

Received By:
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Arizona State Board of Pharmacy

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8 **BEFORE THE ARIZONA STATE BOARD OF PHARMACY**

9
10 In the Matter of
11
12 **CBS Chem, Ltd.,**
13
14 Holder of Wholesaler Permit No. W001940
in the State of Arizona.

Board Case No. 14-0005-PHR
**CONSENT AGREEMENT FOR
SURRENDER OF LICENSE**

15
16 In the interest of a prompt and judicious settlement of this case, consistent with the
17 public interest, statutory requirements and the responsibilities of the Arizona State Board
18 of Pharmacy (“Board”) under A.R.S. § 32-1901, *et. seq.*, CBS Chem Ltd., holder of
19 Wholesaler Permit Number W001940 in the State of Arizona (“Respondent”), and the
20 Board enter into the following Recitals, Findings of Fact, Conclusions of Law and Order
21 (“Consent Agreement”) as a final disposition of this matter.

22
23 **RECITALS**

24 1. Respondent has read and understands this Consent Agreement and has had
25 the opportunity to discuss this Consent Agreement with an attorney, or has waived the
26 opportunity to discuss this Consent Agreement with an attorney.

1 2. Respondent understands that it has a right to a public administrative hearing
2 concerning the above-captioned matter, at which hearing it could present evidence and
3 cross examine witnesses. By entering into this Consent Agreement, Respondent
4 knowingly and voluntarily relinquishes all right to such an administrative hearing, as well
5 as rights of rehearing, review, reconsideration, appeal, judicial review or any other
6 administrative and/or judicial action, concerning the matters set forth herein.

7 3. Respondent affirmatively agrees that this Consent Agreement shall be
8 irrevocable.

9 4. Respondent understands that this Consent Agreement or any part of the
10 agreement may be considered in any future disciplinary action by the Board.

11 5. Respondent understands this Consent Agreement deals with a Board
12 inspection conducted on September 13, 2013 involving allegations of unethical or
13 unprofessional conduct against Respondent. The investigation into these allegations
14 against Respondent shall be concluded upon the Board's adoption of this Consent
15 Agreement.

16 6. Respondent understands that this Consent Agreement does not constitute a
17 dismissal or resolution of any other matters currently pending before the Board, if any,
18 and does not constitute any waiver, express or implied, of the Board's statutory authority
19 or jurisdiction regarding any other pending or future investigation, action or
20 proceeding.

21 7. Respondent also understands that acceptance of this Consent Agreement
22 does not preclude any other agency, subdivision, or officer of this State from instituting
23 any other civil or criminal proceedings with respect to the conduct that is the subject of
24 this Consent Agreement.

25 8. Respondent acknowledges and agrees that, upon signing this Consent
26 Agreement and returning this document to the Board's Executive Director, it may not

1 revoke its acceptance of the Consent Agreement or make any modifications to the
2 document regardless of whether the Consent Agreement has been signed by the
3 Executive Director. Any modification to this original document is ineffective and void
4 unless mutually agreed by the parties in writing.

5 9. This Consent Agreement is subject to the approval of the Board and is
6 effective only when accepted by the Board and signed by the Board's Executive Director.
7 In the event that the Board does not approve this Consent Agreement, it is withdrawn and
8 shall be of no evidentiary value and shall not be relied upon nor introduced in any action
9 by any party, except that the parties agree that should the Board reject this Consent
10 Agreement and this case proceeds to hearing, Respondent shall assert no claim that the
11 Board was prejudiced by its review and discussion of this document or any records
12 relating thereto.

13 10. If a court of competent jurisdiction rules that any part of this Consent
14 Agreement is void or otherwise unenforceable, the remainder of the Consent Agreement
15 shall remain in full force and effect.

16 11. Respondent understands that this Consent Agreement is a public record that
17 may be publicly disseminated as a formal action of the Board and may be reported as
18 required by law to the National Practitioner Data Bank and the Healthcare Integrity and
19 Protection Data Bank.

20 12. Respondent understands that any violation of this Consent Agreement
21 constitutes unethical conduct and may result in disciplinary action. A.R.S. §§ 32-
22 1901.01(A) and A.R.S. § 32-1927.02(A).

