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

In the Matter of the Accusation Against:

# **GOOD HEALTH INC. DBA PREMIER PHARMACY SERVICES**

Pharmacy Permit No. PHY 53274,

and

# **MYRNA B. CORTEZ**

Pharmacist License No. RPH 46795

**Respondents.** 

Agency Case No. 6863

OAH No. 2021090534

# **DECISION AND ORDER**

The attached Stipulated Settlement and Disciplinary 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 November 16, 2022.

It is so ORDERED on October 17, 2022.

BOARD OF PHARMACY DEPARTMENT OF CONSUMER AFFAIRS STATE OF CALIFORNIA

eun

Seung W. Oh, Pharm.D. Board President

By

1	Rob Bonta	
2	Attorney General of California ARMANDO ZAMBRANO	
3	Supervising Deputy Attorney General WILLIAM D. GARDNER	
4	Deputy Attorney General State Bar No. 244817	
5	300 So. Spring Street, Suite 1702 Los Angeles, CA 90013	
6	Telephone: (213) 269-6292 Facsimile: (916) 731-2126	
7	Attorneys for Complainant	
8	BEFOR	E THE
9	BOARD OF I DEPARTMENT OF C	-
10	STATE OF C	ALIFORNIA
11		
12	In the Matter of the Accusation Against:	Case No. 6863
13	GOOD HEALTH INC. DBA PREMIER	OAH No. 2021090534
14	PHARMACY SERVICES 410 Cloverleaf Dr.	STIPULATED SETTLEMENT AND
15	Baldwin Park, CA 91706	DISCIPLINARY ORDER
16	Pharmacy Permit No. PHY 53274,	(As to Myrna B. Cortez Only)
17	and	
18	MYRNA B. CORTEZ 3765 Mayfair Drive	
19	Pasadena, CA 91107	
20	Pharmacist License No. RPH 46795	
21	Respondents.	
22		-
23		
24		EED by and between the parties to the above-
25	entitled proceedings that the following matters are	
26	PAR	
27		Executive Officer of the Board of Pharmacy
28	(Board). She brought this action solely in her off	icial capacity and is represented in this matter by
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		STIPULATED SETTLEMENT (6863)

1	Rob Bonta, Attorney General of the State of California, by William D. Gardner, Deputy Attorney
2	General.
3	2. Respondent Myrna B. Cortez is represented in this proceeding by attorney Noah
4	Jussim, whose address is: 350 S. Grand Avenue, Suite 3600, Los Angeles, CA 90071-3476.
5	JURISDICTION
6	3. 1. On or about November 22, 1993, the Board of Pharmacy issued Pharmacist
7	License Number RPH 46795 to Myrna B. Cortez (Respondent). The Pharmacist License was in
8	full force and effect at all times relevant to the charges brought in First Amended Accusation No.
9	6863 and will expire on August 30, 2023, unless renewed.
10	4. Accusation No. 6863 and all other statutorily required documents were properly
11	served on Respondent on July 22, 2020. Respondent timely filed her Notice of Defense
12	contesting the Accusation. First Amend Accusation No. 6863 was filed before the Board and is
13	currently pending against Respondent. A copy of First Amended Accusation No. 6863 is
14	attached as Exhibit A and incorporated herein by reference.
15	ADVISEMENT AND WAIVERS
	ADVISEMENT AND WAIVERS           5. Respondent has carefully read, fully discussed with counsel, and understands the
16 17	5. Respondent has carefully read, fully discussed with counsel, and understands the
16 17	5. Respondent has carefully read, fully discussed with counsel, and understands the charges and allegations in Accusation No. 6863. Respondent has also carefully read, fully
16 17 18 19	5. Respondent has carefully read, fully discussed with counsel, and understands the charges and allegations in Accusation No. 6863. Respondent has also carefully read, fully discussed with counsel, and understands the effects of this Stipulated Settlement and Disciplinary
<ol> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> </ol>	5. Respondent has carefully read, fully discussed with counsel, and understands the charges and allegations in Accusation No. 6863. Respondent has also carefully read, fully discussed with counsel, and understands the effects of this Stipulated Settlement and Disciplinary Order.
<ol> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> </ol>	<ul> <li>5. Respondent has carefully read, fully discussed with counsel, and understands the charges and allegations in Accusation No. 6863. Respondent has also carefully read, fully discussed with counsel, and understands the effects of this Stipulated Settlement and Disciplinary Order.</li> <li>6. Respondent is fully aware of her legal rights in this matter, including the right to a</li> </ul>
<ol> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> </ol>	<ul> <li>5. Respondent has carefully read, fully discussed with counsel, and understands the charges and allegations in Accusation No. 6863. Respondent has also carefully read, fully discussed with counsel, and understands the effects of this Stipulated Settlement and Disciplinary Order.</li> <li>6. Respondent is fully aware of her legal rights in this matter, including the right to a hearing on the charges and allegations in the Accusation; the right to confront and cross-examine</li> </ul>
<ol> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> <li>23</li> </ol>	<ul> <li>5. Respondent has carefully read, fully discussed with counsel, and understands the charges and allegations in Accusation No. 6863. Respondent has also carefully read, fully discussed with counsel, and understands the effects of this Stipulated Settlement and Disciplinary Order.</li> <li>6. Respondent is fully aware of her legal rights in this matter, including the right to a hearing on the charges and allegations in the Accusation; the right to confront and cross-examine the witnesses against her; the right to present evidence and to testify on her own behalf; the right</li> </ul>
<ol> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> <li>23</li> <li>24</li> </ol>	<ul> <li>5. Respondent has carefully read, fully discussed with counsel, and understands the charges and allegations in Accusation No. 6863. Respondent has also carefully read, fully discussed with counsel, and understands the effects of this Stipulated Settlement and Disciplinary Order.</li> <li>6. Respondent is fully aware of her legal rights in this matter, including the right to a hearing on the charges and allegations in the Accusation; the right to confront and cross-examine the witnesses against her; the right to present evidence and to testify on her own behalf; the right to the issuance of subpoenas to compel the attendance of witnesses and the production of</li> </ul>
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18	<ul> <li>5. Respondent has carefully read, fully discussed with counsel, and understands the charges and allegations in Accusation No. 6863. Respondent has also carefully read, fully discussed with counsel, and understands the effects of this Stipulated Settlement and Disciplinary Order.</li> <li>6. Respondent is fully aware of her legal rights in this matter, including the right to a hearing on the charges and allegations in the Accusation; the right to confront and cross-examine the witnesses against her; the right to present evidence and to testify on her own behalf; the right to the issuance of subpoenas to compel the attendance of witnesses and the production of documents; the right to reconsideration and court review of an adverse decision; and all other rights accorded by the California Administrative Procedure Act and other applicable laws.</li> </ul>
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1	<u>CULPABILITY</u>
2	8. Respondent understands and agrees that the charges and allegations in First Amended
3	Accusation No. 6863, if proven at a hearing, constitute cause for imposing discipline upon her
4	pharmacist license.
5	9. For the purpose of resolving the Accusation without the expense and uncertainty of
6	further proceedings, Respondent agrees that, at a hearing, Complainant could establish a factual
7	basis for the charges in the First Amended Accusation, and that Respondent hereby gives up her
8	right to contest those charges.
9	10. Respondent agrees that her pharmacist license is subject to discipline and she agrees
10	to be bound by the Board's probationary terms as set forth in the Disciplinary Order below.
11	<u>CONTINGENCY</u>
12	11. This stipulation shall be subject to approval by the Board of Pharmacy. Respondent
13	understands and agrees that counsel for Complainant and the staff of the Board of Pharmacy may
14	communicate directly with the Board regarding this stipulation and settlement, without notice to
15	or participation by Respondent or its counsel. By signing the stipulation, Respondent understands
16	and agrees that she may not withdraw her agreement or seek to rescind the stipulation prior to the
17	time the Board considers and acts upon it. If the Board fails to adopt this stipulation as its
18	Decision and Order, the Stipulated Settlement and Disciplinary Order shall be of no force or
19	effect, except for this paragraph, it shall be inadmissible in any legal action between the parties,
20	and the Board shall not be disqualified from further action by having considered this matter.
21	12. The parties understand and agree that Portable Document Format (PDF) and facsimile
22	copies of this Stipulated Settlement and Disciplinary Order, including PDF and facsimile
23	signatures thereto, shall have the same force and effect as the originals.
24	13. This Stipulated Settlement and Disciplinary Order is intended by the parties to be an
25	integrated writing representing the complete, final, and exclusive embodiment of their agreement.
26	It supersedes any and all prior or contemporaneous agreements, understandings, discussions,
27	negotiations, and commitments (written or oral). This Stipulated Settlement and Disciplinary
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	STIPULATED SETTLEMENT (6863)

