

**BEFORE THE BOARD OF PHARMACY EXAMINERS  
OF THE STATE OF IOWA**

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Re:	)	Case No. 2003-5
Wholesale Drug License of	)	
<b>ICN Pharmaceuticals, Inc.</b>	)	<b>STATEMENT OF CHARGES</b>
License No. 5256	)	
Respondent	)	

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**COMES NOW**, the Complainant, Lloyd K. Jessen, and states:

1. He is the Executive Secretary/Director for the Iowa Board of Pharmacy Examiners and files this Statement of Charges solely in his official capacity.
2. The Board has jurisdiction in this matter pursuant to Iowa Code Chapters 155A and 272C (2001).
3. Effective December 10, 2002, the Board received an application to renew Respondent's wholesale drug license number 5256, which would allow Respondent to engage in the operation of a wholesale drug facility subject to the laws of the State of Iowa and the rules of the Board. Respondent's wholesale drug license was current through December 31, 2002 and at all times relevant to this statement of charges.
4. At all times material to the charges herein, Respondent was operating it business at 3300 Hyland Avenue, Costa Mesa, CA 92626.

COUNT I

The Respondent is charged under Iowa Code § 155A.17 (2003) and 657 Iowa Administrative Code §§ 17.7 and 36.1(4) with a failure to operate in compliance with federal law.

THE CIRCUMSTANCES

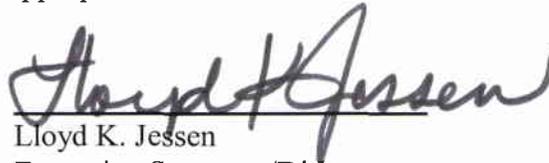
At the time it submitted materials in support of an application for renewal of its wholesale drug license, respondent supplied information regarding two federal felony convictions:

1. Respondent pleaded guilty to one felony count on November 29, 2001, in United States District Court for the Central District of California, alleging a violation of Title 15, United States Code, sections 78j(b) and 78ff and title 17 Federal Code of

Federal Regulations, Section 240.10b-5 (securities fraud). The charge against Respondent included an allegation that respondent, a public company, had knowingly misled investors and the investing public as to the future marketability of a drug ("ribavirin") it was developing.

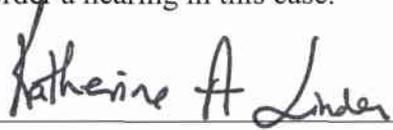
2. Respondent pleaded guilty to one felony count on June 12, 2002, in United States District Court for the Southern District of Florida, alleging a violation of Title 49 United States Code, section 5101 et seq., and regulations promulgated pursuant thereto. The charge against Respondent included an allegation that respondent had willfully and unlawfully transported a hazardous material (propyleneimine) which is used as a bonding agent in both pharmaceutical compounds and rocket fuels.

WHEREFORE, the Complainant prays that a hearing be held in this matter and that the Board take such action as it may deem to be appropriate under the law.



Lloyd K. Jessen  
Executive Secretary/Director

On this 23 day of April 2003, the Iowa Board of Pharmacy Examiners found probable cause to file this Statement of Charges and to order a hearing in this case.



Katherine A. Linder, Chairperson  
Iowa Board of Pharmacy Examiners  
400 SW Eighth Street, Suite E  
Des Moines, Iowa 50309-4688

cc: Scott M. Galenbeck  
Assistant Attorney General  
Hoover State Office Building  
Des Moines, Iowa 50319

**BEFORE THE BOARD OF PHARMACY EXAMINERS  
OF THE STATE OF IOWA**

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Re:	)	
Wholesale Drug License of	)	Case No. 2003-5
<b>VALEANT PHARMACEUTICALS INTL.,</b>	)	
Formerly Known As	)	<b>STIPULATION</b>
<b>ICN PHARMACEUTICALS, INC.</b>	)	<b>AND</b>
License No. 5256	)	<b>CONSENT ORDER</b>
Respondent	)	

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Pursuant to Iowa Code §§ 17A.10 and 272C.3(4) (2003), The Iowa Board of Pharmacy Examiners (hereinafter, the "Board") and ICN Pharmaceuticals, Inc., now known as Valeant Pharmaceuticals International (hereinafter, "Respondent"), have agreed to settle a contested case currently on file with the Iowa Board of Pharmacy Examiners. The Statement of Charges filed against Respondent on April 23, 2003, and the licensee disciplinary proceeding shall be resolved without a hearing, as the Board and Respondent have agreed to the following Stipulation and Consent Order:

1. Respondent submitted an application to renew Drug Wholesale License Number 5256 on December 10, 2002. The license was renewed on July 1, 2003. Respondent's license to operate a drug wholesale business is evidenced by licensed number 5256, as recorded in the permanent records of the Iowa Board of Pharmacy Examiners.
2. Drug Wholesale License Number 5256 issued to and currently held by Respondent expired December 31, 2003. The renewal for 2004 has been received and is on hold pending further information.
3. The Iowa Board of Pharmacy Examiners has jurisdiction over Respondent and the subject matter herein.

