

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

**In the Matter of the Accusation Against:**

**MIRACLE CARE INC. dba THE MEDICINE SHOPPE, ARTHUR  
KARAGEZIAN, CEO/PRES/SEC  
LAURENCE K. GOLDEN, PHARMACIST-IN-CHARGE,**

**Pharmacy Permit No. PHY 51652;**

**and**

**LAURENCE K. GOLDEN,**

**Pharmacist License No. RPH 30157,**

**Respondents**

**Agency Case No. 6669**

## 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 June 18, 2020.

It is so ORDERED on May 19, 2020.

BOARD OF PHARMACY  
DEPARTMENT OF CONSUMER AFFAIRS  
STATE OF CALIFORNIA

A handwritten signature in black ink, appearing to read "Greg M. Lippe", written in a cursive style.

By

Greg Lippe  
Board President

1 XAVIER BECERRA  
Attorney General of California  
2 ARMANDO ZAMBRANO  
Supervising Deputy Attorney General  
3 ELYSE M. DAVIDSON  
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4 State Bar No. 285842  
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*Attorneys for Complainant*  
7

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

11 In the Matter of the Accusation Against:

Case No. 6669

12 **MIRACLE CARE INC.**  
13 **dba THE MEDICINE SHOPPE**  
14 **ARTHUR KARAGEZIAN, CEO/PRES/SEC**  
15 **LAURENCE K. GOLDEN, PHARMACIST-**  
16 **IN-CHARGE**  
17 **19225 Ventura Blvd**  
18 **Tarzana, CA 91356**

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

**(AS TO RESPONDENT MIRACLE**  
**CARE INC. DBA THE MEDICINE**  
**SHOPPE, ARTHUR KARAGEZIAN,**  
**CEO/PRES/SEC)**

19 **Pharmacy Permit No. PHY 51652**

20 **And**

21 **LAURENCE K. GOLDEN**  
22 **1821 Shenandoah Street**  
23 **Los Angeles, CA 90035**

24 **Pharmacist License No. RPH 30157**

25 Respondents.

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

28 **PARTIES**

1. Anne Sodergren ("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

1 by Xavier Becerra, Attorney General of the State of California, by Elyse M. Davidson, Deputy  
2 Attorney General.

3 2. Miracle Care Inc. dba The Medicine Shoppe, Arthur Karagezyan, CEO/PRES/SEC  
4 (“Respondent Pharmacy” or “Respondent Miracle Care Inc. dba The Medicine Shoppe, Arthur  
5 Karagezyan, CEO/PRES/SEC”) is represented in this proceeding by attorney Gary Wittenberg,  
6 Baranov & Wittenberg, LLP, 1901 Avenue of the Stars, Suite 1750, Los Angeles, California  
7 90067 and Steven M. Goldsobel, Esq., Law Offices of Steven M. Goldsobel, 1901 Avenue of the  
8 Stars, Suite 1750, Los Angeles, CA 90067.

9 3. On or about January 16, 2014, the Board issued Pharmacy Permit No. PHY 51652<sup>1</sup> to  
10 Respondent Miracle Care Inc. dba The Medicine Shoppe, Arthur Karagezyan, CEO/PRES/SEC.  
11 The Pharmacy Permit was in full force and effect at all times relevant to the charges brought in  
12 Accusation No. 6669 and will expire on January 1, 2021, unless renewed.

### 13 **JURISDICTION**

14 4. Accusation No. 6669 was filed before the Board, and is currently pending against  
15 Respondent Pharmacy. The Accusation and all other statutorily required documents were  
16 properly served on Respondent Pharmacy on November 25, 2019. Respondent Pharmacy timely  
17 filed its Notice of Defense contesting the Accusation. A copy of Accusation No. 6669 is attached  
18 as Exhibit A and incorporated by reference.

### 19 **ADVISEMENT AND WAIVERS**

20 5. Respondent Pharmacy has carefully read, fully discussed with counsel, and  
21 understands the charges and allegations in Accusation No. 6669. Respondent Pharmacy also has  
22 carefully read, fully discussed with counsel, and understands the effects of this Stipulated  
23 Surrender of License and Order.

24 6. Respondent Pharmacy is fully aware of its legal rights in this matter, including the  
25 right to a hearing on the charges and allegations in the Accusation; the right to confront and cross-  
26 examine the witnesses against them; the right to present evidence and to testify on its own behalf;

27  
28 <sup>1</sup> The caption of the Accusation inadvertently listed the Pharmacy Permit No. as “PHY 51652 62072” which is incorrect. The caption of this Stipulation is edited to reflect the correct pharmacy permit number by removing “62072.”

1 the right to the issuance of subpoenas to compel the attendance of witnesses and the production of  
2 documents; the right to reconsideration and court review of an adverse decision; and all other  
3 rights accorded by the California Administrative Procedure Act and other applicable laws.

4 7. Respondent Pharmacy voluntarily, knowingly, and intelligently waives and gives up  
5 each and every right set forth above.

#### 6 **CULPABILITY**

7 8. Respondent Pharmacy understands and agrees that the charges and allegations in  
8 Accusation No. 6669, if proven at a hearing, constitute cause for imposing discipline upon its  
9 Pharmacy Permit No. PHY 51652.

10 9. For the purpose of resolving the Accusation without the expense and uncertainty of  
11 further proceedings, Respondent Pharmacy agrees that, at a hearing, Complainant could establish  
12 a factual basis for the charges in the Accusation, and that Respondent Pharmacy hereby gives up  
13 its right to contest those charges.

14 10. Respondent Pharmacy understands that by signing this stipulation Miracle Care Inc.  
15 dba The Medicine Shoppe, Arthur Karagezyan, CEO/PRES/SEC enables the Board to issue an  
16 order accepting the surrender of their Pharmacy Permit without further process.

