

BEFORE THE KANSAS BOARD OF PHARMACY

In the Matter of)

AUBURN LTC NEVADA #240)

Kansas Registration No. 22-105458)

Case No. 18-492

STIPULATION AND CONSENT ORDER

IT IS HEREBY STIPULATED AND AGREED by and between the Kansas Pharmacy Board (the "Board") and Auburn LTC Nevada #240 located at 125 S. Washington, Ste. 200, Nevada, MO 54772 ("Respondent") as follows:

1. The Board is represented herein by its attorney, Randall J. Forbes of Frieden & Forbes, LLP, 1414 SW Ashworth Place, Suite 201, Topeka, Kansas 66604. The Respondent is represented herein by its attorney,

2. The Board is the Kansas agency vested with the authority to carry out and enforce the provisions of the Kansas Pharmacy Law, K.S.A. 65-1626 *et seq.*, (the "Act") including conducting hearings and proceedings to revoke, suspend or otherwise discipline a Kansas registration to operate a pharmacy.

3. The Respondent is presently entitled to operate a non-resident pharmacy in the State of Kansas by reason of the Board having issued it Kansas registration number 22-105458 ("Kansas Registration"). Respondent currently holds a registration to operate a pharmacy at 125 S. Washington, Ste. 200, Nevada, MO 54772 (the "Pharmacy").

4. The Board's Investigation Member has received certain information, investigated and determined that there are reasonable grounds to believe that Respondent has operated in a manner that violates the Act.

5. Respondent hereby waives any further proof in this or any other proceeding before or initiated by the Board with respect to this matter, and upon motion duly made, seconded and passed, the Board finds the following:

A. On or about August 31, 2004, the Board issued non-resident pharmacy registration no. 22-02260 to Wilkinson Health Services, which was owned by Wilkinson Pharmacy, Inc.

B. On or about August 1, 2017, Michael W. Burns purchased 100% of the issued shares of Wilkinson Pharmacy, Inc.

C. On or about December 5, 2017, a restructuring occurred whereby the name of Wilkinson Health Services was changed to Auburn LTC Nevada #240.

D. Moreover, ownership of Respondent was placed in Auburn Pharmacy, Inc. At all times relevant hereto, Michael W. Burns owned 100% interest in Auburn Pharmacy, Inc.

E. On or about March 30, 2018, the Board received Respondent's Non-Resident Pharmacy Ownership Change Application ("Kansas Application").

F. Pursuant to a request from the Board made on March 30, 2018, Respondent supplemented its Kansas Application with necessary information requested by the Board on or about April 3, 2018.

G. The Board granted the Kansas Application and Respondent was issued Kansas registration number 22-105458 on or about April 4, 2018 ("Kansas Registration").

H. Respondent first notified the Board of its change of ownership, restructuring, the name change of the pharmacy, and of its pharmacist-in-charge (“PIC”) by and through the Kansas Application

I. Pursuant to K.S.A. 65-1643(a), it is unlawful for any person to operate, maintain, open or establish any pharmacy in the State of Kansas without first having obtained a registration from the Board. See also K.S.A. 65-1657(a); K.A.R. 68-7-12a(b). After the restructuring identified herein, Respondent was not registered to operate, maintain, open or establish a pharmacy in the State of Kansas.

J. Pursuant to K.A.R. 68-2-9, Respondent was required to notify the Board in writing of any change in majority ownership of the operation for which the registration was issued within 5 days after the change in ownership became effective. Respondent failed to notify the Board within 5 days after Michael W. Burns became the majority owner of Respondent on or about August 1, 2017, and this failure continued until the supplement to the Kansas Application was received.

K. Pursuant to K.A.R. 68-1-2a(b) and/or K.A.R. 68-7-12a(a)(4), Respondent was required to designate a PIC to the Board. Failure to do so constitutes a violation of K.S.A. 65-1627(e).

6. Upon motion duly made, seconded and passed, the Board finds and concludes that the events described in paragraph 5 above, constitute the operation of a pharmacy in a manner that violates the Act and the Regulations of the Board and is therefore grounds for disciplinary action against the Respondent’s Kansas Registration pursuant to K.S.A. 65-1627 (e)(1).

7. The Respondent agrees and consents and the Board finds concludes and orders that the following disposition is just and appropriate under the circumstances:

A. ADMINISTRATIVE FINE. Respondent acknowledges and agrees and the Board hereby orders that within ten (10) days of the Board entering the Consent Order provided for herein, Respondent shall pay to the Kansas Pharmacy Board an administrative fine totaling \$5,740.00.

B. OTHER REQUIREMENTS. Respondent acknowledges and agrees that as a condition of this Stipulation and Consent Order it must, and the Board further orders the Respondent to:

- i. Comply fully with this Stipulation and Consent Order;
- ii. Comply fully with the Kansas Pharmacy Act, the Board's rules and regulations and all state and federal laws relating to Kansas pharmacies;

8. Respondent agrees that all information in the possession of the Board's Investigation Member, its staff, its investigators and or its attorney regarding the investigation which lead to this disciplinary action and all information discovered during the pendency of the disciplinary action may be disclosed to and considered by the Board as part of the presentation and consideration of the proposal of settlement in the form of this Stipulation and Consent Order and the Final Order provided for herein, with or without the presence of the Respondent or its attorney. In the event that this Stipulation and Consent Order and the Final Order provided for herein are not accepted and approved by the Board, the Respondent further waives any objection to the Board members' consideration of this Stipulation and Consent Order or the information mentioned in the preceding sentence and further agrees to waive any claim of due

process violation or the right to seek the disqualification of any Board member as a result of the Board member's consideration of said document and information.

