

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

**In the Matter of the Petition for Early Termination of
Probation of:**

SAMIRA KHATAMI, Petitioner

Agency Case No. 7120

OAH No. 2024120569

PROPOSED DECISION

This matter was heard before a quorum of the Disciplinary Petition Committee (Committee) of the Board of Pharmacy (Board), Department of Consumer Affairs, under Business and Professions Code section 4309, subdivision (c), by videoconference on December 18, 2024. Patrice De Guzman Huber, Administrative Law Judge (ALJ), Office of Administrative Hearings (OAH), presided, assisted, and advised the Committee in the conduct of the hearing under Government Code section 11517, subdivision (b)(1).

Nicole R. Trama, Deputy Attorney General, represented the Attorney General of the State of California pursuant to Government Code section 11522.

Herbert L. Weinberg, Esq., represented petitioner Samira Khatami, who appeared.

Evidence was received, the record closed, and the matter submitted for decision on December 18, 2024.

FACTUAL FINDINGS

Background

1. On September 13, 2007, the Board issued petitioner Pharmacist License No. RPH 60045. The license will expire on October 31, 2026, unless renewed.

ACCUSATION

2. On July 29, 2021, complainant Anne Sodergren, Executive Officer of the Board, in her official capacity, signed and thereafter filed an Accusation against petitioner's license. The Accusation alleged cause to discipline the license based on petitioner's failure to comply with pharmacy laws, fraud, unprofessional conduct, and failure to exercise education, training, and experience. Specifically, the Accusation alleged a Board inspection in October 2020 revealed petitioner violated pharmacy law while a Pharmacist-in-Charge (PIC) at Rheem Specialty Pharmacy, LLC (Rheem).

3. The Board inspection revealed petitioner failed to complete and keep on-file her self-assessments of Rheem's compliance with federal and state pharmacy law, as well as Rheem's compliance with compounding limitations and requirements. The inspection also revealed petitioner failed to maintain a compounding log documenting quality reviews and post-compounding process and procedures.

4. The inspection revealed petitioner failed to maintain written policies and procedures for compounding and failed to update these policies and procedures on an annual basis since 2014. The inspection also revealed petitioner failed to maintain a

written quality assurance plan to monitor and ensure the integrity, potency, quality, and strength of compounded drug preparations. Relatedly, petitioner failed to show she or Rheem completed end product testing to ensure the potency and labeled strength on any compounded drug product.

5. The inspection revealed petitioner failed to train, evaluate, and assess the ongoing competency of pharmacy staff and failed to document compliance with the requirement to train, evaluate, and assess staff. The inspection also revealed petitioner filled fraudulent prescriptions for foot bath treatments. The prescriptions were purportedly issued by medical practitioners. However, the Board discovered the practitioners did not issue or authorize the prescriptions. The inspection also revealed petitioner billed for prescriptions that were never written or filled.

6. The inspection revealed petitioner failed to maintain a current inventory of the manufacture, sale, acquisition, and disposition of dangerous drugs and devices. An inventory audit revealed petitioner documented Rheem dispensed vancomycin, clindamycin, and ketoconazole in amounts substantially more than what Rheem actually purchased.

STIPULATED SETTLEMENT AND PROBATIONARY LICENSE

7. Effective November 2, 2022, petitioner entered into a Stipulated Settlement and Disciplinary Order (Stipulated Settlement) with the Board. Petitioner admitted the truth of each and every charge and allegation set forth in the Accusation and agreed they established cause to discipline her license. Pursuant to the Stipulated Settlement, the Board revoked petitioner's license, immediately stayed that revocation, and placed the license on probation for three years. The terms and conditions of probation include quarterly reports, community service as a pharmacist, remedial

education, an ethics course, reimbursement of the Board's costs of investigation and enforcement in the amount of \$10,000, payment of probation monitoring costs, and practice as a pharmacist for at least 80 hours per month.

Petition for Early Termination of Probation

8. On October 2, 2024, petitioner signed and thereafter filed with the Board her Petition for Early Termination of Probation (Petition). In support of her Petition, petitioner submitted her written statement, continuing education transcripts, and support letters. Petitioner has not previously applied for termination of her probation. She has completed over two years of probation and has approximately 10 months remaining. She is in full compliance with the terms and conditions of probation. She has timely submitted quarterly reports, is providing community service as a pharmacist, is completing remedial education, and has completed an ethics course. She has paid the Board's costs in full and continues to pay the probation monitoring costs.

9. In her Petition and at hearing, petitioner explained the circumstances underlying her license discipline, her rehabilitation efforts since, and the reasons she is seeking early termination of probation. She explained, because Rheem was "not doing much compounding," petitioner did not think it was necessary to diligently track or document the pharmacy's compounding-related activities. She further explained the violations of pharmacy laws that occurred at Rheem were due to staff conduct. Nevertheless, at hearing, she testified she "take[s] full responsibility" for what occurred at Rheem because she was the PIC at the time.

10. Through taking remedial education and ethics courses and pursuing self-study of literature on pharmacy practices, petitioner has learned how to maintain professional boundaries and how to be ethical. In her written statement, she explained:

I have gained a deeper understanding of [this] field, which has not only enhanced my knowledge but also shaped my perspective on patient care and ethics. This journey has made me a more empathetic and informed individual, better equipped to serve our community. The insights I've gained from various texts have inspired me to adopt best practices and foster meaningful relationships with patients and colleagues alike. I believe that continuous learning is essential in our field, and I am committed to furthering my education to become the best pharmacy professional I can be.

11. Petitioner has been serving her community as a pharmacist at Ashland Free Medical Clinic (Ashland) in San Lorenzo, California. She practices independently at Ashland and receives no supervision. As a volunteer pharmacist, petitioner manages the prescription refill program. She "ensure[s] the safe and effective use of medications by reviewing prescriptions[] and providing dosaging recommendations to the volunteering doctors." Petitioner also educates patients on their medications. She helps patients who cannot afford medication receive assistance through organizations such as Boehringer Ingelheim Cares Foundation, Takeda Help at Hand, and GSK Patient Assistance Program.

12. Since 2020, petitioner has been practicing as a pharmacist at OrindaRx and Medical (ORM), a business she owns and operates. ORM provides durable medical

equipment (DME) to patients. As its pharmacist, petitioner fills the DME prescriptions. She works 80 hours per month at ORM to fulfill her probation requirement to practice as a pharmacist. Petitioner is ORM's only employee, and she is not currently supervised in that capacity. ORM is not a pharmacy and not licensed by the Board.

