

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

In the Matter of the Accusation Against:

**CURE PHARMACY CORP. dba JACKSON MEDICAL PHARMACY;
SRINIVAS REDDY KATPELLY, PRESIDENT, 100% SHAREHOLDER,
PHARMACIST-IN-CHARGE
Original Permit No. PHY 50147;**

and

**SRINIVAS REDDY KATPELLY,
Original Pharmacist License No. RPH 58166,**

Respondents.

Agency Case No. 7054

OAH No. 2021040242

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 17, 2021.

It is so ORDERED on October 18, 2021.

BOARD OF PHARMACY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA

By

A handwritten signature in black ink, appearing to read "Seung W. Oh". The signature is written in a cursive style with a large, sweeping initial "S".

Seung W. Oh, Pharm.D.
Board President

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Attorney General of California
2 CHAR SACHSON
Supervising Deputy Attorney General
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7

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

12 In the Matter of the Accusation Against:
13 **CURE PHARMACY CORP.**
14 **dba JACKSON MEDICAL PHARMACY**
15 **Srinivas Reddy Katpelly, President, 100%**
16 **Shareholder, Pharmacist-in-Charge**
266 N. Jackson Ave. #8
San Jose, CA 95116
17 **Original Permit No. PHY 50147,**
18 **SRINIVAS REDDY KATPELLY**
121 Tunstead Ave.
19 **San Anselmo, CA 94960**
20 **Original Pharmacist License No. RPH**
58166,

21 Respondents.
22

Case No. 7054
OAH No. 2021040242

**STIPULATED SETTLEMENT AND
DISCIPLINARY ORDER**

23
24 IT IS STIPULATED AND AGREED by and between the parties to these proceedings that
25 the following matters are true:

26 **PARTIES**

27 1. Anne Sodergren (Complainant) is the Executive Officer of the Board of Pharmacy
28 (Board), Department of Consumer Affairs. She brought this action solely in her official capacity

1 and is represented in this matter by Rob Bonta, Attorney General of the State of California, and
2 Gregory Tuss, deputy attorney general.

3 2. Cure Pharmacy Corp. dba Jackson Medical Pharmacy; Srinivas Reddy Katpelly,
4 President, 100% Shareholder, Pharmacist-in-Charge (Respondent Jackson Medical Pharmacy)
5 and Srinivas Reddy Katpelly (Respondent Katpelly) are represented in this proceeding by
6 attorney Herbert Weinberg, whose address is 1990 South Bundy Drive, Suite 777, Los Angeles,
7 CA 90025.

8 3. On April 23, 2010, the Board issued Original Permit No. PHY 50147 to
9 Respondent Jackson Medical Pharmacy. This permit was in full force and effect at all times
10 relevant to the charges brought in Accusation No. 7054 and will expire on April 1, 2022, unless
11 renewed.

12 4. On March 9, 2006, the Board issued Original Pharmacist License No. RPH 58166
13 to Respondent Katpelly. This pharmacist license was in full force and effect at all times relevant
14 to the charges brought in Accusation No. 7054 and will expire on June 30, 2023, unless renewed.

15 **JURISDICTION**

16 5. Accusation No. 7054 was filed before the Board and is currently pending against
17 Respondents. The accusation and all other statutorily required documents were properly served
18 on Respondents on March 15, 2021. Respondents timely filed their notices of defense contesting
19 the accusation.

20 6. A copy of Accusation No. 7054 is attached as exhibit 1 and incorporated by
21 reference.

22 **ADVISEMENT AND WAIVERS**

23 7. Respondents have carefully read, fully discussed with counsel, and understand the
24 charges and allegations in Accusation No. 7054. Respondents have also carefully read, fully
25 discussed with counsel, and understands the effects of this Stipulated Settlement and Disciplinary
26 Order.

27 8. Respondents are fully aware of their legal rights in this matter, including the right
28 to a hearing on the charges and allegations in the accusation; the right to confront and cross-

1 examine the witnesses against them; the right to present evidence and to testify on their own
2 behalf; the right to the issuance of subpoenas to compel the attendance of witnesses and the
3 production of documents; the right to reconsideration and court review of an adverse decision;
4 and all other rights accorded by the Administrative Procedure Act and other applicable laws.

5 9. Respondents voluntarily, knowingly, and intelligently waive and give up each and
6 every right set forth above.

7 **CULPABILITY**

8 10. Respondents understand and agree that the charges and allegations in Accusation
9 No. 7054, if proven at a hearing, constitute cause for imposing discipline upon their pharmacy
10 permit and pharmacist license.

11 11. For the purpose of resolving the accusation without the expense and uncertainty of
12 further proceedings, Respondents agree that, at a hearing, Complainant could establish a factual
13 basis for the charges in the accusation and that Respondents give up their right to contest those
14 charges.

15 12. Respondents agree that their pharmacy permit and pharmacist license are subject
16 to discipline and they agree to be bound by the Board's probationary terms as set forth in the
17 disciplinary order below.

18 **CONTINGENCY**

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

28 14. The parties understand and agree that portable document format (PDF) and

1 facsimile copies of this Stipulated Settlement and Disciplinary Order, including PDF and
2 facsimile signatures, shall have the same force and effect as the originals.

3 15. This Stipulated Settlement and Disciplinary Order is intended by the parties to be
4 an integrated writing representing the complete, final, and exclusive embodiment of their
5 agreement. It supersedes any and all prior or contemporaneous agreements, understandings,
6 discussions, negotiations, and commitments (written or oral). This Stipulated Settlement and
7 Disciplinary Order may not be altered, amended, modified, supplemented, or otherwise changed
8 except by a writing executed by an authorized representative of each of the parties.

9 16. In consideration of these admissions and stipulations, the parties agree that the
10 Board may, without further notice or formal proceeding, issue and enter the following
11 Disciplinary Order:

12 **DISCIPLINARY ORDER – RESPONDENT JACKSON MEDICAL PHARMACY**

13 IT IS ORDERED that Original Permit No. PHY 50147 issued to Respondent Jackson
14 Medical Pharmacy is revoked. However, the revocation is stayed and Respondent Jackson
15 Medical Pharmacy is placed on probation for five years on the following terms and conditions:

16 **1. Definition: Respondent**

17 For the purposes of these terms and conditions regarding Respondent Jackson Medical
18 Pharmacy, “Respondent Jackson Medical Pharmacy” shall refer to Respondent Jackson Medical
19 Pharmacy. All terms and conditions stated shall bind and be applicable to the licensed premises
20 and to all owners, managers, officers, administrators, members, directors, trustees, associates, or
21 partners of Respondent Jackson Medical Pharmacy. For purposes of compliance with any term or
22 condition, any report, submission, filing, payment, or appearance required to be made by
23 Respondent Jackson Medical Pharmacy to or before the Board or its designee shall be made by an
24 owner or executive officer with authority to act on behalf of and legally bind the licensed entity.

