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

In the Matter of the Accusation Against:

MARTEK PHARMACAL CO.,
Out-of-State Distributor License No. OSD 5010 &
Out-of-State Distributor License No. OSD 7820;

and

ANDREW EDWARD STECK JR.,
Designated Representative License No. EXC 19164,

Respondents

Agency Case No. 7135

DECISION AND ORDER

The attached Stipulated Settlement and Disciplinary Order for Public Reproval 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 May 25, 2022.

It is so ORDERED on April 25, 2022.

BOARD OF PHARMACY DEPARTMENT OF CONSUMER AFFAIRS STATE OF CALIFORNIA

Seung W. Oh, Pharm.D.

Board President

| 1 2 3 4 5 6 7 8 9 10 | ROB BONTA Attorney General of California ANDREW M. STEINHEIMER Supervising Deputy Attorney General BRENT O. JEX Deputy Attorney General State Bar No. 235261 1300 I Street, Suite 125 P.O. Box 944255 Sacramento, CA 94244-2550 Telephone: (916) 210-7864 Facsimile: (916) 327-8643 Attorneys for Complainant BEFORE TI BOARD OF PHAN DEPARTMENT OF CONS STATE OF CALIF | RMACY SUMER AFFAIRS |
|---|--|--|
| 12 | | |
| 13 | In the Matter of the Accusation Against: | Case No. 7135 |
| 14 | MARTEK PHARMACAL CO. | STIPULATED SETTLEMENT AND DISCIPLINARY ORDER FOR |
| | 2303 Atlantic Ave Manasquan, NJ 08736 | PUBLIC REPROVAL |
| 15 | Out-of-State Distributor License No. OSD 5010; | [Bus. & Prof. Code § 495] |
| 16 | Out-of-State Distributor License No. OSD 7820 | |
| 17 18 | and | |
| 19 | ANDREW EDWARD STECK JR. | |
| 20 | P.O. Box 412 Allenwood, NJ 08720 | |
| 21 | Designated Representative License No. EXC | |
| 22 | 19164 | |
| 23 | Respondents. | |
| 24 | | • |
| 25 | | |
| 26 | | |
| 27 | | |
| 28 | | |
| | 1 | |
| | | |

IT IS HEREBY STIPULATED AND AGREED by and between the parties to the aboveentitled proceedings that the following matters are true:

PARTIES

- 1. Anne Sodergren (Complainant) is the Executive Officer of the Board of Pharmacy (Board). She brought this action solely in her official capacity and is represented in this matter by Rob Bonta, Attorney General of the State of California, by Brent O. Jex, Deputy Attorney General.
- 2. Martek Pharmacal Co. (Respondent Martek) and Andrew Edward Steck Jr. (Respondent Steck) are represented in this proceeding by Sweta H. Patel, Esq., Klein, Hockel, Iezza & Patel, P.C., 1981 North Broadway, Suite 220, Walnut Creek, CA 94596-3877.

JURISDICTION

- 3. On or about February 14, 2007, the Board issued Out-of-State Distributor License Number OSD 5010 to Respondent Martek. The Out-of-State Distributor License expired on February 1, 2021 and was cancelled on April 13, 2021 pursuant to a change in location.
- 4. On or about March 22, 2021, the Board issued Out-of-State Distributor License Number OSD 7820 to Respondent Martek. The Out-of-State Distributor License will expire on March 1, 2022, unless renewed.
- 5. On or about February 9, 2007, the Board issued Designated Representative License Number EXC 19164 to Respondent Steck. The Designated Representative License was in full force and effect all times relevant to the charges brought herein and will expire on February 1, 2023, unless renewed.
- 6. Respondent Steck has been the President and Designated Representative-in-Charge for Respondent Martek at all times since February 14, 2007. Respondent Martek and Respondent Steck are collectively referred to herein as "Respondents."
- 7. Accusation No. 7135 was filed before the Board and is currently pending against Respondents. The Accusation and all other statutorily required documents were properly served on Respondents on September 1, 2021. Respondents timely filed their Notice of Defense contesting the Accusation. A copy of Accusation No. 7135 is attached as Exhibit A and

incorporated herein by reference.

