

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

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Re: )  
Pharmacy License of )  
**MEDICINE CHEST DISCOUNT** ) **STATEMENT OF CHARGES**  
**CENTER INC.** )  
License No. 262 )  
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 (1999).
3. On December 17, 1998, the Board renewed Respondent's general pharmacy license number 262 with Masoode S. Nikseresht, R.Ph. as pharmacist in charge, allowing Respondent to engage in the operation of pharmacy subject to the laws of the State of Iowa and the rules of the Board.
4. General pharmacy license number 262 is current until December 31, 1999.
5. Respondent is currently operating a general pharmacy at 200 Oak Street, Red Oak, Iowa 51566, with Masoode S. Nikseresht, R.Ph. as the pharmacist in charge.

**COUNT I**

The Respondent is charged under Iowa Code § 155A.15(2)(e) (1999) and 657 Iowa Administrative Code §§ 9.1(4) with allowing an employee who is not a licensed pharmacist to practice pharmacy.

**COUNT II**

The Respondent is charged under Iowa Code §§ 124.308(3), 124.402(1)(a), 124.403(1)(c), 155A.15(2)(c), 155A.15(2)(d), and 155A.15(2)(h) (1999) and 657 Iowa Administrative Code §§ 6.8, 36.1(4)(u) with failing to provide accountability for certain controlled substances.

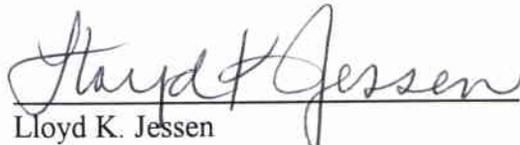
### COUNT III

The Respondent is charged under Iowa Code § 155A.15(2)(i) (1999) and 657 Iowa Administrative Code §§ 6.6 & 10.10 with failing to provide and maintain effective security, controls, and procedures to guard against the theft and diversion of prescription drugs and controlled substances.

#### THE CIRCUMSTANCES

1. On or about March 3, 1999, as part of a Board investigation, a Board investigator observed Anthony Schmid practicing pharmacy at Respondent's pharmacy.
2. Mr. Schmid was not able to produce an Iowa pharmacist license for the investigator when the investigator requested to see his license.
3. Mr. Schmidt admitted to the Board investigator that he did not have an Iowa pharmacist license.
4. A search of the Board's records confirmed that Mr. Schmid does not have a license to practice pharmacy in the State of Iowa.
5. Mr. Schmid informed the Board investigator that he had been asked by a representative of the company that owns Respondent to work at Respondent pharmacy on March 3, 1999 to cover for another pharmacist.
6. An accountability audit of Schedule III and IV controlled substances at the Respondent's pharmacy for the time period beginning between May 1, 1997 and April 30, 1999 revealed multiple shortages of Schedule III and IV controlled drugs.

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 16<sup>th</sup> day of July, 1999, the Iowa Board of Pharmacy Examiners found probable cause to file this Statement of Charges and to order a hearing in this case.



Arlan D. VanNorman, Chairperson  
Iowa Board of Pharmacy Examiners  
1209 East Court Avenue  
Des Moines, Iowa 50319

cc: Shauna Russell Shields  
Assistant Attorney General  
Hoover State Office Building  
Des Moines, Iowa 50319

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

Re:	)	Case No. 99-262
Pharmacy License of	)	
<b>MEDICINE CHEST DISCOUNT</b>	)	<b>STIPULATION</b>
<b>CENTER INC.</b>	)	<b>AND</b>
License No. 262	)	<b>CONSENT ORDER</b>
Respondent	)	

COME NOW the Iowa Board of Pharmacy Examiners ("the Board") and Medicine Chest Discount Center Inc. ("Respondent") and, pursuant to Iowa Code §§ 17A.10 and 272C.3(4) (1997), enter into the following Stipulation and Consent Order settling the contested case currently on file.

The licensee disciplinary hearing pending before the Iowa Board of Pharmacy Examiners, on the allegations specified in the Statement of Charges filed against Respondent on July 16, 1999, shall be resolved without proceeding to hearing, as the parties have agreed to the following Stipulation and Consent Order:

1. That Respondent's license to operate a pharmacy was renewed on the 17<sup>th</sup> day of December, 1998, as evidenced by Pharmacist License Number 262, which is recorded in the permanent records of the Iowa Board of Pharmacy Examiners.
2. That General Pharmacy License Number 262 issued to and currently held by Respondent is current and in force until December 31, 1999.
3. That the Iowa Board of Pharmacy Examiners has jurisdiction over the parties and

the subject matter herein.

