

BEFORE THE BOARD OF PHARMACY EXAMINERS  
OF THE STATE OF IOWA

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Re: Pharmacy License of	)	<b>COMPLAINT</b>
<b>PHAR-MOR PHARMACY #137</b>	)	<b>AND</b>
License No. 96	)	<b>STATEMENT</b>
Robbie D. Shockley,	)	<b>OF CHARGES</b>
Pharmacist in charge,	)	<b>AND</b>
Respondent	)	<b>NOTICE OF HEARING</b>

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**COMES NOW**, Lloyd K. Jessen, Executive Secretary/Director of the Iowa Board of Pharmacy Examiners, on the 16th day of December, 1991, and files this Complaint and Statement of Charges against Phar-Mor Pharmacy, a pharmacy licensed pursuant to Iowa Code chapter 155A, and alleges that:

1. Melba L. Scaglione, Chairperson; Alan M. Shepley, Vice Chairperson; Rollin C. Bridge; Donna J. Flower; Phyllis A. Olson; Marian L. Roberts; and Arlan D. Van Norman are duly appointed, qualified members of the Iowa Board of Pharmacy Examiners.

2. Respondent is licensed to operate a pharmacy at 902 West Kimberly Road, Davenport, Iowa 52806, and holds license number 96.

3. General pharmacy license number 96, issued in the name of Phar-Mor Pharmacy #137, with Robbie D. Shockley as pharmacist in charge, was renewed on December 10, 1991, and is current until December 31, 1992.

4. The Board has received three investigative reports from Pharmacy Investigator E. Ray Shelden. These reports reveal the following:

a. A consumer complaint was received at the Board office on February 4, 1991, which alleged that a non-pharmacist employee of Respondent had performed a non-delegable, judgmental function by engaging in patient consultation and had represented himself as a pharmacist.

b. A consumer complaint was received at the Board office on June 27, 1991, which alleged that a pharmacist employee of Respondent had committed a dispensing error on June 26, 1991, when a prescription vial containing #30 Beepen-VK 500mg was labeled with the incorrect patient name.

c. A consumer complaint was received at the Board office on August 7, 1991, which alleged that a pharmacist employee of Respondent had committed the following two dispensing errors on July 30, 1991: (1) a prescription vial containing #30 Robaxisal was labeled with the incorrect patient name and (2) a prescription vial containing 5ml Neo Decadron Ophthalmic Solution 0.1% was labeled with the incorrect prescriber name and incorrect refill information.

d. Prescription records maintained in Respondent's pharmacy computer system do not accurately identify the pharmacist responsible for each dispensing transaction. The lack of a security access code allows for unrestricted entry of initials by any computer user.

e. Respondent's pharmacy computer system cannot always generate prescription vial labels which contain complete and accurate refill information.

5. Respondent is guilty of violations of Iowa Code sections 155A.15(2)(c), 155A.15(2)(e), 155A.15(2)(f), 155A.15(2)(h), and 155A.20(2)(b) by virtue of the allegations in paragraph 4.

Iowa Code section 155A.15 provides, in part, the following:

2. The board shall refuse to issue a pharmacy license for failure to meet the requirements of section 155A.13. The board may refuse to issue or renew a license or may impose a fine, issue a reprimand, or revoke, restrict, cancel, or suspend a license, and may place a licensee on probation, if the board finds that the applicant or licensee has done any of the following:...

c. Violated any provision of this chapter or any rule adopted under this chapter or that any owner or employee of the pharmacy has violated any provision of this chapter or any rule adopted under this chapter.

....

e. Allowed an employee who is not a licensed pharmacist to practice pharmacy.

f. Delivered mislabeled prescription or nonprescription drugs.

....

h. Failed to keep and maintain records as required by this chapter, the controlled substances Act, or rules adopted under the controlled substances Act.

Iowa Code section 155A.20 provides, in part, the following:

2. A person shall not do any of the following:...

b. Impersonate an Iowa licensed pharmacist.