ADVISEMENT AND WAIVERS

- 8. Respondents have carefully read, fully discussed with counsel, and understand the charges and allegations in Accusation No. 7135. Respondents have also carefully read, fully discussed with counsel, and understand the effects of this Stipulated Settlement and Disciplinary Order for Public Reproval.
- 9. Respondents are fully aware of their legal rights in this matter, including the right to a hearing on the charges and allegations in the Accusation; the right to be represented by counsel at their own expense; the right to confront and cross-examine the witnesses against them; the right to present evidence and to testify on its own behalf; the right to the issuance of subpoenas to compel the attendance of witnesses and the production of documents; the right to reconsideration and court review of an adverse decision; and all other rights accorded by the California Administrative Procedure Act and other applicable laws.
- 10. Respondents voluntarily, knowingly, and intelligently waive and give up each and every right set forth above.

CULPABILITY

- 11. Respondents understand and agree that the charges and allegations in Accusation No.7135, if proven at a hearing, constitute cause for imposing discipline upon Respondent Martek'sOut of State Distributor Licenses, and Respondent Steck's Designated Representative License.
- 12. For the purpose of resolving the Accusation without the expense and uncertainty of further proceedings, Respondents agree that, at a hearing, Complainant could establish a factual basis for the charges in the Accusation, and that Respondents hereby give up their right to contest those charges.

CONTINGENCY

13. This stipulation shall be subject to approval by the Board of Pharmacy. Respondents understand and agree that counsel for Complainant and the staff of the Board of Pharmacy may communicate directly with the Board regarding this stipulation and settlement, without notice to or participation by Respondents or their counsel. By signing the stipulation, Respondents

understand and agree that they may not withdraw their agreement or seek to rescind the stipulation prior to the time the Board considers and acts upon it. If the Board fails to adopt this stipulation as its Decision and Order, the Stipulated Settlement and Disciplinary Order for Public Reproval shall be of no force or effect, except for this paragraph, it shall be inadmissible in any legal action between the parties, and the Board shall not be disqualified from further action by having considered this matter.

- 14. The parties understand and agree that Portable Document Format (PDF) and facsimile copies of this Stipulated Settlement and Disciplinary Order for Public Reproval, including PDF and facsimile signatures thereto, shall have the same force and effect as the originals.
- 15. This Stipulated Settlement and Disciplinary Order for Public Reproval is intended by the parties to be an integrated writing representing the complete, final, and exclusive embodiment of their agreement. It supersedes any and all prior or contemporaneous agreements, understandings, discussions, negotiations, and commitments (written or oral). This Stipulated Settlement and Disciplinary Order for Public Reproval may not be altered, amended, modified, supplemented, or otherwise changed except by a writing executed by an authorized representative of each of the parties.
- 16. In consideration of the foregoing admissions and stipulations, the parties agree that the Board may, without further notice or formal proceeding, issue and enter the following Disciplinary Order:

DISCIPLINARY ORDER

IT IS HEREBY ORDERED that Out-of-State Distributor License Number OSD 5010 and Out of State Distributor License No. 7820 issued to Respondent Martek, and Designated Representative License Number EXC 19164 issued to Respondent Steck shall be publicly reproved by the Board of Pharmacy under Business and Professions Code section 495 in resolution of Accusation No. 7135, attached as Exhibit A.

Coursework. Within sixty days of the effective date of this decision, Respondent Steck shall submit to the Board or its designee, for prior approval, an appropriate program of remedial education (in-person or live webinar) on prescription drug abuse. The program of remedial

shall consist of at least six hours, which shall be completed within six months at Respondent Steck's own expense.

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

Cost Recovery. No later than six months from the effective date of the Decision, Respondent Martek shall pay \$5,555.00 to the Board for its costs associated with the investigation and enforcement of this matter pursuant to Business and Professions Code Section 125.3. If Respondent Martek fails to pay the Board costs as ordered, Respondent Martek shall not be allowed to renew its Out of State Distributor License until Respondent Martek pays costs in full. In addition, the Board may enforce this order for payment of its costs in any appropriate court, in addition to any other rights the Board may have.

