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9	BEFORE THE BOARD OF PHARMACY	
10	DEPARTMENT OF CONSUMER AFFAIRS STATE OF CALIFORNIA	
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12	In the Matter of the Statement of Issues	Case No. 7031
13	Against:	
14	PHARMCORE, INC., DBA HALLANDALE PHARMACY	STATEMENT OF ISSUES
15	DAVID G. RABBANI, PRESIDENT/CFO/DIRECTOR/OWNER	
16	MEDHAT METTIAS, PHARMACIST-IN- CHARGE	
17	Nonresident Pharmacy Applicant	
18	Respondents	
19		
20	<u>PARTIES</u>	
21	1. Anne Sodergren (Complainant) brings this Statement of Issues solely in her official	
22	capacity as the Executive Officer of the Board of Pharmacy (Board), Department of Consumer	
23	Affairs.	
24	2. On or about February 24, 2009, the Board issued Nonresident Pharmacy Permit	
25	Number NRP 962 to Pharmcore, Inc., doing business as Hallandale Pharmacy (Respondent	
26	Pharmcore), with Gennady Krupnikas (Krupnikas) as President and David G. Rabbani	
27	(Respondent Rabbani) as Pharmacist-in-Charge. On July 1, 2014, Medhat Mettias (PIC Mettias)	
28	became the Pharmacist-in-Charge.	
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- (d) The board may initiate disciplinary proceedings to revoke or suspend any probationary certificate of licensure for any violation of the terms and conditions of probation. Upon satisfactory completion of probation, the board shall convert the probationary certificate to a regular certificate, free of conditions.
- (e) The proceedings under this article shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of the Government Code, and the board shall have all the powers granted therein. The action shall be final, except that the propriety of the action is subject to review by the superior court pursuant to Section 1094.5 of the Code of Civil Procedure.

STATUTORY PROVISIONS

- 4. Code section 480 states, in pertinent part:
- (a) Notwithstanding any other provision of this code, a board may deny a license regulated by this code on the grounds that the applicant has been convicted of a crime or has been subject to formal discipline only if either of the following conditions are met:
- (1) The applicant has been convicted of a crime within the preceding seven years from the date of application that is substantially related to the qualifications, functions, or duties of the business or profession for which the application is made, regardless of whether the applicant was incarcerated for that crime, or the applicant has been convicted of a crime that is substantially related to the qualifications, functions, or duties of the business or profession for which the application is made and for which the applicant is presently incarcerated or for which the applicant was released from incarceration within the preceding seven years from the date of application. However, the preceding seven-year limitation shall not apply in either of the following situations ...
- (2) The applicant has been subjected to formal discipline by a licensing board in or outside California within the preceding seven years from the date of application based on professional misconduct that would have been cause for discipline before the board for which the present application is made and that is substantially related to the qualifications, functions, or duties of the business or profession for which the present application is made. However, prior disciplinary action by a licensing board within the preceding seven years shall not be the basis for denial of a license if the basis for that disciplinary action was a conviction that has been dismissed pursuant to Section 1203.4, 1203.4a, 1203.41, 1203.42, or 1203.425 of the Penal Code or a comparable dismissal or expungement.
- (b) Notwithstanding any other provision of this code, a person shall not be denied a license on the basis that the person has been convicted of a crime, or on the basis of acts underlying a conviction for a crime, if that person has obtained a certificate of rehabilitation under Chapter 3.5 (commencing with Section 4852.01) of Title 6 of Part 3 of the Penal Code, has been granted clemency or a pardon by a state or federal executive, or has made a showing of rehabilitation pursuant to Section 482.
- (c) Notwithstanding any other provision of this code, a person shall not be denied a license on the basis of any conviction, or on the basis of the acts underlying the conviction, that has been dismissed pursuant to Section 1203.4, 1203.4a, 1203.41, 1203.42, or 1203.425 of the Penal Code, or a comparable dismissal or expungement. An applicant who has a conviction that has been dismissed pursuant to Section 1203.4, 1203.4a, 1203.41, or 1203.42 of the Penal Code shall provide proof of the dismissal if it is not reflected on the report furnished by the Department of Justice.