#### 17 **CONTINGENCY**

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

28 ///

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

13. This Stipulated Surrender of License and Order 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 Surrender of License and Order may not be altered, amended, modified, supplemented, or otherwise changed except by a writing executed by an authorized representative of each of the parties.

14. 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 Order:

**ORDER**

IT IS HEREBY ORDERED that Pharmacy Permit No. PHY 51652, issued to Respondent Pharmacy Miracle Care Inc. dba The Medicine Shoppe, Arthur Karagezyan, CEO/PRES/SEC, is surrendered and accepted by the Board.

1. Respondent Pharmacy surrenders Pharmacy Permit No. PHY 51652 number as of the effective date of this decision. Respondent shall relinquish the premises wall license and renewal license to the board within ten (10) days of the effective date of this decision.

2. The surrender of respondent's license and the acceptance of the surrendered license by the board shall constitute the imposition of discipline against respondent. This decision constitutes a record of discipline and shall become a part of respondent's license history with the board.

3. Respondent Pharmacy shall, within ten (10) days of the effective date, arrange for the destruction of, the transfer to, sale of or storage in a facility licensed and approved by the board of all controlled substances and dangerous drugs and/or dangerous devices. Respondent shall further arrange for the transfer of all records of acquisition and disposition of dangerous drugs to premises licensed and approved by the board. Respondent shall further provide written proof of

///

1 such disposition and submit a completed Discontinuance of Business form according to board  
2 guidelines.

3 4. Respondent Pharmacy may only seek a new or reinstated license from the board by  
4 way of a new application for licensure. Respondent Pharmacy shall not be eligible to petition for  
5 reinstatement of licensure.

6 5. Respondent Pharmacy may not reapply for any license from the board for three (3)  
7 years from the effective date of this decision. Respondent Pharmacy stipulates that should he  
8 apply for any license from the board on or after the effective date of this decision, all allegations  
9 set forth in the Accusation No. 6669 shall be deemed to be true, correct and admitted by  
10 Respondent Pharmacy when the board determines whether to grant or deny the application.  
11 Respondent Pharmacy shall satisfy all requirements applicable to that license as of the date the  
12 application is submitted to the board. Respondent Pharmacy is required to report this surrender as  
13 disciplinary action.

14 6. Respondent Pharmacy shall also, by the effective date of this decision, arrange for the  
15 continuation of care for ongoing patients of the pharmacy by, at minimum, providing a written  
16 notice to ongoing patients that specifies the anticipated closing date of the pharmacy and that  
17 identifies one or more area pharmacies capable of taking up the patients' care, and by cooperating  
18 as may be necessary in the transfer of records or prescriptions for ongoing patients. Within five  
19 days of its provision to the pharmacy's ongoing patients, Respondent Pharmacy shall provide a  
20 copy of the written notice to the board. For the purposes of this provision, "ongoing patients"  
21 means those patients for whom the pharmacy has on file a prescription with one or more refills  
22 outstanding, or for whom the pharmacy has filled a prescription within the preceding sixty (60)  
23 days.

24 7. Respondent Pharmacy further stipulates that should he apply for any license from the  
25 board on or after the effective date of this decision the investigation and prosecution costs in the  
26 amount of \$39,821.44 shall be paid to the board prior to issuance of the new license.


27 ///

28 ///

1 ACCEPTANCE

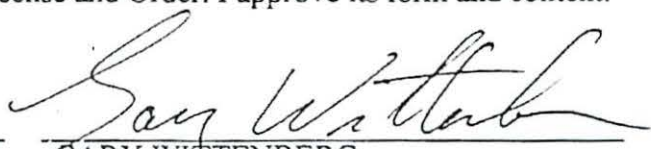
2 I have carefully read the above Stipulated Surrender of License and Order and have fully  
3 discussed it with my attorneys. I understand the stipulation and the effect it will have on my  
4 Pharmacy Permit. I enter into this Stipulated Surrender of License and Order voluntarily,  
5 knowingly, and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

7  
8 DATED: 3/23/20

  
9 MIRACLE CARE INC. DBA THE  
10 MEDICINE SHOPPE, ARTHUR  
11 KARAGEZYAN, CEO/PRES/SEC  
Respondent Pharmacy

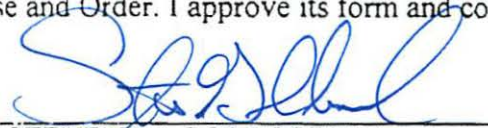
12 I have read and fully discussed with Respondent Miracle Care Inc. dba The Medicine  
13 Shoppe, Arthur Karagezian, CEO/PRES/SEC the terms and conditions and other matters  
14 contained in this Stipulated Surrender of License and Order. I approve its form and content.

15  
16 DATED: 3/23/20

  
17 GARY WITTENBERG  
18 Attorney for Respondent Pharmacy

19 I have read and fully discussed with Respondent Miracle Care Inc. dba The Medicine  
20 Shoppe, Arthur Karagezian, CEO/PRES/SEC the terms and conditions and other matters  
21 contained in this Stipulated Surrender of License and Order. I approve its form and content.