Administrative Fine. Respondent Martek shall pay an administrative fine to the Board in the amount of \$5,000.00. Respondent Martek shall have six months from the effective date of this Decision and Order to pay the administrative fine. Failure to pay the administrative fine as ordered shall be considered a violation of probation.

Full Compliance. As a resolution of the charges in Accusation No. 7135, this stipulated settlement is contingent upon Respondents' full compliance with all conditions of this Order. If Respondents fail to satisfy any of these conditions, such failure to comply constitutes cause for discipline, including outright revocation, of Respondents' Out of State Distributor License and Designated Representative License.

///

25 | ///

| 1 | <u>ACCEPTANCE</u> | | |
|----|---|--|--|
| 2 | I have carefully read the above Stipulated Settlement and Disciplinary Order for Public | | |
| 3 | Reproval and have fully discussed it with my attorney, Sweta H. Patel, Esq. I understand the | | |
| 4 | stipulation and the effect it will have on the Out of State Distributor Licenses, and Designated | | |
| 5 | Representative License. I enter into this Stipulated Settlement and Disciplinary Order for Public | | |
| 6 | Reproval voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and | | |
| 7 | Order of the Board of Pharmacy. | | |
| 8 | | | |
| 9 | DATED: | | |
| 10 | ANDREW EDWARD STECK JR., individually and as President and Designated Representative-in- | | |
| 11 | Charge for MARTEK PHĀRMACĀL CO. Respondents | | |
| 12 | | | |
| 13 | | | |
| 14 | I have read and fully discussed with Andrew Edward Steck Jr., individually and as | | |
| 15 | President and Designated Representative-in-Charge for Martek Pharmacal Co., the terms and | | |
| 16 | conditions and other matters contained in the above Stipulated Settlement and Disciplinary Orde | | |
| 17 | for Public Reproval. I approve its form and content. | | |
| 18 | | | |
| 19 | DATED: | | |
| 20 | SWETA H. PATEL, ESQ. Attorney for Respondents | | |
| 21 | | | |
| 22 | | | |
| 23 | | | |
| 24 | | | |
| 25 | | | |
| 26 | | | |
| 27 | | | |
| 28 | | | |

ACCEPTANCE

| I have carefully read the above Stipulated Settlement and Disciplinary Order for Public |
|---|
| Reproval and have fully discussed it with my attorney, Sweta H. Patel, Esq. I understand the |
| stipulation and the effect it will have on the Out of State Distributor Licenses, and Designated |
| Representative License. I enter into this Stipulated Settlement and Disciplinary Order for Public |
| Reproval voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and |
| Order of the Board of Pharmacy. |
| |

| DATED: 2/24/22 | anthlu Edward Steck /. |
|----------------|--|
| | ANDREW EDWARD STECK JR., individually and as President and Designated Representative-in- |
| | Charge for MARTEK PHARMACAL CO. Respondents |

I have read and fully discussed with Andrew Edward Steck Jr., individually and as President and Designated Representative-in-Charge for Martek Pharmacal Co., the terms and conditions and other matters contained in the above Stipulated Settlement and Disciplinary Order for Public Reproval. I approve its form and content.

DATED: SWETA H. PATEL, ESQ. Attorney for Respondents

| 1 | <u>ENDORSEMENT</u> | | |
|----------|--|--|--|
| 2 | The foregoing Stipulated Settlement and Disciplinary Order for Public Reproval is hereby | | |
| 3 | respectfully submitted for consideration by the Board of Pharmacy of the Department of | | |
| 4 | Consumer Affairs. | | |
| 5 | DATED: Respectfully submitted, | | |
| 6 | DATED: Respectfully submitted, ROB BONTA | | |
| 7 | Attorney General of California ANDREW M. STEINHEIMER | | |
| 8 | Supervising Deputy Attorney General | | |
| 9 | | | |
| 10 | BRENT O. JEX | | |
| 11 | Deputy Attorney General Attorneys for Complainant | | |
| 12 | | | |
| 13 | | | |
| 14 | | | |
| 15 | | | |
| 16 | | | |
| 17 | | | |
| 18 19 | | | |
| 20 | | | |
| 21 | | | |
| 22 | | | |
| 23 | | | |
| 24 | | | |
| 25 | | | |
| 26 | | | |
| 27 | | | |
| 28 | | | |
| | 7 | | |