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(d) Notwithstanding any other provision of this code, a board shall not deny a license on the basis of an arrest that resulted in a disposition other than a conviction, including an arrest that resulted in an infraction, citation, or a juvenile adjudication.

(e) A board may deny a license regulated by this code on the ground that the applicant knowingly made a false statement of fact that is required to be revealed in the application for the license. A board shall not deny a license based solely on an applicant's failure to disclose a fact that would not have been cause for denial of the license had it been disclosed.

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- 6. Code section 4300 states, in pertinent part, that the board may refuse a license to any applicant guilty of unprofessional conduct.
 - 7. Code section 4301 states, in pertinent part:

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

...

- (f) The commission of any act involving moral turpitude, dishonesty, fraud, 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.
- (g) Knowingly making or signing any certificate or other document that falsely represents the existence or nonexistence of a state of facts.

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(1) The conviction of a crime substantially related to the qualifications, functions, and duties of a licensee under this chapter. The record of conviction of a violation of Chapter 13 (commencing with Section 801) of Title 21 of the United States Code regulating controlled substances or of a violation of the statutes of this state regulating controlled substances or dangerous drugs shall be conclusive evidence of unprofessional conduct. In all other cases, the record of conviction shall be conclusive evidence only of the fact that the conviction occurred. The board may inquire into the circumstances surrounding the commission of the crime, in order to fix the degree of discipline or, in the case of a conviction not involving controlled substances or dangerous drugs, to determine if the conviction is of an offense substantially related to the qualifications, functions, and duties of a licensee under this chapter. A plea or verdict of guilty or a conviction following a plea of nolo contendere is deemed to be a conviction within the meaning of this provision. The board may take action when the time for appeal has elapsed, or the judgment of conviction has been affirmed on appeal or when an order granting probation is made suspending the imposition of sentence, irrespective of a subsequent order under Section 1203.4 of the Penal Code allowing the person to withdraw his or her plea of guilty and to enter a plea of not guilty, or setting aside the verdict of guilty, or dismissing the accusation, information, or indictment.

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(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 license is required by this chapter that would be grounds for revocation, 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 another state, except that the term of any discipline taken by the board may exceed that of another state, consistent with the board's enforcement guidelines. The evidence of discipline by another state is conclusive proof of unprofessional conduct.

(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.

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8. Code section 4302 states:

The board may deny, suspend, or revoke any license where conditions exist in relation to any person holding 10 percent or more of the ownership interest or where conditions exist in relation to any officer, director, or other person with management or control of the license that would constitute grounds for disciplinary action against a licensee.

9. Code section 4303, subdivision (b), states:

The board may cancel, deny, revoke, or suspend a nonresident pharmacy registration, issue a citation or letter of admonishment to a nonresident pharmacy, or take any other action against a nonresident pharmacy that the board may take against a resident pharmacy license, on any of the same grounds upon which such action might be taken against a resident pharmacy, provided that the grounds for the action are also grounds for action in the state in which the nonresident pharmacy is permanently located.

10. Code section 4307, subdivision (a), states:

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, or partner of any partnership, corporation, firm, or association 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, owner, member, officer, director, associate, or partner had knowledge of or 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, administrator, owner, member, officer, director, associate, or partner of a licensee as follows:

- (1) Where a probationary license is issued or where an existing license is placed on probation, this prohibition shall remain in effect for a period not to exceed five years.
- (2) Where the license is denied or revoked, the prohibition shall continue until the license is issued or reinstated.