13. Petitioner has been unable to find gainful employment as a staff pharmacist. She testified that since being placed on probation, she has applied to 20 to 30 positions at retail pharmacies such as CVS and Walgreens, without success. Petitioner contends if her probation is terminated, she would be able to find employment as a staff pharmacist. She has no desire to again practice as a PIC, to perform compounding in any capacity, or to own a pharmacy. Petitioner believes the early termination of probation would enable her to better financially support her children.

SUPPORT LETTERS

14. Katherine Yang, Pharm.D., wrote a support letter. Dr. Yang and petitioner previously worked alongside each other as pharmacists. Dr. Yang knows about petitioner's license discipline. She describes petitioner as an "outstanding" team player with a "strong understanding of pharmaceutical processes." She praises petitioner's "strong commitment to patient well-being," "excellent organizational skills[,] and positive attitude."

15. Navann Sar wrote a support letter. She has known petitioner for over 15 years, during 10 of which they worked together at Rheem. She knows about petitioner's license discipline. Ms. Sar describes petitioner as "dedicated and principled." She believes petitioner "would never jeopardize the trust placed in her by deviating from the standard of practice."

16. Brian Perry wrote a support letter. He is a pharmacy technician and previously worked alongside petitioner. Mr. Perry knows about petitioner's license discipline. He describes her "greatest strength" to be her "exceptional communication skills." Mr. Perry believes petitioner "would be a tremendous asset to the world of pharmacy."

17. Hamid Mola wrote a support letter. He has known petitioner for over 20 years, and they previously worked together. Mr. Mola knows about petitioner's license discipline. He describes her as "exceptionally hard working" and able to "blend clinical expertise with a profound sense of empathy and care for her patients."

18. Joseph G. Phaneuf, M.D., wrote a support letter. He knows about petitioner's license discipline. Dr. Phaneuf is Ashland's medical director. He has been impressed by petitioner's "attention to detail" and willingness to go "the extra step to help [] patients." He specifically praised her work in helping Ashland patients secure assistance to pay for their medication.

19. Joseph E. Abraham, Pharm.D., wrote a support letter. He knows about petitioner's license discipline. Dr. Abraham has spoken to petitioner a number of times, initially in the context of her application to work for him as a pharmacist. He ultimately did not hire petitioner. Nevertheless, Dr. Abraham praises her "strong work ethic and dedication to her responsibilities."

LEGAL CONCLUSIONS

Timeliness of Petition and Review of Decision

1. A pharmacist whose license has been placed on probation for a period of three years or more may petition the Board for early termination of probation after serving at least two years of probation. (Bus. & Prof. Code, § 4309, subd. (a)(2).) Here, petitioner has served over two years of probation. Her Petition is therefore timely.

2. The Petition may be heard by a committee of the Board sitting with an ALJ. Where the Petition is thus heard, the decision shall be subject to review by the Board under Government Code section 11517. (Bus. & Prof. Code, § 4309, subd. (c).) Here, the decision is subject to review by the Board.

Propriety of Early Termination of Probation

3. Petitioner has the burden to prove by clear and convincing evidence she has rehabilitated herself and is entitled to early termination of her probation. (*Flanzer v. Bd. of Dental Examiners* (1990) 220 Cal.App.3d 1392, 1398; *Hippard v. State Bar* (1989) 49 Cal.3d 1084.) Petitioner must present strong proof of rehabilitation, sufficient to overcome the former adverse determination. (*Housman v. Bd. of Medical Examiners* (1948) 84 Cal.App.2d 308, 315.)

4. In considering a petition for early termination of probation, the Board may consider the following relevant factors: (1) the offense for which petitioner was disciplined; (2) petitioner's activities since the disciplinary action was taken; (3) petitioner's general reputation for truth and professional responsibility; and (4) petitioner's rehabilitative efforts. (Bus. & Prof. Code, § 4309, subd. (d).)

5. Petitioner's multiple violations that led to her license discipline were serious. She repeatedly failed to complete or maintain documentation relating to drug compounding, ensure the potency of compounded drugs to be accurately indicated on their labels, and train and assess the competency of staff. Her filling of fraudulent prescriptions and false documentation showing dispensing of more drugs than what the pharmacy possessed are also serious. Petitioner's misconduct demonstrates a disregard for the safeguards on controlled substances in place to protect the public.

6. Nevertheless, the Board placed petitioner's license on probation to give her an opportunity to show she is able to practice as a pharmacist in a manner consistent with public health, safety, and welfare. To her credit, petitioner has complied with probation. She has paid the Board's costs in full and continues to pay for probation monitoring. She has been submitting quarterly reports, volunteering as a pharmacist, and completing required courses.

7. However, petitioner has not established she can practice safely without Board monitoring. While her current pharmacy practice is compliant with the hours requirement imposed by probation, ORM is not a pharmacy and is outside the Board's jurisdiction. As a result, that particular setting of practice does not demonstrate to the Board she is able to: complete or maintain required documentation; ensure the potency of compounded drugs, if applicable; or train or assess the competency of staff, if applicable. Moreover, petitioner's practice at ORM does not show the Board that filling fraudulent prescriptions for medications or fraudulent dispensing of drugs will not recur.

8. Also troubling is petitioner's attempt to shift blame to Rheem staff for the violations of pharmacy laws. While she vaguely took "full responsibility" for what occurred at Rheem while she was PIC, she did not articulate at hearing or in her

Petition what she understood to be her wrongdoing. Relatedly, she also did not articulate what she has changed in her practice to ensure she would not engage in similar misconduct in the future.

9. There is no evidence of any issues relating to petitioner's practice at ORM or her volunteer practice at Ashland. However, she receives no oversight in either capacity. Without corroborating evidence, the absence of issues with petitioner's practice is given little weight. Consequently, clear and convincing evidence does not establish petitioner can practice in a manner consistent with the public health, safety, and welfare, without monitoring. Public protection requires the continued monitoring of petitioner's practice. Her Petition should be denied.

ORDER

On February 7, 2025, the Board of Pharmacy, Department of Consumer Affairs, adopted the attached Decision, which reflects the Committee's recommendation, as its own.

The Petition for Early Termination of Probation of Samira Khatami is DENIED.

This Decision shall become effective at 5:00 p.m. on March 20, 2025.

It is so ORDERED on February 18, 2025.

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 fluid and cursive, with the first name "Seung" and last name "Oh" being clearly legible.

Seung W. Oh, Pharm.D.
Board President

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

In the Matter of the Accusation Against:

**RHEEM SPECIALTY PHARMACY, LLC dba
RHEEM SPECIALTY PHARMACY, LLC;
JEFFREY M. MORGRIDGE and SAMIRA KHATAMI,
MEMBERS,
Original Pharmacy Permit No. PHY 51285;**

and

**SAMIRA KHATAMI,
Registered Pharmacist License No. RPH 60045,**

Respondents.