ENDORSEMENT The foregoing Stipulated Settlement and Disciplinary Order for Public Reproval is hereby respectfully submitted for consideration by the Board of Pharmacy of the Department of Consumer Affairs. DATED: Marcvh 18, 2022 Respectfully submitted, ROB BONTA Attorney General of California ANDREW M. STEINHEIMER Supervising Deputy Attorney General /s/ Brent O. Jex BRENT O. JEX Deputy Attorney General Attorneys for Complainant

| 1 | | | |
|--------|--|---------------|--|
| 1 | Don Dover | | |
| | ROB BONTA Attorney General of California | | |
| 2 | DAVID É. BRICE Supervising Deputy Attorney General | | |
| 3 | BRENT O. JEX Deputy Attorney General State Bar No. 235261 1300 I Street, Suite 125 | | |
| 4 | | | |
| 5 | P.O. Box 944255 Sacramento, CA 94244-2550 | | |
| 6 7 | Telephone: (916) 210-7864 Facsimile: (916) 327-8643 Attorneys for Complainant | | |
| 8 | | | |
| 9 | BEFOR BOARD OF P | | |
| 10 | BOARD OF PHARMACY DEPARTMENT OF CONSUMER AFFAIRS STATE OF CALIFORNIA | | |
| 11 | | | |
| 12 | In the Matter of the Accusation Against: | Case No. 7135 | |
| 13 | MARTEK PHARMACAL CO. | | |
| 14 | 2303 Atlantic Ave | ACCUSATION | |
| 15 | Manasquan, NJ 08736 | | |
| 16 | Out-of-State Distributor License No. 5010; Temporary Out-of-State Distributor License | | |
| 17 | No. 7820 | | |
| 18 | and | | |
| 19 | ANDREW EDWARD STECK JR. | | |
| 20 | P.O. Box 412 Allenwood, NJ 08720 | | |
| 21 | | | |
| 22 | Designated Representative License No. EXC 19164 | | |
| 23 | Respondents. | | |
| 24 | | | |
| 25 | <u>PART</u> | <u>TIES</u> | |
| 26 | Anne Sodergren (Complainant) brings this Accusation solely in her official capacity | | |
| 27 | as the Executive Officer of the Board of Pharmacy (Board), Department of Consumer Affairs. | | |
| 28 | | | |
| | | | |

| 1 | |
|----|---|
| 2 | (f) The commission of any act involving moral turpitude, dishonesty, fraud, |
| 3 | deceit, or corruption, whether the act is committed in the course of relations as a licensee or otherwise, and whether the act is a felony or misdemeanor or not. |
| 4 | |
| 5 | |
| 6 | (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. |
| 7 | |
| 8 | ••• |
| 9 | (n) The revocation, suspension, or other discipline by another state of a license to practice pharmacy, operate a pharmacy, or do any other act for which a |
| 10 | license is required by this chapter that would be grounds for revocation, |
| 11 | suspension, or other discipline under this chapter. Any disciplinary action taken by the board pursuant to this section shall be coterminous with action taken by |
| 12 | another state, except that the term of any discipline taken by the board may exceed |
| 13 | that of another state, consistent with the board's enforcement guidelines. The evidence of discipline by another state is conclusive proof of unprofessional |
| | conduct. |
| 14 | |
| 15 | 10 (1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 |
| 16 | 12. Code section 4307(a) states: |
| 17 | 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 |
| 18 | suspension, or who has been a manager, administrator, owner member, officer, director, associate, or partner of any partnership, corporation, firm, or association |
| 19 | whose application for a license has been denied or revoked, is under suspension or has been placed on probation, and while acting as the manager, administrator, |
| 20 | owner, member, officer, director, associate, or partner had knowledge or |
| 21 | knowingly participated in any conduct for which the license was denied, revoked, suspended, or placed on probation, shall be prohibited from serving as a manager, |
| 22 | administrator, owner, member, officer, director, associate, or partner of a licensee as follows: |
| 23 | (1) Where a probationary license is issued or where an existing license is |
| 24 | placed on probation, this prohibition shall remain in effect for a period not to exceed five years. |
| 25 | (2) Where the license is denied or revoked, the prohibition shall continue |
| 26 | until the license is issued or reinstated. |
| 27 | /// |
| 28 | |
| ۷۵ | |

