

NEVADA STATE BOARD OF PHARMACY
431 W Plumb Lane – Reno, NV 89509 – (775) 850-1440
APPLICATION FOR NEVADA WHOLESALER LICENSE
NON PUBLICLY TRADED CORPORATION

FEE \$500.00 (non-refundable and not transferable)
Application must be printed legibly

Any misrepresentation in the answer to any question on this application is grounds for refusal or denial of the application or subsequent revocation of the license issued and is a violation of the laws of the State of Nevada.

New Wholesaler Ownership Change Name Change Location Change
(Please provide current license number if making changes: WH _____)

GENERAL INFORMATION

Facility Name: BURKHART DENTAL Supply Co.
Physical Address: 1316 Capital Blvd., Suite 104, Bldg A, Reno NV 89502
Mailing Address: 2502 S. 78th Street
City: TACOMA State: WA Zip Code: 98409
Telephone Number: 775-856-4433 Fax Number: 775-856-4432
Toll Free Number: N/A
E-mail: kudbye@burkhartdental.com Website: www.burkhartdental.com
Facility Manager: Buddy Omvig

Professional qualifications and experience of facility manager: Facility manager since NOV. 2005, prior to that served as warehouse clerk - Total warehouse experience 11 years

Types of licensed outlets or authorized persons firm will serve:

Pharmacies Practitioners (dentists) Hospitals Wholesalers
 Other: _____

Type of Products to be handled or wholesaled be firm:

Legend Pharmaceuticals, Supplies or Devices Hypodermic Devices
 Poisons or Chemicals (surface disinfectants) Veterinary Legend Drugs
 Controlled Substances (include copy of DEA) Parenterals
 Other: _____

Board Use Only

Received: APR 27 2011 Check Number: 948 Amount: 500.⁰⁰

56671
2106

OWNERSHIP IS A NON-PUBLICLY TRADED CORPORATION

State of Incorporation: Washington
Parent Company if any: N/A
Corporation Name: Burkhart Dental Supply Co.
Mailing Address: 2502 S. 78th St.
City: TACOMA State: WA Zip: 98409
Telephone: (253) 474-7761 ext 4865 Fax: 866-401-6648
License Contact Person: KARI Udbye
Professional Compliance Contact Person: Michael BAXTER

Name and title of each officer and director (Use separate sheet if necessary)

| <u>Officer or director name</u> | <u>Officer or director title</u> |
|---------------------------------|----------------------------------|
| <u>See Attachment "A"</u> | |
| | |
| | |

For any corporation non publicly traded, disclose the following:

1) List any persons to whom the shares were issued by the corporation?

- a) See Attachment "B"
- | <u>Name</u> | <u>Address</u> |
|-------------|----------------|
| | |
| | |
| | |
| | |
- b) _____
Name Address
- c) _____
Name Address
- d) _____
Name Address

NOTE: All persons who are stockholders must accurately complete a personal history record form.

- 2) Provide the number of shares issued by the corporation. 29,128
- 3) What was the price paid per share? Various, primarily gifted
- 4) What date did the corporation actually receive the cash assets? Various dates over its 120 year history. Most stock was gifted over 5 generations.
- 5) Provide a copy of the corporations stock register evidencing the above information
See Attachment B

If the non publicly traded corporation is a subsidiary, list name and state of incorporation of the parent corporation and include a list of its officers.

N/A

- 6) Has the firm or any owner(s), shareholder(s) hold an interest ownership or have management in any type of business or facility which are licensed by the State of Nevada or another political jurisdiction?
 Yes No If yes, list the persons, their address and their business names.

a) See Attachment "C" for location of all Burkhardt Branch
 Name Address
Offices & Distribution Centers
 Business

b) Name Address
 Business

c) Name Address
 Business

d) Name Address
 Business

- 7) Has the firm or any owner(s), shareholder(s) in the last 10 years been associated with any person, business or health care entity in which pharmaceutical products were sold, dispensed or distributed?
 Yes No If yes, list the persons, their address and their business names.

a) CUSTOMS
 Name Address
 Business

b) Name Address
 Business

Within the last five (5) years:

