrections and Rehabilitation. The execution of the sentence was
15 suspended, however, and Respondent was granted formal probation for two years. While on
16 probation, Respondent is required to, among other things, complete 300 volunteer hours,
17 complete an anti-theft counseling program, refrain from working in the medical/pharmaceutical
18 field, and pay \$50,624.00 in court fines, fees, assessments, and restitution.

19 15. The circumstances that led to the convictions, as stated in Respondent's plea
20 agreement filed November 30, 2020, are that "On or about 9/4/13, [Respondent] submitted a bill
21 from Meditox to Amtrust for \$1,128.00 for medical services provided for a patient without
22 disclosing to Amtrust that [Respondent] paid a kickback of \$75.00 to obtain that patient. On or
23 about 10/2/2013, [Respondent] aided/abetted and conspired with [J.K.], [A.M.] and [S.R.] to pay
24 kickback payments in exchange for patient referrals. Specifically, NEA Healthcare, a company
25 [Respondent] owned, paid [A.M.] company Line of Sight \$6460.00 as a kickback for patient
26 referrals."

27 ///

28 ///

1 **SECOND CAUSE FOR DISCIPLINE**

2 **(Unprofessional Conduct - Commission of Acts Involving Moral Turpitude)**

3 16. Respondent has subjected his license to disciplinary action under Code section 4301,
4 subdivision (f), for unprofessional conduct, because he engaged in acts involving moral turpitude,
5 as more fully set forth in paragraphs 13 through 15, above, which are incorporated herein by
6 reference.

7 **PRAYER**

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

10 1. Revoking or suspending Designated Representative License Number EXC 20708,
11 issued to Respondent Zaven Khanbekyan;

12 2. Ordering Respondent Zaven Khanbekyan to pay the Board of Pharmacy the
13 reasonable costs of the investigation and enforcement of this case, pursuant to Business and
14 Professions Code section 125.3; and,

15 3. Taking such other and further action as deemed necessary and proper.

16
17
18 DATED: 4/5/2021

Signature on File

ANNE SODERGREN
Executive Officer
Board of Pharmacy
Department of Consumer Affairs
State of California
Complainant