25 **2. Obey All Laws**

26 Respondent Jackson Medical Pharmacy shall obey all state and federal laws and
27 regulations.

28 Respondent Jackson Medical Pharmacy shall report any of the following occurrences to

1 the Board in writing within 72 hours of such occurrence:

- 2 • an arrest or issuance of a criminal complaint for violation of any provision of the
3 pharmacy law, state and federal food and drug laws, or state and federal controlled
4 substances laws;
- 5 • a plea of guilty, or nolo contendere, no contest, or similar, in any state or federal criminal
6 proceeding to any criminal complaint, information or indictment;
- 7 • a conviction of any crime; or
- 8 • discipline, citation, or other administrative action filed by any state or federal agency
9 which involves Respondent Jackson Medical Pharmacy's original permit or which is
10 related to the practice of pharmacy or the manufacturing, obtaining, handling or
11 distributing, billing, or charging for any dangerous drug, and/or dangerous device or
12 controlled substance

13 Failure to timely report any such occurrence shall be considered a violation of probation.

14 **3. Report to the Board**

15 Respondent Jackson Medical Pharmacy shall report to the Board quarterly, on a schedule
16 as directed by the Board or its designee. The report shall be made either in person or in writing,
17 as directed. Among other requirements, Respondent Jackson Medical Pharmacy shall state in
18 each report under penalty of perjury whether there has been compliance with all the terms and
19 conditions of probation. Failure to submit timely reports in a form as directed shall be considered
20 a violation of probation. Any period(s) of delinquency in submission of reports as directed may
21 be added to the total period of probation. Moreover, if the final probation report is not made as
22 directed, probation shall be automatically extended until such time as the final report is made and
23 accepted by the Board.

24 **4. Interview with the Board**

25 Upon receipt of reasonable prior notice, Respondent Jackson Medical Pharmacy shall
26 appear in person for interviews with the Board or its designee at such intervals and locations as
27 are determined by the Board or its designee. Failure to appear for any scheduled interview
28 without prior notification to Board staff, or failure to appear for two or more scheduled interviews

1 with the Board or its designee during the period of probation, shall be considered a violation of
2 probation.

3 **5. Cooperate with Board Staff**

4 Respondent Jackson Medical Pharmacy shall timely cooperate with the Board's inspection
5 program and with the Board's monitoring and investigation of Respondent Jackson Medical
6 Pharmacy's compliance with the terms and conditions of the probation, including but not limited
7 to: timely responses to requests for information by Board staff, timely compliance with directives
8 from Board staff regarding requirements of any term or condition of probation, and timely
9 completion of documentation pertaining to a term or condition of probation. Failure to timely
10 cooperate shall be considered a violation of probation.

11 **6. Reimbursement of Board Costs**

12 As a condition precedent to successful completion of probation, Respondent Jackson
13 Medical Pharmacy shall pay to the Board its costs of investigation and prosecution in the total
14 amount of \$25,000.00. Respondent Jackson Medical Pharmacy is jointly and severally liable
15 with Respondent Katpelly for these costs.

16 Respondent Jackson Medical Pharmacy shall be permitted to pay these costs in a payment
17 plan approved by the Board or its designee, so long as full payment is completed no later than one
18 year prior to the end date of probation. There shall be no deviation from this schedule absent
19 prior written approval by the Board or its designee. Failure to pay costs by the deadline(s) as
20 directed shall be considered a violation of probation.

21 **7. Probation Monitoring Costs**

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

26 **8. Status of License**

27 Respondent Jackson Medical Pharmacy shall, at all times while on probation, maintain a
28 current original permit with the Board. Failure to maintain current licensure shall be considered a

1 violation of probation.

2 If Respondent Jackson Medical Pharmacy's original permit expires or is cancelled by
3 operation of law or otherwise at any time during the period of probation, including any extensions
4 or otherwise, upon renewal or reapplication Respondent Jackson Medical Pharmacy's original
5 permit shall be subject to all terms and conditions of this probation not previously satisfied.

6 **9. License Surrender While on Probation/Suspension**

7 Following the effective date of this decision, should Respondent Jackson Medical
8 Pharmacy wish to discontinue business, Respondent Jackson Medical Pharmacy may tender the
9 premise's original permit to the Board for surrender. The Board or its designee shall have the
10 discretion whether to grant the request for surrender or take any other action it deems appropriate
11 and reasonable. Upon formal acceptance of the surrender of the original permit, Respondent
12 Jackson Medical Pharmacy will no longer be subject to the terms and conditions of probation.

13 Respondent Jackson Medical Pharmacy may not apply for any new original permit or
14 license from the Board for three years from the effective date of the surrender. Respondent
15 Jackson Medical Pharmacy shall meet all requirements applicable to the original permit or license
16 sought as of the date the application for that license is submitted to the Board.

17 Respondent Jackson Medical Pharmacy further stipulates that it shall reimburse the Board
18 for its costs of investigation and prosecution prior to the acceptance of the surrender.

19 **10. Sale or Discontinuance of Business**

20 During the period of probation, should Respondent Jackson Medical Pharmacy sell, trade,
21 or transfer all or part of the ownership of the licensed entity, discontinue doing business under the
22 original permit issued to Respondent Jackson Medical Pharmacy, or should practice at that
23 location be assumed by another full or partial owner, person, firm, business, or entity, under the
24 same or a different premises license number, the Board or its designee shall have the sole
25 discretion to determine whether to exercise continuing jurisdiction over the licensed location
26 under the current or new premises license number and/or carry the remaining period of probation
27 forward to be applicable to the current or new premises license number of the new owner.