1	Order may not be altered, amended, modified, supplemented, or otherwise changed except by a
2	writing executed by an authorized representative of each of the parties.
3	14. In consideration of the foregoing admissions and stipulations, the parties agree that
4	the Board may, without further notice or formal proceeding, issue and enter the following
5	Disciplinary Order:
6	DISCIPLINARY ORDER
7	IT IS HEREBY ORDERED that Pharmacist License Number RPH 46795 issued to Myrna
8	B. Cortez (Respondent) is revoked. However, the revocation is stayed and Respondent is placed
9	on probation for three (3) years on the following terms and conditions
10	1. Obey All Laws
11	Respondent shall obey all state and federal laws and regulations.
12	Respondent shall report any of the following occurrences to the board, in writing, within
13	seventy- two (72) hours of such occurrence:
14	• an arrest or issuance of a criminal complaint for violation of any provision of the
15	Pharmacy Law, state and federal food and drug laws, or state and federal controlled
16	substances laws
17	• a plea of guilty, or nolo contendere, no contest, or similar, in any state or federal
18	criminal proceeding to any criminal complaint, information or indictment
19	• a conviction of any crime
20	• the filing of a disciplinary pleading, issuance of a citation, or initiation of another
21	administrative action filed by any state or federal agency which involves
22	respondent's license or which is related to the practice of pharmacy or the
23	manufacturing, obtaining, handling, distributing, billing, or charging for any drug,
24	device or controlled substance.
25	Failure to timely report such occurrence shall be considered a violation of probation.
26	2. Report to the Board
27	Respondent shall report to the board quarterly, on a schedule as directed by the board or its
28	designee. The report shall be made either in person or in writing, as directed. Among other
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	STIPULATED SETTLEMENT (6863)

requirements, respondent shall state in each report under penalty of perjury whether there has 1 2 been compliance with all the terms and conditions of probation.

Failure to submit timely reports in a form as directed shall be considered a violation of 3 probation. Any period(s) of delinquency in submission of reports as directed may be added to the 4 5 total period of probation. Moreover, if the final probation report is not made as directed, probation shall be automatically extended until such time as the final report is made and accepted 6 7 by the board.

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## Interview with the Board

Upon receipt of reasonable prior notice, respondent shall appear in person for interviews 9 with the board or its designee, at such intervals and locations as are determined by the board or its 10 designee. Failure to appear for any scheduled interview without prior notification to board staff, 11 or failure to appear for two (2) or more scheduled interviews with the board or its designee during 12 the period of probation, shall be considered a violation of probation. 13

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# **Cooperate with Board Staff**

Respondent shall timely cooperate with the board's inspection program and with the board's 15 monitoring and investigation of respondent's compliance with the terms and conditions of 16 Respondent's probation, including but not limited to: timely responses to requests for information 17 by board staff; timely compliance with directives from board staff regarding requirements of any 18 term or condition of probation; and timely completion of documentation pertaining to a term or 19 condition of probation. Failure to timely cooperate shall be considered a violation of probation. 20

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# **Continuing Education**

Respondent shall provide evidence of efforts to maintain skill and knowledge as a 22 pharmacist as directed by the board or its designee. 23

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# **Reporting of Employment and Notice to Employers**

During the period of probation, respondent shall notify all present and prospective 25 employers of the decision in case number 6863 and the terms, conditions and restrictions imposed 26 on respondent by the decision, as follows: 27

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Within thirty (30) days of the effective date of this decision, and within ten (10) days of 1 2 undertaking any new employment, respondent shall report to the board in writing the name, 3 physical address, and mailing address of each of Respondent's employer(s), and the name(s) and telephone number(s) of all of Respondent's direct supervisor(s), as well as any pharmacist(s)-in-4 5 charge, designated representative(s)-in-charge, responsible manager, or other compliance supervisor(s) and the work schedule, if known. Respondent shall also include the reason(s) for 6 7 leaving the prior employment. Respondent shall sign and return to the board a written consent authorizing the board or its designee to communicate with all of respondent's employer(s) and 8 9 supervisor(s), and authorizing those employer(s) or supervisor(s) to communicate with the board or its designee, concerning respondent's work status, performance, and monitoring. Failure to 10 comply with the requirements or deadlines of this condition shall be considered a violation of 11 probation. 12

Within thirty (30) days of the effective date of this decision, and within fifteen (15) days of 13 14 respondent undertaking any new employment, respondent shall cause (a) Respondent's direct supervisor, (b) Respondent's pharmacist-in-charge, designated representative-in-charge, 15 responsible manager, or other compliance supervisor, and (c) the owner or owner representative 16 of Respondent's employer, to report to the board in writing acknowledging that the listed 17 individual(s) has/have read the decision in case number 6863, and terms and conditions imposed 18 19 thereby. If one person serves in more than one role described in (a), (b), or (c), the acknowledgment shall so state. It shall be the respondent's responsibility to ensure that these 20 acknowledgment(s) are timely submitted to the board. In the event of a change in the person(s) 21 serving the role(s) described in (a), (b), or (c) during the term of probation, respondent shall cause 22 the person(s) taking over the role(s) to report to the board in writing within fifteen (15) days of 23 24 the change acknowledging that he or she has read the decision in case number 6863, and the terms and conditions imposed thereby. 25

If respondent works for or is employed by or through an employment service, respondent must notify the person(s) described in (a), (b), and (c) above at every entity licensed by the board of the decision in case number 6863, and the terms and conditions imposed thereby in advance of

respondent commencing work at such licensed entity. A record of this notification must be provided to the board upon request.

Furthermore, within thirty (30) days of the effective date of this decision, and within fifteen (15) days of respondent undertaking any new employment by or through an employment service, respondent shall cause the person(s) described in (a), (b), and (c) above at the employment service to report to the board in writing acknowledging that he or she has read the decision in case number, and the terms and conditions imposed thereby. It shall be respondent's responsibility to ensure that these acknowledgment(s) are timely submitted to the board.

9 Failure to timely notify present or prospective employer(s) or failure to cause the identified
10 person(s) with that/those employer(s) to submit timely written acknowledgments to the board
11 shall be considered a violation of probation.

"Employment" within the meaning of this provision includes any full-time, part-time,
temporary, relief, or employment/management service position as a registered pharmacist, or any
position for which a registered pharmacist is a requirement or criterion for employment, whether
the respondent is an employee, independent contractor or volunteer.

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#### Notification of Change(s) in Name, Address(es), or Phone Number(s)

17 Respondent shall further notify the board in writing within ten (10) days of any change in
18 name, residence address, mailing address, e-mail address or phone number.

Failure to timely notify the board of any change in employer, name, address, or phonenumber shall be considered a violation of probation.

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### Restrictions on Supervision and Oversight of Licensed Facilities

Respondent shall be permanently prohibited from supervising any intern pharmacist, being
the pharmacist-in-charge, designated representative-in-charge, responsible manager or other
compliance supervisor of any entity licensed by the Board, and from serving as a consultant.
Assumption of any such unauthorized supervision responsibilities shall be considered a violation
of probation and a cause for discipline.

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### 9. Probation Monitoring Costs

Respondent shall pay any costs associated with probation monitoring as determined by the board each and every year of probation. Such costs shall be payable to the board on a schedule as directed by the board or its designee. Failure to pay such costs by the deadline(s) as directed shall be considered a violation of probation.

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## 10. Status of License

Respondent shall, at all times while on probation, maintain an active, current Pharmacy
Permit with the board, including any period during which suspension or probation is tolled.
Failure to maintain an active, current Pharmacy Permit shall be considered a violation of
probation.

If respondent's Pharmacy Permit expires or is cancelled by operation of law or otherwise at
any time during the period of probation, including any extensions thereof due to tolling or
otherwise, upon renewal or reapplication respondent's license shall be subject to all terms and
conditions of this probation not previously satisfied.

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### 11. License Surrender While on Probation/Suspension

Following the effective date of this decision, should respondent cease practice due to 16 retirement or health, or be otherwise unable to satisfy the terms and conditions of probation, 17 respondent may relinquish her license, including any indicia of licensure issued by the board, 18 along with a request to surrender the license. The board or its designee shall have the discretion 19 whether to accept the surrender or take any other action it deems appropriate and reasonable. 20Upon formal acceptance of the surrender of the license, respondent will no longer be subject to 21 the terms and conditions of probation. This surrender constitutes a record of discipline and shall 22 become a part of the respondent's license history with the board. 23

Upon acceptance of the surrender, respondent shall relinquish her pocket and/or wall
license, including any indicia of licensure not previously provided to the board within ten (10)
days of notification by the board that the surrender is accepted if not already provided.
Respondent may not reapply for any license from the board for three (3) years from the effective
date of the surrender. Respondent shall meet all requirements applicable to the license sought as

of the date the application for that license is submitted to the board, including any outstanding costs.