FACTUAL ALLEGATIONS

Respondents Pharmcore and Rabbani - Ownership/Location Information and Board Applications

- 11. On or about and between June 4, 2004, and August 23, 2015, Krupnikas and Respondent Rabbani were each 50% owners of Respondent Pharmcore.
- 12. On or about December 1, 2008, the Board received a Nonresident Pharmacy Permit Application for Respondent Pharmcore dated April 8, 2008 (original application). The original application listed Respondent Rabbani as Pharmacist-in-Charge, but did not disclose Respondent Rabbani as an owner of Respondent Pharmcore. The original application was signed by Krupnikas, and stated Krupnikas was president of Respondent Pharmcore and there were no shareholders. The original application was also signed by Respondent Rabbani, but the signature was partially whited-out and stated "signed in error."
- 13. On or about August 24, 2015, Krupnikas transferred his entire ownership of Respondent Pharmcore to Respondent Rabbani, making Respondent Rabbani sole owner of Respondent Pharmcore.
- 14. On or about June 3, 2020, the Board received an Ownership Information form signed by Respondent Rabbani and Jessica Maman. The Ownership Information form stated that on August 24, 2015, Krupnikas's 50% of the shares in Respondent Pharmcore were cancelled and Respondent Rabbani was issued Krupnikas's 50% of the shares, giving Respondent Rabbani 100% of the shares in Respondent Pharmcore.
- 15. On or about June 3, 2020, the Board received a Nonresident Pharmacy License Application for Respondent Pharmcore that was dated April 23, 2020. The application stated there was a change of ownership with April 14, 2003 as the anticipated change of ownership date, and change of location with April 14, 2003 as the anticipated move date. On or about July 13, 2020, the first page of the Nonresident Pharmacy License Application for Respondent Pharmcore was amended to change the anticipated move date to July 30, 2018.

<u>Respondent Rabbani – Federal Conviction</u>

16. On or about October 27, 2015, in the case entitled *United States v. David G. Rabbani* (United States District Court, District of Rhode Island, Case No. 1:14CR00123-01S), Respondent

Rabbani was convicted on his plea of guilty to a violation of Title 21 U.S.C. sections 331(a) and 333(a)(1) (Introduction of Misbranded Drug), a misdemeanor. The circumstances of the crime, as stated in the Misdemeanor Information, are: On or about and between February 13, 2013, and July 15, 2013, Krupnikas and Respondent Rabbani owned and operated Pharmacy Logistics, Inc., doing business as Ninth Street Pharmacy, that dispensed certain prescription drugs "based upon invalid prescriptions, which were issued without regard for the customer's physical condition or any pre-existing medical conditions, without review of their medical records, without consultation with a primary care physician, and without consideration of the reasons for which the drugs were sought."

Respondent Pharmcore - Out of State Discipline

- 17. On or about November 29, 2017, in the case entitled *In the Matter of the Complaint Against Hallandale Pharmacy*, Case No. 1479, the Oklahoma Board of Pharmacy (Oklahoma Board) disciplined Respondent Pharmcore, licensed as Hallandale Pharmacy. The circumstances are that in 2016 Respondent Pharmcore shipped 627 prescriptions into Oklahoma after the expiration of its nonresident pharmacy license, and prescribers were located in Florida and California for patients located in Oklahoma. Further, in 2017, Respondent Pharmcore shipped 358 prescriptions into Oklahoma, and prescribers were located in Florida and California for patients located in Oklahoma. Respondent Pharmcore also failed to send controlled substance prescription records to the Oklahoma Prescription Drug Monitoring Program. Respondent Pharmcore admitted the following violations:
- a. Oklahoma Administrative Code (OAC) section 535:15-3-9(b)(1) and Oklahoma Statutes (O.S.), title 59, section 353.18(A)(1), when Respondent Pharmcore failed to make an application and receive an annual nonresident pharmacy license.
- b. OAC section 535:15-3-9(e)(3) and O.S., title 63, section 2-309C, when Respondent Pharmcore failed to send Schedule II, III, IV, and V prescription records to the Oklahoma Prescription Drug Monitoring Program.

