

**BEFORE THE IOWA BOARD OF PHARMACY**

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Re:	)	CASE NO. 2015-115
Wholesale Drug License of	)	
	)	<b>NOTICE OF HEARING AND</b>
<b>PRIORITY PHARMACEUTICALS,</b>	)	<b>STATEMENT OF CHARGES</b>
<b>INC.</b>	)	
License No. 5989	)	
Respondent.	)	

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**COMES NOW** the Iowa Board of Pharmacy ("Board") and files this Notice of Hearing and Statement of Charges against Priority Pharmaceuticals Inc. ("Respondent"), 4040 Sorrento Valley Blvd., Suite D, San Diego, California 92121, pursuant to Iowa Code sections 17A.12(2), 17A.18(3), and 272C.3(1)"e", and 657 IAC 35.5 and 36.5. Respondent's Iowa wholesale drug license number 5989 is currently active through December 31, 2015.

**A. TIME, PLACE, AND NATURE OF HEARING**

Hearing. A disciplinary contested case hearing shall be held on January 12, 2016, before the Board. The hearing shall be held during the morning session beginning at 9:00 a.m. and shall be located in the Board conference room located at the Iowa Board of Pharmacy Office, 400 S.W. 8<sup>th</sup> Street, Suite E, Des Moines, Iowa, 50309-4688.

Answer. Within twenty (20) days of the date you are served this Notice of Hearing and Statement of Charges, you may file an Answer pursuant to 657 IAC 35.11. The Answer should specifically admit, deny, or otherwise answer all allegations contained in sections C and D of this Notice of Hearing and Statement of Charges.

Filing of Pleadings. Pleadings shall be filed with the Board at the following address: Iowa Board of Pharmacy, 400 S.W. 8<sup>th</sup> Street, Suite E, Des Moines, Iowa, 50309-4688.

Presiding Officer. The Board shall serve as presiding officer, but the Board may request an Administrative Law Judge from the Department of Inspections and Appeals make initial rulings on prehearing matters, and be present to assist and advise the Board at hearing.

Pre-hearing Conference. Any party may request a prehearing conference in accordance with 657 IAC 35.15 to discuss issues related to the hearing.

Hearing Procedures. The procedural rules governing the conduct of the hearing are found at 657 IAC 35. At the hearing, you may appear personally or be represented by counsel at your own expense. You will be allowed the opportunity to respond to the charges against you, to produce evidence on your behalf on issues of material fact, cross-examine witnesses present at the hearing, and examine and respond to any documents introduced at the hearing. If you need to request an alternative time or date for the hearing, you must comply with the requirements in 657 IAC 35.16. The hearing may be open to the public or closed to the public at your discretion.

Prosecution. The Office of Attorney General is responsible for representing the public interest (the State) in this proceeding. Copies of pleadings should be provided to counsel for the State at the following address:

Laura Steffensmeier  
Assistant Attorney General  
Iowa Attorney General's Office  
2<sup>nd</sup> Floor, Hoover State Office Building  
Des Moines, Iowa 50319

Ms. Steffensmeier can also be reached by phone at (515) 281-6690 or by e-mail at [laura.steffensmeier@iowa.gov](mailto:laura.steffensmeier@iowa.gov).

Communications. You may contact the Board office at (515) 281-5944 with questions regarding this notice and other matters relating to these disciplinary proceedings. You may not contact individual Board members in any manner, including by phone, letter, or e-mail, regarding this Notice of Hearing and Statement of Charges. Board members may only receive information about the case when all parties have notice and the opportunity to participate, such as at the hearing or in pleadings you file with the Board office and serve upon all parties in the case.

## **B. LEGAL AUTHORITY AND JURISDICTION**

Jurisdiction. The Board has jurisdiction in this matter pursuant to Iowa Code chapters 17A, 147, 155A, and 272C (2015).

Legal Authority. If any of the allegations against you are founded, the Board has authority to take disciplinary action against you under Iowa Code chapters 147, 155A, and 272C, and 657 IAC 36.

Default. If you fail to appear at the hearing, the Board may enter a default decision or proceed with the hearing and render a decision in your absence, in accordance with Iowa Code section 17A.12(3) and 657 IAC 35.21.

## **C. CHARGES**

### **COUNT I OUT-OF-STATE DISCIPLINE**

Respondent is charged with violating the pharmacy or drug laws or rules of another state while under the jurisdiction of that state, pursuant to Iowa Code section 155A.17(2), and 657 IAC 17.18 and 36.1(4)"ad".

## **D. FACTUAL CIRCUMSTANCES**

1. Respondent became licensed as an Iowa drug wholesaler in 2001.

2. Effective March 13, 2015, Respondent surrendered its California Wholesaler License through a Stipulated Order to resolve a pending disciplinary accusation issued by the California Board of Pharmacy in September 2012.

**E. SETTLEMENT**

This matter may be resolved by settlement agreement. The procedural rules governing the Board's settlement process are found at 657 IAC 36.6. If you are interested in pursuing settlement in this matter, please contact Assistant Attorney General Laura Steffensmeier at (515) 281-6690.