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1 **11. Notice to Employees**

2 Respondent Jackson Medical Pharmacy shall, upon or before the effective date of this
3 decision, ensure that all employees involved in permit operations are made aware of all the terms
4 and conditions of probation, either by posting a notice of the terms and conditions, circulating
5 such notice, or both. If the notice required by this provision is posted, it shall be posted in a
6 prominent place and shall remain posted throughout the probation period. Respondent Jackson
7 Medical Pharmacy shall ensure that any employees hired or used after the effective date of this
8 decision are made aware of the terms and conditions of probation by posting a notice, circulating
9 a notice, or both. Additionally, Respondent Jackson Medical Pharmacy shall submit written
10 notification to the Board within 15 days of the effective date of this decision that this term has
11 been satisfied. Failure to timely provide such notification to employees or to timely submit such
12 notification to the Board shall be considered a violation of probation.

13 “Employees” as used in this provision includes all full-time, part-time, volunteer,
14 temporary and relief employees, and independent contractors employed or hired at any time
15 during probation.

16 **12. Owners and Officers: Knowledge of the Law**

17 Respondent Jackson Medical Pharmacy shall provide, within 30 days after the effective
18 date of this decision, signed and dated statements from its owners, including any owner or holder
19 of ten percent (10%) or more of the interest in Respondent Jackson Medical Pharmacy or
20 Respondent Jackson Medical Pharmacy’s stock, and all of its officers, stating under penalty of
21 perjury that these individuals have read and are familiar with state and federal laws and
22 regulations governing the practice of pharmacy. The failure to timely provide said statements
23 under penalty of perjury shall be considered a violation of probation.

24 **13. Premises Open for Business**

25 Respondent Jackson Medical Pharmacy shall remain open and engaged in its ordinary
26 business as a pharmacy in California for a minimum of 180 hours per calendar month. Any
27 month during which this minimum is not met shall toll the period of probation, i.e., the period of
28 probation shall be extended by one month for each month during with this minimum is not met.

1 During any such period of tolling of probation, Respondent Jackson Medical Pharmacy must
2 nonetheless comply with all terms and conditions of probation unless Respondent Jackson
3 Medical Pharmacy is informed otherwise in writing by the Board or its designee. If Respondent
4 Jackson Medical Pharmacy is not open and engaged in its ordinary business as a pharmacy for a
5 minimum of 180 hours in any calendar month for any reason (including vacation), Respondent
6 Jackson Medical Pharmacy shall notify the Board in writing within 10 days of the conclusion of
7 that calendar month. This notification shall include at minimum all of the following: the date(s)
8 and hours Respondent Jackson Medical Pharmacy was open; the reason(s) for the interruption or
9 why business was not conducted; and the anticipated date(s) on which Respondent Jackson
10 Medical Pharmacy will resume business as required. Respondent Jackson Medical Pharmacy
11 shall further notify the Board in writing within 10 days following the next calendar month during
12 which Respondent Jackson Medical Pharmacy is open and engaged in its ordinary business as a
13 pharmacy in California for a minimum of 180 hours. Any failure to timely provide such
14 notification(s) shall be considered a violation of probation.

15 **14. Posted Notice of Probation**

16 Respondent Jackson Medical Pharmacy shall prominently post a probation notice
17 provided by the Board or its designee in a place conspicuous to and readable by the public within
18 two days of receipt from the Board or its designee. Failure to timely post such notice or to
19 maintain the posting during the entire period of probation shall be considered a violation of
20 probation.

21 Respondent Jackson Medical Pharmacy shall not directly or indirectly engage in any
22 conduct or make any statement which is intended to mislead or is likely to have the effect of
23 misleading any patient, customer, member of the public, or other person(s) as to the nature of and
24 reason for the probation of the licensed entity.

25 **15. Violation of Probation**

26 If Respondent Jackson Medical Pharmacy has not complied with any term or condition of
27 probation, the Board shall have continuing jurisdiction over Respondent Jackson Medical
28 Pharmacy and probation shall be automatically extended until all terms and conditions have been

1 satisfied or the Board has taken other action as deemed appropriate to treat the failure to comply
2 as a violation of probation or to terminate probation and to impose the penalty that was stayed.

3 If Respondent Jackson Medical Pharmacy violates probation in any respect, the Board,
4 after giving Respondent Jackson Medical Pharmacy notice and an opportunity to be heard, may
5 revoke probation and carry out the disciplinary order that was stayed. If a petition to revoke
6 probation or an accusation is filed against Respondent Jackson Medical Pharmacy during
7 probation, the Board shall have continuing jurisdiction and the period of probation shall be
8 automatically extended until the petition to revoke probation or accusation is heard and decided,
9 and the charges and allegations in the accusation shall be deemed true and correct.

10 **16. Completion of Probation**

11 Upon written notice by the Board or its designee indicating successful completion of
12 probation, Respondent Jackson Medical Pharmacy's original permit will be fully restored.

13 **17. No Additional Ownership or Management of Licensed Premises**

14 Respondent Jackson Medical Pharmacy shall not acquire any additional ownership, legal,
15 or beneficial interest in, nor serve as a manager, administrator, member, officer, director,
16 associate, partner or any business, firm, partnership, or corporation currently or hereinafter
17 licensed by the Board except as approved by the Board or its designee. Violations of this
18 restriction shall be considered a violation of probation.

19 **18. Consultant Review of Pharmacy Operations**

20 During the period of probation, Respondent Jackson Medical Pharmacy shall retain an
21 independent consultant at its own expense who shall be responsible for conducting an on-site
22 physical inspection to review the operations of Respondent Jackson Medical Pharmacy on a
23 monthly basis for compliance by Respondent Jackson Medical Pharmacy with state and federal
24 laws and regulations governing the practice of pharmacy, and compliance by Respondent Jackson
25 Medical Pharmacy. During the period of probation, the Board or its designee retains the
26 discretion to reduce the frequency of the inspection of the pharmacist consultant's review.

27 The consultant shall be a pharmacist licensed by and not on probation with the Board and
28 whose name shall be submitted to the Board or its designee for prior approval within 30 days of

1 the effective date of this decision.

2 Failure to timely retain, seek approval of, or ensure timely reporting by the consultant
3 shall be considered a violation of probation.

4 **DISCIPLINARY ORDER – RESPONDENT KATPELLEY**

5 IT IS ORDERED that Original Pharmacist License No. RPH 58166 issued to Respondent
6 Katpelly is revoked. However, the revocation is stayed and Respondent Katpelly is placed on
7 probation for five years on the following terms and conditions.