6. Respondent is guilty of violations of 657 Iowa Administrative Code sections 8.11(2)(k), 8.11(6), 9.1(4)(b)(3), 9.1(4)(c), 9.1(4)(j), and 9.1(4)(u) by virtue of the allegations in paragraph 4.

657 Iowa Administrative Code section 8.11 provides, in part, the following:

An automated data processing system may be used as an alternative method for the storage and retrieval of prescription information subject to the following conditions:...

(2) The system shall provide for the retrieval via visual display device or hard-copy printout of original and refill prescription information. Such information shall include, but not be limited to, each of the following:...

k. Total number of refills dispensed to date (or total number of authorized refills remaining);

....  
(6) The system shall contain adequate safeguards or security of the records to maintain the confidentiality and accuracy of prescription information. Safeguards against erasures and unauthorized changes in data after the information has been entered and verified by the pharmacist shall be provided by the system.

657 Iowa Administrative Code section 9.1(4) provides, in part, the following:

The board may impose any of the disciplinary sanctions set out in subrule 9.1(2), including civil penalties in an amount not to exceed \$25,000, when the board determines that the licensee or registrant is guilty of the following acts or offenses:...

b. Professional incompetency. Professional incompetency includes but is not limited to:...

(3) A failure by a pharmacist to exercise in a substantial respect that degree of care which is ordinarily exercised by the average pharmacist in the state of Iowa acting under the same or similar circumstances.

c. Knowingly making misleading, deceptive, untrue or fraudulent representations in the practice of pharmacy or engaging in unethical conduct or practice

harmful to the public. Proof of actual injury need not be established.

....

j. Violating a statute or law of this state, another state, or the United States, without regard to its designation as either a felony or misdemeanor, which statute or law relates to the practice of pharmacy.

....

u. Violating any of the grounds for revocation or suspension of a license listed in Iowa Code sections 147.55, 155A.12 and 155A.15.

The Iowa Board of Pharmacy Examiners finds that paragraph 5 and 6 constitute grounds for which Respondent's license to operate a pharmacy in Iowa can be suspended or revoked.

**WHEREFORE**, the undersigned charges that Respondent Phar-Mor Pharmacy # 137 has violated Iowa Code sections 155A.15(2)(c), 155A.15(2)(e), 155A.15(2)(f), 155A.15(2)(h), 155A.20(2)(b), and 657 Iowa Administrative Code sections 8.11(2)(k), 8.11(6), 9.1(4)(b)(3), 9.1(4)(c), 9.1(4)(j), and 9.1(4)(u).

**IT IS HEREBY ORDERED**, pursuant to Iowa Code section 17A.12 and 657 Iowa Administrative Code section 1.2, that Robbie D. Shockley appear on behalf of Phar-Mor Pharmacy before the Iowa Board of Pharmacy Examiners on Wednesday, January 15, 1992, at 10:00 a.m., in the second floor conference room, 1209 East Court Avenue, Executive Hills West, Capitol Complex, Des Moines, Iowa.

The undersigned further asks that upon final hearing the Board enter its findings of fact and decision to suspend, revoke, or not renew the license to operate a pharmacy issued to Phar-Mor Pharmacy # 137 on December 10, 1991, and take whatever additional action that they deem necessary and appropriate.

Respondent may bring counsel to the hearing, may cross-examine any witnesses, and may call witnesses of its own. If Respondent fails to appear and defend, Iowa Code section 17A.12(3) provides that the hearing may proceed and that a decision may be rendered. The failure of Respondent to appear could result in the permanent suspension or revocation of its license.

The hearing will be presided over by the Board which will be assisted by an administrative law judge from the Iowa Department of Inspections and Appeals. The office of the Attorney General is responsible for the public interest in these proceedings.

Information regarding the hearing may be obtained from Lynette A. F. Donner, Assistant Attorney General, Hoover Building, Capitol Complex, Des Moines, Iowa 50319 (telephone 515/281-8760). Copies of all filings with the Board should also be served on counsel.

IOWA BOARD OF PHARMACY EXAMINERS

A handwritten signature in cursive script, appearing to read "Lloyd K. Jessen", is written over a horizontal line.