Agency Case No. 7120

OAH No. 2022010622

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 2, 2022.

It is so ORDERED on October 3, 2022.

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 fluid and cursive, with the first name "Seung" and last name "Oh" clearly visible.

Seung W. Oh, Pharm.D.
Board President

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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 **RHEEM SPECIALTY PHARMACY, LLC**
14 **dba Rheem Specialty Pharmacy, LLC**
15 **Jeffrey M. Morgridge and Samira Khatami,**
16 **Members**
17 **346 Rheem Blvd, Ste. 109**
18 **Moraga, CA 94556**

19 **Original Pharmacy Permit No. PHY 51285,**

20 **SAMIRA KHATAMI**
21 **5 Oak Knoll Ln**
22 **Orinda, CA 94563**

23 **Registered Pharmacist License No.**
24 **RPH 60045,**

25 Respondents.

Case No. 7120
OAH No. 2022010622

STIPULATED SETTLEMENT AND
DISCIPLINARY ORDER AS TO
RESPONDENT SAMIRA KHATAMI

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

28 **PARTIES**

1. Anne Sodergren (Complainant) is the Executive Officer of the Board of Pharmacy
(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. Respondent Samira Khatami (Respondent Khatami) is represented in this
4 proceeding by attorney John D. Bishop, whose address is 4100 Newport Place, Suite 670,
5 Newport Beach, CA 92660.

6 3. On September 13, 2007, the Board issued Original Pharmacist License No.
7 RPH 60045 to Respondent Khatami. This pharmacist license was in full force and effect at all
8 times relevant to the charges brought in Accusation No. 7120 and will expire on October 31,
9 2022, unless renewed.

10 **JURISDICTION**

11 4. Accusation No. 7120 was filed before the Board and is currently pending against
12 Respondent Khatami. The accusation and all other statutorily required documents were properly
13 served on Respondent Khatami on August 2, 2021. Respondent Khatami filed a notice of defense
14 contesting the accusation.

15 5. A copy of Accusation No. 7120 is attached as exhibit 1 and incorporated by
16 reference.

17 **ADVISEMENT AND WAIVERS**

18 6. Respondent Khatami has carefully read, fully discussed with counsel, and
19 understands the charges and allegations in Accusation No. 7120. Respondent Khatami has also
20 carefully read, fully discussed with counsel, and understands the effects of this Stipulated
21 Settlement and Disciplinary Order.

22 7. Respondent Khatami is fully aware of her legal rights in this matter, including the
23 right to a hearing on the charges and allegations in the accusation; the right to confront and cross-
24 examine the witnesses against her license; the right to present evidence and to testify on her own
25 behalf; the right to the issuance of subpoenas to compel the attendance of witnesses and the
26 production of documents; the right to reconsideration and court review of an adverse decision;
27 and all other rights accorded by the Administrative Procedure Act and other applicable laws.

28 8. Respondent Khatami voluntarily, knowingly, and intelligently waives and gives up

1 each and every right set forth above.

2 **CULPABILITY**

3 9. Respondent Khatami understands and agrees that the charges and allegations in
4 Accusation No. 7120, if proven at a hearing, constitute cause for imposing discipline upon her
5 Original Pharmacist License No. RPH 60045.

6 10. For the purpose of resolving the accusation without the expense and uncertainty of
7 further proceedings, Respondent Khatami agrees that, at a hearing, Complainant could establish a
8 factual basis for the charges in the accusation, and that Respondent Khatami gives up her right to
9 contest those charges.

10 11. Respondent Khatami agrees that her pharmacist license is subject to discipline and
11 agrees to be bound by the Board's probationary terms as set forth in the Disciplinary Order
12 below.

13 **CONTINGENCY**

14 12. This stipulation shall be subject to approval by the Board. Respondent Khatami
15 understands and agrees that counsel for Complainant and the staff of the Board may communicate
16 directly with the Board regarding this stipulation and settlement, without notice to or participation
17 by Respondent Khatami or her counsel. By signing the stipulation, Respondent Khatami
18 understands and agrees that she may not withdraw her agreement or seek to rescind the stipulation
19 prior to the time the Board considers and acts upon it. If the Board fails to adopt this stipulation
20 as its Decision and Order, the Stipulated Settlement and Disciplinary Order shall be of no force or
21 effect except for this paragraph, it shall be inadmissible in any legal action between the parties,
22 and the Board shall not be disqualified from further action by having considered this matter.

23 13. The parties understand and agree that portable document format (PDF) and
24 facsimile copies of this Stipulated Settlement and Disciplinary Order, including PDF and
25 facsimile signatures, shall have the same force and effect as the originals.

26 14. This Stipulated Settlement and Disciplinary Order is intended by the parties to be
27 an integrated writing representing the complete, final, and exclusive embodiment of their
28 agreement. It supersedes any and all prior or contemporaneous agreements, understandings,

discussions, negotiations, and commitments (written or oral). This Stipulated Settlement and Disciplinary Order may not be altered, amended, modified, supplemented, or otherwise changed except by a writing executed by an authorized representative of each of the parties.

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

DISCIPLINARY ORDER

IT IS ORDERED that Original Pharmacist License No. RPH 60045 issued to Respondent Khatami is revoked. However, the revocation is stayed and Respondent Khatami's pharmacist license is placed on probation for three years on the following terms and conditions:

1. Obey All Laws

Respondent Khatami shall obey all state and federal laws and regulations.

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

- an arrest or issuance of a criminal complaint for violation of any provision of the Pharmacy Law, state and federal food and drug laws, or state and federal controlled substances laws;
- a plea of guilty, or nolo contendere, no contest, or similar, in any state or federal criminal proceeding to any criminal complaint, information or indictment;
- a conviction of any crime; or
- discipline, citation, or other administrative action filed by any state or federal agency which involves Respondent Khatami's pharmacist license or which is related to the practice of pharmacy or the manufacturing, obtaining, handling or distributing, billing, or charging for any dangerous drug, and/or dangerous device or controlled substance.

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

2. Report to the Board

Respondent Khatami shall report to the Board quarterly, on a schedule as directed by the Board or its designee. The report shall be made either in person or in writing, as directed.

1 Among other requirements, Respondent Khatami shall state in each report under penalty of
2 perjury whether there has been compliance with all the terms and conditions of probation. Failure
3 to submit timely reports in a form as directed shall be considered a violation of probation. Any
4 period(s) of delinquency in submission of reports as directed may be added to the total period of
5 probation. Moreover, if the final probation report is not made as directed, probation shall be
6 automatically extended until such time as the final report is made and accepted by the Board.