8 **1. Obey All Laws**

9 Respondent Katpelly shall obey all state and federal laws and regulations.

10 Respondent Katpelly shall report any of the following occurrences to the Board, in
11 writing, within 72 hours of such occurrence:

- 12 • an arrest or issuance of a criminal complaint for violation of any provision of the
13 pharmacy law, state and federal food and drug laws, or state and federal controlled
14 substances laws
- 15 • a plea of guilty, or nolo contendere, no contest, or similar, in any state or federal criminal
16 proceeding to any criminal complaint, information or indictment
- 17 • a conviction of any crime
- 18 • the filing of a disciplinary pleading, issuance of a citation, or initiation of another
19 administrative action filed by any state or federal agency which involves Respondent
20 Katpelly’s license or which is related to the practice of pharmacy or the manufacturing,
21 obtaining, handling, distributing, billing, or charging for any drug, device or controlled
22 substance

23 Failure to timely report such occurrence shall be considered a violation of probation.

24 **2. Report to the Board**

25 Respondent Katpelly shall report to the Board quarterly, on a schedule as directed by the
26 Board or its designee. The report shall be made either in person or in writing, as directed.
27 Among other requirements, Respondent Katpelly shall state in each report under penalty of
28 perjury whether there has been compliance with all the terms and conditions of probation.

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

6 **3. Interview with the Board**

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

12 **4. Cooperate with Board Staff**

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

20 **5. Continuing Education**

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

23 **6. Reporting of Employment and Notice to Employers**

24 During the period of probation, Respondent Katpelly shall notify all present and
25 prospective employers of the decision in Accusation No. 7054 and the terms, conditions and
26 restrictions imposed on Respondent Katpelly by the decision, as follows:

27 Within 30 days of the effective date of this decision and within 10 days of undertaking
28 any new employment, Respondent Katpelly shall report to the Board in writing the name,

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

11 Within 30 days of the effective date of this decision and within 15 days of Respondent
12 Katpelly undertaking any new employment, Respondent Katpelly shall cause (a) her direct
13 supervisor; (b) her pharmacist-in-charge, designated representative-in-charge, responsible
14 manager, or other compliance supervisor; and (c) the owner or owner representative of her
15 employer, to report to the Board in writing acknowledging that the listed individual(s) has/have
16 read the decision in Accusation No. 7054 and terms and conditions imposed by the decision and
17 order. If one person serves in more than one role described in (a), (b), or (c), the
18 acknowledgment shall so state. It shall be Respondent Katpelly's responsibility to ensure that
19 these acknowledgment(s) are timely submitted to the Board. In the event of a change in the
20 person(s) serving the role(s) described in (a), (b), or (c) during the term of probation, Respondent
21 Katpelly shall cause the person(s) taking over the role(s) to report to the Board in writing within
22 15 days of the change acknowledging that he or she has read the decision in Accusation No. 7054
23 and the terms and conditions imposed by the decision and order.

24 If Respondent Katpelly works for or is employed by or through an employment service,
25 Respondent Katpelly must notify the person(s) described in (a), (b), and (c) above at every entity
26 licensed by the Board of the decision in Accusation No. 7054 and the terms and conditions
27 imposed by the decision and order in advance of Respondent Katpelly commencing work at such
28 licensed entity. A record of this notification must be provided to the Board upon request.

1 Furthermore, within 30 days of the effective date of this decision and within 15 days of
2 Respondent Katpelly undertaking any new employment by or through an employment service,
3 Respondent Katpelly shall cause the person(s) described in (a), (b), and (c) above at the
4 employment service to report to the Board in writing acknowledging that he or she has read the
5 decision in Accusation No. 7054 and the terms and conditions imposed by the decision and order.
6 It shall be Respondent Katpelly's responsibility to ensure that these acknowledgment(s) are
7 timely submitted to the Board.

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

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

15 **7. Notification of Change(s) in Name, Address(es), or Phone Number(s)**

16 Respondent Katpelly shall further notify the Board in writing within 10 days of any
17 change in name, residence address, mailing address, e-mail address or phone number.

18 Failure to timely notify the Board of any change in employer, name, address, or phone
19 number shall be considered a violation of probation.

20 **8. Restrictions on Supervision and Oversight of Licensed Facilities**

21 During the period of probation, Respondent Katpelly shall not supervise any intern
22 pharmacist or serve as a consultant to any entity licensed by the Board. Respondent Katpelly may
23 be a pharmacist-in-charge, designated representative-in-charge, responsible manager or other
24 compliance supervisor of any single entity licensed by the board, but only if Respondent Katpelly
25 or that entity retains at his expense an independent consultant who shall be responsible for
26 reviewing the operations of the entity on a monthly basis for compliance by Respondent Katpelly
27 and the entity with state and federal laws and regulations governing the practice of the entity, and
28 compliance by Respondent Katpelly with the obligations of his supervisory position. During the

1 period of probation, the Board or its designee retains the discretion to reduce the frequency of the
2 inspection of the pharmacist consultant's review. Respondent Katpelly may serve in such a
3 position at only one entity licensed by the Board, only upon approval by the Board or its
4 designee. Any such approval shall be site specific. The consultant shall be a pharmacist licensed
5 by and not on probation with the Board who has been approved by the board or its designee to
6 serve in this position. Respondent Katpelly shall submit the name of the proposed consultant to
7 the Board or its designee for approval within 30 days of the effective date of the decision or prior
8 to assumption of duties allowed in this term. Assumption of any unauthorized supervision
9 responsibilities shall be considered a violation of probation. In addition, failure to timely seek
10 approval for, timely retain, or ensure timely reporting by the consultant shall be considered a
11 violation of probation.

12 **9. Reimbursement of Board Costs**

13 As a condition precedent to successful completion of probation, Respondent Katpelly
14 shall pay to the Board its costs of investigation and prosecution in the total amount of \$25,000.00.
15 Respondent Katpelly is jointly and severally liable with Respondent Jackson Medical Pharmacy
16 for these costs.

17 Respondent Katpelly shall be permitted to pay these costs in a payment plan approved by
18 the Board or its designee, so long as full payment is completed no later than one year prior to the
19 end date of probation. There shall be no deviation from a payment schedule absent prior written
20 approval by the Board or its designee. Failure to pay costs by the deadline(s) as directed shall be
21 considered a violation of probation.