**F. FINDING OF PROBABLE CAUSE**

On this 4th day of November, 2015, the Iowa Board of Pharmacy found probable cause to file this Notice of Hearing and Statement of Charges.



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James Miller, Chairperson  
Iowa Board of Pharmacy

Copy to:

Laura Steffensmeier  
Assistant Attorney General  
Hoover Building, 2<sup>nd</sup> Floor  
Des Moines, IA 50319

PLEASE NOTE: If you require the assistance of auxiliary aids or services to participate in this matter because of a disability, immediately call 515-281-5944. (If you are hearing impaired, call Relay Iowa TTY at 1-800-735-2942).

**BEFORE THE IOWA BOARD OF PHARMACY**

Re:	)	CASE NO. 2015-115
Wholesale Drug License of	)	
	)	<b>SETTLEMENT AGREEMENT</b>
<b>PRIORITY PHARMACEUTICALS,</b>	)	<b>AND FINAL ORDER</b>
<b>INC.</b>	)	
License No. 5989	)	
Respondent.	)	

Pursuant to Iowa Code sections 17A.12(5) and 272C.3(4) (2015), and 657 IAC 36.6, the Iowa Board of Pharmacy ("Board") and Priority Pharmaceuticals, Inc. ("Respondent") enter into the following Settlement Agreement and Final Order ("Order") to settle a contested case currently pending before the Board.

The allegations contained in the Statement of Charges against Respondent shall be resolved without proceeding to hearing, as the Board and Respondent stipulate as follows:

1. The Board filed a Notice of Hearing and Statement of Charges on November 4, 2015.
2. The Board has jurisdiction over the parties and the subject matter of these proceedings.
3. Respondent admits the allegations in the Statement of Charges and acknowledges that the allegations, if proven in a contested case proceeding, would constitute grounds for the discipline agreed to in this Order.
4. Execution of this Order constitutes the resolution of a contested case. Respondent has a right to hearing before the Board on the charges, but Respondent waives the right to hearing and all attendant rights, including the right to appeal or seek judicial review of the Board's actions, by freely and voluntarily entering into this Order. Once entered, this Order shall have the force and effect of a disciplinary order entered following a contested case hearing.
5. Respondent acknowledges that it has the right to be represented by counsel on this matter.
6. Respondent agrees that the State's counsel may present this Order to the Board and may have *ex parte* communications with the Board while presenting it.
7. This Order is subject to approval by a majority of the full Board. If the Board does not approve this Order, it shall be of no force or effect to either party, and shall not be admissible for any purpose in further proceedings in this matter. If the Board approves this Order, it shall be the full and final resolution of this matter.
8. This Order shall be part of Respondent's permanent record and shall be considered by the Board in determining the nature and severity of any disciplinary action to be imposed in the event of any future violations.

9. This Order shall not be binding as to any new complaints received by the Board.

10. Respondent understands the Board is required by federal law to report any adverse action to the National Association of Boards of Pharmacy's Disciplinary Clearinghouse and the National Practitioner Data Bank.

11. This Order, when fully executed, is a public record and is available for inspection and copying in accordance with the requirements of Iowa Code chapters 22 and 272C.

12. The Board's approval of this Order shall constitute a FINAL ORDER of the Board.

**IT IS THEREFORE ORDERED:**

13. Respondent agrees to **VOLUNTARILY SURRENDER** its Iowa wholesale drug license to resolve this matter. Respondent has already ceased operations.

14. This voluntary surrender, when accepted by the Board, has the same force and effect as an order of revocation under 657 IAC 36.15 for purposes of reinstatement. Reinstatement requests are governed by 657 IAC 36.13. Respondent agrees not to perform any activities that would require an Iowa nonresident pharmacy license unless its license is reinstated.

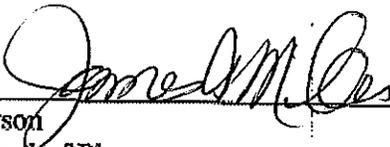
15. Should Respondent violate the terms of this Order, the Board may initiate action to impose other licensee discipline as authorized by Iowa Code chapters 147, 155A, and 272C and 657 IAC 36.

This Settlement Agreement and Final Order is voluntarily submitted by Respondent to the Board for its consideration on the 10 day of November, 2015

  
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PRIORITY PHARMACEUTICALS, INC.  
Respondent

By this signature, DAVID C ZIEGER acknowledges s/he is the Pres/CEO for Priority Pharmaceuticals, Inc., and is authorized to sign this Settlement Agreement and Final Order on behalf of Priority Pharmaceuticals, Inc..

This Settlement Agreement and Final Order is approved by the Iowa Board of Pharmacy on the  
12<sup>th</sup> day of January, 2016.

  
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Chairperson  
Iowa Board of Pharmacy

Copy to:

Laura Steffensmeier  
Assistant Attorney General  
Licensing & Administrative Law Division  
Iowa Department of Justice  
Hoover Building, 2<sup>nd</sup> Floor  
Des Moines, IA 50319  
ATTORNEY FOR THE STATE