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

In the Matter of the Accusation Against:

SEPULVEDA PHARMACY, INC. PAULETTE AZAD, PHARMACIST-IN-CHARGE, CEO, SECRETARY, CFO, DIRECTOR, AND OWNER, Respondent.

Agency Case No. 7290

OAH No. 2022060258

DECISION AND ORDER

The attached Proposed Decision of the Administrative Law Judge 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 February 8, 2023.

It is so ORDERED on January 9, 2023.

BOARD OF PHARMACY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA

By

Seung W. Oh, Pharm.D.
Board President

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

In the Matter of the Statement of Issues Against:

SEPULVEDA PHARMACY, INC., PAULETTE AZAD, PHARMACIST-IN-CHARGE, CEO, SECRETARY, CFO, DIRECTOR, AND OWNER,

Respondent.

Agency Case No. 7290

OAH No. 2022060258

PROPOSED DECISION

Ji-Lan Zang, Administrative Law Judge, Office of Administrative Hearings (OAH), State of California, heard this matter on September 12, 2022, by videoconference.

Stephen D. Svetich, Deputy Attorney General, represented Anne Sodergren (complainant), Executive Officer, Board of Pharmacy (Board), Department of Consumer Affairs.

Paulette Azad (Azad), Pharmacist-In-Charge (PIC), Chief Executive Officer (CEO), Secretary, Chief Financial Officer (CFO), Director, and owner of Sepulveda Pharmacy, Inc. (Respondent Pharmacy), represented Respondent Pharmacy.

Oral and documentary evidence was received. Complainant submitted her September 9, 2022 trial brief, which was marked for identification as Exhibit 16. The record remained open until November 7, 2022, for respondent to submit her closing brief. Respondent did not submit a closing brief by November 7, 2022, the record was closed on that date, and the matter was submitted for decision.

FACTUAL FINDINGS

Jurisdictional Matters

1. On January 21, 2022, the Board received an Application for a Community Pharmacy License (Application) from Respondent Pharmacy. Azad is the PIC, CEO, Secretary, CFO, Director, and Owner of Respondent Pharmacy. On January 18, 2022, Azad, on behalf of Respondent Pharmacy, certified under penalty of perjury to the truthfulness of all statements, answers, and representations in the Application. The Board denied the Application on April 1, 2022.

2. On May 18, 2022, complainant filed the Statement of Issues in her official capacity. Azad, on behalf of Respondent Pharmacy, timely filed a Notice of Defense and a Request for Hearing. This hearing ensued.

The Application

3. In the Application, Azad indicated that Respondent Pharmacy is a new retail pharmacy that would lease its premises from a person who is licensed in California to prescribe medication. (Ex. 3, p. A45-46.) As required by the Application, Azad attached an undated lease agreement (Lease), which reflects that Respondent Pharmacy would be leasing a property located at 4406 Sepulveda Boulevard in Culver

City from Nerve MD, Inc. (Nerve MD). (*Id.* at p. A60.) The Lease states that the "rental fee will be based on the square footage occupied by [Respondent Pharmacy]." (*Ibid.*) Natan Shaoulian, M.D. (Husband), the CEO and CFO of Nerve MD, signed the Lease on behalf of Nerve MD. Husband is Azad's spouse, and he is a neurologist who prescribes medication. Furthermore, Azad serves as the secretary of Nerve MD, Husband's practice. Additionally, Nerve MD and the proposed site for the Respondent Pharmacy are located in the same building, with only a wall separating Nerve MD's premises from that of Respondent Pharmacy.

4. In a letter dated February 4, 2022, Debi Mitchell (Mitchell), Senior Licensing Manager with the Board, notified Respondent Pharmacy that its proposed ownership structure violated Business and Professions Code section 4111 (all subsequent statutory references are to the Business and Professions Code, unless otherwise noted). Mitchell further advised that the Application will be withdrawn in 30 days unless Respondent Pharmacy changes its proposed ownership structure. Mitchell explained:

> The [Board] has completed its review of [Respondent Pharmacy's] application and supporting documents. Based on the Board's review of the ownership information submitted, the spouse of [Azad], 100% owner of [Respondent Pharmacy] has been identified as a prescriber. As such, the Board has determined that the proposed ownership of this pharmacy is prohibited under [section 4111]. Due to community property laws in California, the applicant-owner's spouse must also be compliant with [section] 4111.