Lloyd K. Jessen  
Executive Secretary/Director

BEFORE THE IOWA  
BOARD OF PHARMACY EXAMINERS

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RE: Pharmacy License of )  
PHAR-MOR PHARMACY #137 )  
License No. 96, )  
Robbie D. Shockley, )  
Pharmacist in Charge, )  
Respondent. )

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STIPULATION AND  
INFORMAL SETTLEMENT

COMES NOW the Iowa Board of Pharmacy Examiners (the Board) and Phar-Mor Pharmacy #137 (Respondent), by Pharmacist in Charge Robbie D. Shockley, R.Ph. and Pharmacy Regional Manager Daniel Smith, R.Ph., and pursuant to Iowa Code §§ 17A.10 and 258A.3(4) (1991), enter into the following Stipulation and Informal Settlement of the contested case currently on file:

1. Respondent is licensed to operate as a pharmacy at 902 West Kimberly Road, Davenport, Iowa 52806, and holds license number 96.
2. Respondent's license is current until December 31, 1992.
3. A Complaint and Statement of Charges and Notice of Hearing was filed against Respondent on December 16, 1991.
4. The Board has jurisdiction of the parties and the subject matter.
5. Respondent admits the allegations set forth in the complaint in paragraph 4, subparagraphs (b), (c)(2) (excepting the allegation of "incorrect refill information"), and (d). Respondent denies the allegations set forth the complaint in

paragraph 4, subparagraph (a), (c)(2) (regarding "incorrect refill information"), and (e), but generally admits that the information on the generated labels is susceptible to misinterpretation on the part of the consumer.

6. Within thirty (30) days after approval of this Stipulation and Informal Settlement, Respondent shall submit to the Board its proposals for correcting or ameliorating perceived deficiencies in Respondent's pharmacy computer system relating to security (access), pharmacist accountability, and refill information. At a minimum, in lieu of immediate computer system modification, in order to maintain pharmacist accountability, Respondent shall implement a system of manual initialization by each dispensing pharmacist of the appropriate entries in the dispensing log book. Further, in lieu of immediate computer system modification, Respondent shall modify its procedure for imprinting label refill information by noting only the number of prescription refills remaining or the remaining number of units, specifying the type of units (e.g., pills, mg., cc.), by either overriding the current computer system or by manually including the information on the label.

7. Within thirty (30) days after the approval of this Stipulation and Informal Settlement, Respondent shall submit to the Board a staffing report for a one week period of time detailing the staff coverage per prescription dispensed. The report may be based on a log or tally sheet, but shall note the

number of pharmacists, assistants, and clerical personnel on duty in the pharmacy throughout each day, tracking this staffing with the number of prescriptions dispensed. Although this staffing report is a term of this Stipulation and Informal Settlement, it is being required only for the purpose of providing both parties with further information, and is not an implication that there is a specific violation in relation thereto.

8. Within thirty (30) days after the approval of this Stipulation and Informal Settlement, Respondent shall pay a civil penalty in the amount of \$1000 by delivering a check made payable to the Treasurer of Iowa to the Executive Secretary of the Board. The check shall be deposited into the general fund.

9. Respondent's license shall be placed on probation for a period of one (1) year. The condition of this probation is that during this period, no pharmacist employed by Respondent shall, within that pharmacist's employment with Respondent, supervise any registered intern or perform any of the duties of a preceptor.

10. This Stipulation and Informal Settlement is subject to approval of the Board. If the Board approves this Stipulation and Informal Settlement, it becomes the final disposition of this matter. If the Board fails to approve this Stipulation and Informal Settlement, it shall be of no force or effect to either party.

11. This Informal Settlement is voluntarily submitted by the Respondent to the Board for its consideration.

Submitted by:

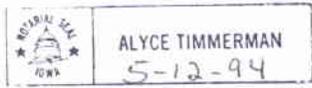
(Original submitted in confirmation of faxed submission delivered March 3, 1992.)

Rob Shockley

PHAR-MOR PHARMACY #137  
Respondent  
By Robbie D. Shockley, R.Ph.  
Pharmacist in Charge

Signed and sworn to before me this 10 day of March,  
1992.