7 **3. Interview with the Board**

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

13 **4. Cooperate with Board Staff**

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

21 **5. Continuing Education**

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

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

25 During the period of probation, Respondent Khatami shall notify all present and
26 prospective employers of the decision in Accusation No. 7120 and the terms, conditions and
27 restrictions imposed on Respondent Khatami by the decision, as follows:

28 Within 30 days of the effective date of this decision and within 10 days of undertaking

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

12 Within 30 days of the effective date of this decision and within 15 days of Respondent
13 Khatami undertaking any new employment, Respondent Khatami shall cause (a) her direct
14 supervisor; (b) her pharmacist-in-charge, designated representative-in-charge, responsible
15 manager, or other compliance supervisor; and (c) the owner or owner representative of her
16 employer, to report to the Board in writing acknowledging that the listed individual(s) has/have
17 read the decision in Accusation No. 7120 and terms and conditions imposed by the decision and
18 order. If one person serves in more than one role described in (a), (b), or (c), the
19 acknowledgment shall so state. It shall be Respondent Khatami's responsibility to ensure that
20 these acknowledgment(s) are timely submitted to the Board. In the event of a change in the
21 person(s) serving the role(s) described in (a), (b), or (c) during the term of probation, Respondent
22 Khatami shall cause the person(s) taking over the role(s) to report to the Board in writing within
23 15 days of the change acknowledging that he or she has read the decision in Accusation No. 7120
24 and the terms and conditions imposed by the decision and order.

25 If Respondent Khatami works for or is employed by or through an employment service,
26 Respondent Khatami must notify the person(s) described in (a), (b), and (c) above at every entity
27 licensed by the Board of the decision in Accusation No. 7120 and the terms and conditions
28 imposed by the decision and order in advance of Respondent Khatami commencing work at such

1 licensed entity. A record of this notification must be provided to the Board upon request.

2 Furthermore, within 30 days of the effective date of this decision and within 15 days of
3 Respondent Khatami undertaking any new employment by or through an employment service,
4 Respondent Khatami shall cause the person(s) described in (a), (b), and (c) above at the
5 employment service to report to the Board in writing acknowledging that he or she has read the
6 decision in Accusation No. 7120 and the terms and conditions imposed by the decision and order.
7 It shall be Respondent Khatami's responsibility to ensure that these acknowledgment(s) are
8 timely submitted to the Board.

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

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

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

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

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

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

22 During the period of probation, Respondent Khatami shall not supervise any intern
23 pharmacist, be the pharmacist-in-charge, designated representative-in-charge, responsible
24 manager or other compliance supervisor of any entity licensed by the Board, nor serve as a
25 consultant. Assumption of any such unauthorized supervision responsibilities shall be considered
26 a violation of probation.

27 **9. Reimbursement of Board Costs**

28 As a condition precedent to successful completion of probation, Respondent Khatami

1 shall pay to the Board its costs of investigation and prosecution in the total amount of \$10,000.00.
2 Respondent Khatami is jointly and severally liable with Respondent Rheem Specialty Pharmacy,
3 LLC, for these costs.

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

9 **10. Probation Monitoring Costs**

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

14 **11. Status of License**

15 Respondent Khatami shall, at all times while on probation, maintain an active, current
16 original pharmacist license with the Board, including any period during which suspension or
17 probation is tolled. Failure to maintain an active, current original pharmacist license shall be
18 considered a violation of probation.

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

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

24 Following the effective date of this decision, should Respondent Khatami cease practice
25 due to retirement or health, or be otherwise unable to satisfy the terms and conditions of
26 probation, Respondent Khatami may relinquish her license, including any indicia of licensure
27 issued by the Board, along with a request to surrender the license. The Board or its designee shall
28 have the discretion whether to accept the surrender or take any other action it deems appropriate

1 and reasonable. Upon formal acceptance of the surrender of the license, Respondent Khatami
2 will no longer be subject to the terms and conditions of probation. This surrender constitutes a
3 record of discipline and shall become a part of the Respondent Khatami's license history with the
4 Board.

5 Upon acceptance of the surrender, Respondent Khatami shall relinquish her pocket and/or
6 wall license, including any indicia of licensure not previously provided to the Board, within 10
7 days of notification by the Board that the surrender is accepted if not already provided.

8 Respondent Khatami may not reapply for any license from the Board for three years from the
9 effective date of the surrender. Respondent Khatami shall meet all requirements applicable to the
10 license sought as of the date the application for that license is submitted to the Board, including
11 any outstanding costs.

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

13 Except during periods of suspension, Respondent Khatami shall, at all times while on
14 probation, be employed as a pharmacist in California for a minimum of 80 hours per calendar
15 month. Any month during which this minimum is not met shall extend the period of probation by
16 one month. During any such period of insufficient employment, Respondent Khatami must
17 nonetheless comply with all terms and conditions of probation, unless Respondent Khatami
18 receives a waiver in writing from the Board or its designee.

19 If Respondent Khatami does not practice as a pharmacist in California for the minimum
20 number of hours in any calendar month, for any reason (including vacation), Respondent Khatami
21 shall notify the Board in writing within 10 days of the conclusion of that calendar month. This
22 notification shall include at least: the date(s), location(s), and hours of last practice; the reason(s)
23 for the interruption or reduction in practice; and the anticipated date(s) on which Respondent
24 Khatami will resume practice at the required level. Respondent Khatami shall further notify the
25 Board in writing within 10 days following the next calendar month during which Respondent
26 Khatami practices as a pharmacist in California for the minimum of hours. Any failure to timely
27 provide such notification(s) shall be considered a violation of probation.

28 It is a violation of probation for Respondent Khatami's probation to be extended under the

provisions of this condition for a total period, counting consecutive and non-consecutive months, exceeding 36 months. The Board or its designee may post a notice of the extended probation period on its website.

14. Violation of Probation

If Respondent Khatami has not complied with any term or condition of probation, the Board shall have continuing jurisdiction over Respondent Khatami, and the Board shall provide notice to Respondent Khatami 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 Khatami violates probation in any respect, the Board, after giving Respondent Khatami 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 Khatami 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, and the charges and allegations in the accusation shall be deemed true and correct.