(Ex. 4.)

5. On February 13, 2022, Azad emailed to the Board a transmutation agreement (Transmutation Agreement) dated February 11, 2022, in which Azad and Husband agreed to change the characterization of Respondent Pharmacy from community property to separate property. (Ex. 5, p. A172.) Azad did not pay Husband any compensation for the transmutation. The Transmutation Agreement reads in relevant part: "Husband acknowledges that Wife's [Azad's] years of devotion to him is legally sufficient consideration for him to enter into this Agreement." (*Ibid.*)

6. On April 1, 2022, Jenna Weddle (Weddle), Enforcement Analyst with the Board, informed Respondent Pharmacy that the Board is denying the Application because the Respondent Pharmacy's proposed ownership structure violates section 4111. Weddle wrote:

> Transmutation or post-nuptial agreements between spouses are generally effective as to community or separate property interests of the spouses upon the dissolution of marriage or death of one or both spouses. However, the "community or financial interest" referenced in Bus. & Prof. Code section 4111, subdivision [a](2), is not exclusive to marital property. Spouses contract toward each other obligations of mutual respect, fidelity, and support. (Fam. Code section 720.) Even if the specific pharmacy property is transmuted or agreed between the spouses to be separate property of one spouse, that agreement does not remove the community or financial interests between the spouses while they are still married.

> There are significant public protection and policy reasons for this law, including removing conflicts of interest from the prescriber and the pharmacy. When the prescriber is determining which drug to prescribe, the amount of the drug to prescribe, and other factors considered when writing a prescription, they should not also be thinking about the financial impact to their spouse's pharmacy. Additionally, the pharmacy has a duty to exercise its corresponding responsibility to ensure that prescriptions have a legitimate medical purpose.

(Ex. 6, p. A176.)

Testimony of Benedicto A. Rustia, Pharm D.

7. At the hearing, Benedicto A. Rustia, Pharm D., Board Investigator, testified on complainant's behalf. Investigator Rustia obtained his Doctor of Pharmacy from the University of Pacific School of Pharmacy in 1980. From 1980 to 2008, he worked as a pharmacist in hospitals and retail pharmacies. For the last 14 years, Investigator Rustia has worked as an investigator for the Board. As such, Investigator Rustia conducts inspections of pharmacies, investigates consumer complaints, and trains new inspectors. He also receives annual trainings on the Board's laws and regulations.

8. Investigator Rustia explained that a community pharmacy is typically a retail pharmacy which can be independently owned or owned by large retail chains. According to Investigator Rustia, a pharmacist at such a pharmacy has several responsibilities beyond dispensing medication. For example, a pharmacist must ensure

that each prescription is valid, the dosage is correct, and the directions for taking the medication are accurate. The pharmacist must also ensure that a prescription medication will not interact with other medications the patient takes and that it will not cause any allergic reactions. Furthermore, pharmacists have a corresponding responsibility to ensure that prescriptions are written for legitimate medical purposes. If the prescription is incomplete, illegible, or otherwise does not make sense, the pharmacist must contact the prescribing physician. If any issues remain unresolved after contact with the prescriber, the pharmacist must exercise his or her clinical judgment by refusing to fill the prescription. For controlled substances and dangerous drugs, the pharmacist must determine whether there are any red flags suggesting possible fraud or malfeasance. The pharmacist can fill the prescription for controlled substances and dangerous drugs only if the prescription does not raise any red flags. If questions remain, the pharmacist must again contact the prescribing physician and ask the physician if he or she is aware of the red flag.

9. Another potential conflict of interest arises when a pharmacist has a relationship with the prescriber and asks the prescriber to change the medication for a better profit margin. A scenario where a physician specifically recommends a pharmacist and a pharmacist specifically recommends a physician also creates a conflict of interest. If a pharmacist sees recurring problems with a physician, the pharmacist is expected to report the physician to the licensing board. Investigator Rustia opined that a conflict of interest may prevent a pharmacist from fulfilling those responsibilities. Although Investigator Rustia admitted during cross-examination that a conflict of interest may exist between a pharmacist and a prescriber even without a familial relationship, this concession did not affect the credibility of his testimony or negate the concerns raised.