Alyce M. Timmerman  
NOTARY PUBLIC IN AND FOR THE  
STATE OF Iowa



Submitted by:

(Original submitted in confirmation of faxed submission delivered March 3, 1992.)

Daniel Smith

PHAR-MOR PHARMACY #137  
Respondent  
By Daniel Smith, R.Ph.  
Pharmacy Regional Manager

Signed and sworn to before me this 9<sup>th</sup> day of March,  
1992.

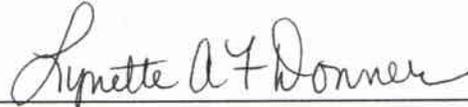
Joan A. Cooper  
NOTARY PUBLIC IN AND FOR THE  
STATE OF Ill.



Approved as to form:



MICHAEL L. MALKIN  
Phar-Mor Asst. General Counsel  
20 Federal Plaza West  
Youngstown, Ohio 44501-0400



LYNETTE A.F. DONNER  
Assistant Attorney General  
2nd Floor, Hoover Building  
Des Moines, Iowa 50319

12. This Informal Settlement is accepted by the Iowa Board of Pharmacy Examiners on the 4<sup>th</sup> day of March, 1992. (Date of formal Board acceptance pending receipt of original.)



MELBA L. SCAGLIONE, Chairperson  
Iowa Board of Pharmacy Examiners

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

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Re: )  
Pharmacy License of )  
**PHAR-MOR PHARMACY #137** ) **STATEMENT OF CHARGES**  
License No. 96 )  
Steven C. Pyevich, )  
Pharmacist in charge, )  
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 (1997).
3. General pharmacy license number 96, issued in the name of Phar-Mor Pharmacy #137, with Steven C. Pyevich as pharmacist in charge, was issued on December 15, 1997, and is current until December 31, 1998.
4. Respondent currently operates a general pharmacy at 902 West Kimberly Road, Davenport, Iowa 52806.
5. Respondent was previously disciplined by the Board on March 4, 1992. Respondent's license was placed on probation for one year, ending March 4, 1993.

**COUNT I**

The Respondent is charged under Iowa Code § 155A.15(2)(c) (1997) and 657 Iowa Administrative Code §§ 6.2(1)(b), 8.1, 8.20, 9.1(4)(u), and 9.1(4)(w) with failure to provide oral patient counseling.

## COUNT II

The Respondent is charged under Iowa Code § 155A.15(2)(c) (1997) and 657 Iowa Administrative Code § 6.5(3) with failure to maintain proper sanitation in the prescription department.

## COUNT III

The Respondent is charged under Iowa Code § 155A.15(2)(c) (1997) and 657 Iowa Administrative Code § 6.7(3) with failure to remove outdated drugs from dispensing stock.

## COUNT IV

The Respondent is charged under Iowa Code § 155A.15(2)(c) (1997) and 657 Iowa Administrative Code § 8.2 with failure to properly document required information for the transfer of prescriptions of controlled and non-controlled drugs.

## COUNT V

The Respondent is charged under Iowa Code § 155A.15(2)(c) (1997) and 657 Iowa Administrative Code § 8.15 with failure to properly document the dispensing of generic drugs when engaging in drug product selection.

## COUNT VI

The Respondent is charged under Iowa Code § 155A.15(2)(c) (1997) and 657 Iowa Administrative Code § 8.20(2) with failure to advise patients that the pharmacist may be contacted by a toll-free telephone number or a collect telephone call in those instances when oral counseling is not practicable and alternative forms of patient information are provided.

## COUNT VII

The Respondent is charged under Iowa Code § 155A.15(2)(c) (1997) and 657 Iowa Administrative Code § 10.18 with failure to take a complete inventory of all controlled substances upon change of the pharmacist in charge.

### COUNT VIII

The Respondent is charged under Iowa Code § 155A.15(2)(c) (1997) and 657 Iowa Administrative Code § 8.6(3) with advertising the prices of controlled substances.