22 DATED: 3/24/2020

  
23 STEVEN M. GOLDSOBEL  
24 Attorney for Respondent Pharmacy

25 ///

26 ///

27 ///

28 ///



**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: 04/01/2020

Respectfully submitted,

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

*Elyse Davidson*

ELYSE M. DAVIDSON  
Deputy Attorney General  
*Attorneys for Complainant*

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**Exhibit A**

**Accusation No. 6669**

1 XAVIER BECERRA  
Attorney General of California  
2 KENT D. HARRIS  
Supervising Deputy Attorney General  
3 KEVIN W. BELL  
Deputy Attorney General  
4 State Bar No. 192063  
1300 I Street, Suite 125  
5 P.O. Box 944255  
Sacramento, CA 94244-2550  
6 Telephone: (916) 210-7511  
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*Attorneys for Complainant*  
8

9  
10 **BEFORE THE**  
**BOARD OF PHARMACY**  
11 **DEPARTMENT OF CONSUMER AFFAIRS**  
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12 In the Matter of the Accusation Against:

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13 **MIRACLE CARE INC.**  
**dba THE MEDICINE SHOPPE**  
14 **ARTHUR KARAGEZIAN, CEO/PRES/SEC**  
**LAWRENCE K. GOLDEN, PHARMACIST-**  
15 **IN-CHARGE**  
**19225 Ventura Blvd.**  
16 **Tarzana, CA 91356**

**ACCUSATION**

17 **Pharmacy Permit No. PHY 51652 62072**

18 **And**

19 **LAWRENCE K. GOLDEN**  
**1821 Shenandoah St.**  
20 **Los Angeles, CA 90035**

21 **Pharmacist License No. RPH 30157**

22 Respondents.  
23

24 **PARTIES**

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

27 2. On or about January 16, 2014, the Board issued Pharmacy Permit Number PHY  
28 51652 to Miracle Care Inc. dba The Medicine Shoppe, Arthur Karagezyan, CEO/PRES/SEC

(Respondent). The Pharmacy Permit was in full force and effect at all times relevant to the charges brought herein and will expire on January 1, 2020, unless renewed.

3. On or about May 7, 1976, the Board issued Pharmacist License Number RPH 30157 to Laurence K. Golden (Respondent). The Pharmacist License was in full force and effect at all times relevant to the charges brought herein and will expire on April 30, 2020, unless renewed.

4. On or about January 16, 2014, Laurence K. Golden (Respondent) was named and remains the Pharmacist-in-Charge of Miracle Care Inc. dba The Medicine Shoppe, Pharmacy Permit Number PHY 51652.

### **JURISDICTION**

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

6. Section 4300 of the Code states in pertinent part:

“(a) Every license issued may be suspended or revoked.

(b) The board shall discipline the holder of any license issued by the board, whose default has been entered or whose case has been heard by the board and found guilty, by any of the following methods:

(1) Suspending judgment.

(2) Placing him or her upon probation.

(3) Suspending his or her right to practice for a period not exceeding one year.

(4) Revoking his or her license.

(5) Taking any other action in relation to disciplining him or her as the board in its discretion may deem proper.”

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 AND REGULATORY PROVISIONS**

8. Section 4022 of the Code states:

1 “Dangerous drug or dangerous device means any drug or device unsafe for self-use in  
2 humans or animals, and includes the following:

3 (a) Any drug that bears the legend: Caution: federal law prohibits dispensing  
4 without prescription, Rx only, or words of similar import.

5 (b) Any device that bears the statement: Caution: federal law restricts this  
6 device to sale by or on the order of a \_\_\_\_\_, Rx only, or words of similar  
7 import, the blank to be filled in with the designation of the practitioner licensed to use  
8 or order use of the device.

9 (c) Any other drug or device that by federal or state law can be lawfully  
10 dispensed only on prescription or furnished pursuant to Section 4006.”

11 9. Section 4077 of the Code states, in pertinent part, that no person shall dispense any  
12 dangerous drug upon prescription except in a container correctly labeled with the information  
13 required by Section 4076.

14 10. Section 4113(c) of the Code provides that in pertinent part that “[t]he pharmacist-in-  
15 charge shall be responsible for a pharmacy's compliance with all state and federal laws and  
16 regulations pertaining to the practice of pharmacy.”

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

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

21 . . . .

22 (m) The cash compromise of a charge of violation of Chapter 13 (commencing with  
23 Section 801) of Title 21 of the United States Code regulating controlled substances or  
24 of Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare  
25 and Institutions Code relating to the Medi-Cal program.

26 . . . .

27 (o) Violating or attempting to violate, directly or indirectly, or assisting in or abetting  
28 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. Section 4307 of the Code states in pertinent part:

“(a) Any person who has been denied a license or whose license has been revoked or  
is under suspension, or who has failed to renew his or her license while it was under  
suspension, or who has been a manager, administrator, owner, member, officer,

1 director, associate, partner, or any other person with management or control of any  
2 partnership, corporation, trust, firm, or association whose application for a license has  
3 been denied or revoked, is under suspension or has been placed on probation, and  
4 while acting as the manager, administrator, owner, member, officer, director,  
5 associate, partner, or any other person with management or control had knowledge of  
or knowingly participated in any conduct for which the license was denied, revoked,  
suspended, or placed on probation, shall be prohibited from serving as a manager,  
administrator, owner, member, officer, director, associate, partner, or in any other  
position with management or control of a licensee as follows:

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

8 (2) Where the license is denied or revoked, the prohibition shall continue  
9 until the license is issued or reinstated.

10 (b) "Manager, administrator, owner, member, officer, director, associate, partner, or  
11 any other person with management or control of a license"... may refer to a  
pharmacist or to any other person who serves in such capacity in or for a licensee.  
..."

12 13. California Health and Safety Code section 11153(a) states:

13 "A prescription for a controlled substance shall only be issued for a legitimate  
14 medical purpose by an individual practitioner acting in the usual course of his or her  
professional practice. The responsibility for the proper prescribing and dispensing of  
15 controlled substances is upon the prescribing practitioner, but a corresponding  
responsibility rests with the pharmacist who fills the prescription. Except as  
16 authorized by this division, the following are not legal prescriptions: (1) an order  
purporting to be a prescription which is issued not in the usual course of professional  
17 treatment or in legitimate and authorized research; or (2) an order for an addict or  
habitual user of controlled substances, which is issued not in the course of  
18 professional treatment or as part of an authorized narcotic treatment program, for the  
purpose of providing the user with controlled substances, sufficient to keep him or her  
19 comfortable by maintaining customary use."