Testimony of Douglas Aguilera, CPA

10. Douglas Aguilera (Aguilera), CPA, testified on behalf of the complainant as an expert witness. Aguilera has been a certified public accountant since 1993. He is a forensic accountant who has extensive experience in financial forensics and fraud examination. Aguilera practiced in large accounting firms including Arthur Andersen LLP, KPMG LLP, and Ernst & Young LLP. Since 2008, Aguilera been a sole practitioner specializing in forensic accounting.

11. For this case, Aguilera reviewed the Application, the Board's denial letters, the Lease, the Transmutation Agreement, and other relevant documents. Based on his document review, Aguilera opined that the Transmutation Agreement did not extinguish Husband's financial interest in the Respondent Pharmacy. Aguilera explained that any labor, time, and skills Azad devotes to Respondent Pharmacy would be considered community property and Azad and Husband reap financial benefits from any increase in the value of the Respondent Pharmacy. For example, Azad and Husband might be able to obtain loans with more favorable interest rates if the Respondent Pharmacy were successful. Additionally, Aguilera noted that Nerve MD is also community property, and both Azad and Husband would benefit if the prescriber (Nerve MD) were also successful. Finally, Aguilera noted that under the Lease, Respondent Pharmacy would be making lease payments to Nerve MD, which is another financial benefit that would accrue to the prescriber.

Azad's Testimony

12. Azad immigrated to the United States at age 19, after her graduation from high school in Tehran, Iran. In 2001, Azad obtained her Doctor of Pharmacy degree from the School of Pharmacy at the University of Southern California. As a

pharmacist, she worked for several retail pharmacies including Ralphs Pharmacy. Azad married Husband in April 2006, and she worked off and on as a pharmacist after the births of their three children.

13. Azad presented as an honest, forthright witness who testified that her dream has always been to open her own pharmacy. She believes she is ready at this point in her life, when all three of her children are older, to fulfill that dream. Azad looks forward to administering vaccinations shots, consulting on diabetes management and cholesterol management, and performing compounding at her own pharmacy. Azad is a devout Jew. She stated she would not do anything unethical because she "stick[s] to Jewish ethical values." Azad testified that she would be "willing to be under the [Board's] microscope" so long as she is able to open her own pharmacy.

14. After submitting the Application to the Board, Azad already began to remodel the space next to Nerve MD as the site for Respondent Pharmacy. Azad and Husband entered the Transmutation Agreement once she received the Board's letter expressing concerns about the proposed ownership structure in February 2022. Azad believes that the Transmutation Agreement is valid and that it converted the Respondent Pharmacy from community property to separate property.

Husband's Testimony

15. Husband testified at the hearing on behalf of Respondent Pharmacy. Husband is a neurologist and the CEO and CFO of Nerve MD, a practice that he started after his marriage to Azad. Husband testified in a concise and sincere manner that he serves a small number of patients, averaging two to three per day. Husband does not prescribe any narcotics, and he reported that most of the medications he prescribes

are administered as infusions in his clinic. Given the nature of his practice, Husband believes that the likelihood of Nerve MD having a conflict of interest with Respondent Pharmacy is low.

LEGAL CONCLUSIONS

Burden and Standard of Proof

1. The respondent generally bears the burden of proof at a hearing regarding a statement of issues. (*Coffin v. Department of Alcoholic Beverage Control* (2006) 139 Cal.App.4th 471, 476.) The standard of proof is preponderance of evidence. (Evid. Code § 115; *Mann v. Department of Motor Vehicles* (1999) 76 Cal.App.4th 312, 322-323.) "'Preponderance of the evidence means evidence that has more convincing force than that opposed to it.' [Citations] . . . . The sole focus of the legal definition of 'preponderance' in the phrase 'preponderance of the evidence' is on the *quality* of the evidence. The *quantity* of evidence presented by each side is irrelevant." (*Glage v. Hawes Firearms Company* (1990) 226 Cal.App.3d 314, 324-325, emphasis in original.)

Statutory Framework

2. Section 4111 states, in pertinent part:

> (a) Except as otherwise provided in subdivision (b), (d), or (e), the board shall not issue or renew a license to conduct a pharmacy to any of the following:
>
> (1) A person or persons authorized to prescribe or write a prescription, as specified in Section 4040, in the State of California.