### COUNT IX

The Respondent is charged under Iowa Code § 155A.15(2)(c) (1997) and 657 Iowa Administrative Code § 8.4(4) with failure to maintain a log of all pharmacists who have worked in the pharmacy and are not regularly employed there as observed during a routine inspection conducted.

### COUNT X

The Respondent is charged under Iowa Code §§ 155A.10 and 155A.15(2)(c) (1997) and 657 Iowa Administrative Code § 8.4(1) with failure to publicly display all pharmacist licenses and renewal certificates.

### COUNT XI

The Respondent is charged under Iowa Code § 155A.15(2)(c) (1997) and 657 Iowa Administrative Code § 6.8 with failure to maintain controlled substance records in a readily retrievable manner.

### COUNT XII

The Respondent is charged under Iowa Code § 155A.15(2)(c) (1997) and 657 Iowa Administrative Code §§ 9.1(4)(c), 9.1(4)(j), and 9.1(4)(u) with engaging in a practice harmful to the public by failing to prevent medication dispensing errors.

### COUNT XIII

The Respondent is charged under Iowa Code §§ 124.306, 124.308(3), 124.402(1)(a), 124.403(1)(c), 155A.15(2)(c), 155A.15(2)(h), and 155A.15(2)(i) (1997) and 657 Iowa Administrative Code § 6.8 with failing to provide accurate accountability for controlled substances and with failing to properly maintain controlled substance records.

COUNT XIV

The Respondent is charged under Iowa Code § 155A.15(2)(c) (1997) and 657 Iowa Administrative Code § 8.18(2) with failure to obtain and record patients' known drug allergies, drug reactions, idiosyncrasies, and chronic conditions or disease states and the identity of any other drugs, including over-the-counter drugs or devices currently being used by patients.

COUNT XV

The Respondent is charged under Iowa Code § 155A.15(2)(c) (1997), 657 Iowa Administrative Code § 6.2(1)(k), and 21 Code of Federal Regulations § 310.515 with failure to provide the manufacturer's patient package inserts (PPIs) to a patient who received Premarin® and Provera®.

COUNT XVI

The Respondent is charged under Iowa Code § 155A.15(2)(c) (1997) and 657 Iowa Administrative Code § 8.18(1)(c) with failure to obtain patients' ages or dates of birth prior to dispensing new prescriptions.

COUNT XVII

The Respondent is charged under Iowa Code § 155A.15(2)(c) (1997) and 657 Iowa Administrative Code §§ 8.18(2) and 8.19(4) with failure to provide an appropriate warning to a patient concerning the drug interaction between aspirin and Coumadin®.

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## THE CIRCUMSTANCES

The Board has received investigative information which alleges the following:

1. On May 17, 1996, a routine inspection of Phar-Mor Pharmacy #137 was conducted by the Board. The Board inspector noted the following deficiencies: lack of sanitation; failure to remove outdated drugs from dispensing stock; failure to properly document required information for the transfer of prescriptions of controlled and non-controlled drugs; failure to properly document the dispensing of generic drugs when engaging in drug product selection; failure to advise patients that the pharmacist may be contacted by a toll-free telephone number or a collect telephone call in those instances when oral counseling is not practicable and alternative forms of patient information are provided; and failure to take a complete inventory of all controlled substances upon change of the pharmacist in charge. In addition, the Board inspector noted the following in the inspection report: "Patient counseling requirements must be met. With only one pharmacist on duty during a busy time, I did not witness very extensive counseling done with the patients."

2. On October 3, 1996, the Board received a complaint which alleged that Phar-Mor Pharmacy #137 advertised Schedule IV controlled substances in a newspaper supplement on October 2-8, 1996.

3. On November 18, 1997, a routine inspection of Phar-Mor Pharmacy #137 was conducted by the Board. The Board inspector noted the following deficiencies: failure to properly document required information for the transfer of prescriptions of controlled and non-controlled drugs; failure to maintain a log of all pharmacists who have worked in the pharmacy and are not regularly employed at this location; failure to display all pharmacist licenses and renewal certificates; failure to advise patients that the pharmacist may be contacted by a toll-free telephone number or a collect telephone call in those instances when oral counseling is not practicable and alternative forms of patient information are provided (second notice); and failure to maintain controlled substance records in a readily retrievable manner. In addition, the Board inspector noted the following in the inspection report: "Patient counseling requirements must be met (second notice)."