15. Completion of Probation

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

16. Community Services Program

Within 60 days of the effective date of this decision, Respondent Khatami shall submit to the Board or its designee, for prior approval, a community service program in which Respondent Khatami shall provide free pharmacist services on a regular basis to a community or charitable facility or agency for at least four hours per month for the duration of probation. Within 30 days of Board approval, Respondent Khatami shall submit documentation to the Board or its designee

1 demonstrating commencement of the community service program. Respondent Khatami shall
2 report on progress with the community service program in the quarterly reports and provide
3 satisfactory documentary evidence of such progress to the Board or its designee upon request.
4 Failure to timely submit, commence, or comply with the program shall be considered a violation
5 of probation.

6 **17. Remedial Education**

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

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

18 Following the completion of each course, the Board or its designee may require
19 Respondent Khatami, at her own expense, to take an approved examination to test her knowledge
20 of the course. If Respondent Khatami does not achieve a passing score on the examination that
21 course shall not count towards satisfaction of this term. Respondent Khatami shall take another
22 course approved by the Board in the same subject area.

23 **18. Ethics Course**

24 Within 60 calendar days of the effective date of this decision, Respondent Khatami shall
25 enroll in a course in ethics, at Respondent Khatami's expense, approved in advance by the Board
26 or its designee that complies with California Code of Regulations, title 16, section 1773.5.
27 Respondent Khatami shall provide proof of enrollment upon request. Within five days of
28 completion, Respondent Khatami shall submit a copy of the certificate of completion to the Board

1 or its designee. Failure to timely enroll in an approved ethics course, to initiate the course during
2 the first year of probation, to successfully complete it before the end of the second year of
3 probation, or to timely submit proof of completion to the Board or its designee, shall be
4 considered a violation of probation.

5 **19. No New Ownership or Management of Licensed Premises**

6 Respondent Khatami shall not acquire any new ownership, legal or beneficial interest nor
7 serve as a manager, administrator, member, officer, director, trustee, associate, or partner of any
8 additional business, firm, partnership, or corporation licensed by the Board for two years from the
9 effective date of this decision. The Board shall retain the discretion whether to grant or deny any
10 application for new ownership, or take any other action it deems appropriate and reasonable. If
11 Respondent Khatami currently owns or has any legal or beneficial interest in, or serves as a
12 manager, administrator, member, officer, director, trustee, associate, or partner of any business,
13 firm, partnership, or corporation currently or afterward licensed by the Board, Respondent
14 Khatami may continue to serve in such capacity or hold that interest, but only to the extent of that
15 position or interest as of the effective date of this decision. Violation of this restriction shall be
16 considered a violation of probation.

17 **ACCEPTANCE**

18 I have carefully read the above Stipulated Settlement and Disciplinary Order and have
19 fully discussed it with my attorney, John Bishop. I understand the stipulation and the effect it will
20 have on my pharmacist license. I enter into this Stipulated Settlement and Disciplinary Order
21 voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the
22 Board.

23
24 DATED: _____

25 SAMIRA KHATAMI
Respondent

26 ///

or its designee. Failure to timely enroll 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 of completion to the Board or its designee, shall be considered a violation of probation.

19. No New Ownership or Management of Licensed Premises

Respondent Khatami shall not acquire any new ownership, legal or beneficial interest nor serve as a manager, administrator, member, officer, director, trustee, associate, or partner of any additional business, firm, partnership, or corporation licensed by the Board for two years from the effective date of this decision. The Board shall retain the discretion whether to grant or deny any application for new ownership, or take any other action it deems appropriate and reasonable. If Respondent Khatami currently owns or has any legal or beneficial interest in, or serves as a manager, administrator, member, officer, director, trustee, associate, or partner of any business, firm, partnership, or corporation currently or afterward licensed by the Board, Respondent Khatami may continue to serve in such capacity or hold that interest, but only to the extent of that position or interest as of the effective date of this decision. Violation of this restriction shall be considered a violation of probation.

ACCEPTANCE

I have carefully read the above Stipulated Settlement and Disciplinary Order and have fully discussed it with my attorney, John Bishop. I understand the stipulation and the effect it will have on my pharmacist license. I enter into this Stipulated Settlement and Disciplinary Order voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the Board.

DATED: 7/21/2022

DocuSigned by:

Samira Khatami

SAMIRA KHATAMI

Respondent

///

1 I have read and fully discussed with Respondent Khatami the terms and conditions and
2 other matters contained in the above Stipulated Settlement and Disciplinary Order. I approve its
3 form and content.

4 DATED: _____

JOHN BISHOP
Attorney for Respondent Khatami

6 **ENDORSEMENT**

7 This Stipulated Settlement and Disciplinary Order is submitted for consideration by the
8 Board.

9 DATED: _____

Respectfully submitted,

11 ROB BONTA
Attorney General of California
12 CHAR SACHSON
Supervising Deputy Attorney General

14 GREGORY TUSS
Deputy Attorney General
15 *Attorneys for Complainant*

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I have read and fully discussed with Respondent Khatami the terms and conditions and other matters contained in the above Stipulated Settlement and Disciplinary Order. I approve its form and content.

DATED: 7/21/2022

DocuSigned by:

John Bishop

JOHN BISHOP D05FC1485...

Attorney for Respondent Khatami

ENDORSEMENT

This Stipulated Settlement and Disciplinary Order is submitted for consideration by the Board.

DATED: _____

Respectfully submitted,

ROB BONTA
Attorney General of California
CHAR SACHSON
Supervising Deputy Attorney General

GREGORY TUSS
Deputy Attorney General
Attorneys for Complainant

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1 I have read and fully discussed with Respondent Khatami the terms and conditions and
2 other matters contained in the above Stipulated Settlement and Disciplinary Order. I approve its
3 form and content.

4 DATED: _____

JOHN BISHOP
Attorney for Respondent Khatami

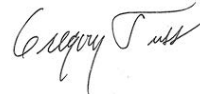
6 **ENDORSEMENT**

7 This Stipulated Settlement and Disciplinary Order is submitted for consideration by the
8 Board.

9 DATED: 8-5-22
10 _____

Respectfully submitted,

11 ROB BONTA
Attorney General of California
12 CHAR SACHSON
Supervising Deputy Attorney General

13 

14 GREGORY TUSS
Deputy Attorney General
15 *Attorneys for Complainant*

16
17 SF2021400526
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Exhibit 1

Accusation No. 7120

1 ROB BONTA
Attorney General of California
2 CHAR SACHSON
Supervising Deputy Attorney General
3 JONATHAN D. COOPER
Deputy Attorney General
4 State Bar No. 141461
455 Golden Gate Avenue, Suite 11000
5 San Francisco, CA 94102-7004
Telephone: (415) 510-3433
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. 7120

13 **RHEEM SPECIALTY PHARMACY, LLC**
14 **dba Rheem Specialty Pharmacy, LLC**
15 **Jeffrey M. Morgridge and Samira Khatami,**
16 **Members**
17 **346 Rheem Blvd, Ste. 109**
18 **Moraga, CA 94556**

ACCUSATION

19 **Original Pharmacy Permit No. PHY 51285**

20 **And**

21 **SAMIRA KHATAMI**
22 **5 Oak Knoll Ln**
23 **Orinda, CA 94563**

24 **Registered Pharmacist License No. RPH**
25 **60045**

26 Respondents.
27
28

PARTIES

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

31 2. On or about July 8, 2013, the Board issued Original Pharmacy Permit Number PHY

1 51285 to Rheem Specialty Pharmacy, LLC, dba Rheem Specialty Pharmacy, LLC, Jeffrey M.
2 Morgridge and Samira Khatami, Members (hereinafter “Respondent Rheem”). The Original
3 Pharmacy Permit was in full force and effect at all times relevant to the charges brought herein. It
4 was cancelled on November 18, 2020.