4. A Statement of Charges was filed against Respondent on July 16, 1999.
5. This Stipulation and Consent Order is entered into in order to resolve disputed claims and constitutes no admission on the part of the Respondent.
6. Respondent shall pay a civil penalty of \$2,500.00 within 30 days of the date of approval of this Stipulation and Consent Order by the Board. Respondent shall deliver a check made payable to the Treasurer of the State of Iowa to the Executive Secretary/Director of the Board. The check shall be deposited into the general fund of the State of Iowa.
7. Respondent's license shall be placed on probation for two (2) years, with the following conditions, beginning on the date this Stipulation and Consent Order is accepted by the Board:
  - a. *Within sixty (60) days of the date of approval of this Stipulation and Consent Order by the Board, the Respondent will provide its typewritten policies and procedures for the following: (a) maintaining accountability for controlled substances, (b) providing and maintaining effective security, controls, and procedures to guard against the theft and diversion of prescription drugs and controlled substances, and (c) ensuring that all pharmacists employed by the Respondent obtain and maintain an active and current Iowa pharmacist license. Following review and approval by the Board, the Respondent agrees to adopt, implement, and adhere to these policies and procedures whenever operating as a pharmacy.*

- b. During probation, Respondent shall file sworn quarterly reports with the Board attesting to its compliance with all the terms and conditions of this Stipulation and Consent Order. The reports shall be filed not later than December 5, 1999, March 5, 2000, June 5, 2000, September 5, 2000; December 5, 2000, March 5, 2001, June 5, 2001, and September 5, 2001. The quarterly reports shall identify the current pharmacist in charge and all staff pharmacists and any further information deemed necessary by the Board from time to time.
8. The Respondent may apply to the Board for modification of the provisions of Respondent's probation, including termination of the probation, after Respondent has successfully completed one year of probation. Respondent understands that the determination of whether to modify or terminate its probation will remain in the Board's discretion.
9. The Respondent shall obey all federal and state laws, rules, and regulations substantially related to the operation of pharmacy.
10. 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 the Respondent's Iowa license to operate a pharmacy or to impose other licensee discipline as authorized by Iowa Code chapters 272C and 155A and 657 Iowa Administrative Code § 9.1.
11. 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.*

- 12. 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.
- 13. 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.
- 14. The Board's approval of this Stipulation and Consent Order shall constitute a **FINAL ORDER** of the Board in a disciplinary action.

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- 15. This Stipulation and Consent Order is voluntarily submitted by Respondent to the Board for its consideration on the 11 day of Nov., 1999.

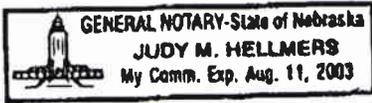
Medicine Chest Discount Center Inc.  
Respondent  
By \_\_\_\_\_, Its \_\_\_\_\_

Masoode S. Nikseresht  
Medicine Chest Discount Center Inc.  
Masoode S. Nikseresht, R.Ph.  
Pharmacist in charge,  
Respondent

Subscribed and sworn to before me by Masoode S. Nikseresht, R.Ph., the pharmacist in charge of Medicine Chest Discount Center Inc., and who is authorized to sign this Stipulation and Consent Order on behalf of said Medicine Chest Discount Center Inc. on this \_\_\_\_\_ day of \_\_\_\_\_, 1999.

NOTARY PUBLIC IN AND FOR THE STATE OF IOWA

Subscribed and sworn to before me by Mary Gellman who has stated to me that he/she is the CEO of Medicine Chest Discount Center Inc., and that he/she is authorized to sign this Stipulation and Consent Order on behalf of said Medicine Chest Discount Center Inc. on this 17 day of November 1999.



Judy M. Hellmers  
NOTARY PUBLIC IN AND FOR THE STATE OF Nebraska

16. This Stipulation and Consent Order is accepted by the Iowa Board of Pharmacy Examiners on the 17<sup>th</sup> day of November, 1999.

Arland D. Van Norman  
ARLAND D. VAN NORMAN, Chairperson  
Iowa Board of Pharmacy Examiners  
Executive Hills West  
1209 East Court Avenue  
Des Moines, Iowa 50319

cc: Shanna Russell Shields  
Assistant Attorney General  
Office of the Attorney General  
Hoover State Office Building  
Des Moines, Iowa 50319