In a separate investigative report dated November 24, 1997, a Board investigator reported that Phar-Mor Pharmacy #137 failed to properly document the dispensing of generic drugs when engaging in drug product selection. As a result, the dispensing records for the following controlled substances were inaccurate and/or incomplete: hydrocodone/APAP 5/500, hydrocodone/APAP 7.5/500, hydrocodone/APAP 7.5/750, APAP/Codeine 30/300, and all strengths of Alprazolam.

A controlled substances audit for the time period beginning May 1, 1997, and ending November 17, 1997, revealed shortages of the following controlled substances: Lortab® 5/500, Lortab® 10/500, APAP with Codeine 30/300, Tylenol with Codeine® No. 3, Vicodin® 5/500, Xanax® 0.25, Alprazolam® 0.25, and Xanax® 2 mg.

A controlled substances audit for the time period beginning May 1, 1997, and ending November 17, 1997, revealed overages of the following controlled substances: hydrocodone with APAP 5/500, hydrocodone with APAP 7.5/500, hydrocodone with APAP 7.5/750, hydrocodone with APAP 10/650, Lortab® 7.5/500, Vicodin ES® 7.5/750, Xanax® 0.5, Xanax® 1.0 mg, Alprazolam® 0.5mg, Alprazolam® 1.0 mg, and Alprazolam® 2.0 mg.

4. Between November 18, 1997, and December 6, 1997, the Board conducted a shopper survey at Phar-Mor Pharmacy #137. The survey produced the following results:

a. On November 18, 1997, four new prescriptions were filled by Phar-Mor Pharmacy #137 for shopper #1. No oral patient counseling was provided to shopper #1. Shopper # 1 also reported that no one asked her if she had any known allergies. In addition, shopper #1 did not receive manufacturer's patient package inserts for her prescriptions for Premarin® and Provera®. Furthermore, shopper # 1 should have received fifteen tablets of Entex-LA® but only received 14 tablets.

b. On November 19, 1997, five new prescriptions were filled by Phar-Mor Pharmacy #137 for shopper #2. No oral patient counseling was provided to shopper #2. Shopper # 2 also reported that no one asked her if she had any known allergies and no one asked for her age or date of birth. Phar-Mor Pharmacy #137 dispensed a codeine-containing prescription drug (APAP/Codeine 300-30mg) to shopper # 2 who is allergic to codeine. In addition, shopper # 2 purchased aspirin tablets over-the-counter along with her prescription for Coumadin® and received no warning about the drug interaction between aspirin and Coumadin®. Furthermore, shopper #2 should have received 30 tablets of amitriptyline 10mg but received 31 tablets instead.

c. On November 26, 1997, three new prescriptions were filled by Phar-Mor Pharmacy #137 for shopper #3. No oral patient counseling was provided to shopper #3.

d. On December 6, 1997, three new prescriptions were filled by Phar-Mor Pharmacy #137 for shopper # 4. No oral patient counseling was provided to shopper #4.

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 3rd day of March, 1998, the Iowa Board of Pharmacy Examiners found probable cause to file this Statement of Charges and to order a hearing in this case.

  
Phyllis A. Olson, Chairperson  
Iowa Board of Pharmacy Examiners  
Executive Hills West  
1209 East Court Avenue  
Des Moines, Iowa 50319

cc: Linny Emrich  
Assistant Attorney General  
Office of the 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: Pharmacy License of	}	
<b>PHAR-MOR # 137</b>	}	<b>STIPULATION</b>
License No. 96	}	<b>AND</b>
Respondent	}	<b>INFORMAL SETTLEMENT</b>
	}	

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On this 8th day of July, 1998, the Iowa Board of Pharmacy Examiners and Phar-Mor Pharmacy #137, 902 West Kimberly Road, Davenport, Iowa, each hereby agree with the other and stipulate as follows:

The licensee disciplinary hearing pending before the Iowa Board of Pharmacy Examiners, on the allegations specified in the Statement of Charges and Notice of Hearing filed against Respondent on March 3, 1998, shall be resolved without proceeding to hearing, as the parties have agreed to the following Stipulation and Informal Settlement:

1. That Respondent's license to operate a pharmacy was renewed on the 15th day of December, 1997, as evidenced by General Pharmacy License Number 96, which is recorded in the permanent records of the Iowa Board of Pharmacy Examiners.
2. That Iowa General Pharmacy License Number 96 issued to and currently held by Respondent is current and in full force until December 31, 1998.
3. That the Iowa Board of Pharmacy Examiners has jurisdiction over the parties and the subject matter herein.
4. A Statement of Charges and Notice of Hearing was filed against Respondent on March 3, 1998.

5. This Stipulation and Informal Settlement is executed as a compromise settlement of disputed claims.

## SECTION I

THEREFORE, IT IS HEREBY ORDERED that Iowa General Pharmacy License Number 96 issued to Respondent is placed on probation for three (3) years. During the probationary period the Respondent shall obey all federal and state laws, rules, and regulations substantially related to the practice of pharmacy and the distribution of controlled substances and comply with the provisions of Section II.

## SECTION II

1. Within thirty (30) days of the date of this Order, the Respondent shall pay a civil penalty of \$10,000.00 by delivering 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.

2. The Respondent shall comply with all of the requirements contained in 657 Iowa Administrative Code chapter 6, "General Pharmacy Licenses," which became effective on November 12, 1997.

3. Respondent shall submit to random unannounced visits to or inspections by the Board or agents of the Board to verify compliance with this Order.

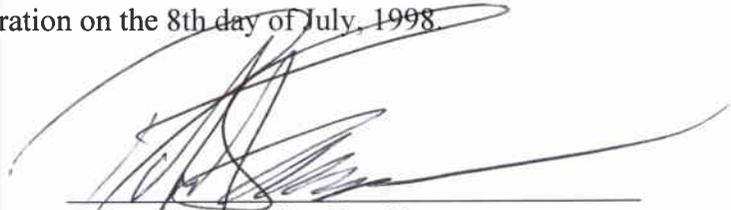
4. Respondent shall fully and promptly comply with all Orders of the Board and the statutes and rules regulating the practice of pharmacy in Iowa. Any violation of the terms of this Order is grounds for further disciplinary action, upon notice and opportunity for hearing, for failure to comply with an Order of the Board, in accordance with Iowa Code section 272C.3(2)(a).

5. Should Respondent violate probation in any respect, the Board, after giving Respondent notice and an opportunity to be heard, may revoke probation and impose additional disciplinary sanctions, including the revocation of Respondent's license to practice pharmacy. If a petition to revoke probation is filed against Respondent during probation, the Board shall have continuing jurisdiction until the matter is final, and the period of probation shall be extended until the matter is final.

6. Upon successful completion of probation, Respondent's certificate will be fully restored.

7. This Stipulation and Informal Settlement is subject to approval of a majority of the full Board. If the Board fails to approve this Stipulation and Informal Settlement, it shall be of no force or effect to either party.

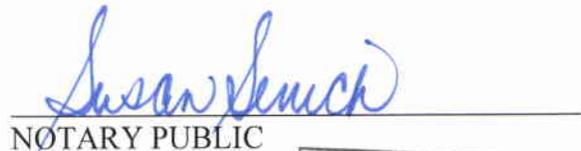
8. This Stipulation and Informal Settlement is voluntarily submitted by Respondent to the Board for its consideration on the 8th day of July, 1998.



Robert Sarvas, Vice-President  
Phar-Mor Inc.  
Respondent



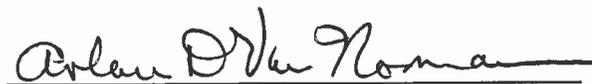
Subscribed and Sworn to before me on this 22<sup>nd</sup> day of July, 1998.



NOTARY PUBLIC



9. This Stipulation and Informal Settlement is accepted by the Iowa Board of Pharmacy Examiners on the 8th day of July, 1998.



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