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### 12. Practice Requirement – Extension of Probation

Except during periods of suspension, respondent shall, at all times while on probation, be employed as a registered pharmacist in California for a minimum of 60 hours per calendar month. Any month during which this minimum is not met shall extend the period of probation by one month. During any such period of insufficient employment, respondent must nonetheless comply with all terms and conditions of probation, unless respondent receives a waiver in writing from the board or its designee.

If respondent does not practice as a registered pharmacist in California for the minimum 10 number of hours in any calendar month, for any reason (including vacation), respondent shall 11 notify the board in writing within ten (10) days of the conclusion of that calendar month. This 12 notification shall include at least: the date(s), location(s), and hours of last practice; the reason(s) 13 14 for the interruption or reduction in practice; and the anticipated date(s) on which respondent will resume practice at the required level. Respondent shall further notify the board in writing within 15 ten (10) days following the next calendar month during which respondent practices as a registered 16 pharmacist in California for the minimum of hours. Any failure to timely provide such 17 notification(s) shall be considered a violation of probation. 18

It is a violation of probation for respondent's probation to be extended pursuant to the
provisions of this condition for a total period, counting consecutive and non-consecutive months,
exceeding thirty-six (36) months. The board or its designee may post a notice of the extended
probation period on its website.

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#### 13. Violation of Probation

If respondent has not complied with any term or condition of probation, the board shall have continuing jurisdiction over respondent, and the board shall provide notice to respondent that probation shall automatically be extended, until all terms and conditions have been satisfied or the board has taken other action as deemed appropriate to treat the failure to comply as a ///

violation of probation, to terminate probation, and to impose the penalty that was stayed. The board or its designee may post a notice of the extended probation period on its website.

If respondent violates probation in any respect, the board, after giving respondent notice and an opportunity to be heard, may revoke probation and carry out the disciplinary order that was stayed. If a petition to revoke probation or an accusation is filed against respondent during probation, or the preparation of an accusation or petition to revoke probation is requested from the Office of the Attorney General, the board shall have continuing jurisdiction and the period of probation shall be automatically extended until the petition to revoke probation or accusation is heard and decided.

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#### 14. Completion of Probation

Upon written notice by the board or its designee indicating successful completion of
probation, respondent's license will be fully restored with the exception of the permanent
prohibitions set forth in paragraphs 8 and 17 of this Order.

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## 15. Remedial Education

Before the end of each full year of the probation period, Respondent shall submit to the Board, for prior approval, an appropriate program for six (6) hours of remedial education related to the causes for discipline and the Drug Supply Chain Security Act, which shall be completed prior to the conclusion of each probation year (beginning from the effective date of decision) and at Respondent's own expense. The program of remedial education shall consist of at least three (3) participatory (live or remote) hours. All remedial education shall be in addition to, and shall not be credited toward, continuing education (CE) courses used for license renewal purposes.

Failure to timely submit for approval or complete the approved remedial education shall be considered a violation of probation. The period of probation will be automatically extended until such remedial education is successfully completed and written proof, in a form acceptable to the board, is provided to the board or its designee.

Following the completion of each course, the Board or its designee may require the
respondent, at her own expense, to take an approved examination to test the respondent's
knowledge of the course. If the respondent does not achieve a passing score on the examination

that course shall not count towards satisfaction of this term. Respondent shall take another course approved by the board in the same subject area.

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#### 16. Ethics Course

Within sixty (60) calendar days of the effective date of this decision, respondent shall enroll 4 5 in a course in ethics, at respondent's expense, approved in advance by the board or its designee that complies with Title 16 California Code of Regulations section 1773.5. Respondent shall 6 provide proof of enrollment upon request. Within five (5) days of completion, respondent shall 7 submit a copy of the certificate of completion to the board or its designee. Failure to timely enroll 8 9 in an approved ethics course, to initiate the course during the first year of probation, to successfully complete it before the end of the second year of probation, or to timely submit proof 10 of completion to the board or its designee, shall be considered a violation of probation. 11

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#### 17. No Ownership or Management of Licensed Premises

Respondent shall be permanently prohibited from owning, having any legal or beneficial 13 interest in, or serving as a manager, administrator, member, officer, director, trustee, associate, or 14 partner of any business, firm, partnership, or corporation currently or hereinafter licensed by the 15 board. Respondent shall sell or transfer any legal or beneficial interest in any entity licensed by 16 the board within ninety (90) days following the effective date of this decision and shall 17 immediately thereafter provide written proof thereof to the board. Failure to timely divest any 18 legal or beneficial interest(s) or provide documentation thereof shall be considered a violation of 19 probation. 20

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### ACCEPTANCE

I have carefully read the above Stipulated Settlement and Disciplinary Order and have fully
discussed it with my attorney, Noah Jussim. I understand the stipulation and the effect it will
have on my Pharmacist License. I enter into this Stipulated Settlement and Disciplinary Order
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1	voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the
2	Board of Pharmacy.
3	
4	DATED:
5	MYRNA B. CORTEZ Respondent
6	
7	I have read and fully discussed with Myrna B. Cortez the terms and conditions and other
8	matters contained in the above Stipulated Settlement and Disciplinary Order. I approve its form
9	and content.
10	DATED:
11	NOAH JUSSIM Attorney for Respondent
12	
13	<u>ENDORSEMENT</u>
14	The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully
15	submitted for consideration by the Board of Pharmacy.
16	DATED: Bespectfully submitted
17	DATED: Respectfully submitted, ROB BONTA
18	Attorney General of California ARMANDO ZAMBRANO
19	Supervising Deputy Attorney General
20	
21	WILLIAM D. GARDNER
22	Deputy Attorney General Attorneys for Complainant
23	
24	
25	LA2019505204
26	65383821.docx
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	12 STIPULATED SETTLEMENT (6863)

voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the 1 Board of Pharmacy. 2 3 9/07/22 DATED: 4 B! CORTEZ MYRI 5 Respondent 6 I have read and fully discussed with Myrna B. Cortez the terms and conditions and other 7 matters contained in the above Stipulated Settlement and Disciplinary Order. I approve its form 8 9 and content. 10 DATED: 11 Attorney for Respondent 12 13 **ENDORSEMENT** The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully 14 15 submitted for consideration by the Board of Pharmacy. 16 Respectfully submitted, DATED: 17 **ROB BONTA** 18 Attorney General of California ARMANDO ZAMBRANO 19 Supervising Deputy Attorney General 20 21 WILLIAM D. GARDNER Deputy Attorney General 22 Attorneys for Complainant 23 24 25 LA2019505204 26 65383821.docx 27 28 12 STIPULATED SETTLEMENT (6863)

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2	Board of Pharmacy.
3	
4	DATED:
5	MYRNA B. CORTEZ Respondent
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7	I have read and fully discussed with Myrna B. Cortez the terms and conditions and other
8	matters contained in the above Stipulated Settlement and Disciplinary Order. I approve its form
9	and content.
10	DATED:
11	NOAH JUSSIM Attorney for Respondent
12	
13	<b>ENDORSEMENT</b>
14	The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully
15	submitted for consideration by the Board of Pharmacy.
16	DATED: 9/7/2022 Respectfully submitted,
17	Rob Bonta
18	Attorney General of California ARMANDO ZAMBRANO
19	Supervising Deputy Attorney General
20	hard
21	WILLIAM D. GARDNER
22	Deputy Attorney General Attorneys for Complainant
23	
24	
25	LA2019505204
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	12 STIPULATED SETTLEMENT (6863)

# Exhibit A

First Amended Accusation No. 6863

1	Rob Bonta	
2	Attorney General of California JAMES M. LEDAKIS	
3	Supervising Deputy Attorney General ARMANDO ZAMBRANO	
4	Supervising Deputy Attorney General WILLIAM D. GARDNER	
5	Deputy Attorney General State Bar No. 244817	
6	300 So. Spring Street, Suite 1702 Los Angeles, CA 90013	
7	Telephone: (213) 269-6292 Facsimile: (213) 897-2804 Attorneys for Complainant	
8	Allorneys for Complainani	
9	BEFOR BOARD OF P	
10	DEPARTMENT OF C	ONSUMER AFFAIRS
11	STATE OF C.	ALIFORNIA
12		
13	In the Matter of the Accusation Against:	Case No. 6863
14	GOOD HEALTH, INC. dba PREMIER	
15	PHARMACY SERVICES; STEPHEN E. SAMUEL, OWNER and CHIEF EXECUTIVE OFFICER	FIRST AMENDED ACCUSATION
16	410 Cloverleaf Drive Baldwin Park, CA 91706	
17 18	Permit No. PHY 53274	
18	and	
20	MYRNA B. CORTEZ	
20	3765 Mayfair Drive Pasadena, CA 91107	
22	Pharmacist License No. RPH 46795	
23	Respondents.	
24		I
25	PAR	TIES
26		
27		s this Accusation solely in her official capacity
28	as the Executive Officer of the Board of Pharmac	-
		1 NC. dba PREMIER PHARMACY SERVICES, et al.)
	,	FIRST AMENDED ACCUSATION