22 **10. Probation Monitoring Costs**

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

27 **11. Status of License**

28 Respondent Katpelly shall, at all times while on probation, maintain an active, current

1 original pharmacist license with the Board, including any period during which suspension or
2 probation is tolled. Failure to maintain an active, current original pharmacist license shall be
3 considered a violation of probation.

4 If Respondent Katpelly's original pharmacist license expires or is cancelled by operation
5 of law or otherwise at any time during the period of probation, including any extensions due to
6 tolling or otherwise, upon renewal or reapplication Respondent Katpelly's license shall be subject
7 to all terms and conditions of this probation not previously satisfied.

8 **12. License Surrender While on Probation/Suspension**

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

18 Upon acceptance of the surrender, Respondent Katpelly shall relinquish her pocket and/or
19 wall license, including any indicia of licensure not previously provided to the Board, within 10
20 days of notification by the Board that the surrender is accepted if not already provided.
21 Respondent Katpelly may not reapply for any license from the Board for three years from the
22 effective date of the surrender. Respondent Katpelly shall meet all requirements applicable to the
23 license sought as of the date the application for that license is submitted to the Board, including
24 any outstanding costs.

25 **13. Practice Requirement – Extension of Probation**

26 Except during periods of suspension, Respondent Katpelly shall, at all times while on
27 probation, be employed as a pharmacist in California for a minimum of 80 hours per calendar
28 month. Any month during which this minimum is not met shall extend the period of probation by

1 one month. During any such period of insufficient employment, Respondent Katpelly must
2 nonetheless comply with all terms and conditions of probation, unless Respondent Katpelly
3 receives a waiver in writing from the Board or its designee.

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

13 It is a violation of probation for Respondent Katpelly's probation to be extended under the
14 provisions of this condition for a total period, counting consecutive and non-consecutive months,
15 exceeding 36 months. The Board or its designee may post a notice of the extended probation
16 period on its website.

17 **14. Violation of Probation**

18 If Respondent Katpelly has not complied with any term or condition of probation, the
19 Board shall have continuing jurisdiction over Respondent Katpelly, and the Board shall provide
20 notice to Respondent Katpelly that probation shall automatically be extended until all terms and
21 conditions have been satisfied or the Board has taken other action as deemed appropriate to treat
22 the failure to comply as a violation of probation, to terminate probation, and to impose the penalty
23 that was stayed. The Board or its designee may post a notice of the extended probation period on
24 its website.

25 If Respondent Katpelly violates probation in any respect, the Board, after giving
26 Respondent Katpelly notice and an opportunity to be heard, may revoke probation and carry out
27 the disciplinary order that was stayed. If a petition to revoke probation or an accusation is filed
28 against Respondent Katpelly during probation, or the preparation of an accusation or petition to

1 revoke probation is requested from the Office of the Attorney General, the Board shall have
2 continuing jurisdiction and the period of probation shall be automatically extended until the
3 petition to revoke probation or accusation is heard and decided, and the charges and allegations in
4 the accusation shall be deemed true and correct.

5 **15. Completion of Probation**

6 Upon written notice by the Board or its designee indicating successful completion of
7 probation, Respondent Katpelly's license will be fully restored.

8 **16. Remedial Education**

9 Within 60 days of the effective date of this decision, Respondent Katpelly shall submit to
10 the Board or its designee, for prior approval, an appropriate program of remedial education
11 related to corresponding responsibility. The program of remedial education shall consist of at
12 least 10 hours per year of probation, at Respondent Katpelly's own expense. Fifty percent of the
13 hours shall be completed live in-person or by live webinar. All remedial education shall be in
14 addition to and shall not be credited toward continuing education (CE) courses used for license
15 renewal purposes for pharmacists.

16 Respondent Katpelly also shall complete the Board training on prescription drug abuse
17 prevention.

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

22 Following the completion of each course, the Board or its designee may require
23 Respondent Katpelly, at his own expense, to take an approved examination to test his knowledge
24 of the course. If Respondent Katpelly does not achieve a passing score on the examination that
25 course shall not count towards satisfaction of this term. Respondent Katpelly shall take another
26 course approved by the Board in the same subject area.

27 **17. Ethics Course**

28 Within 60 calendar days of the effective date of this decision, Respondent Katpelly shall

1 enroll in a course in ethics, at Respondent Katpelly's expense, approved in advance by the Board
2 or its designee that complies with California Code of Regulations, title 16, section 1773.5.
3 Respondent Katpelly shall provide proof of enrollment upon request. Within five days of
4 completion, Respondent Katpelly shall submit a copy of the certificate of completion to the Board
5 or its designee. Failure to timely enroll in an approved ethics course, to initiate the course during
6 the first year of probation, to successfully complete it before the end of the second year of
7 probation, or to timely submit proof of completion to the Board or its designee, shall be
8 considered a violation of probation.

9 **18. No New Ownership or Management of Licensed Premises**

10 Respondent Katpelly shall not acquire any new ownership, legal or beneficial interest nor
11 serve as a manager, administrator, member, officer, director, trustee, associate, or partner of any
12 additional business, firm, partnership, or corporation licensed by the Board. If Respondent
13 Katpelly currently owns or has any legal or beneficial interest in, or serves as a manager,
14 administrator, member, officer, director, trustee, associate, or partner of any business, firm,
15 partnership, or corporation currently or afterward licensed by the Board, Respondent Katpelly
16 may continue to serve in such capacity or hold that interest, but only to the extent of that position
17 or interest as of the effective date of this decision. Violation of this restriction shall be considered
18 a violation of probation.

19 **ACCEPTANCE**

20 I am authorized to sign this stipulation on behalf of Respondent Jackson Medical
21 Pharmacy. I have carefully read the above Stipulated Settlement and Disciplinary Order and have
22 fully discussed it with my attorney, Herbert Weinberg. I understand the stipulation and the effect
23 it will have on Original Permit No. PHY 50147. I enter into this Stipulated Settlement and
24 Disciplinary Order voluntarily, knowingly, and intelligently, and agree to be bound by the
25 Decision and Order of the Board of Pharmacy.