20 14. California Health and Safety Code section 11162.1 states in pertinent part:

21 "(a) The prescription forms for controlled substances shall be printed with the  
22 following features:

....

23 (10) Check boxes shall be printed on the form so that the prescriber may  
indicate the number of refills ordered.

24 ...."

25 15. California Health and Safety Code section 11164 states in pertinent part:

26 "Except as provided in section 11167, no person shall prescribe a controlled  
27 substance, nor shall any person fill, compound, or dispense a prescription for a  
controlled substance, unless it complies with the requirements of this section.  
28

1 (a) Each prescription for a controlled substance classified in Schedule II, III, IV, or  
2 V, except as authorized by subdivision (b), shall be made on a controlled substance  
3 prescription form as specified in section 11162.1 and shall meet the following  
requirements:

4 (1) The prescription shall be signed and dated by the prescriber in ink and  
5 shall contain the prescriber's address and telephone number; the name of the ultimate  
6 user or research subject, or contact information as determined by the Secretary of the  
7 United States Department of Health and Human Services; refill information, such as  
the number of refills ordered and whether the prescription is a first-time request or a  
8 refill; and the name, quantity, strength, and directions for use of the controlled  
substance prescribed.

9 (2) The prescription shall also contain the address of the person for whom the  
10 controlled substance is prescribed. If the prescriber does not specify this address on  
the prescription, the pharmacist filling the prescription or an employee acting under  
11 the direction of the pharmacist shall write or type the address on the prescription or  
maintain this information in a readily retrievable form in the pharmacy.

12 . . . .”

13 16. California Health and Safety Code section 111255 states:

14 “Any drug or device is adulterated if it has been produced, prepared, packed, or held  
15 under conditions whereby it may have been contaminated with filth, or whereby it  
may have been rendered injurious to health.”

16 17. California Health and Safety Code section 111295 states:

17 “It is unlawful for any person to manufacture, sell, deliver, hold, or offer for sale any  
18 drug or device that is adulterated.”

19 18. California Health and Safety Code section 111395 states in pertinent part:

20 “Any drug is misbranded in any of the following cases:

21 . . . .

22 (c) The contents of the original package have been, wholly or partly, removed and  
replaced with other material in the package.”

23 19. California Health and Safety Code section 111440 states:

24 “It is unlawful for any person to manufacture, sell, deliver, hold, or offer for sale any  
25 drug or device that is misbranded.”

26 20. California Code of Regulations section 1714 states in pertinent part:

27 “. . . .

28 (b) Each pharmacy licensed by the board shall maintain its facilities, space, fixtures,

1 and equipment so that drugs are safely and properly prepared, maintained, secured  
2 and distributed. The pharmacy shall be of sufficient size and unobstructed area to  
accommodate the safe practice of pharmacy.

3 . . . .

4 (d) Each pharmacist while on duty shall be responsible for the security of the  
prescription department, including provisions for effective control against theft or  
5 diversion of dangerous drugs and devices, and records for such drugs and devices.  
Possession of a key to the pharmacy where dangerous drugs and controlled  
6 substances are stored shall be restricted to a pharmacist. . . . .”

7 21. California Code of Regulations section 1761 states:

8 “(a) No pharmacist shall compound or dispense any prescription which contains any  
significant error, omission, irregularity, uncertainty, ambiguity or alteration. Upon  
9 receipt of any such prescription, the pharmacist shall contact the prescriber to obtain  
the information needed to validate the prescription.

10 (b) Even after conferring with the prescriber, a pharmacist shall not compound or  
11 dispense a controlled substance prescription where the pharmacist knows or has  
objective reason to know that said prescription was not issued for a legitimate  
12 medical purpose.”

13 22. Title 21 of the Code of Federal Regulations (C.F.R.) section 1301.51(b) states, in  
14 pertinent part, that: “(b) Any manufacturer, distributor, reverse distributor, narcotic treatment  
15 program, hospital/clinic with an on-site pharmacy, or retail pharmacy registered pursuant to this  
16 part, may apply to modify its registration to become authorized as a collector....”

17 23. Title 21 C.F.R. section 1301.52(f) states, in pertinent part, that: “(f) Any registrant  
18 that has been authorized as a collector and desires to discontinue its collection of controlled  
19 substances from ultimate users shall notify the Administration of its intent by submitting a written  
20 notification to the Registration Unit, Drug Enforcement Administration....”

21 24. Title 21 C.F.R. section 1317.30 states:

22 “(a) The following persons are authorized to collect controlled substances from  
23 ultimate users and other non-registrants for destruction in compliance with this  
chapter:

24 (1) Any registrant authorized by the Administration to be a collector pursuant  
to §1317.40; and

25 (2) Federal, State, tribal, or local law enforcement when in the course of  
26 official duties and pursuant to §1317.35.

27 (b) The following non-registrant persons in lawful possession of a controlled  
substance in Schedules II, III, IV, or V may transfer that substance to the authorized  
28 persons listed in paragraph (a) of this section, and in a manner authorized by this part,



for the purpose of disposal:

(1) An ultimate user in lawful possession of a controlled substance;

(2) Any person lawfully entitled to dispose of a decedent's property if that decedent was an ultimate user who died while in lawful possession of a controlled substance; and

(3) A long-term care facility on behalf of an ultimate user who resides or resided at such long-term care facility and is/was in lawful possession of a controlled substance, in accordance with §1317.80 only.”