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1	2. On or about January 23, 2015, the Board of Pharmacy issued Permit Number PHY
2	53274 to Good Health, Inc. dba Premier Pharmacy Services; Stephen E. Samuel, owner and chief
3	executive officer (Respondent Pharmacy). The Permit was in full force and effect at all times
4	relevant to the charges brought herein and will expire on January 1, 2022, unless renewed.
5	3. On or about November 22, 1993, the Board of Pharmacy issued Pharmacist License
6	Number RPH 46795 to Myrna B. Cortez (Respondent Cortez). The Pharmacist License was in
7	full force and effect at all times relevant to the charges brought herein and will expire on August
8	30, 2021, unless renewed. Respondent Cortez was the designated pharmacist-in-charge of
9	Respondent Pharmacy at all times relevant to the charges brought herein.
10	JURISDICTION
11	4. This Accusation is brought before the Board of Pharmacy (Board), Department of
12	Consumer Affairs, under the authority of the following laws.
13	5. Section 4011 of the Business and Professions Code (BPC) states that the Board shall
14	administer and enforce the California Pharmacy Law (Division 2 of the BPC, commencing with
15	Section 4000) and the Uniform Controlled Substances Act (Division 10 of the Health and Safety
16	code, commencing with Section 11000).
17	6. Section 4300, subdivision (a), of the BPC provides that "[e]very license issued may
18	be suspended or revoked."
19	7. Section 4300.1 of the BPC states:
20	"The expiration, cancellation, forfeiture, or suspension of a board-issued license by
21	operation of law or by order or decision of the board or a court of law, the placement of a license
22	on a retired status, or the voluntary surrender of a license by a licensee shall not deprive the board
23	of jurisdiction to commence or proceed with any investigation of, or action or disciplinary
24	proceeding against, the licensee or to render a decision suspending or revoking the license."
25	PERTINENT CALIFORNIA PHARMACY LAW STATUTES
26	8. Section 4113, subdivision (c), of the BPC states that "[t]he pharmacist-in-charge
27	shall be responsible for a pharmacy's compliance with all state and federal laws and regulations
28	pertaining to the practice of pharmacy."
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1	9. Section 4301 of the BPC states:
2	"The board shall take action against any holder of a license who is guilty of unprofessional
3	conduct or whose license has been issued by mistake. Unprofessional conduct shall include, but is
4	not limited to, any of the following:
5	
6	"(j) The violation of any of the statutes of this state, of any other state, or of the United
7	States regulating controlled substances and dangerous drugs."
8	
9	"(o) Violating or attempting to violate, directly or indirectly, or assisting in or abetting the
10	violation of or conspiring to violate any provision or term of this chapter or of the applicable
11	federal and state laws and regulations governing pharmacy, including regulations established by
12	the board or by any other state or federal regulatory agency.
13	
14	10. Section 4307, subdivision (a), of the BPC states:
15	Any person who has been denied a license or whose license has been revoked or is
16	under suspension, or who has failed to renew his or her license while it was under suspension, or
17	who has been a manager, administrator, owner member, officer, director, associate, or partner of
18	any partnership, corporation, firm, or association whose application for a license has been denied
19	or revoked, is under suspension or has been placed on probation, and while acting as the manger,
20	administrator, owner, member, officer, director, associate, or partner had knowledge or
21	knowingly participated in any conduct for which the license was denied, revoked, suspended, or
22	placed on probation, shall be prohibited from serving as a manger, administrator, owner, member,
23	officer, director, associate, or partner of a licensee as follows:
24	(1) Where a probationary license is issued or where an existing license is placed on
25	probation, this prohibition shall remain in effect for a period not to exceed five years.
26	(2) Where the license is denied or revoked, the prohibition shall continue until the
27	license is issued or reinstated.
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	<b>GOOD HEALTH, INC. dba PREMIER PHARMACY SERVICES, et al.</b> )
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#### 11. Section 4081 of the Code states:

"(a) All records of manufacture and of sale, acquisition, or disposition of dangerous drugs 2 or dangerous devices shall be at all times during business hours open to inspection by authorized 3 officers of the law, and shall be preserved for at least three years from the date of making. A 4 current inventory shall be kept by every manufacturer, wholesaler, pharmacy, veterinary 5 food-animal drug retailer, physician, dentist, podiatrist, veterinarian, laboratory, clinic, hospital, 6 institution, or establishment holding a currently valid and unrevoked certificate, license, permit, 7 8 registration, or exemption under Division 2 (commencing with Section 1200) of the Health and 9 Safety Code or under Part 4 (commencing with Section 16000) of Division 9 of the Welfare and 10 Institutions Code who maintains a stock of dangerous drugs or dangerous devices. (b) The owner, officer, and partner of any pharmacy, wholesaler, or veterinary food-animal 11 drug retailer shall be jointly responsible, with the pharmacist-in-charge or representative-in-12 charge, for maintaining the records and inventory described in this section. 13 12. Section 4105 of the Code states, in pertinent part: 14 "(a) All records or other documentation of the acquisition and disposition of dangerous 15 drugs and dangerous devices by any entity licensed by the board shall be retained on the licensed 16 premises in a readily retrievable form. 17 18 "(c) The records required by this section shall be retained on the licensed premises for a 19 period of three years from the date of making. 20 21 . . . . Section 4059.5, subdivision (a), of the Code states: 13. 22 "Except as otherwise provided in this chapter, dangerous drugs or dangerous devices may 23 24 only be ordered by an entity licensed by the board and shall be delivered to the licensed premises and signed for and received by a pharmacist. Where a licensee is permitted to operate through a 25 designated representative, or in the case of a reverse distributor a designated representative-26 reverse distributor, that individual shall sign for and receive the delivery." 27 28 /// Δ