26
27 DATED: _____

28 JACKSON MEDICAL PHARMACY
Respondent

1 enroll in a course in ethics, at Respondent Katpelly's expense, approved in advance by the Board
2 or its designee that complies with California Code of Regulations, title 16, section 1773.5.
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4 completion, Respondent Katpelly shall submit a copy of the certificate of completion to the Board
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10 Respondent Katpelly shall not acquire any new ownership, legal or beneficial interest nor
11 serve as a manager, administrator, member, officer, director, trustee, associate, or partner of any
12 additional business, firm, partnership, or corporation licensed by the Board. If Respondent
13 Katpelly currently owns or has any legal or beneficial interest in, or serves as a manager,
14 administrator, member, officer, director, trustee, associate, or partner of any business, firm,
15 partnership, or corporation currently or afterward licensed by the Board, Respondent Katpelly
16 may continue to serve in such capacity or hold that interest, but only to the extent of that position
17 or interest as of the effective date of this decision. Violation of this restriction shall be considered
18 a violation of probation.

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23 it will have on Original Permit No. PHY 50147. I enter into this Stipulated Settlement and
24 Disciplinary Order voluntarily, knowingly, and intelligently, and agree to be bound by the
25 Decision and Order of the Board of Pharmacy.

26
27 DATED: 9/17/2021



JACKSON MEDICAL PHARMACY
Respondent

1 I have carefully read this Stipulated Settlement and Disciplinary Order and have fully
2 discussed it with my attorney, Herbert Weinberg. I understand the stipulation and the effect it
3 will have on my Original Pharmacist License No. RPH 58166. I enter into this Stipulated
4 Settlement and Disciplinary Order voluntarily, knowingly, and intelligently, and agree to be
5 bound by the Decision and Order of the Board of Pharmacy.

6
7 DATED: _____

8 SRINIVAS REDDY KATPELLEY
9 Respondent

10 I have read and fully discussed with Respondents Jackson Medical Pharmacy and Srinivas
11 Reddy Katpelly the terms and conditions and other matters contained in this Stipulated Settlement
12 and Disciplinary Order. I approve its form and content.

13
14 DATED: _____

15 HERBERT WEINBERG
16 Attorney for Respondents Jackson Medical Pharmacy
17 and Srinivas Reddy Katpelly

18 **ENDORSEMENT**

19 This Stipulated Settlement and Disciplinary Order is submitted for consideration by the
20 Board of Pharmacy.

21 DATED: _____

Respectfully submitted,

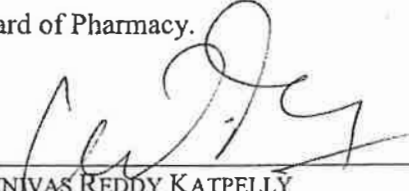
22 ROB BONTA
23 Attorney General of California
24 CHAR SACHSON
25 Supervising Deputy Attorney General

26 GREGORY TUSS
27 Deputy Attorney General
28 Attorneys for Complainant

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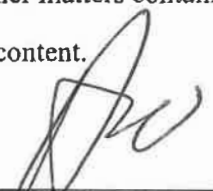
1 I have carefully read this Stipulated Settlement and Disciplinary Order and have fully
2 discussed it with my attorney, Herbert Weinberg. I understand the stipulation and the effect it
3 will have on my Original Pharmacist License No. RPH 58166. I enter into this Stipulated
4 Settlement and Disciplinary Order voluntarily, knowingly, and intelligently, and agree to be
5 bound by the Decision and Order of the Board of Pharmacy.

6
7 DATED: 9/17/2021


8 SRINIVAS REDDY KATPELLY
9 Respondent

10 I have read and fully discussed with Respondents Jackson Medical Pharmacy and Srinivas
11 Reddy Katpelly the terms and conditions and other matters contained in this Stipulated Settlement
12 and Disciplinary Order. I approve its form and content.

13
14 DATED: 9/17/2021


15 HERBERT WEINBERG
16 Attorney for Respondents Jackson Medical Pharmacy
17 and Srinivas Reddy Katpelly

18 **ENDORSEMENT**

19 This Stipulated Settlement and Disciplinary Order is submitted for consideration by the
20 Board of Pharmacy.

21 DATED: 9-17-21

22 Respectfully submitted,

23 ROB BONTA
24 Attorney General of California
25 CHAR SACHSON
26 Supervising Deputy Attorney General



27 GREGORY TUSS
28 Deputy Attorney General
Attorneys for Complainant

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Exhibit 1

Accusation No. 7054

1 XAVIER BECERRA
Attorney General of California
2 CHAR SACHSON
Supervising Deputy Attorney General
3 GREGORY TUSS
Deputy Attorney General
4 State Bar No. 200659
455 Golden Gate Avenue, Suite 11000
5 San Francisco, CA 94102-7004
Telephone: (415) 510-3435
6 Facsimile: (415) 703-5480
Attorneys for Complainant
7

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

12 In the Matter of the Accusation Against:

Case No. 7054

13 **CURE PHARMACY CORP.**
14 **dba JACKSON MEDICAL PHARMACY**
15 **Srinivas Reddy Katpelly, President, 100%**
16 **Shareholder, Pharmacist-in-Charge**
17 **266 N. Jackson Ave. #8**
18 **San Jose, CA 95116**

ACCUSATION

19 **Original Permit No. PHY 50147,**

20 **SRINIVAS REDDY KATPELLY**
21 **121 Tunstead Ave.**
22 **San Anselmo, CA 94960**

23 **Original Pharmacist License No. RPH 58166,**

24 Respondents.

25 **PARTIES**

26 1. Anne Sodergren (Complainant) brings this accusation solely in her official
27 capacity as the Executive Officer of the Board of Pharmacy (Board), Department of Consumer
28 Affairs.

2. On April 23, 2010, the Board issued Original Permit No. PHY 50147 to Cure
Pharmacy Corp. dba Jackson Medical Pharmacy; Srinivas Reddy Katpelly, President, 100%

1 Shareholder, Pharmacist-in-Charge (Respondent Jackson Medical Pharmacy). This permit was in
2 full force and effect at all times relevant to the charges brought in this accusation and will expire
3 on April 1, 2021, unless renewed.

4 3. On March 9, 2006, the Board issued Original Pharmacist License No. RPH 58166
5 to Srinivas Reddy Katpelly (Respondent Katpelly). This pharmacist license was in full force and
6 effect at all times relevant to the charges brought in this accusation and will expire on June 30,
7 2021, unless renewed.

8 **JURISDICTION**

9 4. This accusation is brought before the board under the authority of the following
10 laws. All section references are to the Business and Professions Code unless otherwise indicated.

