

## \$1.4 MILLION WORTH OF SEROSTIM RETURNED FOR CLIENT-NO CHARGES FILED

FOR IMMEDIATE RELEASE

Beverly Hills, California, April 6, 2004

On September 9, 2003, an inspector of the Board of Pharmacy was doing a routine inspection of the inventory of licensee ----- . The Agent noticed that there were 736 boxes of a very expensive non-scheduled prescription drug named Serostim missing from the premises. Serostim<sup>®</sup> is the only growth hormone approved by the U.S. Food and Drug Administration for the treatment of AIDS wasting or cachexia. Due to a security failure, ----- Pharmacy had previously and temporarily removed the Serostim from his store TWO DAYS EARLIER. The Serostim was valued at \$1,400,000.00. The Serostim was taken to an off premises secure room with perfect temperate climate and high security.

Two days later, Agents visited -----'s Pharmacy again. This time, they seized 808 cases of Serostim. The 808 (736 that was missing plus 72 that never left the premises). 180 days passed with prior counsel and after a change of counsel, Ronald Richard and Associates were retained to solve the problem. Within seven days, decisive action was taken. The loss to the pharmacy would have been financially catastrophic if the Board was allowed to continue to maintain possession of this expensive drug. The drug had an expiration date approaching within 180 days of today's date.

The petitioner contended there was no statutory basis for the Board to seize the drug and there is no statutory nor logical basis to conclude that simply by moving the drugs to another secure location not depicted on the license, the drugs were then adulterated. The Pharmacy had a valid security reason for temporarily storing the Serostim off site. The petitioner contended the Board agents acted outside the law and their statutory mandate. Also, that the seizure was illegal.

A comprehensive motion for return of property was filed. It was very hard to get a court to assume jurisdiction and provide a speedy remedy since no warrant was involved. After an initial hearing last week and before the second hearing set for today, the Attorney General and Ronald Richards and Associates drafted a settlement which provided for the return of the property (which was done on April 2, 2004) and for the pharmacist to random spot test the returned batch.

All the property was returned, no criminal charges are going to be filed, and the client's business was saved from insolvency. The Firm would like to thank the Board of Pharmacy and the Attorney General's office.

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