1	14. Section 4160, subdivision (a), of the Code states:
2	"A person shall not act as a wholesaler or third-party logistics provider of any dangerous
3	drug or dangerous device unless he or she has obtained a license from the board."
4	15. Section 4169 of the Code states, in pertinent part:
5	"(a) A person or entity shall not do any of the following:
6	(1) Purchase, trade, sell, warehouse, distribute, or transfer dangerous drugs or dangerous
7	devices at wholesale with a person or entity that is not licensed with the board as a wholesaler,
8	third-party logistics provider, or pharmacy."
9	UNIFORM CONTROLLED SUBSTANCES ACT PROVISIONS
10	16. Section 11208 of the Health and Safety Code (HSC) provides:
11	"In a prosecution under this division, proof that a defendant received or has had in his
12	possession at any time a greater amount of controlled substances than is accounted for by any
13	record required by law or that the amount of controlled substances possessed by the defendant is a
14	lesser amount than is accounted for by any record required by law is prima facie evidence of
15	guilt."
16	17. Section 11209, subdivision (a), of the HSC provides in pertinent part:
17	"No person shall deliver Schedule II, III, or IV controlled substances to a pharmacy or
18	pharmacy receiving area, nor shall any person receive controlled substances on behalf of a
19	pharmacy unless, at the time of delivery, a pharmacist or authorized receiving personnel signs a
20	receipt showing the type and quantity of the controlled substances received."
21	18. Section 111255 of the Health and Safety Code provides:
22	"Any drug or device is adulterated if it has been produced, prepared, packed, or held under
23	conditions whereby it may have been contaminated with filth, or whereby it may have been
24	rendered injurious to health."
25	19. Section 111295 of the Health and Safety Code provides:
26	"It is unlawful for any person to manufacture, sell, deliver, hold, or offer for sale any drug
27	or device that is adulterated."
28	///
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1	20. Section 111305 of the Health and Safety Code provides:
2	"It is unlawful for any person to receive in commerce any drug or device that is adulterated
3	or to deliver or proffer for delivery any drug or device."
4	21. Section 111330 of the of the Health and Safety Code provides:
5	"Any drug or device is misbranded if its labeling is false or misleading in any particular."
6	22. Section 111340, subdivision (b), provides that a drug is misbranded unless it bears a
7	label containing "[a]n accurate statement of the quantity of the contents in terms of weight,
8	measure, or numerical count."
9	23. Section 111390 of the Health and Safety Code provides:
10	"Any drug or device is misbranded if its container is so made, formed, or filled as to be
11	misleading."
12	24. Section 111395, subdivision (c) of the Health and Safety Code provides that a drug is
13	misbranded if "[t]he contents of the original package have been, wholly or partly, removed and
14	replaced with other material in the package."
15	25. Section 111440 of the Health and Safety Code provides:
16	"It is unlawful for any person to manufacture, sell, deliver, hold, or offer for sale any drug
17	or device that is misbranded."
18	PERTINENT STATE AND FEDERAL REGULATIONS
19	26. California Code of Regulations, title 16, section 1714, subdivision (b), states:
20	"Each pharmacy licensed by the board shall maintain its facilities, space, fixtures, and
21	equipment so that drugs are safely and properly prepared, maintained, secured and distributed.
22	The pharmacy shall be of sufficient size and unobstructed area to accommodate the safe practice
23	of pharmacy."
24	27. California Code of Regulations, title 22, section 72371, subdivision (c), states in
25	pertinent part:
26	"Patient's drugs supplied by prescription which have been discontinued and those which
27	remain in the facility after discharge of the patient shall be destroyed by the facility in the
28	following manner:
	6
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1	"(1) Drugs listed in Schedules II, III or IV of the Federal Comprehensive Drug Abuse
2	Prevention and Control Act of 1970 shall be destroyed by the facility in the presence of a
3	pharmacist and a registered nurse employed by the facility. The name of the patient, the name and
4	strength of the drug, the prescription number, the amount destroyed, the date of destruction and
5	the signatures of the witnesses required above shall be recorded in the patient's health record or in
6	a separate log. Such log shall be retained for at least three years."
7	28. Code of Federal Regulations, title 21, section 1317.40, subdivision (a), states:
8	"Manufacturers, distributors, reverse distributors, narcotic treatment programs,
9	hospitals/clinics with an on-site pharmacy, and retail pharmacies that desire to be collectors shall
10	modify their registration to obtain authorization to be a collector in accordance with § 1301.51 of
11	this chapter. Authorization to be a collector is subject to renewal. If a registrant that is authorized
12	to collect ceases activities as a collector, such registrant shall notify the Administration in
13	accordance with § 1301.52(f) of this chapter."
14	DANGEROUS DRUGS & CONTROLLED SUBSTANCES
15	29. Alprazolam is a benzodiazepine used to treat anxiety disorders. It is a schedule IV
16	controlled substance and is classified as a dangerous drug pursuant to BPC section 4022.
17	30. Diethylpropion is a stimulant prescribed for appetite suppression. It is a schedule IV
18	controlled substance and is classified as a dangerous drug pursuant to BPC section 4022.
19	31. Hydromorphone is an opioid used for pain relief. It is a schedule II controlled
20	substance and is classified as a dangerous drug pursuant to BPC section 4022.
21	32. Meperidine is an opioid used for pain relief. It is a schedule II controlled substance
22	and is classified as a dangerous drug pursuant to BPC section 4022.
23	33. Morphine sulfate is an opioid used for pain relief. It is a schedule II controlled
24	substance and is classified as a dangerous drug pursuant to BPC section 4022.
25	34. Oxycodone with acetaminophen is an opioid used for pain relief. It is a schedule II
26	controlled substance and is classified as a dangerous drug pursuant to BPC section 4022.
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35. Tramadol 37.5 mg/acetaminophen 325 mg (brand name "Ultracet") is an opioid 1 2 analgesic prescribed for pain relief. It is a schedule IV controlled substance and is classified as a dangerous drug pursuant to BPC section 4022. 3 36. The following pharmaceuticals are classified as dangerous drugs pursuant to BPC 4 section 4022: Abilify; Atripla; Depakote DR; Depakote ER; Diovan; Escitalopram; Fosrenol; 5 Glyburide; Guanfacine; Harvoni; Hydrocortisone; Invega Sustenna; Ketorolac; Lamotrigine; 6 Latuda; Lexapro; Paliperidone; Pioglitazone; Prandin; Prezista; Pyrazinamide; Sovaldi; Stribild; 7 Tranylcypromine; Truvada; and Valsartan. 8 9 COST RECOVERY Section 125.3 of the BPC states, in pertinent part, that the Board may request the 37. 10 administrative law judge to direct a licentiate found to have committed a violation or violations of 11

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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#### FACTUAL BACKGROUND: GENERIC ULTRACET TABLETS

On August 16, 2018, the Board received a complaint from the Department of Health 38. 15 Care Services (DHCS) regarding Respondent Pharmacy's sale of more than 120,000 generic 16 Ultracet tablets (i.e., tramadol 37.5 mg/acetaminophen 325 mg) to a medical practice called 17 Beautologie Cosmetic Surgery and Med Spa (Beautologie). Beautologie is not licensed to 18 19 operate as a pharmacy, but its physicians are permitted to dispense prescription medications to patients for "office use" only. Because Beautologie is not licensed to operate as a pharmacy, the 2021 DHCS complaint expressed concerns about the large amounts of generic Ultracet being sold by Respondent Pharmacy to Beautologie for purported "office use" by its patients. 22

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39. In conducting an investigation into the DHCS complaint, a Board investigator obtained and analyzed pertinent records and information from Respondent Pharmacy and its wholesalers in order to perform an audit related to Respondent Pharmacy's acquisition and

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1	dispensing of all generic Ultracet tablets from April 18, 2015, to December 11, 2018. <sup>1</sup>
2	Acquisition and dispensing records received from Respondent Pharmacy in preparation for the
3	audit were accompanied by verifications of accuracy signed by Respondent Pharmacy's owner
4	and Respondent Cortez. The audit revealed that Respondent Pharmacy could not account for its
5	acquisition of more than 15,000 generic Ultracet tablets over the audited time period.
6	Specifically, the audit showed that as of April 18, 2015, Respondent Pharmacy had an inventory
7	of 37 generic Ultracet tablets and that it acquired a total of 192,400 additional generic Ultracet
8	tablets between April 18, 2015 and December 11, 2018. Therefore, Respondent Pharmacy's
9	documentable gross inventory of generic Ultracet tablets during the audited time period was
10	192,437.
11	40. Over that same period of time, however, Respondent Pharmacy dispensed a total
12	of 203,799 generic Ultracet tablets (mostly to Beautologie for purported "office use"), returned
13	another 446 tablets via reverse distributors and, as of December 11, 2018, held an additional
14	3,338 tablets in its inventory. Therefore, Respondent Pharmacy's actual gross inventory of
15	generic Ultracet tablets during the audited time period was 207,583. Accordingly, Respondent
16	Pharmacy's records failed to account for its acquisition of more than 15,000 generic Ultracet
17	tablets that were taken into its inventory between April 18, 2015, and December 11, 2018.
18	FIRST CAUSE FOR DISCIPLINE
19	(Violation of Pharmacy Law: Acquisition Records)
20	41. Respondent Pharmacy and Respondent Cortez are subject to disciplinary action under
21	BPC section 4301, subdivision (o), in conjunction with BPC sections 4113, subdivision (c), 4081
22	and 4105, in that Respondents failed to maintain acquisition records related to thousands of
23	generic Ultracet tablets. Complainant refers to, and by this reference incorporates, the allegations
24	set forth above in paragraphs 38 through 40, inclusive, as though set forth fully herein.
25	///
26	///
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28	<sup>1</sup> Respondent Pharmacy did not acquire, dispense or possess any brand name Ultracet during the relevant time period.
	9 (GOOD HEALTH, INC. dba PREMIER PHARMACY SERVICES, et al.)
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1	SECOND CAUSE FOR DISCIPLINE
2	(Violation of Uniform Controlled Substance Act: Acquisition Records)
3	42. Respondent Pharmacy and Respondent Cortez are subject to disciplinary action under
4	BPC section 4301, subdivision (j), in conjunction with BPC section 4113, subdivision (c), and
5	HSC sections 11208 and 11209, in that Respondents received controlled substances without
6	having a pharmacist or authorized receiving personnel sign a receipt showing the type and
7	quantity of the controlled substances received with respect to thousands of generic Ultracet
8	tablets. Complainant refers to, and by this reference incorporates, the allegations set forth above
9	in paragraphs 38 through 40, inclusive, as though set forth fully herein.
10	THIRD CAUSE FOR DISCIPLINE
11	(Violation of Pharmacy Law: Operational Standards)
12	43. Respondent Pharmacy and Respondent Cortez are subject to disciplinary action under
13	section 4301, subdivision (o), in conjunction with section California Code of Regulations, title
14	16, section 1714, in that Respondents failed maintain Respondent Pharmacy's facilities, space,
15	fixtures, and equipment such that drugs were safely and properly maintained, secured and
16	distributed as evidenced by the vast discrepancies between its in-stock inventory and the
17	inventory denoted by its acquisition and dispensing records. Complainant refers to, and by this
18	reference incorporates, the allegations set forth above in paragraphs 38 through 40, inclusive, as
19	though set forth fully herein.
20	FACTUAL BACKGROUND: INSPECTION ON JUNE 7, 2017
21	44. On June 7, 2017, a Board inspector, joined by a Department of Health Care Services
22	(DHCS) investigation team, conducted an inspection of Respondent Pharmacy. Respondent
23	Cortez was present for the inspection as was Respondent Pharmacy's manager of business
24	operations. During the course of the inspection, the Board inspector performed a spot check of
25	Respondent Pharmacy's active drug shelves which revealed a number of violations of law
26	involving misbranded and adulterated drugs. Specifically, the Board inspector documented
27	multiple instances in which the contents of original manufacturer containers had been wholly or
28	///
	10 (GOOD HEALTH, INC. dba PREMIER PHARMACY SERVICES, et al.) FIRST AMENDED ACCUSATION