9. The stipulations contained herein shall not become binding until this Stipulation and Consent Order is approved by the Board and the Final Order provided for herein is entered by the Board. The Respondent acknowledges that the approval of the Board's Investigation Member or its attorney shall not constitute the approval of the Board or bind the Board to approve this Stipulation and Consent Order.

10. The Respondent agrees that this Stipulation and Consent Order is in conformance with Kansas and federal law and the Board has jurisdiction to enter into it and enter the Final Order provided for herein. The Respondent further agrees, for purposes of this matter, that the Kansas Pharmacy Act, K.S.A. 65-1626 *et seq.* is constitutional on its face and as applied in this case.

11. This Stipulation constitutes the entire agreement of the parties and may only be modified by a subsequent writing signed by them. The agreement shall be interpreted in accordance with the laws of the State of Kansas.

12. The Respondent acknowledges that it has the following rights:

(a) To have formal notice of charges served upon it;

(b) To file a response to the charges;

(c) To have notice of and participate in a formal adjudicative hearing with

the Board or its designee making specific findings of facts and conclusions of law based only upon evidence admitted at such hearing; and

(d) To take advantage of all applicable provisions of the Kansas Administrative Procedure Act, K.S.A. 77-501 *et seq.* and the Kansas Judicial Review Act, K.S.A. 77-601 *et seq.*

The Respondent freely waives these rights and acknowledges that said waiver is made voluntarily and in consideration of the Board's limiting the disciplinary action taken against it to those provided for herein. The Respondent further waives the right to seek reconsideration or appeal or otherwise contest this Stipulation and Consent Order provided for herein.

13. The Respondent acknowledges that it enters into this Stipulation and Consent Order freely and voluntarily after consultation with counsel of its choosing. The Respondent further acknowledges that it has read this Stipulation and Consent Agency order in its entirety, that it understands its legal consequences and that it agrees that none of its terms are unconscionable, arbitrary or capricious.

14. Time is of the essence to this Stipulation and Consent Order. Respondent acknowledges and agrees that any violation of this Stipulation and Consent Order shall constitute a willful violation of a lawful Board order and grounds for further disciplinary action against it. The pendency of any disciplinary action arising out of an alleged violation of this Stipulation and Consent Order shall not affect the obligation of Respondent to comply with all terms and conditions of this Stipulation and Consent Order.

15. This Stipulation and Consent Order constitutes the entire and final agreement of the parties. In the event any provision of this Stipulation and Consent Order is deemed invalid or unenforceable by a court of competent jurisdiction, it shall be severed and the remaining provisions of this Stipulation and Consent Order shall be given full force and effect.

16. Upon approval and entry of the Final Order by the Board, this Stipulation and Consent Order shall be a public record in the custody of the Board.

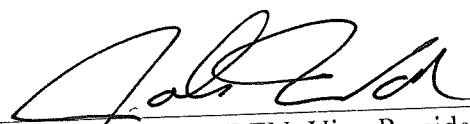
17. This Stipulation and Consent Order shall become effective on the day it is approved, accepted and made an order of the Board by way of signature of the Board's authorized representative.

18. The Respondent acknowledges that it has been advised by the Board that it would have the right within 15 days after service of the Final Order provided for herein to file a petition for reconsideration with the Board and the right within 30 days after service of the Final Order provided for herein to file a petition for judicial review in the District Court of Shawnee County, Kansas in accordance with the Kansas Judicial Review Act, K.S.A. 77-601 *et seq.* and to serve such a petition for judicial review on the Kansas Board of Pharmacy by serving Alexandra Blasi, JD, MBA, its Executive Secretary at 800 SW Jackson St., Suite 1414, Topeka, KS 66612. The Respondent hereby waives those rights.

ENTERED AND EFFECTIVE this 8th day of February, 2019.

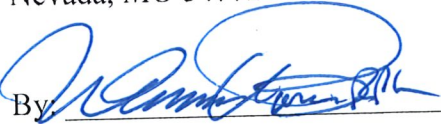
KANSAS BOARD OF PHARMACY

By:

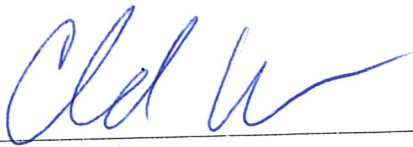

DR. JOHN WORDEN, Vice President

AGREED AND APPROVED BY:

Auburn LTC Nevada #240
125 S. Washington, Ste. 200
Nevada, MO 54772

By  _____


1-11-2019
Date


Chad Ullom, R.Ph.
Investigation Member

2/8/19
Date

Respondent's Attorney's Name & Address

Date

FDR  #25064
Randall J. Forbes, KS#09089 MO#64335
FRIEDEN & FORBES, LLP
1414 SW Ashworth Place, Suite 201
Topeka, KS 66604
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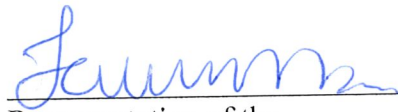
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Date

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing STIPULATION AND CONSENT ORDER was served by depositing same in the United States mail, postage prepaid, this 27 day of February, 2019 addressed to:

Auburn LTC Nevada #240
125 S. Washington, Ste. 200
Nevada, MO 54772

Randall J. Forbes
FRIEDEN & FORBES, LLP
1414 SW Ashworth Place, Suite 201
Topeka, KS 66604



Representative of the
KANSAS BOARD OF PHARMACY