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- c. OAC section 535:15-3-13(D), when Respondent Pharmcore dispensed a prescription drug knowing or that it should have known that the prescription was issued without a valid preexisting patient-prescriber relationship.
- d. O.S., title 63, section 2-309(G), when Respondent Pharmcore solicited, dispensed, received, or delivered a controlled dangerous substance through the mail, without personally knowing the practitioner and circumstances clearly indicate such method of delivery is in the best interest of the health and welfare of the ultimate user.
- e. OAC section 535:15-3-14(a), when Respondent Pharmcore failed to maintain a patient record system for whom prescription drug orders are dispensed.
- f. OAC sections 535:15-3-2(b)(10(C) and 535:15-3-2(b)(2), when Respondent Pharmcore failed to have a pharmacy manager who was responsible for all aspects of the operation related to the practice of pharmacy.
- g. O.S., title 59, section 353.24(A)(4), when Respondent Pharmcore offered to the public its services as a "pickup station" or intermediary for the purpose of having prescriptions filled or delivered, or it authorized a person, firm or business establishment to act for it in this manner.
- 18. On or about October 10, 2018, in the case entitled *In Re Pharmcore Inc d/b/a Hallandale Pharmacy*, Case No. 18-0358, the Kentucky Board of Pharmacy (Kentucky Board) disciplined Respondent Pharmcore, licensed as Hallandale Pharmacy, based upon the Kentucky Board's finding that from August 2017 to March 2018 Respondent Pharmcore shipped 22 prescriptions into Kentucky without a Kentucky pharmacy permit.
- 19. On or about June 10, 2019, in the case entitled *In the Matter of Hallandale Pharmacy*, Case No. 17-185, the Kansas Board of Pharmacy (Kansas Board) disciplined Respondent Pharmcore, licensed as Hallandale Pharmacy, based upon the Kansas Board's finding that Respondent Pharmcore moved its facility on July 17, 2018, but did not notify the Kansas Board until November 28, 2018; Respondent Pharmcore failed to disclose discipline by the Oklahoma Board in its renewal application or in its subsequent address change application to the Kansas Board; and Respondent Pharmcore had the following violations: beyond use dates that were out

of the acceptable range, cleaning violations, saline was stored without temperature controls or monitoring, a technician with improper garbing, had training that was not documented, surface sampling was not completed, and compounding records were incomplete.

- 20. On or about March 7, 2019, in the case entitled *In the Matter of Pharmcore Inc.*, *d/b/a Hallandale Pharmacy*, Case No. 2018-000795, the Alaska Board of Pharmacy (Alaska Board) disciplined Respondent Pharmcore pursuant to Alaska Statutes sections 08.01.75, 08.80.158(a), 08.80.158(e), 08.80.261(a)(14), and Alaska Administrative Code section 52.920(a)(3) and 52.920(a)(15). The circumstances are that Respondent Pharmcore shipped "high-risk compounded products" to Alaska without a valid license, had deficiencies of USP Chapter 797 guidelines and assignment of use dates beyond standard practice of USP 797 guidelines, and shipped approximately 138 prescriptions to Alaska without a valid license.
- 21. On or about May 29, 2019, in the case entitled *In the Matter of Pharmcore, Inc. d/b/a Hallandale Pharmacy*, Case No. 19-0053, the Louisiana Board of Pharmacy (Louisiana Board) disciplined Respondent Pharmcore based upon the Louisiana Board's finding that Respondent Pharmcore dispensed 65 prescriptions to Louisiana residents without a nonresident pharmacy permit.
- 22. On or about July 2, 2019, in the case entitled *In the Matter of Hallandale Pharmacy*, Agreed Order No. F-19-006, the Texas State Board of Pharmacy (Texas Board) disciplined Respondent Pharmcore, licensed as Hallandale Pharmacy, based upon the Texas Board's findings as follows: Respondent Pharmcore entered into an Agreed Order with the Kentucky Board after Respondent Pharmcore shipped compounded drug products into Kentucky when the pharmacy did not hold a permit to operate as a pharmacy in Kentucky, and Respondent Pharmcore failed to disclose disciplinary action by the Kentucky Board in its application for initial licensure as a nonresident pharmacy with the Texas Board.
- 23. On or about November 20, 2019, in the case entitled *In the Matter of Disciplinary Proceedings Regarding the Non-Resident Prescription Drug Outlet Registration in the State of Colorado of Pharmcore Inc dba Hallandale Pharmacy*, Case Nos. 2019-5141 and 2019-4899, the Colorado State Board of Pharmacy (Colorado Board) disciplined Respondent Pharmcore based

upon the Colorado Board's finding that Respondent Pharmcore failed to report discipline in Louisiana to the Colorado Board for dispensing prescriptions into Louisiana prior to obtaining the required permit.