25. Title 21 C.F.R. section 1317.35 states, in pertinent part: “(a) Federal, State, tribal, or local law enforcement may collect controlled substances from ultimate users and persons lawfully entitled to dispose of an ultimate user decedent's property....”

26. Title 21 C.F.R. section 1317.40 states, in pertinent part:

“(a) Manufacturers, distributors, reverse distributors, narcotic treatment programs, hospitals/clinics with an on-site pharmacy, and retail pharmacies that desire to be collectors shall modify their registration to obtain authorization to be a collector in accordance with §1301.51 of this chapter. Authorization to be a collector is subject to renewal. If a registrant that is authorized to collect ceases activities as a collector, such registrant shall notify the Administration in accordance with §1301.52(f) of this chapter.”

### **DRUG CLASSIFICATIONS**

27. **Oxycodone** is a Schedule II controlled substance as designated by Health and Safety Code section 11055(b)(1)(M) and a dangerous drug pursuant to Code section 4022. Oxycodone is an opiate used to treat pain and is a mind-altering drug.

28. **Alprazolam** is a Schedule IV controlled substance as designated by Health and Safety Code section 11057(d)(1) and a dangerous drug pursuant to Code section 4022. Alprazolam is a depressant used to treat anxiety and is a mind-altering drug.

29. **Diazepam** is a Schedule IV controlled substance as designated by Health and Safety Code section 11057(d)(9) and a dangerous drug pursuant to Code section 4022. Diazepam is a depressant used to treat anxiety and is a mind-altering drug.

30. **Lorazepam** is a Schedule IV controlled substance as designated by Health and Safety Code section 11057(d)(16) and a dangerous drug pursuant to Code section 4022. Lorazepam is a sedative used to treat anxiety and is a mind-altering drug.

1           31. **Phenobarbital** is a Schedule IV controlled substance as designated by Health and  
2 Safety Code section 11057(d)(26) and a dangerous drug pursuant to Code section 4022.

3 Phenobarbital is a depressant used to treat epilepsy and is a mind-altering drug.

4           32. **Temazepam** is a Schedule IV controlled substance as designated by Health and  
5 Safety Code section 11057(d)(29) and a dangerous drug pursuant to Code section 4022.

6 Temazepam is a sedative used to treat insomnia and is a mind-altering drug.

7           33. **Zolpidem** is a Schedule IV controlled substance as designated by Health and Safety  
8 Code section 11057(d)(32) and a dangerous drug pursuant to Code section 4022. Zolpidem is a  
9 sedative used to treat insomnia and is a mind-altering drug.

10          34. **Carbamazepine** is a dangerous drug pursuant to Code section 4022, and is used to  
11 treat epilepsy.

12          35. **Clotrimazole Troche** is a dangerous drug pursuant to Code section 4022, and is used  
13 to treat Candidiasis.

14          36. **Risperidone** is a dangerous drug pursuant to Code section 4022, and is used to treat  
15 Schizophrenia.

16          37. **Nifedipine** is a dangerous drug pursuant to Code section 4022, and is used to treat  
17 Angina.

18          38. **Nitroglycerine Sublingual** is a dangerous drug pursuant to Code section 4022, and is  
19 used to treat Angina Pectoris.

#### 20 **COST RECOVERY**

21          39. Business and Professions Code section 125.3.states that:

22               "(a) Except as otherwise provided by law, in any order issued in resolution of a  
23 disciplinary proceeding before any board within the department or before the  
24 Osteopathic Medical Board upon request of the entity bringing the proceedings, the  
25 administrative law judge may direct a licensee 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."

#### 26 **FACTUAL ALLEGATIONS**

27          40. On or about 6/29/15, the Board received a complaint from an otherwise unknown  
28 complainant named "Goar." No contact information was provided. In the letter, Mr. "Goar"

1 stated he worked for two years at The Medicine Shoppe, located at 19225 Ventura Blvd Tarzana  
2 CA. Mr. “Goar” alleged The Medicine Shoppe’s operations were illegal and possibly criminal,  
3 along with the following allegations. The Medicine Shoppe would accept suspicious prescriptions  
4 for oxycodone, and would fill the prescriptions and sell to drug addicts for large sums of money.  
5 The two owners, “Arthur and Pogos,” would advise customers what medication(s) the customer  
6 would need to request from the doctor. Many times the pharmacy would process and bill for  
7 medications, but not deliver the medication to the patient, and forge signatures and resell to a  
8 wholesaler. Part of the medication the pharmacy would put back in stock without reversal. Lastly,  
9 the Pharmacist, “Larry,” did not check the medications before the medications were dispensed.

10 41. On or about 8/26/15, based on the anonymous complaint, Board investigator MK  
11 requested a CURES<sup>1</sup> report on The Medicine Shoppe from 1/16/14 until 8/26/15. Within this  
12 timeframe, The Medicine Shoppe filled a total of 334 prescriptions for oxycodone, 330 of which  
13 were for 30mg, one of the higher strengths of oxycodone usually used for opioid tolerant patients.  
14 Out of 330 prescriptions for oxycodone 30mg, 307 prescriptions were prescribed by the same  
15 prescriber, Dr. Edward Svadjian. Based on the CURES report, investigator MK noted the  
16 following irregularities and red flags regarding the oxycodone prescriptions:

- 17 • Most of the patients were of the same ethnicity and all were elderly.
- 18 • Several patients residing at different addresses received oxycodone 30mg prescriptions on  
19 the same day. Those prescriptions were typed in sequential order, and were prescribed by  
20 the same doctor, Dr. Edward Svadjian, with the same instructions for each patient.
- 21 • The oxycodone prescriptions were the higher strength of 30mg; and were dispensed for  
22 large quantities, mostly 120 tablets.
- 23 • Dr. Edward Svadjian was located in North Hollywood and/or Altadena, California, while  
24 the patients resided in other cities, including Los Angeles, Glendale, Northridge, Van  
25 Nuys, North Hollywood, Tujunga and Panorama City.