(2) A person or persons with whom a person or persons specified in paragraph (1) shares a community or other financial interest in the permit sought.

(3) Any corporation that is controlled by, or in which 10 percent or more of the stock is owned by a person or persons prohibited from pharmacy ownership by paragraph (1) or (2).

3. Section 4035 states, in pertinent part: "'Person' includes. but is not limited to, firm, association, partnership, corporation, limited liability company, state governmental agency, trust, or political subdivision."

4. Section 4040 states, in pertinent part:

(a) "Prescription" means an oral, written, or electronic transmission order that is both of the following:

[¶] . . . . [¶]

(2) Issued by a physician, dentist, optometrist, doctor of podiatric medicine, veterinarian, or naturopathic doctor pursuant to Section 3640.7 or, if a drug order is issued pursuant to Section 2746.51, 2836.1, 3502.1, or 3460.5, by a certified nurse-midwife, nurse practitioner, physician assistant, or naturopathic doctor licensed in this state, or pursuant to Section 4052.1, 4052.2, or 4052.6 by a pharmacist licensed in this state.

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Husband's Community Interest in Respondent Pharmacy

5. California is a community property state, and generally, all property acquired during a marriage is community property. (Fam. Code, § 760.) Upon the dissolution of a marriage, the status of property interests may be characterized as "community" (and/or "quasi-community" or "quasi-marital") or "separate" property. The courts have held that "[c]haracterization must take place in order to determine the rights and liabilities of the parties with respect to a particular asset or obligation and is an integral part of the division of property on marital dissolution." (*Marriage of Rossin* (2009) 172 Cal.App.4th 725, 732, (internal quotes omitted); *Marriage of Haines* (1995) 33 CalApp.4th 277, 291; see also *Kircher v. Kircher* (2010) 189 Cal.App.4th 1105, 1113.)

6. Family Code section 850 allows married persons to transmute community property to separate property of either spouse, with or without consideration. (Fam. Code, § 850.) "A transmutation is an interspousal transaction or agreement that works a change in the character of the property." (*In re Marriage of Campbell* (1999) 74 Cal.App.4th 1058, 1062.)

7. Nevertheless, "the efforts, time and skills of [each spouse] are community assets." (*In re Marriage of Lopez* (1974) 38 Cal.App.3d 93, 105, disapproved on other grounds by *In re Marriage of Morrison* (1978) 20 Cal.3d 437.) Thus, even after a community property has been transmuted as a spouse's separate property, any increase in valuation of the separate property that is the result of that spouse's labor, time, and skills remains community property. (*Austin v. Austin* (1961) 190 Cal.App.2d 45, 51 [holding increase in the value of a separate property business due to the husband's efforts after marriage constitutes community property]; *In re Marriage of Lopez*, *supra*, 38 Cal.App.3d 93, 105 [holding husband's law practice to be community property because its primary value was derived from his efforts after marriage].)

8. Here, Respondent Pharmacy was originally community property because it was acquired during Azad and Husband's marriage. Pursuant to the Transmutation Agreement between Azad and Husband, however, Respondent Pharmacy transmuted from community property to Azad's separate property. Nevertheless, any time, labor, or skill that Azad puts into Respondent Pharmacy, as measured by any increase in the value of Respondent Pharmacy, remains community property. Consequently, even after the transmutation, Husband retains a community interest in connection with Respondent Pharmacy. Therefore, under section 4111, subdivision (a)(2), the Board is prohibited from granting a pharmacy permit to Azad, a person who shares with Husband, a prescriber, community interest in Respondent Pharmacy.

Husband's Other Financial Interest in Respondent Pharmacy

9. The Pharmacy Law (§ 4000, et al.) does not define "other financial interests" for purposes of section 4111. However, the term "financial interest" is defined in other statutes involving healthcare licensees. For example, section 650.01 prohibits healthcare licensees from making referrals to services owned by immediate family members in which the referring healthcare licensees have a "financial interest." "Financial interest" is "any type of ownership interest, debt, loan, lease, compensation, remuneration, discount, rebate, refund, dividend, distribution, subsidy, or other form of direct or indirect payment, whether in money or otherwise . . . " between a healthcare licensee and the party receiving the referral. (§ 650.01, subd. (b)(2).) The term "financial interest" is similarly defined in section 2426, which requires a Medical Board licensee to report any financial interest that the doctor or any member of the doctor's immediate family may have in a health-related facility.