- 24. On or about December 11, 2019, in the case entitled *In the Matter of Hallandale Pharmacy*, Case No. 19-266, the Maryland Board of Pharmacy (Maryland Board) disciplined Respondent Pharmcore, licensed as Hallandale Pharmacy, based upon the Maryland Board's finding that Respondent Pharmcore failed to report the FDA 483 to the Maryland Board, failed to timely submit a change of location application with the Maryland Board and dispensed drugs without a Maryland permit for that location, failed to report discipline by the Oklahoma and Kentucky Boards as required.
- 25. On or about July 8, 2020, in the case entitled *In the Matter of: Pharmcore dba Hallandale*, Case No. A-2019-0249, the Ohio Board of Pharmacy (Ohio Board) disciplined Respondent Pharmcore based upon the Ohio Board's finding that from November 2, 2015, through July 9, 2018, Respondent Pharmcore dispensed 4,586 prescriptions for dangerous drugs to Ohio residents while it was not licensed as a Terminal Distributor of Dangerous Drugs, and Respondent Pharmcore did not disclose Respondent Rabbani's federal conviction as required in its application for licensure.
- 26. On or about September 21, 2020, in the case entitled *In the Matter of Hallandale Pharmacy*, Case No. 19-397, the Kansas Board disciplined Respondent Pharmcore based upon the Kansas Board's finding that Respondent Pharmcore failed to notify the Kansas Board of discipline from the following states within 30 days: Alaska, Minnesota, Louisiana, Texas, Colorado and Maryland; and Respondent Pharmcore failed to disclose discipline by the Alaska Board and discipline by the Louisiana Board in its application to renew its Kansas nonresident pharmacy registration.

FIRST CAUSE FOR DENIAL

(Acts Involving Moral Turpitude, Dishonesty, Fraud, Deceit, or Corruption)

27. Respondent Pharmcore's permit applications are subject to denial under Code section 4300, in conjunction with Code section 4301, subdivision (f), in that Respondent Pharmcore

committed acts involving moral turpitude, dishonesty, fraud, deceit, or corruption as set forth in paragraphs 11 through 15, above, and as specifically set forth as follows:

- a. Respondent Pharmcore failed to disclose its shareholders in the original application submitted to the Board.
- b. Respondent Pharmcore failed to disclose its change of ownership in 2015 to the Board until it submitted its permit applications to the Board on or about June 3, 2020.
- c. Respondent Pharmcore failed to disclose its change of address to the Board until it submitted its permit applications to the Board on or about June 3, 2020.
- 28. Respondent Pharmcore's permit applications are subject to denial under Code section 4300, in conjunction with Code sections 4301, subdivision (f), and 4302, in that Respondent Rabbani committed acts involving moral turpitude, dishonesty, fraud, deceit, or corruption when he signed the application dated April 8, 2008, that failed to disclose Respondent Pharmcore's shareholders in the original application submitted to the Board, as set forth in paragraphs 11 through 15, above.

SECOND CAUSE FOR DENIAL

(Signing Documents Falsely Representing Facts)

- 29. Respondent Pharmcore's permit applications are subject to denial under Code section 4300, in conjunction with Code section 4301, subdivision (g), in that Respondent Pharmcore made or signed the original application submitted to the Board that contained false information, as set forth in paragraphs 11 through 15, above.
- 30. Respondent Pharmcore's permit applications are subject to denial under Code section 4300, in conjunction with Code sections 4301, subdivision (f), and 4302, in that Respondent Rabbani signed the original application submitted to the Board that contained false information, as set forth in paragraphs 11 through 15, above.

THIRD CAUSE FOR DENIAL

(Out of State Discipline)

31. Respondent Pharmcore's permit applications are subject to denial under Code sections 480 and 4300, in conjunction with Code section 4301, subdivision (n), in that