4. A Statement of Charges was filed against Respondent on April 23, 2003.
5. Respondent does not contest the allegations set forth in the Statement of Charges and acknowledges that the allegations, if proven in a contested case proceeding, constitute grounds for the suspension of Respondent's license to operate as a drug wholesaler in the State of Iowa.
6. Respondent's license shall be placed on probation for three (3) years, upon the following conditions:
  - (a) Within sixty (60) days of the date of approval of this Stipulation and Consent Order by the Board, Respondent will provide to the Board a written statement of procedures it has adopted to prevent further violations of federal laws, including specifically procedures adopted to prevent additional felonies of the nature described in the statement of charges filed herein. Following review and approval by the Board, Respondent agrees to adopt, implement and adhere to these policies and procedures whenever operating as a drug wholesaler.
  - (b) During probation, Respondent shall file sworn quarterly reports with the Board attesting to Respondent's compliance with the terms and conditions of this Stipulation and Consent Order. The reports shall be filed not later than December 5, March 5, June 5 and September 5 of each calendar year. Respondent's quarterly reports shall identify the current person responsible for compliance with Iowa law, as well as any other information deemed to be necessary, from time to time, by the Board.

(c) Respondent shall obey all federal and state laws, rules, and regulations substantially related to the operation of a drug wholesaler.

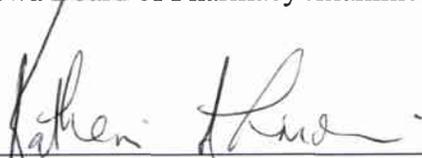
7. Upon the Board's approval of this Stipulation and Consent Order, Respondent shall be assessed a civil penalty in the amount of \$2000. Respondent's civil penalty payments shall be made payable to the Treasurer of Iowa and mailed to the executive director of the Board within 60 days of the Board's approval of this Stipulation and Consent Order.  
All civil penalty payments shall be deposited into the State of Iowa general fund.
8. Should Respondent violate or fail to comply with any of the terms or conditions of this Stipulation and Consent Order, the Board may initiate action to revoke or suspend Respondent's Iowa license to operate as a drug wholesale business or to impose other licensee discipline as authorized by Iowa Code chapters 272C and 155A and 657 Iowa Administrative Code § 36.1.
9. This Stipulation and Consent Order is the resolution of a contested case. By entering into this Stipulation and Consent Order, Respondent waives all rights to a contested case hearing on the allegations contained in the Statement of Charges, and waives any objections to this Stipulation and Consent Order.
10. This proposed settlement is subject to approval by a majority of the full Board. If the Board fails to approve this settlement, it shall be of no force or effect to either party. If the Board approves this Stipulation and Consent Order, it shall be the full and final resolution of this matter.
11. The Board's approval of this Stipulation and Consent Order shall constitute a **FINAL ORDER** of the Board in a disciplinary action.

This Stipulation and Consent Order is voluntarily submitted by Valeant Pharmaceuticals International to the Iowa Board of Pharmacy Examiners for its consideration on this 16th day of April 2004.

  
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Valeant Pharmaceuticals International  
(formerly ICN Pharmaceuticals, Inc.)  
Respondent

By: Harry A. Roosje  
Senior Vice President  
Deputy General Counsel  
And Assistant Secretary

This Stipulation and Consent Order is accepted by the Iowa Board of Pharmacy Examiners on this 20 day of April 2004.

  
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KATHERINE A. LINDER, Chairperson  
Iowa Board of Pharmacy Examiners  
400 SW Eighth Street, Suite E  
Des Moines, Iowa 50309-4688

cc: Scott M. Galenbeck  
Assistant Attorney General  
Office of the Attorney General  
Hoover State Office Building  
Des Moines, Iowa 50319

STATE OF CALIFORNIA    )  
  )  
ORANGE COUNTY            )        ss:

On April 16, 2004, before me, Pamela Chronister Lewis, personally appeared Harry A. Roosje, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

  
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Notary Public