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26 <sup>1</sup> The California Controlled Substance Utilization and Review and Evaluation System  
27 (CURES) database contains information about controlled substance prescriptions filled in  
28 California, as reported by pharmacies. Through CURES a patient activity report (PAR) can be  
generated, which would show all the reported schedule II-IV prescriptions filled by an individual  
patient and the location of the fill.

**9/2/15 Inspection**

42. On or about 9/2/15 Inspector MK and other personnel from the Department of Health Care Services (DHCS) went to The Medicine Shoppe located at 19225 Ventura Blvd, Tarzana CA to conduct an inspection. Present at the pharmacy during the inspection were Respondents Golden (the Pharmacist-in-charge) and Karagezyan, who arrived towards the later part of the inspection.

43. During the inspection, Inspector MK observed two red totes from a wholesaler, Cardinal Health, located in the pharmacy dispensing area. Inside the totes inspectors found white bags full of prescription medications vials, all labeled with prescription medication labels from The Medicine Shoppe. Some prescription medication vials were for the same patient(s), filled with the same medication, but with a different fill dates. Also, some of the prescription medication vials found were controlled substances. The prescription medications found inside the tote bags included the following: Diazepam, Temazepam, Zolpidem, Nitroglycerine, Lorazepam, Phenobarbital, Alprazolam, and Nifedipine.

44. Inspector MK asked Respondent Golden about the prescription medication vials found in the totes. Respondent Golden stated he assumed they were “returns” from customers, which the pharmacy was waiting to send for destruction. Inspector MK asked Respondent Golden how and why the prescription medication vials were inside the red totes and he stated he had “no idea.” Respondent Golden looked at the controlled substance prescription vials and stated it seemed like the medication(s) inside the vials were not even used. Respondent Golden was then informed that that the pharmacy may not take back any medications, specifically controlled medications.

45. During the inspection, investigators found the following on the active drug shelf:

- a) an expired overfilled sample manufacturing bottle of Benicar HCT (20mg/12.5mg), which stated “professional sample not for sale;”
- b) an overfilled manufacturing bottle of Clotrimazole troche USP 10mg;
- c) an overfilled manufacturing bottle of Carbamazepine tablets USP 100mg;
- d) an overfilled manufacturing bottle of Brilinta 90mg;
- e) an overfilled manufacturing bottle of Risperidone 0.25 mg; and

1 f) one prescription medication vial, which was not properly labeled.

2 46. During the inspection, Respondent Golden opened a cabinet drawer in Respondent  
3 Karagezyan's office which contained several prescription medication vials and spontaneously  
4 exclaimed "Oops! I shouldn't have opened that drawer!" Some of the vials of prescription drugs  
5 located inside the cabinet drawer were labeled and some were not. Brand name manufacturing  
6 bottles/boxes were also found inside a brown bag in the cabinet drawer, and prescription  
7 medication vials were found labeled with prescription labels from The Medicine Shoppe. One  
8 prescription medication vial was found containing Atorvastin for patient UB, and was labeled  
9 with a prescription label from Sunset Center Pharmacy. Inspector MK asked Respondent  
10 Karagezyan why those drugs were in his cabinet drawer and he stated he had just come back from  
11 a funeral and was not in the right state of mind to answer any questions. Inspector MK asked  
12 Respondent Karagezyan who had access to his office, and he replied that he was the only person  
13 who had access to his office.

14 47. The Medicine Shoppe's controlled substance schedule II prescriptions were reviewed.  
15 The majority of the Schedule II prescriptions were written for oxycodone 30mg, with large  
16 quantities of 120 tablets. Almost all of the oxycodone prescriptions were written for patients of  
17 apparent Armenian descent and were prescribed by Dr. Edward Svadjian.

18 48. The inspection by DHCS personnel included an invoice reconciliation review, which  
19 consisted of a sample invoice reconciliation of 32 drugs for the audit period 1/17/14 through  
20 6/30/15. In the course of the review, DHCS personnel identified a total Medi-Cal recovery  
21 amount of \$218,730.69 due to an invoice shortage and for Medi-Cal overpayment (which was  
22 later adjusted down to a total of \$206,800.85 as part of a settlement with Respondents).<sup>2</sup>

23 **9/9/15 Inspection**

24 49. On or about 9/9/2015, Board Inspectors MK and KRP returned to The Medicine  
25 Shoppe to conduct a second inspection. Present at the Medicine Shoppe were Respondents  
26 Golden and Karagezyan.

27 \_\_\_\_\_  
28 <sup>2</sup> The Medicine Shoppe's National Provider Number (NPI #1710992367) was thereafter  
suspended due to the amount owed.

1           50. A black trash bag was found in the back of the pharmacy containing 25 boxes of  
2 Nuvaring. When asked, Respondent Golden stated he was not aware of the Nuvaring in the black  
3 bag. The inspectors noted that the Nuvaring manufacturing medication boxes were stickered with  
4 the Cardinal Health stickers, indicating the medication was received from Cardinal Health.  
5 Respondent Golden was directed to send the Nuvaring back for destruction through a Board  
6 certified reverse distributor within 14 days.

7           51. Upon request, Respondent Golden provided the original controlled substance  
8 prescriptions listed under a number of patient profiles from 1/1/14 until 9/9/15. Inspector MK  
9 reviewed 165 oxycodone prescriptions, and noted that all of the Oxycodone prescriptions were  
10 written by Dr. Svadjian, and some were written on the same day and in sequential order for  
11 different patients. All of the oxycodone prescriptions were written for the 30mg strength,  
12 quantity of 120, with directions of 2 tab twice daily. The prescription forms did not contain check  
13 boxes to indicate the number of refills ordered.

