

LOUISIANA BOARD OF WHOLESALE DRUG DISTRIBUTORS

Board Meeting

MINUTES

September 21, 2010

AGENDA ITEM 1 - Call to Order

The meeting was called to order by Robert Broadus, Chairman, at approximately 9:00 am. The meeting was held in Baton Rouge, Louisiana at the administrative office of the Board located at 12046 Justice Avenue, Suite C.

AGENDA ITEM 2 - Roll Call

It was noted by Mr. Broadus that those members in attendance were Mr. Broadus, William Crates, Wayne Gremillion, Hersh Paul, Michael Davis, and Kenneth Dugas. Randall Brooks arrived at the meeting at approximately 10:23 am. Also present were Celia Cangelosi, John Liggio, Kimberly Barbier, and George Lovecchio. The Board members in attendance constituted a quorum. Guests in attendance included Mr. Waldemar (Val) Musial representing Select Health Services, LLC (Mr. Musial left the meeting at approximately 9:45 am after agenda item 4.c).

AGENDA ITEM 3 - Call for Additional Agenda Items *[for discussion in Agenda Item 10.a]*

1. Mr. Liggio - Proposed Rule Amendment (section 105) for General Discussion
2. Mr. Gremillion - Additional Enforcement Action Consent Agreement for presentation with agenda item 4.b - Incisive Surgical, docket no. 2010EA1017.

Motion was made by Mr. Paul to add the presented items to the agenda for discussion in Agenda Item 9.a (and 4.b where applicable), seconded by Mr. Crates, and passed by voice vote - FOR: Mr. Broadus, Mr. Crates, Mr. Paul, Mr. Davis and Mr. Dugas; AGAINST: None; ABSTAINED: None; ABSENT: Mr. Brooks; RECUSED: Mr. Gremillion.

AGENDA ITEM 4.a. - Disciplinary Actions - Consent Agreement

Mr. Gremillion, Compliance Officer, presented a consent agreement for review and approval as follows:

- i. Mr. Gremillion presented the Consent Agreement executed for Docket No. 2010005 for Pernix Therapeutics LLC, Gonzales LA, license no. 4225; violation - LAC 46:XCI.311.F, purchasing legend drugs from an unlicensed source; \$1,000 fine and \$250 reimbursed costs. **Motion was made by Mr. Crates to approve and accept the consent agreement as executed and presented, seconded by Mr. Paul and passed by voice vote - FOR: Mr. Broadus, Mr. Crates, Mr. Paul, Mr. Davis and Mr. Dugas; AGAINST:**

None; ABSTAINED: None; ABSENT: Mr. Brooks; RECUSED: Mr. Gremillion.

AGENDA ITEM 4.b – Enforcement Actions – Consent Agreements

Mr. Gremillion, Compliance Officer, presented consent agreements for review and approval as follows:

- i. Mr. Gremillion presented the Consent Agreement executed for Docket No. 2010EA1019 for ORS NASCO, Inc. (Birmingham), Moody, AL; violation – La. R.S. 37:3474.2(A)(1), engaging in wholesale drug distribution in Louisiana without a license; Louisiana license application pending; \$1,000 fine and \$250 administrative costs. **Motion was made by Mr. Paul to approve and accept the consent agreement as executed and presented, seconded by Mr. Davis and passed by voice vote – FOR: Mr. Broadus, Mr. Crates, Mr. Paul, Mr. Davis and Mr. Dugas; AGAINST: None; ABSTAINED: None; ABSENT: Mr. Brooks; RECUSED: Mr. Gremillion.**
- ii. Mr. Gremillion presented the Consent Agreement executed for Docket No. 2010EA1020 for Sonar Products Inc., Carlstadt NJ; violation – La. R.S. 37:3474.2(A)(1), engaging in wholesale drug distribution in Louisiana without a license; Louisiana license no. 6633 issued 5/20/2010; \$1,000 fine and \$250 administrative costs. **Motion was made by Mr. Crates to approve and accept the consent agreement as executed and presented, seconded by Mr. Dugas and passed by voice vote – FOR: Mr. Broadus, Mr. Crates, Mr. Paul, Mr. Davis and Mr. Dugas; AGAINST: None; ABSTAINED: None; ABSENT: Mr. Brooks; RECUSED: Mr. Gremillion.**
- iii. *[added in agenda item 3]* Mr. Gremillion presented the Consent Agreement executed for Docket No. 2010EA1017 for Incisive Surgical, Plymouth MN; violation – La. R.S. 37:3474.2(A)(1), engaging in wholesale drug distribution in Louisiana without a license; Louisiana license no. 6741 issued 9/20/2010; \$1,000 fine. **Motion was made by Mr. Paul to approve and accept the consent agreement as executed and presented, seconded by Mr. Davis and passed by voice vote – FOR: Mr. Broadus, Mr. Crates, Mr. Paul, Mr. Davis and Mr. Dugas; AGAINST: None; ABSTAINED: None; ABSENT: Mr. Brooks; RECUSED: Mr. Gremillion.**