23 13. This Consent Agreement is a compromise and settlement between the
24 Board and Respondent. Nothing herein shall be considered an admission of fault of any
25 kind by Respondent, nor shall anything herein be considered a reflection of any weakness
26 of proof by the Board. The parties agree that this Consent Agreement is entered into

3 solely for the purpose of settlement and does not constitute an admission of liability or
4 any wrongdoing by the Respondent, its parent, subsidiaries or other related entities, or
5 each of its directors, officers, employees, agents, successors, assigns and attorneys.

6 14. Respondent agrees that the Board will adopt the following Findings of Fact,
7 Conclusions of Law and Order.

8 ACCEPTED AND AGREED BY RESPONDENT

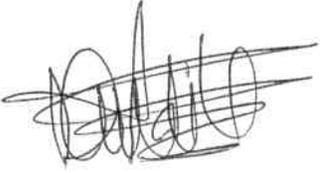
9 Dated: 21st February 2014

10 MR. MALIK, Kamran Raza, on behalf of CBS Chem, Ltd.

11 Subscribed and sworn to before me in the
12 County of City of HONG KONG
13 State of Peoples Republic of CHINA
14 this 21st day of February, 2014

15 NOTARY PUBLIC

16 My Commission expires: NOT APPLICABLE

17 
18 **WONG SAMUEL KWOK HAY**
19 Notary Public, Hong Kong SAR
20 Wong & Fok, Notaries & Solicitors
21 Rm 1818, Tuen Mun Parklane Sq
22 2 Tuen Hi Rd, Hong Kong SAR

23 **FINDINGS OF FACT**

- 24 1. The Board is the duly constituted authority for licensing and regulating the
25 practice of pharmacy in the State of Arizona.
26 2. Respondent is the holder of Wholesaler Permit Number W001940 allowing
it to operate as wholesaler in the State of Arizona

1 3. On or about September 13, 2013 Board staff conducted an inspection of
2 Respondent's facility and found that neither computer records nor paper records
3 regarding the receiving, shipping and buyer permits were retrievable at the time of
4 inspection. Board staff found that current permits for three audited customer transactions
5 who had received product medication were not retrievable at the time of inspection.
6 These transactions involved Trilostane batch #TRIL-120611 distributed on April 8, 2013
7 to Pet Health Pharmacy located in Youngtown, Arizona and distributed the same day to
8 Diamondback Drugs located in Scottsdale, Arizona, Ropivacaine hydrochloride batch
9 #107007GV distributed on March 19, 2013 to Specialty Compounding, L.L.C. located in
10 Cedar Park, Texas and Tramadol hydrochloride batch #TDM-02-12-002 distributed on
11 April 8, 2013 to Meds for Vets located in Sandy, Utah. Board staff also found that
12 Respondent's labeling for products intended for distribution to the United States Market
13 did not contain adequate directions for use to assure the products maintain/contain the
14 proper identity, quality and purity.
15
16

17
18 4. During the inspection Board staff determined that Respondent did not have
19 written standard operating procedures for recall, complaints and quarantine.
20

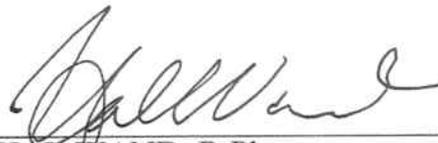
CONCLUSIONS OF LAW

21 1. The Board possesses jurisdiction over the subject matter and over
22 Respondent pursuant to A.R.S. § 32-1901 *et seq.*

23 2. The Board may discipline permit holder if the Board determines that the
24 permittee or the permittee's employee has engaged in unethical or unprofessional
25 conduct. A.R.S. § 32-1927.02(A) (1).
26

ARIZONA STATE BOARD OF PHARMACY

(Seal)

By: 
HAL WAND, R.Ph.
Executive Director

ORIGINAL OF THE FOREGOING FILED
this 17 day of April, 2014 with:

Arizona State Board of Pharmacy
1616 W. Adams St.
Phoenix, Arizona 85007

COPY OF THE FOREGOING MAILED
BY CERTIFIED MAIL
this 17 day of April, 2014 to:

CBS Chem, Ltd.
621 S. 48th Street, Suite 114
Tempe, Arizona 85281
Respondent

COPY OF THE FOREGOING MAILED
this day of , 2014 to:

Montgomery Lee
Assistant Attorney General
1275 W. Washington Street, CIV/LES
Phoenix, Arizona 85007
Attorney for the State of Arizona

Doc #3616725