14           52. On or about 9/15/15, Respondent Golden provided a written statement dated 9/11/15  
15 in response to issues raised as the result the inspections. Respondent Golden stated that he had no  
16 knowledge of the following: prescription vials found in Respondent Karagezyan's cabinet drawer;  
17 the returned prescription vials in the pharmacy; the Nuvaring found in the black bag; nor the  
18 prescription vial from Sunset Center Pharmacy. Respondent Golden stated that he was aware of  
19 the Benicar HCT sample found on the active drug shelf, as well as the bagged medications in the  
20 black bags found in the back containing prescriptions which were to be delivered to Santa  
21 Barbara Medical Group.

22           53. Inspector MK reviewed a series of patient questionnaires filled out by Respondent  
23 Golden. Based on the responses, Inspector MK noted the following:

- 24           • Respondent Golden knew very little about each patient.
- 25           • The majority of the patients lived outside the pharmacy's trading area of 5 miles.
- 26           • Respondent Golden did not list a diagnosis for each patient.
- 27           • Respondent Golden had not seen majority of the patients.
- 28           • Medications were mainly delivered to the patients.

- The Pharmacy had access to CURES, but Respondent Golden had not used Prescription Drug Monitoring Program (PDMP) to check patient activity on any of the patients.
- For the patient(s) who had their medication(s) delivered to them, Respondent Golden could not recall what type of consultation the patient(s) received and/or the consultation was provided via telephone.
- Respondent Golden could not recall if he had spoken to Dr. Edward Svadjian about the prescriptions, and/or yes, he had spoken to Dr. Svadjian.

54. Inspector MK reviewed the CURES report for Dr. Edward Svadjian from 1/1/14 to 2/23/18. She noted that during this period, Dr. Svadjian prescribed a total of 9,967 prescriptions for controlled substances (schedule II-IV). Out of 9,967, Dr. Svadjian prescribed a total of 2,169 prescriptions for oxycodone, which was the highest prescribed drug by this doctor. All of 2,169 prescriptions were prescribed for oxycodone 30mg, one of the higher strengths of oxycodone usually used for opioid tolerant patients.

55. On or about 2/12/18, Inspector MK called Dr. Edward Svadjian's office and was informed that Dr. Svadjian was deceased.

56. On or about 1/3/19, Inspector MK called the United States Drug Enforcement Administration (DEA) and was told that The Medicine Shoppe located at 19225 Ventura Blvd, Tarzana, CA was only registered with the DEA as a retail pharmacy and was not registered with the DEA as a collector to collect pharmaceutical controlled substances from ultimate users.

#### **FIRST CAUSE FOR DISCIPLINE**

(FAILURE TO EXERCISE CORRESPONDING RESPONSIBILITY FOR THE PROPER  
PRESCRIBING AND DISPENSING OF CONTROLLED SUBSTANCES)

57. Respondent's original pharmacy permit and original pharmacist license are subject to disciplinary action pursuant to Code section 4301, subdivision (o), California Health and Safety Code section 11153, and California Code of Regulations, title 16, section 1761, for unprofessional conduct, in that Respondent violated or attempted to violate, directly or indirectly, assisted in or abetted the violation of, or conspired to violate state laws and regulations governing pharmacy, as follows: On and between January 1, 2014 and September 9, 2015, Respondents

1 failed to exercise their corresponding responsibility for the proper prescribing and dispensing of  
2 controlled substances, in violation of Health and Safety Code section 11153, subdivision (a), and  
3 California Code of Regulations, title 16, section 1761, subdivision (b). Specifically, Respondent  
4 dispensed, or authorized or permitted the dispensing of, numerous prescriptions for controlled  
5 substances to numerous different patients, all of which had been issued by Dr. Edward Svadjian,  
6 when Respondent knew, or had objective reason to know, that the prescriptions were not issued  
7 for a legitimate medical purpose as evidenced by several “red flags” or factors, including the  
8 following: multiple patients receiving the same drugs or combinations of drugs; most of the  
9 patients were of the same ethnicity and all were elderly; despite residing at different addresses  
10 several patients received prescriptions for the higher strength and quantity of oxycodone on the  
11 same day, and on prescriptions typed in sequential order; the prescriptions for the higher strength  
12 strength and quantity of oxycodone were prescribed by the same doctor, Dr. Edward Svadjian  
13 with the same instructions for each patient; the prescribing of large or excessive quantities and  
14 doses of highly abused controlled substances; and while Dr. Edward Svadjian was located in  
15 North Hollywood and/or Altadena, California, the patients he prescribed controlled substances to  
16 resided in other cities, including Los Angeles, Glendale, Northridge, Van Nuys, North  
17 Hollywood, Tujunga and Panorama City.

## 18 **SECOND CAUSE FOR DISCIPLINE**

19 (UNPROFESSIONAL CONDUCT - ERRONEOUS OR UNCERTAIN PRESCRIPTIONS)

20 58. Respondents are subject to disciplinary action under Code section 4301(o) and  
21 California Code of Regulations section 1761 in that Respondents dispensed irregular and/or  
22 uncertain prescriptions as set forth more fully in paragraphs 41, 47, 51, 53, and 54 above and  
23 incorporated herein by reference.

## 24 **THIRD CAUSE FOR DISCIPLINE**

25 (UNPROFESSIONAL CONDUCT - FILLING AND DISPENSING PRESCRIPTIONS FOR  
26 CONTROLLED SUBSTANCES ON NON-COMPLIANT FORMS)

27 59. Respondents are subject to disciplinary action under Code section 4301(o) and Health  
28 and Safety Code sections 11164 and 11162.1 in that Respondents filled prescriptions from non-



compliant prescription forms as set forth more fully in paragraph 51 above and incorporated herein by reference.