AGENDA ITEM 4.c.i – Disciplinary Matters - Request for Rehearing

Before proceedings began, Mr. Dugas announced he would abstain from the matter. Ms. Cangelosi presented a Request for Rehearing submitted on behalf of Select Health Services LLC, Bear, DE by Mr. Waldemar (Val) Musial with regards to enforcement action docket no. 2009EA1034, Administrative Hearing held June 15, 2010. Ms. Cangelosi presented her opposition to the request for reconsideration sent to Select Health Services on behalf of the Board. Mr. Musial representing Select Health Services LLC spoke to the Board regarding the alleged infraction. General discussion was held. Ms. Cangelosi presented information regarding a request for judicial review also filed

by Select Health Services LLC with the 19th Judicial District Court of East Baton Rouge Parish and the motion she has filed with the court in response. **Motion was made by Mr. Paul to deny the request for reconsideration/rehearing submitted by Select Health Services LLC, seconded by Mr. Davis, and passed by voice vote - FOR: Mr. Broadus, Mr. Crates, Mr. Paul, and Mr. Davis; AGAINST: None; ABSTAINED: Mr. Dugas; ABSENT: Mr. Brooks; RECUSED: Mr. Gremillion.**

AGENDA ITEM 4.d - Disciplinary Matters - Schedule Next Hearing Date

General discussion was held regarding the need to schedule a special date to hold a disciplinary hearing. No formal action was taken. If a disciplinary hearing is required it will be held at the next scheduled Board meeting tentatively set for Tuesday, December 14, 2010.

AGENDA ITEM 5 - Board Matters - Reappointment Term

It was announced that Mr. Wayne Gremillion has been reappointed to the Board by the Governor effective August 24, 2010; term expiring August 23, 2015.

AGENDA ITEM 6 - Approval of Meeting Minutes/ June 15, 2010

The minutes of the June 15, 2010 Board meeting were presented. **Motion was made by Mr. Crates to dispense with full reading of the minutes and to accept and approve the minutes as presented, seconded by Mr. Davis, and passed by voice vote - FOR: Mr. Broadus, Mr. Crates, Mr. Paul, Mr. Gremillion, Mr. Davis and Mr. Dugas; AGAINST: None; ABSTAINED: None; ABSENT: Mr. Brooks; RECUSED: None.**

[Agenda item 7 was deferred to later in the meeting. The Board continued with agenda item 8.]
[The Board returned to agenda item 7 after agenda item 10.a.]

AGENDA ITEM 7.a - Financial Matters/ Financial Statements

Financial information was presented for June 2010 (end of fiscal year 2010), July and August 2010. General discussion was held. No formal action was taken.

AGENDA ITEM 7.b.i - Financial Matters/ Fiscal Year 2010 - Attestation Questionnaire

Ms. Barbier presented a copy of the Louisiana Attestation Questionnaire (for Attestation Engagements of Government) dated July 21, 2010 to the ICPA for annual financial review (attestation) of the year ending June 30, 2010. **Motion was made by Mr. Gremillion to adopt the attestation questionnaire (FY2010) as presented, seconded by Mr. Crates, and passed by voice vote - FOR: Mr. Broadus, Mr. Crates, Mr. Brooks, Mr. Paul, Mr. Gremillion, Mr. Davis and Mr. Dugas; AGAINST: None; ABSTAINED: None; ABSENT: None; RECUSED: None.**

AGENDA ITEM 7.b.ii - Financial Matters/ Annual Attestation Report - FY2010

Mr. Liggio presented a copy of the annual fiscal report (attestation), independent accountant's report for the year ending June 30, 2010. General discussion of the attestation report was held. No formal action was taken.

[The Board continued with agenda item 10.b.]
[Agenda item 8 was discussed after agenda item 6.]

AGENDA ITEM 8.a -Licensing Issues/ New Licenses Issued

A list of approximately 86 new licenses as issued by the Board office on behalf of the Board since the June 15, 2010 Board meeting was available for review. No formal action was taken. Mr. Liggio held general discussion regarding the licensing process.

AGENDA ITEM 9.a - Statutes and Rules/ Rule Promulgation Update

Mr. Liggio presented promulgation tracking reports for rule amendments currently in promulgation for LAC 46:XCI.105 (March 2010) - General Provisions, Exemptions and 105.A.1 (June 2010). General discussion was held. No formal action was taken. Mr. Liggio held general discussion regarding the promulgation process.

AGENDA ITEM 10.a - General/ Additional Agenda Items (*added per Agenda Item 3*)

1. Proposed Rule - General Discussion

Mr. Liggio presented information regarding wholesale drug distribution and the distribution of investigational drugs/ investigational devices in clinical trails. General discussion was held. No formal action was taken.

2. Enforcement Action/ Consent Agreement

The consent agreement for Incisive Surgical, docket no. 2010EA1017 was presented in agenda item 4.b (iii).

Upon arrival of Mr. Brooks to the meeting, Mr. Liggio gave a brief recap of the agenda items covered by the Board in his absence.

[The Board returned to agenda item 7 after agenda item 10.a.]
[The Board continued with agenda item 10.b after presentation of agenda item 7.]

AGENDA ITEM 10.b - General/ Confirmation of Next Board Meeting Date

The next Board meeting is tentatively set for Tuesday, December 14, 2010.

AGENDA ITEM 12 - Executive Session

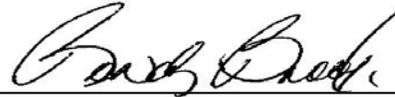
No items for discussion.

AGENDA ITEM 13 - Adjournment

There being no further business before the Board, **motion was made by Mr. Gremillion to adjourn the meeting, seconded by Mr. Crates, and passed by voice vote - FOR: Mr. Broadus, Mr. Crates, Mr. Brooks, Mr. Gremillion, Mr. Paul, Mr. Davis,**

and Mr. Dugas; AGAINST: None; ABSTAINED: None; ABSENT: None; RECUSED: None.

The meeting adjourned at approximately 11:15 pm.



Randall Brooks
Board Secretary/Treasurer



John Liggin
Executive Director

Approved and accepted by the full Board -

Date: December 14, 2010