11 5. Section 4300 states in part:

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

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

16 “(1) Suspending judgment.

17 “(2) Placing him or her upon probation.

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

19 “(4) Revoking his or her license.

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

22 6. Section 4300.1 states:

23 “The expiration, cancellation, forfeiture, or suspension of a board-issued license by
24 operation of law or by order or decision of the board or a court of law, the placement of a license
25 on a retired status, or the voluntary surrender of a license by a licensee shall not deprive the board
26 of jurisdiction to commence or proceed with any investigation of, or action or disciplinary
27 proceeding against, the licensee or to render a decision suspending or revoking the license.”

28 ///

1 7. Section 4304 states:

2 “The board may deny, revoke, or suspend any license issued pursuant to Section 4161 for
3 any violation of this chapter or for any violation of Part 5 (commencing with Section 109875) of
4 Division 104 of the Health and Safety Code.”

5 8. Section 4307 states:

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

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

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

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

24 “(c) The provisions of subdivision (a) may be alleged in any pleading filed pursuant to
25 Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of the Government Code.
26 However, no order may be issued in that case except as to a person who is named in the caption,
27 as to whom the pleading alleges the applicability of this section, and where the person has been
28 given notice of the proceeding as required by Chapter 5 (commencing with Section 11500) of Part

1 1 of Division 3 of the Government Code. The authority to proceed as provided by this
2 subdivision shall be in addition to the board’s authority to proceed under Section 4339 or any
3 other provision of law.”

4 **STATUTORY PROVISIONS**

5 9. Section 4081 states in part:

6 “(a) All records of manufacture and of sale, acquisition, receipt, shipment, or disposition
7 of dangerous drugs or dangerous devices shall be at all times during business hours open to
8 inspection by authorized officers of the law, and shall be preserved for at least three years from
9 the date of making. A current inventory shall be kept by every manufacturer, wholesaler, third-
10 party logistics provider, pharmacy, veterinary food-animal drug retailer, outsourcing facility,
11 physician, dentist, podiatrist, veterinarian, laboratory, licensed correctional clinic, as defined in
12 Section 4187, clinic, hospital, institution, or establishment holding a currently valid and
13 unrevoked certificate, license, permit, registration, or exemption under Division 2 (commencing
14 with Section 1200) of the Health and Safety Code or under Part 4 (commencing with Section
15 16000) of Division 9 of the Welfare and Institutions Code who maintains a stock of dangerous
16 drugs or dangerous devices.”

17 10. Section 4113 states in part:

18 “(c) The pharmacist-in-charge shall be responsible for a pharmacy’s compliance with all
19 state and federal laws and regulations pertaining to the practice of pharmacy.”

20 11. Section 4301 states in part:

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

25 . . .

26 “(j) The violation of any of the statutes of this state, of any other state, or of the United
27 States regulating controlled substances and dangerous drugs.

28 . . .

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

5 12. Health and Safety Code section 11153 states in part:

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

16 13. Health and Safety Code section 11165 states in part:

17 “(d) For each prescription for a Schedule II, Schedule III, or Schedule IV controlled
18 substance, as defined in the controlled substances schedules in federal law and regulations,
19 specifically Sections 1308.12, 1308.13, and 1308.14, and respectively, of Title 21 of the Code of
20 Federal Regulations, the dispensing pharmacy, clinic, or other dispenser shall report the following
21 information to the Department of Justice as soon as reasonably possible, but not more than seven
22 days after the date a controlled substance is dispensed, in a format specified by the Department of
23 Justice:

24 “(1) Full name, address, and, if available, telephone number of the ultimate user or
25 research subject, or contact information as determined by the Secretary of the United States
26 Department of Health and Human Services, and the gender, and date of birth of the ultimate user.

27 “(2) The prescriber’s category of licensure, license number, national provider identifier
28 (NPI) number, the federal controlled substance registration number, and the state medical license

1 number of any prescriber using the federal controlled substance registration number of a
2 government-exempt facility, if provided.

3 “(3) Pharmacy prescription number, license number, NPI number, and federal controlled
4 substance registration number.

5 “(4) National Drug Code (NDC) number of the controlled substance dispensed.

6 “(5) Quantity of the controlled substance dispensed.

7 “(6) International Statistical Classification of Diseases, 9th revision (ICD-9) or 10th
8 revision (ICD-10) Code, if available.

9 “(7) Number of refills ordered.

10 “(8) Whether the drug was dispensed as a refill of a prescription or as a first-time request.

11 “(9) Date of origin of the prescription.

12 “(10) Date of dispensing of the prescription.

13 “(11) The serial number for the corresponding prescription form, if applicable.”

14 **REGULATORY PROVISIONS**

15 14. Code of Federal Regulations, section 21, part 1306.04, states in part:

16 “(a) A prescription for a controlled substance to be effective must be issued for a
17 legitimate medical purpose by an individual practitioner acting in the usual course of his
18 professional practice. The responsibility for the proper prescribing and dispensing of controlled
19 substances is upon the prescribing practitioner, but a corresponding responsibility rests with the
20 pharmacist who fills the prescription. An order purporting to be a prescription issued not in the
21 usual course of professional treatment or in legitimate and authorized research is not a
22 prescription within the meaning and intent of section 309 of the Act (21 U.S.C. 829) and the
23 person knowingly filling such a purported prescription, as well as the person issuing it, shall be
24 subject to the penalties provided for violations of the provisions of law relating to controlled
25 substances.”

26 15. California Code of Regulations, title 16, section 1714, states in part:

27 “(b) Each pharmacy licensed by the board shall maintain its facilities, space, fixtures, and
28 equipment so that drugs are safely and properly prepared, maintained, secured and distributed.

1 The pharmacy shall be of sufficient size and unobstructed area to accommodate the safe practice
2 of pharmacy.”

3 16. California Code of Regulations, title 16, section 1718, states:

4 “‘Current Inventory’ as used in Sections 4081 and 4332 of the Business and Professions
5 Code shall be considered to include complete accountability for all dangerous drugs handled by
6 every licensee enumerated in Sections 4081 and 4332.

7 “The controlled substances inventories required by Title 21, CFR, Section 1304 shall be
8 available for inspection upon request for at least 3 years after the date of the inventory.”