1	partly replaced with other material, some of which differed in strength, quality and/or purity from
2	what was represented on the original manufacturer containers.
3	45. The instances of misbranded pharmaceuticals found on Respondent Pharmacy's
4	active drug shelves, as documented by the Board inspector, were as follows:
5	• an open 30-tablet manufacturer bottle of Paliperidone 1.5 mg was found to contain 51
6	tablets;
7	• an open 100-tablet manufacturer bottle of Ketorolac 100 mg was found to contain 177
8	tablets;
9	• another open 100-tablet manufacturer bottle of Ketorolac 100 mg was found to contain
10	214 tablets;
11	• an open 100-tablet manufacturer bottle of Tranylcypromine 10 mg was found to contain
12	174 tablets;
13	• an open 100-tablet manufacturer bottle of Pyrazinamide 500 mg was found to contain
14	164 whole tablets and 49 cut/partial tablets (partial tablets also adulterated);
15	• another open 100-tablet manufacturer bottle of Pyrazinamide 500 mg was found to
16	contain 180 whole tablets and 14.5 cut/partial tablets (partial tablets also adulterated;
17	• an open 90-tablet manufacturer bottle of Pioglitazone 45 mg was found to contain 241
18	tablets;
19	• an open 100-tablet manufacturer bottle of Prandin 2 mg was found to contain 221
20	tablets;
21	• another open 100-tablet manufacturer bottle of Prandin 2 mg was found to contain 164
22	tablets;
23	• an open 90-tablet manufacturer bottle of Pioglitazone 30 mg was found to contain 241
24	tablets;
25	• an open 90-tablet manufacturer bottle of Pioglitazone 15 mg was found to contain 300
26	tablets;
27	• an open 100-tablet manufacturer bottle of Depakote DR 500 mg was found to contain
28	125 tablets;
	11 (GOOD HEALTH, INC. dba PREMIER PHARMACY SERVICES, et al.)
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1	• an open 100-tablet manufacturer bottle of Diethylpropion 75 mg was found to contain	
2	131 tablets;	
3	• an open 100-tablet manufacturer bottle of Depakote ER 500 mg was found to contain	
4	121 tablets;	
5	• another open 100-tablet manufacturer bottle of Depakote ER 500 mg was found to	
6	contain 115 tablets.	
7	46. The instances of adulterated pharmaceuticals found on Respondent Pharmacy's activ	e
8	drug shelves, as documented by the Board inspector, were as follows:	
9	• cut/partial tablets found in open manufacturer container of Guanfacine 2 mg tablets;	
10	• cut/partial tablets found in open manufacturer container of Hydrocortisone 10 mg	
11	tablets;	
12	• cut/partial tablets found in open manufacturer container of Valsartan 80 mg tablets;	
13	• cut/partial tablets found in open manufacturer container of Abilify 10 mg tablets;	
14	• cut/partial tablets found in open manufacturer container of Escitalopram 5 mg tablets;	
15	• cut/partial tablets found in open manufacturer container of Lexapro 20 mg tablets;	
16	• cut/partial tablets found in open manufacturer container of Diovan 40 mg tablets;	
17	• cut/partial tablets found in open manufacturer container of Lamotrigine 100 mg tablets;	,
18	• cut/partial tablets found in another open manufacturer container of Lamotrigine 100 mg	5
19	tablets;	
20	• cut/partial tablets found in open manufacturer container of Fosrenol 500 mg tablets;	
21	• cut/partial tablets found in open manufacturer container of Abilify 5 mg tablets;	
22	• cut/partial tablets found in open manufacturer container of Latuda 60mg tablets;	
23	• cut/partial tablets found in open manufacturer container of Glyburide 5 mg tablets;	
24	• cut/partial tablets found in open manufacturer container of Alprazolam 2 mg tablets;	
25	• cut/partial tablets found in open manufacturer container of Glyburide 2.5 mg tablets.	
26	47. The Board inspector also conducted an audit related to Respondent Pharmacy's	
27	acquisition and dispensing of the following eight (8) high-priced medications: (1) Harvoni, a	
28	hepatitis C medication; (2) Depakote ER, an anticonvulsive medication; (3) Sovaldi, a hepatitis C	2
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1	medication; (4) Stribild, an HIV/AIDS medication; (5) Atripla, an HIV/AIDS medication; (6)
2	Invega Sustenna, an injectable medication used for treatment of schizophrenia; (7) Prezista, an
3	HIV medication; and (8) Truvada, an HIV medication. In performing the audit, the inspector
4	obtained and analyzed a variety of documents including Respondent Pharmacy's inventory,
5	acquisition and dispensing records as well as records from pharmaceutical wholesalers and
6	reverse distributors.
7	48. The Board's audit revealed large variances between the amount of those
8	pharmaceutical medications that should have been in Respondent Pharmacy's inventory and the
9	amount that was actually present (or missing) from its inventory. Specifically, the audit showed
10	the following:
11	• Respondent Pharmacy was short in its inventory of Harvoni 90 mg/400 mg tablets by
12	9,260 tablets;
13	• Respondent Pharmacy was short in its inventory of Depakote ER 500 mg by 1,998
14	tablets; <sup>2</sup>
15	• Respondent was short in its inventory of Sovaldi 400 mg tablets by 1,617 tablets;
16	• Respondent Pharmacy was short in its inventory of Stribild 150 mg/200 mg/300 mg
17	tablets by 477 tablets;
18	• Respondent Pharmacy had no records to account for its acquisition of 3,831 Truvada
19	200 mg/300 mg tablets;
20	• Respondent Pharmacy had no records to account for its acquisition of 1,549 Prezista
21	800 mg tablets;
22	• Respondent Pharmacy had no records to account for its acquisition of 162 Atripla 600
23	mg tablets; and
24	• Respondent Pharmacy had no records to account for its acquisition of 8 Invega
25	Sustenna 156 mg syringes.
26	///
27	<sup>2</sup> This figure takes into account additional dispensing history records that were provided to
28	the Board after an audit was performed and a written notice of violation was issued. 13
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1	49. Respondent Pharmacy is not registered with the Drug Enforcement Administration as
2	a collection site for drug take-back services. During the inspection conducted on June 7, 2017,
3	the Board inspector identified a "CII Narcotic Emergency Box" (i.e., "E-kit") containing a variety
4	of controlled substances that Respondent Pharmacy had unlawfully accepted as a return from a
5	skilled nursing facility. The E-kit was stored inside a locked cabinet with other controlled
6	substances but was not quarantined. The controlled substances contained in the E-kit included 6
7	tablets of morphine sulfate IR 15 mg, 3 vials of morphine sulfate injections 10 mg/ml, 3 vials of
8	hydromorphone injections 2 mg/ml, and 3 vials of meperidine HCL injections 50 mg/ml.
9	FOURTH CAUSE FOR DISCIPLINE
10	(Misbranded Drugs)
11	50. Respondent Pharmacy and Respondent Cortez are subject to disciplinary action under
12	section 4301, subdivision (j), in conjunction with Health and Safety Code sections 111330,
13	111340, subdivision (b), 111390, 111395, subdivision (c), and 111440 in that Respondents held
14	and/or offered for sale misbranded drugs. Complainant refers to, and by this reference
15	incorporates, the allegations set forth above in paragraphs 44 and 49, inclusive, as though set
16	forth fully herein.
17	FIFTH CAUSE FOR DISCIPLINE
18	(Adulterated Drugs)
19	51. Respondent Pharmacy and Respondent Cortez are subject to disciplinary action under
20	section 4301, subdivision (j), in conjunction with section 4113, subdivision (c), and Health and
21	Safety Code sections 111255, 111295 and 111305 in that Respondents held or offered adulterated
22	drugs for sale. Complainant refers to, and by this reference incorporates, the allegations set forth
23	above in paragraphs 44 through 49, inclusive, as though set forth fully herein.
24	SIXTH CAUSE FOR DISCIPLINE
25	(Violation of Pharmacy Law: Acquisition & Disposition Records)
26	52. Respondent Pharmacy and Respondent Cortez are subject to disciplinary action under
27	section 4301, subdivision (o), in conjunction with section 4081 and section 4105 in that
28	Respondents failed to maintain acquisition, sale and/or disposition records related to certain
	<u>14</u>
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1	dangerous drugs in its inventory. Complainant refers to, and by this reference incorporates, the
2	allegations set forth above in paragraphs 44 through 49, inclusive, as though set forth fully herein.
3	SEVENTH CAUSE FOR DISCIPLINE
4	(Violation of Pharmacy Law: Operational Standards)
5	53. Respondent Pharmacy and Respondent Cortez are subject to disciplinary action under
6	section 4301, subdivision (o), in conjunction with section California Code of Regulations, title
7	16, section 1714, in that Respondents failed maintain Respondent Pharmacy's facilities, space,
8	fixtures, and equipment such that drugs were safely and properly maintained, secured and
9	distributed as evidenced by the container overfills, cut/partial tablets and vast discrepancies
10	between its in-stock inventory and the inventory denoted by its acquisition and dispensing
11	records. Complainant refers to, and by this reference incorporates, the allegations set forth above
12	in paragraphs 44 through 49, inclusive, as though set forth fully herein.
13	EIGHTH CAUSE FOR DISCIPLINE
14	(Violation of Laws Regulating Controlled Substances)
15	54. Respondent Pharmacy and Respondent Cortez are subject to disciplinary action under
16	section 4301, subdivision (j), in conjunction with California Code of Regulations, title 22, section
17	72371, subdivision (c)(1), and Code of Federal Regulations, title 21, section 1317.40,
18	subdivision (a). Complainant refers to, and by this reference incorporates, the allegations set
19	forth above in paragraphs 44 and 49, inclusive, as though set forth fully herein.
20	FACTUAL BACKGROUND: OUT-OF-STATE DISCIPLINE
21	55. On November 2, 2018, Respondent Pharmacy was disciplined by the Arizona Board
22	of Pharmacy for violating Arizona state law. At that time, Respondent Pharmacy held a non-
23	resident pharmacy permit issued by the State of Arizona. The non-resident pharmacy permit
24	authorized Respondent Pharmacy to join with a licensed Arizona pharmacy to provide "shared
25	services" to Arizona consumers, provided that Respondent Pharmacy complied with applicable
26	provisions of Arizona pharmacy law. Respondent Pharmacy joined with a pharmacy in Tempe,
27	Arizona, called Valley Med Pharmacy to provide shared services to Arizona consumers, but in
28	doing so, Respondent Pharmacy failed to comply with applicable Arizona pharmacy law. As a
	15 (GOOD HEALTH, INC. dba PREMIER PHARMACY SERVICES, et al.)
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1	result, the Arizona Board of Pharmacy filed Board Complaint No. 18-0016 against Respondent
2	Pharmacy, alleging unprofessional conduct due to Respondent Pharmacy's violation of Arizona
3	Administrative Code R4-23-621, which regulates shared services. Respondent entered into a
4	Consent Agreement with the Arizona Board of Pharmacy on November 2, 2018, pursuant to
5	which it agreed to pay a \$9,000.00 fine for these violations.
6	NINTH CAUSE FOR DISCIPLINE
7	(Violation of Arizona Pharmacy Law)
8	56. Respondent Pharmacy is subject to disciplinary action under BPC section 4301,
9	subdivision (o), in that Respondent violated Arizona state laws governing pharmacy.
10	Complainant refers to, and by this reference incorporates, the allegations set forth above in
11	paragraph 55 inclusive, as though set forth fully herein.
12	FACTUAL BACKGROUND: MISLABELED PRESCRIPTIONS
13	57. In August 2018, the Board received a complaint from the California Department of
14	Public Health (CDPH) regarding the possible diversion of Schedule II controlled substances such
15	as oxycodone at Respondent Pharmacy through the use of mislabeled "CII medication cards"
16	(i.e., punch-out bubble packs). Specifically, the CDPH complaint informed the Board that a
17	skilled nursing facility had discovered that in multiple instances the CII medication cards
18	provided by Respondent Pharmacy did not actually contain the schedule II narcotics identified on
19	the prescription labels but instead contained other non-Schedule II drugs medications such a
20	lorazepam, a Schedule IV drug. In each instance, underneath the prescription label of the
21	purported CII medication card was another prescription label that identified the non-CII drug that
22	was actually found in the medication card.
23	58. Ultimately, the Board was unable to determine whether the intentional mislabeling of
24	the CII medication cards and the diversion of the Schedule II narcotics had taken place at
25	Respondent Pharmacy or at the skilled nursing facility. During the course of its investigation,
26	however, the Board found that Respondent Pharmacy had failed to comply with applicable
27	labeling requirements required with respect to several of the prescriptions at issue. Specifically,
28	with regard to the prescription labels for the following oxycodone with acetaminophen
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	(GOOD HEALTH, INC. dba PREMIER PHARMACY SERVICES, et al.) FIRST AMENDED ACCUSATION

