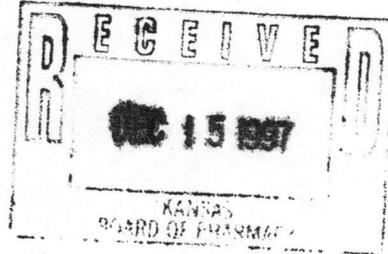


BEFORE THE STATE BOARD OF PHARMACY
OF THE STATE OF KANSAS

IN RE: THE MATTER OF

MICRO CHEMICAL, INC.
Registration No. 5-00836
181-A SW 60 Ave.
Great Bend, KS 17530
or
311 N. Arthur P.O. Box 9262
Amarillo, TX 79107



STIPULATION OF FINDING OF FACT AND ORDER

This matter comes before the State Board of Pharmacy for the State of Kansas, this 22 day of November, 1997.

The State Board of Pharmacy appears by Barry Sarvis, President and Presiding Officer; Lori Moore, Vice-President; Dan Katzer, Pharmacist; Vicki Schmidt, Pharmacist; Karla Kneebone, Pharmacist; and Dan Upson, D.V.M., Consumer Representative. Also appearing are Larry Froelich, Executive Secretary, and the attorney for the Board, Dana W. Killinger. Micro Chemical Inc. appears by William C. Pratt, President; Steven ("Tuffy") Wood, Animal Health Product Manager, John D. Pinegar, Special Consultant; and Coy M. Martin, Attorney for Micro Chemical, Inc.

Micro Chemical Inc. states that it has been advised of it's procedural rights under the Pharmacy Practice Act and Administrative Procedure Act, wherein counsel for the Board advised Micro Chemical Inc. of it's rights to a formal hearing wherein it had a right to be represented

by counsel, call witnesses on it's behalf, cross-examine the Board's witnesses and other procedural rights. Counsel further advised Micro Chemical Inc. of the statutory sections of the law which were allegedly violated and the statute giving the Board jurisdiction in this matter. Whereupon Micro Chemical Inc. waived it's right to a Formal Hearing.

Micro Chemical Inc. further states that no issue of fact exists and wishes to stipulate to the following findings of fact and accepts the order of the State Board of Pharmacy, to-wit:

1. Micro Chemical Inc. is a duly registered wholesaler, having Registration No. 5-00836.

COUNT I

2. That on or about August 14, 1997, said Micro Chemical Inc. was storing prescription drugs and did not have a quarantine area for storage of prescription drugs that are outdated, damaged, deteriorated, misbranded, or adulterated, or that are in immediate or sealed, secondary containers that have been opened. A violation of K.A.R. 68-14-7(a)(3).

COUNT II

3. That on or about August 14, 1997, said Micro Chemical Inc. was storing prescription drugs in an area that was not maintained in a clean and orderly condition.

A violation of K.A.R. 68-14-7(a)(4).

COUNT III

4. That on or about August 14, 1997, said Micro Chemical Inc. was storing prescription drugs in a facility for wholesale drug distribution that was not secured from unauthorized entry. A violation of K.A.R. 68-14-7(b)(1).

COUNT IV

5. That on or about August 14, 1997, said Micro Chemical Inc. was storing prescription drugs in a facility that was not equipped with an alarm system to detect entry after hours. A violation of K.A.R. 68-14-7(b)(2).

COUNT V

6. That on or about August 14, 1997, said Micro Chemical Inc. was storing prescription drugs in a facility that was not equipped with a security system that would provide suitable protection against theft and diversion. When appropriate, the security system should provide protection against theft or diversion that is facilitated or hidden by tampering with computers or electronic records. A violation of K.A.R. 68-14-7(b)(3).

Count VI

7. That on or about August 14, 1997, said Micro Chemical Inc. was storing prescription drugs in a manner not appropriate to be stored with certain requirements

if no storage requirements are established for a prescription drug, the drug was not held at "controlled" room temperature, as defined in an official compendium, to help ensure that its identity, strength, quality, and purity are not adversely affected. A violation of K.A.R. 68-14-7(c).

The State Board of Pharmacy for the State of Kansas pursuant to K.S.A. 65-1627(e)(6) has jurisdiction and power to revoke, suspend or place on probation and pursuant to K.S.A. 65-1658, fine said Micro Chemical, Inc., Registration No. 5-00836.

IT IS THEREFORE ORDERED that Micro Chemical Inc., Registration No. 5-00836 be fined \$500.00 per Count for a total of \$3,000.00 to be paid in thirty (30) days.

Dated this 10th day of December, 1997.



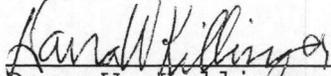
Barry Sarvis
President and Presiding Officer
State Board of Pharmacy
for the State of Kansas

I, William C. Pratt representative for Micro Chemical, Inc., have hereby read the foregoing Stipulation and Order and fully understand the violations of which I am stipulating to and understand the terms of the Stipulation.



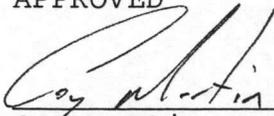
Representative of
Micro Chemical Inc.

PREPARED BY



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Attorney for the State
Board of Pharmacy
for the State of Kansas

APPROVED



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Micro Chemical, Inc.