9 17. California Code of Regulations, title 16, section 1761, states:

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

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

17 **COST RECOVERY**

18 18. Section 125.3, subdivision (a), states:

19 “Except as otherwise provided by law, in any order issued in resolution of a disciplinary
20 proceeding before any board within the department or before the Osteopathic Medical Board,
21 upon request of the entity bringing the proceedings, the administrative law judge may direct a
22 licentiate found to have committed a violation or violations of the licensing act to pay a sum not
23 to exceed the reasonable costs of the investigation and enforcement of the case.”

24 **DRUGS**

25 19. All drugs referenced in this accusation are controlled substances under Health and
26 Safety Code sections 11054—11058 or Code of Federal Regulations, section 21, parts 1308.11—
27 1308.15, and are dangerous drugs under Business and Professions Code section 4022.

28 ///

1 Katpelly on June 18, 2020, and determined to audit Respondents' controlled substance dispensing
2 from October 2, 2018. The Board later extended the investigation to include all dispensing from
3 May 1, 2016 to June 18, 2020.

4 **FIRST CAUSE FOR DISCIPLINE**

5 **(Unprofessional Conduct: Failure to Exercise Corresponding Responsibility)**

6 26. Respondents have subjected their permit and pharmacist license to discipline for
7 the unprofessional conduct of failing to exercise corresponding responsibility (Bus. & Prof. Code,
8 § 4301, subds. (j) & (o); Health & Saf. Code, § 11153, subd. (a); Cal. Code Regs., tit. 16, § 1761;
9 21 C.F.R. § 1306.04(a).). Respondents' records showed that from May 1, 2016, to June 18, 2020,
10 Respondents filled approximately 424 controlled substance prescriptions with objective
11 indications of abuse or illegitimacy. These prescriptions resulted in dispensing approximately
12 38,496 tablets, including Schedule II opiates and benzodiazepines. Each prescription of these
13 prescriptions was either written under the prescribing credentials of one of three physicians, or
14 was for one of eight patients.

15 27. The objective indications of abuse or illegitimacy of these prescriptions included
16 but were not limited to the following:

- 17 • Cash payments
- 18 • Initial prescriptions for strong opiates or benzodiazepines
- 19 • Long distance between the patient's home to the prescriber's office
- 20 • Multiple physicians prescribing for the same therapy for the same patient
- 21 • Same combinations of drugs prescribed for multiple patients in the same family
- 22 • Requests for early refills of prescriptions
- 23 • Irregularities in the prescribing physician's qualifications to the type of medication
24 prescribed
- 25 • Prescriptions written outside the prescribing physician's medical specialty
- 26 • Prescriptions for medications with no logical connection to diagnosis or treatment, for
27 example, carisoprodol prescribed for long-term use for multiple patients in the same
28 family

- Same diagnosis code for many patients
- Pharmacy shopping behavior, such as a patient receiving prescriptions from numerous pharmacies

28. Respondents had no documentation that any of these objective indications of abuse or illegitimacy were discussed with the prescribers. Respondent Katpelly also stated that the pharmacy checks CURES for all controlled drug prescriptions.

SECOND CAUSE FOR DISCIPLINE

(Unprofessional Conduct: Failure to Report Prescriptions to CURES)

29. Respondents have subjected their permit and pharmacist license to discipline for the unprofessional conduct of failing to report prescriptions to CURES (Bus. & Prof. Code, § 4301, subs. (j) & (o); Health & Saf. Code, § 11165, subd. (d)). Respondents failed to report approximately 939 out of 14,512 Schedule II to IV prescriptions to CURES that were dispensed from February 20, 2017, to February 20, 2020.

THIRD CAUSE FOR DISCIPLINE

(Unprofessional Conduct: Inventory Discrepancies)

30. Respondents have subjected their permit and pharmacist license to discipline for the unprofessional conduct of failing to maintain correct inventory records of controlled substances (Bus. & Prof. Code, §§ 4081, subd. (a), 4301, subs. (j) & (o), 4113, subd. (c); Cal. Code Regs., tit. 16, §§ 1714, subd. (b), 1718). Respondents had the following inventory discrepancies between October 2, 2018, and June 18, 2020:

- A shortage of 17 tablets of alprazolam 2mg
- An overage of 66 tablets of carisoprodol 350mg
- A shortage of 294 tablets of hydrocodone/acetaminophen 10/325mg
- An overage of 7 tablets oxycodone 30mg

DISCIPLINE CONSIDERATIONS

31. To determine the degree of discipline, if any, to be imposed on Respondent Katpelly, Complainant alleges that on January 21, 2020, in a prior action, the Board issued Citation No. CI 2019 86935 to Respondent Katpelly and ordered him to pay a fine of \$2,000.00.

1 That citation is now final.

2 **PRAYER**

3 WHEREFORE, Complainant requests that a hearing be held on the matters alleged in this
4 accusation, and that following the hearing, the Board of Pharmacy issues a decision:

5 1. Revoking or suspending Original Permit No. PHY 50147 issued to Respondent
6 Jackson Medical Pharmacy;

7 2. Revoking or suspending Original Pharmacist License No. RPH 58166 issued to
8 Respondent Katpelly;

9 3. Prohibiting Respondent Jackson Medical Pharmacy from serving as a manager,
10 administrator, owner, member, officer, director, associate, or partner of a licensee for five years if
11 Original Permit No. PHY 50147 is placed on probation, or until Original Permit No. PHY 50147
12 is reinstated if Original Permit No. 50147 issued to Respondent Jackson Medical Pharmacy is
13 revoked;

14 4. Prohibiting Respondent Katpelly from serving as a manager, administrator, owner,
15 member, officer, director, associate, or partner of a licensee for five years if Original Pharmacist
16 License No. RPH 58166 is placed on probation, or until Original Pharmacist License No.
17 RPH 58166 is reinstated if Original Pharmacist License No. 58166 issued to Respondent Katpelly
18 is revoked;

19 5. Ordering Respondents Jackson Medical Pharmacy and Katpelly to pay the Board
20 of Pharmacy the reasonable costs of the investigation and enforcement of this case under
21 Business and Professions Code section 125.3; and

22 6. Taking such other and further action as deemed necessary and proper.

23 DATED: 3/7/2021

Signature on File

24 ANNE SODERGREN
25 Executive Officer
26 Board of Pharmacy
27 Department of Consumer Affairs
28 State of California
Complainant

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