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1	prescriptions, Respondent Pharmacy failed to include all of the identification codes appearing on
2	the tablets or capsules as required by Business and Professions Code section 4076, subdivision
3	(a)(11)(A): Prescription Number 2155882; Prescription Number 2140713; Prescription Number
4	2142840; Prescription Number 2145158; and Prescription Number 2139551.
5	TENTH CAUSE FOR DISCIPLINE
6	(Violation of Prescription Labeling Requirements)
7	59. Respondent Pharmacy and Respondent Cortez are subject to disciplinary action under
8	section 4301, subdivision (o), in conjunction with Business and Professions Code section 4076,
9	subdivision (a)(11)(A) in that Respondents failed to comply with applicable prescription labeling
10	requirements. Complainant refers to, and by this reference incorporates, the allegations set forth
11	above in paragraphs 57 and 58, inclusive, as though set forth fully herein.
12	FACTUAL BACKGROUND: UNLICENSED WHOLESALER/ADULTERATED DRUGS
13	60. In September 2020, the Board received correspondence from an attorney for
14	Respondent Pharmacy indicting that the pharmacy had purchased nearly 6 million dollars' worth
15	of HIV medications from an unlicensed wholesaler and had dispensed a significant amount of
16	those medications to patients before learning of the issue. According to Respondent Pharmacy, it
17	was duped into believing that a certain individual, T.L., was an employee of licensed wholesaler
18	Greenhill Trading, Inc. (Greenhill), when in reality, T.L. had no association with Greenhill, which
19	is based in New York.
20	61. Respondent Pharmacy was in need of a new wholesaler to provide HIV medications
21	because one of the wholesalers that it had been using had stopped shipping certain medications.
22	T.L., representing himself as an employee of Greenhill, offered to provide the HIV medications to
23	Respondent Pharmacy at a discount. For example, one of the highest quantity drugs to be
24	purchased by Respondent Pharmacy, Descovy 30 mg, was to be sold at a price 7% below what it
25	had been paying. Other high volume HIV drugs, including Truvada 200/300 mg and Biktarvy
26	50/200/250 mg, were also to be sold at a discount of 7% below what Respondent Pharmacy
27	would have had to pay if it purchased the drugs from McKesson, a prominent international
28	wholesaler also used by Respondent Pharmacy.
	(GOOD HEALTH, INC. dba PREMIER PHARMACY SERVICES, et al.) FIRST AMENDED ACCUSATION

62. Between August 19, 2020, and September 14, 2020, Respondent Pharmacy made 1 seventeen (17) separate purchases from T.L. for a variety of high-priced HIV medications. T.L. 2 required that all purchases be paid for by check rather than wire transfer or other form of 3 payment. He also required that each invoice be paid for separately and that no one check be 4 written for an amount in excess of \$500,000. As a result of these unusual requirements, there 5 were several examples of multiple invoices being issued for the same dates of purchase. For 6 example, on September 8, 2020, T.L. issued four (4) separate invoices for purchases totaling 7 nearly \$1.4 million, but because of T.L.'s form of payment requirements, Respondent Pharmacy 8 had to cut four (4) separate checks to pay the invoices, which ranged in value from \$215,510.94 9 to \$397,932.00. 10

63. Most of the seventeen (17) checks were picked up at Respondent Pharmacy by 11 courier. Respondent Pharmacy generally included both Greenhill's name and address on the 12 checks; however, at some point someone working with T.L. who identified himself as a Greenhill 13 14 salesman named "Brian", asked that a check be issued without Greenhill's address. According to Brian, Greenhill was having issues with its scanner and somehow it would be easier if there were 15 no address on the check. The check issued without Greenhill's address was drafted in the amount 16 of \$91,160.60. On or about September 16, 2020, Respondent Pharmacy was notified by a check 17 cashing business in Miami, Florida, that someone was attempting to cash the check at their store. 18 At this point, Respondent Pharmacy put a stop payment on the check and began to investigate its 19 dealings with T.L. 20