10. Applying this definition to the present case, Husband has a financial interest in Respondent Pharmacy because Nerve MD, which is a prescriber, leases its

premises to Respondent Pharmacy. Furthermore, as Aguilera explained in his testimony, Husband has an additional financial interest in Respondent Pharmacy because his family may be able to obtain loans with favorable interest rates if Respondent Pharmacy was successful. Therefore, under section 4111, subdivision (a)(2), the Board is prohibited from granting a pharmacy permit to Azad, a person who shares with Husband, a prescriber, other financial interest in Respondent Pharmacy.

Disposition

11. Both Azad and Husband presented as credible, sincere witnesses. They appear to be honest professionals who are unlikely to engage in self-referring schemes to the detriment of their patients. However, the purpose of section 4111 is to prohibit a business relationship between a prescriber and a Board licensee. As Investigator Rustia indicated in his testimony, such relationships are prohibited because they create conflicts of interest such that neither the pharmacy nor the prescriber may act in the best interest of the patient given the financial incentives involved. Here, Azad, Respondent Pharmacy's sole owner, is married to Husband, a prescriber who retains a community and other financial interest in Respondent Pharmacy. As a result, the Application must be denied pursuant to sections 4035, 4040, and 4111.

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Order

The application of Sepulveda Pharmacy Inc., Paulette Azad, Pharmacist-In-Charge, CEO, Secretary, CFO, Director, and Owner, for a Community Pharmacy License is denied.

DATE: 11/23/2022

Ji-Lan Zang

JI-LAN ZANG

Administrative Law Judge

Office of Administrative Hearings

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

In the Matter of the Statement of Issues Against: **SEPULVEDA PHARMACY, INC., PAULETTE AZAD, PHARMACIST-IN-CHARGE, CEO, SECRETARY, CFO, DIRECTOR, AND OWNER** **Community Pharmacy License Applicant** Respondent.	Case No. 7290 **STATEMENT OF ISSUES**

PARTIES

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

2. On or about January 21, 2022, the Board received an Application for a Community Pharmacy License ("Application") from Sepulveda Pharmacy, Inc. ("Respondent"), Paulette Azad ("Azad"), Pharmacist-in-Charge, CEO, Secretary, CFO, Director, and Owner. On or about January 18, 2022, Azad, on behalf of Respondent, certified under penalty of perjury to the

truthfulness of all statements, answers, and representations in the application. The Board denied the application on April 1, 2022.

JURISDICTION

3. This Statement of Issues is brought before the Board, under the authority of the following laws. All section references are to the Business and Professions Code ("Code") unless otherwise indicated.

4. Section 4111 of the Code states, in pertinent part:

> (a) Except as otherwise provided in subdivision (b), (d), or (e), the board shall not issue or renew a license to conduct a pharmacy to any of the following:
>
> (1) A person or persons authorized to prescribe or write a prescription, as specified in Section 4040, in the State of California.
>
> (2) A person or persons with whom a person or persons specified in paragraph (1) shares a community or other financial interest in the permit sought.
>
> (3) Any corporation that is controlled by, or in which 10 percent or more of the stock is owned by a person or persons prohibited from pharmacy ownership by paragraph (1) or (2).
>
> . . . .

STATUTORY PROVISIONS

5. Section 4035 of the Code states:

> "Person" includes, but is not limited to, firm, association, partnership, corporation, limited liability company, state governmental agency, trust, or political

6. Section 4040 of the Code states:

> (a) "Prescription" means an oral, written, or electronic transmission order that is both of the following:
>
> . . . .
>
> (2) Issued by a physician, dentist, optometrist, doctor of podiatric medicine, veterinarian, or naturopathic doctor pursuant to Section 3640.7 or, if a drug order is issued pursuant to Section 2746.51, 2836.1, 3502.1, or 3460.5, by a certified nurse-midwife, nurse practitioner, physician assistant, or naturopathic doctor licensed in this state, or pursuant to Section 4052.1, 4052.2, or 4052.6 by a pharmacist licensed in this state.
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FACTUAL ALLEGATIONS

7. In its Application, Respondent disclosed that Azad is the CEO, Secretary, CFO, Director, Pharmacist-in-Charge, Director, and sole shareholder of Respondent. In an Individual Personal Affidavit submitted with the Application, Azad disclosed the identity of her spouse, N. S. Also in support of her application, Azad produced a Commercial Lease Agreement between Respondent and Nerve MD, Inc., for the retail space Respondent intends to occupy. N. S. is a medical doctor, and thus a prescriber, and the owner of Nerve MD, Inc.