COST RECOVERY

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

OUT-OF-STATE DISCIPLINE

- 14. On August 30, 2017, the Ohio State Board of Pharmacy (Ohio Board) notified Respondent Martek about a pending investigation against its Wholesale Distributor of Dangerous Drugs license. The alleged violations were that Respondent Martek sold approximately 947,800 unit doses of controlled substance diet drugs to five physicians without reporting these sales to the Ohio Board.
- 15. On or about April 2, 2019, Respondent Martek entered into a Settlement Agreement with the Ohio Board, wherein Respondent acknowledged it had already voluntarily relinquished its Wholesaler Distributor of Dangerous Drugs license, agreed to never reapply for any license issued by the Ohio Board, and agreed to pay a monetary penalty in the amount of \$10,000. Respondent Martek further acknowledged that the Ohio Board had sufficient evidence to sustain the allegations regarding unreported sales of controlled substance diet drugs.

FIRST CAUSE FOR DISCIPLINE

(Unprofessional Conduct - Moral Turpitude, Dishonesty, Fraud, Deceit or Corruption)

16. Respondents are subject to disciplinary action under Code section 4301, subdivision (f), in that, as set forth in paragraphs 14-15, Respondent Martek sold approximately 947,800 unit doses of controlled substance diet drugs to five physicians without reporting these sales to the Ohio Board.

SECOND CAUSE FOR DISCIPLINE

- (Unprofessional Conduct Violation of Other State's Statutes Regarding Controlled Substances)
- 17. Respondents are subject to disciplinary action under Code section 4301, subdivision (j), in that, as set forth in paragraphs 14-15, Respondent Martek sold approximately 947,800 unit

doses of controlled substance diet drugs to five physicians without reporting these sales to the Ohio Board.

THIRD CAUSE FOR DISCIPLINE

(Unprofessional Conduct – Out-of-State Discipline)

18. Respondent Martek is subject to disciplinary action under Code sections 4301, subdivision (n), and 141, in that, as set forth in paragraphs 14-15, Respondents were disciplined by another state when on or about April 2, 2019, Respondent Martek entered into a Settlement Agreement with the Ohio Board which imposed discipline on Respondent Martek and the Wholesaler Distributor of Dangerous Drugs license formerly held by Respondent Martek. The circumstances are that Respondent Martek sold approximately 947,800 unit doses of controlled substance diet drugs to five physicians without reporting these sales to the Ohio Board.

OTHER MATTERS

- 19. Under Code section 4307, if Designated Representative License Number EXC 19164, issued to Respondent Steck is suspended, revoked, or placed on probation, Respondent Steck shall be prohibited from serving as a manager, administrator, owner, member, officer, director, associated, or partner of a licensee of the Board.
- 20. Under Code section 4307, if Out-of-State Distributor License Number OSD 5010 and/or temporary Out-of-State Distributor License Number OSD 7820, both issued to Respondent Martek, are suspended, revoked, or placed on probation, and Respondent Steck, while acting as the manager, administrator, owner, member, officer, director, associate, or partner, had knowledge of or knowingly participated in any conduct for which Out-of-State Distributor License Number OSD 5010 and/or temporary Out-of-State Distributor License Number OSD 7820 were revoked, suspended, or placed on probation, Respondent Steck shall be prohibited from serving as a manager, administrator, owner, member, officer, director, associated, or partner of a licensee of the Board.

PRAYER

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