5 3. On or about September 13, 2007, the Board issued Original Pharmacist License
6 Number RPH 60045 to Samira Khatami (hereinafter “Respondent Khatami”). The Registered
7 Pharmacist License was in full force and effect at all times relevant to the charges brought herein
8 and will expire on October 31, 2022, unless renewed. Respondent Khatami served as Pharmacist-
9 in-Charge for Respondent Rheem since July 8, 2013.

10 **JURISDICTION**

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

14 5. Section **4011** of the Code provides that the Board shall administer and enforce both
15 the Pharmacy Law [Bus. & Prof. Code, § 4000 et seq.] and the Uniform Controlled Substances
16 Act [Health & Safety Code, § 11000 et seq.].

17 6. Section **4300(a)** of the Code provides that every license issued by the Board may be
18 suspended or revoked.

19 7. Section **4300.1** of the Code provides that the expiration, cancellation, forfeiture, or
20 suspension of a Board-issued license, the placement of a license on a retired status, or the
21 voluntary surrender of a license by a licensee, shall not deprive the Board of jurisdiction to
22 commence or proceed with any investigation of, or action or disciplinary proceeding against, the
23 licensee or to render a decision suspending or revoking the license.

24 **STATUTORY AND REGULATORY PROVISIONS**

25 **Business and Professions Code:**

26 8. Section **4059** of the Code, in pertinent part, prohibits furnishing of any dangerous
27 drug or dangerous device except upon the prescription of an authorized prescriber.

28 9. Section **4081** of the Code states, in pertinent part:

1 (a) All records of manufacture and of sale, acquisition, or disposition of dangerous drugs or
2 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 food-
5 animal drug retailer, physician, dentist, podiatrist, veterinarian, laboratory, clinic, hospital,
6 institution, or establishment holding a currently valid and unrevoked certificate, license, permit,
7 registration, or exemption under Division 2 (commencing with Section 1200) of the Health and
8 Safety Code or under Part 4 (commencing with Section 16000) of Division 9 of the Welfare and
9 Institutions Code who maintains a stock of dangerous drugs or dangerous devices.

10 (b) The owner, officer, and partner of a pharmacy, wholesaler, or veterinary food-animal
11 drug retailer shall be jointly responsible, with the pharmacist-in-charge or designated
12 representative-in-charge, for maintaining the records and inventory described in this section.

13 . . .

14 10. Section **4105** of the Code requires, in pertinent part, that unless a waiver is granted by
15 the board, all records and other documentation of the acquisition and disposition of dangerous
16 drugs and devices by any entity licensed by the board be retained on the licensed premises, in a
17 readily retrievable form, for three years from the date of making.

18 11. Section **4113(c)** of the Code states:

19 The pharmacist-in-charge shall be responsible for a pharmacy's compliance with all state
20 and federal laws and regulations pertaining to the practice of pharmacy.

21 12. Section **4301** of the Code states, in pertinent part:

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

25 . . .

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

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...

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

...

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

...

13. Section **4306.5** of the Code states:
Unprofessional conduct for a pharmacist may include any of the following:

(a) Acts or omissions that involve, in whole or in part, the inappropriate exercise of his or her education, training, or experience as a pharmacist, whether or not the act or omission arises in the course of the practice of pharmacy or the ownership, management, administration, or operation of a pharmacy or other entity licensed by the board.

(b) Acts or omissions that involve, in whole or in part, the failure to exercise or implement his or her best professional judgment or corresponding responsibility with regard to the dispensing or furnishing of controlled substances, dangerous drugs, or dangerous devices, or with regard to the provision of services.

(c) Acts or omissions that involve, in whole or in part, the failure to consult appropriate patient, prescription, and other records pertaining to the performance of any pharmacy function.

(d) Acts or omissions that involve, in whole or in part, the failure to fully maintain and retain appropriate patient-specific information pertaining to the performance of any pharmacy function.

14. Section **4307** of the Code states:

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

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

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

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

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

16 (c) The provisions of subdivision (a) may be alleged in any pleading filed pursuant to
17 Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of the Government Code.
18 However, no order may be issued in that case except as to a person who is named in the caption,
19 as to whom the pleading alleges the applicability of this section, and where the person has been
20 given notice of the proceeding as required by Chapter 5 (commencing with Section 11500) of
21 Part 1 of Division 3 of the Government Code. The authority to proceed as provided by this
22 subdivision shall be in addition to the board's authority to proceed under Section 4339 or any
23 other provision of law.

24 15. Section **4332** of the Code states:

25 Any person who fails, neglects, or refuses to maintain the records required by Section 4081
26 or who, when called upon by an authorized officer or a member of the board, fails, neglects, or
27 refuses to produce or provide the records within a reasonable time, or who willfully produces or
28 furnishes records that are false, is guilty of a misdemeanor.

California Code of Regulations:

16. California Code of Regulations, title 16, section **1715** states:

(a) The pharmacist-in-charge of each pharmacy as defined under section 4029 or section 4037 of the Business and Professions Code shall complete a self-assessment of the pharmacy's compliance with federal and state pharmacy law. The assessment shall be performed before July 1 of every odd-numbered year. The primary purpose of the self-assessment is to promote compliance through self-examination and education.

...

(d) Each self-assessment shall be kept on file in the pharmacy for three years after it is performed.

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

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

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

18. California Code of Regulations, title 16, section **1735.2** states, in pertinent part:

...