**FOURTH CAUSE FOR DISCIPLINE**

(UNPROFESSIONAL CONDUCT - HOLD OR OFFER FOR SALE  
MISBRANDED DRUGS OR DEVICES)

60. Respondents are subject to disciplinary action under Code section 4301(o) and Health and Safety Code sections 111440 and 111395(c) in that Respondents held and offered for sale prescription manufacturing bottles which were overfilled and thus were misbranded as set forth more fully in paragraph 45 above and incorporated herein by reference.

**FIFTH CAUSE FOR DISCIPLINE**

(UNPROFESSIONAL CONDUCT - HOLD OR OFFER FOR SALE ADULTERED DRUGS)

61. Respondents are subject to disciplinary action under Code section 4301(o) and Health and Safety Code sections 111255 and 111295, in that Respondents held or offered for sale adulterated drugs as set forth more fully in paragraph 45 above and incorporated by herein reference.

**SIXTH CAUSE FOR DISCIPLINE**

(UNPROFESSIONAL CONDUCT - UNAUTHORIZED POSSESSION OF RETURNED  
CONTROLLED SUBSTANCES )

62. Respondents are subject to disciplinary action under Code section 4301(o) and Title 21, Code of Federal Regulations sections 1317.30(a) and 1317.40(a) in that Respondents were in possession of controlled substance prescription medications, which were returned from customers, without being registered as an authorized collector as set forth more fully in paragraphs 43 -46 above and incorporated herein by reference.

**SEVENTH CAUSE FOR DISCIPLINE**

(UNPROFESSIONAL CONDUCT - FAILURE TO MAINTAIN  
OPERATIONAL STANDARDS AND SECURITY)

63. Respondents are subject to disciplinary action under Code section 4301(o) and California Code of Regulations section 1714(b) and (d) and Business and Professions Code

1 section 4113(c) in that Respondents failed to maintain operational standards and security of  
2 prescription drugs as set forth more fully in paragraphs 40 - 57 above and incorporated herein by  
3 reference.

#### 4 **EIGHTH CAUSE FOR DISCIPLINE**

##### 5 (UNPROFESSIONAL CONDUCT - CASH COMPROMISE)

6 64. Respondents are subject to disciplinary action under Code section 4301(m) in that  
7 Respondents were subject to a cash compromise of \$206,800.85 for Medi-Cal reimbursement  
8 overpayments in violation of Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions  
9 Code relating to the Medi-Cal program as set forth more fully in paragraph 48 above and  
10 incorporated herein by reference.

#### 11 **OTHER MATTERS**

12 65. Pursuant to Code section 4307, if discipline is imposed on Pharmacy Permit Number  
13 PHY 51652 issued to Miracle Care Inc. dba The Medicine Shoppe, with Authur Karagazyan as  
14 the CEO/PRES/SEC and Lawrence K. Golden as the PIC, Miracle Care Inc. dba The Medicine  
15 Shoppe, with Authur Karagazyan as the CEO/PRES/SEC and Lawrence K. Golden as the PIC  
16 shall be prohibited from serving as a manager, administrator, owner, member, officer, director,  
17 associate, or partner of a licensee for five years if Pharmacy Permit Number PHY 51652 is placed  
18 on probation or until Pharmacy Permit Number PHY 51652 is reinstated if it is revoked.

19 66. Pursuant to Code section 4307, if discipline is imposed on Pharmacist License  
20 Number RPH 30157 issued to Lawrence K. Golden, while Lawrence K. Golden has been an  
21 officer and had knowledge of or knowingly participated in any conduct for which the license was  
22 disciplined, Lawrence K. Golden shall be prohibited from serving as a manager, administrator,  
23 owner, member, officer, director, associate, or partner of a licensee for five years if Pharmacist  
24 License Number PHY 30157 is placed on probation or until Pharmacist License number PHY  
25 30157 is reinstated if it is revoked.

#### 26 **PRAYER**

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

- 1           1.     Revoking or suspending Pharmacy Permit Number PHY 51652, issued to Miracle  
2     Care Inc. dba The Medicine Shoppe, Arthur Karagezyan, CEO/PRES/SEC;
- 3           2.     Revoking or suspending Pharmacist License Number RPH 30157, issued to Laurence  
4     K. Golden;
- 5           3.     Prohibiting Arthur Karagezyan from serving as a manager, administrator, owner,  
6     member, officer, director, associate, or partner of a licensee for five years if Pharmacy Permit  
7     Number PHY 51652 is placed on probation or until Pharmacy Permit Number PHY 51652 is  
8     reinstated if it is revoked;
- 9           4.     Prohibiting Laurence K. Golden from serving as a manager, administrator, owner,  
10    member, officer, director, associate, or partner of a licensee for five years if Pharmacist License  
11    Number RPH 30157 or Pharmacy Permit Number PHY 51652 is placed on probation or until  
12    Pharmacist License Number RPH 30157 or Pharmacy Permit Number PHY 51652 is reinstated if  
13    it is revoked;
- 14          5.     Ordering Miracle Care Inc. dba The Medicine Shoppe, Arthur Karagezyan and  
15    Laurence K. Golden to pay the Board of Pharmacy the reasonable costs of the investigation and  
16    enforcement of this case, pursuant to Business and Professions Code section 125.3; and,
- 17          6.     Taking such other and further action as deemed necessary and proper.

18  
19     DATED: November 15, 2019



\_\_\_\_\_  
ANNE SODERGREN  
Interim Executive Officer  
Board of Pharmacy  
Department of Consumer Affairs  
State of California  
*Complainant*

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