21 64. Ultimately, Respondent Pharmacy determined that T.L. was not actually associated with Greenhill and that it had been purchasing the HIV medications from an unlicensed 22 wholesaler. Respondent Pharmacy also determined that the pedigree/chain of custody documents 23 24 for the purchased medications, which indicated that the medications had been shipped from the manufacturers to a wholesaler named CaribeRx before being shipped to Greenhill and then to 25 Respondent Pharmacy, had been falsified. By this point, however, Respondent Pharmacy had 26 already filled numerous prescriptions with the adulterated medications. Specifically, it was 27 determined that between August 19, 2020 and September 14, 2020, Respondent Pharmacy had 28 18

1	obtained/purchased 2,870 adulterated medication packages from TL and had dispensed 1,414
2	adulterated prescriptions (totaling 43,470 tablets). Respondent Pharmacy sent out recall
3	notifications to the patients who had received the adulterated medications and provided
4	replacements with genuine product. The rest of the adulterated medications were embargoed and
5	taken out of circulation.
6	65. During its investigation, the Board obtained specific details regarding Respondent
7	Pharmacy's procedures for ordering and receiving dangerous drugs for its inventory. Among
8	other things, the Board learned that Respondent Pharmacy routinely permitted non-pharmacists to
9	sign for and receive shipments of dangerous drugs in violation of state law.
10	ELEVENTH CAUSE FOR DISCIPLINE
11	(Adulterated Drugs)
12	66. Respondent Pharmacy and Respondent Cortez are subject to disciplinary action under
13	section 4301, subdivision (j), in conjunction with Health and Safety Code sections 111295 and
14	111305 in that Respondents received in commerce and sold, offered for sale, held and/or
15	delivered adulterated drugs. Complainant refers to, and by this reference incorporates, the
16	allegations set forth above in paragraphs 60 through 65, inclusive, as though set forth fully herein.
17	TWELFTH CAUSE FOR DISCIPLINE
18	(Prohibited Acts: Use of Unlicensed Wholesaler)
19	67. Respondent Pharmacy and Respondent Cortez are subject to disciplinary action under
20	section 4301, subdivision (o), in conjunction with Business and Professions Code section 4169,
21	subdivision (a), and section 4160, subdivision (a), in that Respondents purchased dangerous drugs
22	at wholesale from a person or entity that was not licensed by the Board as a wholesaler, third-
23	party logistics provider or pharmacy. Complainant refers to, and by this reference incorporates,
24	the allegations set forth above in paragraphs 60 through 65, inclusive, as though set forth fully
25	herein.
26	///
27	///
28	///
	19 (GOOD HEALTH, INC. dba PREMIER PHARMACY SERVICES, et al.)
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1	THIRTEENTH CAUSE FOR DISCIPLINE
2	(Drug Delivery Received by Non-Pharmacist)
3	68. Respondent Pharmacy and Respondent Cortez are subject to disciplinary action under
4	section 4301, subdivisions (j), in conjunction with Business and Professions Code section 4059.5,
5	subdivision (a), in that Respondents knowingly allowed a non-pharmacist to receive and/or sign
6	for dangerous drug deliveries to Respondent Pharmacy. Complainant refers to, and by this
7	reference incorporates, the allegations set forth above in paragraphs 60 through 65, inclusive, as
8	though set forth fully herein.
9	FOURTEENTH CAUSE FOR DISCIPLINE
10	(Unprofessional Conduct)
11	69. Respondent Pharmacy and Respondent Cortez are subject to disciplinary action under
12	section 4301 in that Respondents engaged in unprofessional conduct. Complainant refers to, and
13	by this reference incorporates, the allegations set forth above in paragraphs 38 through 65,
14	inclusive, as though set forth fully herein.
15	OTHER MATTERS
16	70. Pursuant to Code section 4307, if discipline is imposed on Permit Number PHY
17	53274 issued to Good Health, Inc. dba Premier Pharmacy Services, Good Health, Inc. shall be
18	prohibited from serving as a manager, administrator, owner, member, officer, director, associate,
19	or partner of a licensee for five years if Pharmacy Permit Number PHY 53274 is placed on
20	probation or until Pharmacy Permit Number PHY 53274 is reinstated if it is revoked.
21	71. Pursuant to Code section 4307, if discipline is imposed on Permit Number PHY
22	53274 issued to Good Health, Inc. dba Premier Pharmacy Services, Stephen E. Samuel shall be
23	prohibited from serving as a manager, administrator, owner, member, officer, director, associate,
24	or partner of a licensee for five years if Permit Number PHY 53274 is placed on probation or
25	until Permit Number PHY 53274 is reinstated if it is revoked if, while acting as an owner, officer
26	and/or director of Good Health, Inc. dba Premier Pharmacy Services, Stephen E. Samuel had
27	knowledge or knowingly participated in any conduct for which Permit Number PHY 19454 is
28	disciplined.
	20 (GOOD HEALTH, INC. dba PREMIER PHARMACY SERVICES, et al.)
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1	72. Pursuant to Code section 4307, if discipline is imposed on Pharmacist License
2	Number RPH 46795 issued to Myrna B. Cortez, Myrna B. Cortez shall be prohibited from
3	serving as a manager, administrator, owner, member, officer, director, associate, or partner of a
4	licensee for five years if Pharmacist License Number RPH 46795 is placed on probation or until
5	Pharmacist License Number RPH 46795 is reinstated if it is revoked.
6	DISCIPLINE CONSIDERATIONS
7	73. To determine the degree of discipline, if any, to be imposed on Respondents,
8	Complainant alleges as follow:
9	a. On or about November 29, 2017, in a prior action, the Board of Pharmacy issued
10	Citation Number CI 2015 70531 to Respondent Pharmacy for violating California Code of
11	Regulations, title 16, section 1716. That citation is now final.
12	b. On or about August 29, 2016, in a prior action, the Board of Pharmacy issued
13	Modified Citation Number CI 2015 68185 to Respondent Pharmacy for violating BPC section
14	4301, subdivision (j), and California Code of Regulations, title 22, section 72371, subdivision (c).
15	The citation imposed a \$1,500.00 fine and is now final.
16	c. On or about May 22, 2017, in a prior action, the Board of Pharmacy issued Citation
17	Number CI 2016 75190 to Respondent Cortez for violating BPC section 4342, BPC section 4077
18	and California Code of Regulations, title 16, section 1793.7, subdivision (b). The citation
19	imposed a \$5,000.00 fine and is now final.
20	<u>PRAYER</u>
21	WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged,
22	and that following the hearing, the Board of Pharmacy issue a decision:
23	1. Revoking or suspending Permit Number PHY 53274 issued to Good Health, Inc. dba
24	Premier Pharmacy Services; Stephen E. Samuel, owner and chief executive officer;
25	2. Revoking or suspending Pharmacist License Number RPH 46795 issued to Myrna B.
26	Cortez;
27	3. Pursuant to Business and Professions Code section 4307, prohibiting Good Health,
28	Inc. from serving as a manager, administrator, owner, member, officer, director, associate, or
	21 (COOD HEALTH, INC. dbg DDEMIED DHADMACX SEDVICES, et al.)
	(GOOD HEALTH, INC. dba PREMIER PHARMACY SERVICES, et al.) FIRST AMENDED ACCUSATION

1	partner of any other licensee for five years if Pharmacy Permit Number PHY 53274 is placed on		
2	probation or until Pharmacy Permit Number PHY 53274 is reinstated if Pharmacy Permit Number		
3	PHY 53274 is revoked;		
4	4. Pursuant to Business and Professions Code section 4307, prohibiting Stephen E.		
5	Samuel from serving as a manager, administrator, owner, member, officer, director, associate, or		
6	partner of a licensee for five years if Pharmacy Permit Number PHY 53274 is placed on		
7	probation or until Pharmacy Permit Number PHY 53274 is reinstated if Pharmacy Permit		
8	Number PHY 53274 is revoked;		
9	5. Pursuant to Business and Professions Code section 4307, prohibiting Myrna B.		
10	Cortez from serving as a manager, administrator, owner, member, officer, director, associate, or		
11	partner of a licensee for five years if Pharmacist License Number RPH 46795 is placed on		
12	probation or until Pharmacist License Number RPH 46795 is reinstated if Pharmacist License		
13	Number RPH 46795 is revoked;		
14	6. Ordering Good Health, Inc. and Myrna B. Cortez to pay the Board of Pharmacy the		
15	reasonable costs of the investigation and enforcement of this case, pursuant to Business and		
16	Professions Code section 125.3; and		
17	7. Taking such other and further action as deemed necessary and proper.		
18			
19	DATED:	6/6/2021	Signature on File
20	DATED.		ANNE SODERGREN Executive Officer
21			Board of Pharmacy Department of Consumer Affairs
22			State of California Complainant
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	22 (GOOD HEALTH, INC. dba PREMIER PHARMACY SERVICES, et al.)		
			FIRST AMENDED ACCUSATION