(k) Prior to allowing any drug product preparation to be compounded in a pharmacy, the pharmacist-in-charge shall complete a self-assessment for compounding pharmacies developed by the board (Incorporated by reference is “Community Pharmacy & Hospital Outpatient Pharmacy Compounding Self-Assessment” Form 17M-39 Rev. 02/12.) as required by Section 1715 of Title 16, Division 17, of the California Code of Regulations. That form contains a first section applicable to all compounding, and a second section applicable to sterile injectable compounding. The first section must be completed by the pharmacist-in-charge before any compounding is performed in the pharmacy. The second section must be completed by the pharmacist-in-charge before any sterile compounding is performed in the pharmacy. The applicable sections of the self-assessment shall subsequently be completed before July 1 of each odd-numbered year, within 30

1 days of the start date of a new pharmacist-in-charge or change of location, and within 30 days of
2 the issuance of a new pharmacy license. The primary purpose of the self-assessment is to promote
3 compliance through self-examination and education.

4 . . .

5 19. California Code of Regulations, title 16, section **1735.3** states, in pertinent part:

6 (a) For each compounded drug preparation, pharmacy records shall include:

7 (1) The master formula document.

8 (2) A compounding log consisting of a single document containing all of the following:

9 (A) Name and Strength of the compounded drug preparation.

10 (B) The date the drug preparation was compounded.

11 (C) The identity of any pharmacy personnel engaged in compounding the drug preparation.

12 (D) The identity of the pharmacist reviewing the final drug preparation.

13 (E) The quantity of each ingredient used in compounding the drug preparation.

14 (F) The manufacturer, expiration date and lot number of each component. If the
15 manufacturer name is demonstrably unavailable, the name of the supplier may be substituted. If
16 the manufacturer does not supply an expiration date for any component, the records shall include
17 the date of receipt of the component in the pharmacy, and the limitations of section 1735.2,
18 subdivision (l) shall apply.

19 (i) Exempt from the requirements in this paragraph (1735.3(a)(2)(F)) are sterile
20 preparations compounded in a single lot for administration within seventy-two (72) hours to a
21 patient in a health care facility licensed under section 1250 of the Health and Safety Code and
22 stored in accordance with standards for "Redispensed CSPs" found in Chapter 797 of the United
23 States Pharmacopeia - National Formulary (USP37-NF32) Through 2nd Supplement (37th
24 Revision, Effective December 1, 2014), hereby incorporated by reference.

25 (G) A pharmacy-assigned unique reference or lot number for the compounded drug
26 preparation.

27 (H) The beyond use date or beyond use date and time of the final compounded drug
28 preparation, expressed in the compounding document in a standard date and time format.

1 (I) The final quantity or amount of drug preparation compounded for dispensing.

2 (J) Documentation of quality reviews and required post-compounding process and
3 procedures.

4 . . .

5 20. California Code of Regulations, title 16, section **1735.5** states, in pertinent part:

6 (a) Any pharmacy engaged in compounding shall maintain written policies and procedures
7 for compounding that establishes procurement procedures, methodologies for the formulation and
8 compounding of drugs, facilities and equipment cleaning, maintenance, operation, and other
9 standard operating procedures related to compounding. Any material failure to follow the
10 pharmacy's written policies and procedures shall constitute a basis for disciplinary action.

11 (b) The policies and procedures shall be reviewed and such review shall be documented on
12 an annual basis by the pharmacist-in-charge. The policies and procedures shall be updated
13 whenever changes in policies and procedures are implemented.

14 . . .

15 21. California Code of Regulations, title 16, section **1735.7** states:

16 (a) A pharmacy engaged in compounding shall maintain documentation demonstrating that
17 personnel involved in compounding have the skills and training required to properly and
18 accurately perform their assigned responsibilities and documentation demonstrating that all
19 personnel involved in compounding are trained in all aspects of policies and procedures. This
20 training shall include but is not limited to support personnel (e.g. institutional environmental
21 services, housekeeping), maintenance staff, supervising pharmacist and all others whose jobs are
22 related to the compounding process.

23 (b) The pharmacy shall develop and maintain an on-going competency evaluation process
24 for pharmacy personnel involved in compounding, and shall maintain documentation of any and
25 all training related to compounding undertaken by pharmacy personnel.

26 (c) Pharmacy personnel assigned to compounding duties shall demonstrate knowledge
27 about processes and procedures used in compounding prior to compounding any drug preparation.

28 ///

22. California Code of Regulations, title 16, section **1735.8** states:

(a) Any pharmacy engaged in compounding shall maintain, as part of its written policies and procedures, a written quality assurance plan designed to monitor and ensure the integrity, potency, quality, and labeled strength of compounded drug preparations.

(b) The quality assurance plan shall include written procedures for verification, monitoring, and review of the adequacy of the compounding processes and shall also include written documentation of review of those processes by qualified pharmacy personnel.

(c) The quality assurance plan shall include written standards for qualitative and quantitative analysis of compounded drug preparations to ensure integrity, potency, quality, and labeled strength, including the frequency of testing. All qualitative and quantitative analysis reports for compounded drug preparations shall be retained by the pharmacy and maintained along with the compounding log and master formula document. The quality assurance plan shall include a schedule for routine testing and analysis of specified compounded drug preparations to ensure integrity, potency, quality, and labeled strength, on at least an annual basis.

(d) The quality assurance plan shall include a written procedure for scheduled action in the event any compounded drug preparation is ever discovered to be outside minimum standards for integrity, potency, quality, or labeled strength.

(e) The quality assurance plan shall include a written procedure for responding to out-of-range temperature variations within the pharmacy and within patient care areas of a hospital where furnished drug is returned for redispensing.

Controlled Substances/Dangerous Drugs:

23 Section **4021** of the Code provides that a “controlled substance” means any substance listed in Schedules I through V contained in Health and Safety Code section 11053 et seq.

24. Section **4022** of the Code states, in pertinent part:

“Dangerous drug: or “dangerous device” means any drug or device unsafe for self use, except veterinary drugs that are labeled as such, and includes the following:

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

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

25. California Health and Safety Code section **11153** states:

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

(b) Any person who knowingly violates this section shall be punished by imprisonment pursuant to subdivision (h) of Section 1170 of the Penal Code, or in a county jail not exceeding one year, or by a fine not exceeding twenty thousand dollars (\$20,000), or by both that fine and imprisonment.

(c) No provision of the amendments to this section enacted during the second year of the 1981-82 Regular Session shall be construed as expanding the scope of practice of a pharmacist.

COST RECOVERY

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

PHARMACY LAW VIOLATIONS

27. On or about October 29, 2020, a Pharmacy Board Inspector inspected Respondent Rheem. The inspection revealed numerous violations of standards applicable to pharmacies, as follows:

1 a. Self-Assessment of Pharmacy: Respondent Rheem and Respondent Khatami
2 (hereinafter “Respondents”) failed to comply with California Code of Regulations, title 16,
3 section 1715, subsections (a) and (d), which require pharmacies to complete and keep on file self-
4 assessments of the pharmacies’ compliance with federal and state pharmacy law.