8. On February 4, 2022, the Board sent a letter to Respondent informing Respondent that it was unable to grant Respondent's Application due to the proposed ownership structure of Respondent. Specifically, the letter stated that "the spouse of [Azad], 100% owner of [Respondent] has been identified as a prescriber." The letter further stated that the proposed ownership of the pharmacy is prohibited under section 4111 of the Code since "the applicant-owner's spouse must also be compliant with [Code section] 4111." The Board gave Respondent 30 days to propose a different ownership structure that would comply with section 4111 of the Code.

9. On February 11, 2022, Respondent and N. S. entered into a Transmutation Agreement. This Transmutation Agreement states the following:

> . . . . [Azad] desires to change the characterization of the corporation, Sepulveda Pharmacy Inc. from community property to separate property to be solely owned hereinafter by [Azad].
>
> [N. S.] and [Azad] each acknowledge that each stand in a fiduciary relationship with each other, that he and she freely and voluntarily enters into this agreement, and he and she acknowledge that he and she are under no form of duress or any other form of "undue influence" (as that term is used by California courts In determining the enforceability of any instrument purporting to be a written transmutation pursuant to California Family Code sections 850, 851, and 852. and case law thereunder) from or caused by [Azad] or any third-party in so transmuting and so waiving as provided by this Agreement. [N. S.] acknowledges that [Azad's] prior and future years of devotion to him is legally sufficient consideration for him to enter into this Agreement.
>
> [N. S.] makes this transmutation, with full knowledge of all relevant facts relating to the characterization and ownership of the asset(s) being transmuted by this Agreement, as well as having a complete understanding of the legal significance and legal consequences of so doing. [N. S.] acknowledges having ample and adequate opportunity to consult with and to receive legal advice from any attorney of his choosing.

> [N. S.] and [Azad] intend and acknowledge that all statements of fact and statements of Agreement provided herein are to be deemed conclusively true as between the parties and their successors in interest, pursuant to California Evidence Code section 822 . . . .

10. On April 1, 2022, the Board sent a letter to Respondent informing Respondent that the Application was denied. The denial letter states the following:

> Transmutation or post-nuptial agreements between spouses are generally effective as to community or separate property interests of the spouses upon the dissolution of marriage or death of one or both spouses. However, the 'community or financial interest' referenced in [Code] section 4111, subdivision (a)(2), is not exclusive to marital property. Spouses contract toward each other obligations of mutual respect, fidelity, and support. (Fam. Code section 720.) Even if the specific pharmacy property is transmuted or agreed between the spouses to be separate property of one spouse, that agreement does not remove the community or financial interests between the spouses while they are still married.
>
> There are significant public protection and policy reasons for this law, including removing conflicts of interest from the prescriber and the pharmacy. When the prescriber is determining which drug to prescribe, the amount of the drug to prescribe, and other factors considered when writing a prescription, they should not also be thinking about the financial impact to their spouse's pharmacy. Additionally, the pharmacy has a duty to exercise its corresponding responsibility to ensure that prescriptions have a legitimate medical purpose.

CAUSE FOR DENIAL OF APPLICATION

(Prohibited Ownership Structure)

11. Respondent's application is subject to denial under sections 4035, 4040, and 4111 in that the proposed ownership of Respondent results in the prescriber spouse of the 100% shareholder of Respondent having a community or other financial interest in the permit sought. The spouse of Azad (Respondent's 100% shareholder and owner), is a person authorized to prescribe under Code section 4040. Complainant refers to and by this reference incorporates the allegations set forth above in paragraphs 7 through 10, inclusive, as though set forth fully herein.

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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:

1. Denying the application of Sepulveda Pharmacy, Inc., Paulette Azad, Pharmacist-in-Charge, CEO, Secretary, CFO, Director, and Owner, for a Community Pharmacy License;

2. Taking such other and further action as deemed necessary and proper.

DATED: 5/18/2022

Signature on File

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

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