5 b. Self-Assessment Regarding Compounding Limitations and Requirements:
6 Respondents failed to comply with California Code of Regulations, title 16, section 1735.2,
7 subsection (k), which requires compounding pharmacies to complete and keep on file self-
8 assessments of the pharmacies’ compliance with federal and state pharmacy law.

9 c. Compounding Log: Respondents failed to comply with California Code of
10 Regulations, title 16, section 1735.3, subsection (a)(2)(J), which requires compounding
11 pharmacies to maintain a compounding log documenting quality reviews and required post-
12 compounding process and procedures.

13 d. Compounding Policies and Procedures: Respondents failed to comply with
14 California Code of Regulations, title 16, section 1735.5, subsection (b), which requires
15 compounding pharmacies to maintain written policies and procedures for compounding and to
16 update them on an annual basis. On the date of the inspection, the compounding policies and
17 procedures had not been updated or reviewed since 2014.

18 e. Compounding Quality Assurance: Respondents failed to comply with California
19 Code of Regulations, title 16, section 1735.8, which requires compounding pharmacies to
20 maintain a written quality assurance plan designed to monitor and ensure the integrity, potency,
21 quality and strength of compounded drug preparations. On the date of the inspection,
22 Respondents failed to show that they had completed end product testing to ensure the potency and
23 labeled strength on any compounded drug product.

24 f. Training of Compounding Staff: Respondents failed to comply with California Code
25 of Regulations, title 16, section 1735.7, which requires compounding pharmacies to train,
26 evaluate and assess the ongoing competency of pharmacy staff, and to maintain documentation of
27 compliance with these requirements. On the date of the inspection, Respondents failed to show
28 that they had complied with these requirements.

1 g. Fraudulent Conduct: Respondents engaged in unprofessional conduct, in violation of
2 Code section 4301, subsection (f), by engaging in fraudulent acts. Between November 1, 2018
3 and October 29, 2020, Respondents filled fraudulent prescriptions for foot bath treatments. The
4 prescriptions were purportedly issued by medical practitioners. The practitioners, however, did
5 not in actuality issue or authorize the prescriptions. Respondents billed for prescriptions that
6 were never written and/or were never filled.

7 h. Failure to Maintain Current Inventory: Respondents failed to comply with Code
8 section 4081, subsection (a), and California Code of Regulations, title 16, section 1718, which
9 require pharmacies to maintain a current inventory of manufacture, sale, acquisition and
10 disposition of dangerous drugs and devices. A two-year audit from November 1, 2018 to October
11 29, 2020 revealed substantial overages of vancomycin, clindamycin and ketoconazole. In other
12 words, the audit revealed that Respondents had dispensed more of these drugs than Respondents
13 had purchased.

14 **FIRST CAUSE FOR DISCIPLINE**

15 (Failure to Comply with Pharmacy Laws)

16 28. Respondents are each and severally subject to discipline under Code sections 4113,
17 subsection (c), 4301, subsections (j) and (o), and, by reference to section(s) 4081, 4105 and/or
18 4332 of the Code, for violating laws regulating controlled substances or dangerous drugs, and/or
19 directly or indirectly violating, attempting to violate, or assisting in or abetting a violation of laws
20 or regulations governing the practice of pharmacy, as set forth above in paragraph 27 and its
21 subsections.

22 **SECOND CAUSE FOR DISCIPLINE**

23 (Unprofessional Conduct -- Fraud)

24 29. Respondents are each and severally subject to discipline under section 4301(f) of the
25 Code and under Code section 4113, subsection (c), in that Respondents committed acts involving
26 moral turpitude, dishonesty, fraud, deceit, or corruption, as set forth above in paragraph 27 and its
27 subsections.

28 ///

1 **THIRD CAUSE FOR DISCIPLINE**

2 (Unprofessional Conduct)

3 30. Respondents are each and severally subject to discipline under section 4301 of the
4 Code and under Code section 4113, subsection (c), in that Respondents committed acts of
5 unprofessional conduct, as set forth above in paragraph 27 and its subsections.

6 **FOURTH CAUSE FOR DISCIPLINE**

7 (Pharmacist's Failure to Exercise Education, Training and Experience)

8 31. Respondent Khatami is subject to discipline under section 4306.5 of the Code in that
9 she inappropriately exercised her education, training or experience as a pharmacist, as set forth
10 above in paragraph 27 and its subsections.

11 **OTHER MATTERS**

12 32. Pursuant to Code section 4307, if discipline is imposed on Pharmacy Original
13 Permit Number PHY 51285 issued to Respondent Rheem, then Respondent Rheem shall be
14 prohibited from serving as a manager, administrator, owner, member, officer, director, associate,
15 or partner of a licensee for five years if Pharmacy Permit Number PHY 51285 is placed on
16 probation or until Pharmacy Permit Number PHY 51285 is reinstated if it is revoked.

17 33. Pursuant to Code section 4307, if discipline is imposed on Pharmacist License
18 Number RPH 60045, issued to Respondent Khatami, then Respondent Khatami shall be
19 prohibited from serving as a manager, administrator, owner, member, officer, director, associate,
20 or partner of a licensee for five years if Pharmacist License Number RPH 60045 is placed on
21 probation or until Pharmacist License Number RPH 60045 is reinstated if it is revoked.

22 **PRAYER**

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

25 1. Revoking or suspending Original Permit Number PHY 51285 issued to Respondent
26 Rheem;

27 2. Revoking or suspending Pharmacist License Number RPH 60045, issued to
28 Respondent Khatami;

1 3. Prohibiting Respondents Rheem and Khatami from serving as a manager,
2 administrator, owner, member, officer, director, associate, or partner of a licensee for five years if
3 Pharmacy Permit Number PHY 51285 is placed on probation or until Pharmacy Permit Number
4 PHY 51285 is reinstated if Pharmacy Permit Number PHY 51285 is revoked;

5 4. Prohibiting Respondent Khatami from serving as a manager, administrator, owner,
6 member, officer, director, associate, or partner of a licensee for five years if Pharmacist License
7 Number RPH 60045 is placed on probation or until Pharmacist License Number RPH 60045 is
8 reinstated if Pharmacist License Number RPH 60045 is revoked;

9 5. Ordering Respondents to jointly and severally be responsible to pay the Board of
10 Pharmacy the reasonable costs of the investigation and enforcement of this case, pursuant to
11 Business and Professions Code section 125.3;

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

13
14 DATED: 7/29/2021

Signature on File

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