- 8) Has the firm or any owner(s), shareholder(s) with any interest, officer(s) or director(s) thereof, ever been charged, or convicted of a felony or gross misdemeanor (including by way of a guilty plea or no contest plea)? Yes No
See Attachment D" & Attachment "E"

- 9) Has the firm or any owner(s), shareholder(s) with any interest, officer(s) or director(s) thereof, ever been denied a license, permit or certificate of registration? Yes No

- 10) Has the firm or any owner(s), shareholder(s) with any interest, officer(s) or director(s) thereof, ever been the subject of an administrative action or proceeding relating to the pharmaceutical industry? Yes No
- 11) Has the firm or any owner(s), shareholder(s) with any interest, officer(s) or director(s) thereof, ever been found guilty, pled guilty or entered a plea of nolo contendere to any offense federal or state, related to controlled substances? Yes No
- 12) Has the firm or any owner(s), shareholder(s) with any interest, officer(s) or director(s) thereof, ever surrendered a license, permit or certificate of registration voluntarily or otherwise (other than upon voluntary close of a facility)? Yes No

If the answer to any question 8 through 12 is "yes", a signed statement of explanation must be attached. Copies of any documents that identify the circumstance or contain an order, agreement, or other disposition may be required.

I hereby certify that the answers given in this application and attached documentation are true and correct. I understand that any infraction of the laws of the State of Nevada regulating the operation of an authorized wholesaler may be grounds for the revocation of this permit.

I have read all questions, answers and statements and know the contents thereof. I hereby certify, under penalty of perjury, that the information furnished on this application are true, accurate and correct. I hereby authorize the Nevada State Board of Pharmacy, its agents, servants and employees, to conduct any investigation(s) of the business, professional, social and moral background, qualification and reputation, as it may deem necessary, proper or desirable.

L. Isbell
Signature of corporation officer

April, 1, 2011
Date

LORI Isbell, President
Print or Type name and title



2502 South 78th Street
P.O. Box 11265
Tacoma, Washington 98411-0265

p: 253.474.7761
f: 866.401.6648

Attachment A

**BURKHART DENTAL SUPPLY CO.
OFFICERS AND DIRECTORS 2011**

Lori Isbell, President

Perry Burkhart, Chairman & Treasurer

Judiann Jacobs Secretary

Greg Biersack, Vice President Corp. Operations

Jeff Reece, Vice President Sales

Sharon Burkhart, Director

David Wolkenhauer, Director

Sam Skinner, Director

Gary Gessel, Director



**STOCK OWNERSHIP AS OF
March 21, 2011**

| <u>STOCKHOLDER</u> | <u>SHARES</u> | <u>ADDRESS</u> |
|-----------------------|---------------|---|
| Burkhart, Carolyn J | 405 | P.O. Box 1061 Lakebay, WA 98349 |
| Burkhart, Dorothy | 100 | 934 Fairview Dr. So. Tacoma, WA 98465 |
| Burkhart Family LLC | 10,250 | LLC Manager, Lori Isbell (w/full-authority/control) 20619 4 th Ave S. Des Moines, WA 98198 |
| Burkhart, James E. | 144 | 5302 SE Baseline #355 Hillsboro, OR 97123 |
| Burkhart, Perry N | 8,072 | 4519 Murphy Dr. NW Gig Harbor, WA 98335 |
| Burkhart, Richard H. | 218 | 4802 S. Othello St. Seattle, WA 98118-3851 |
| ESOP: | 8,777 | Kim Scott Vice-President Wells Fargo Institutional Trust Services 608 2nd Avenue South Minneapolis, MN 55479 N9303-09C 612-667-8763 (Business) 612-685-4632 (Cellular) 612-316-4180 (fax) Kim.Scott@WellsFargo.com |
| Henrickson, Judith L. | 1,162 | 7611-51st St. Ct. W Tacoma, WA 98467 -or- P.O. Box 581158, No. Palm Springs, CA 92258 |
| TOTAL SHARES | 29,128 | |

(began year 2011 with 29,248 shares outstanding)

Attachment C

BURKHART BRANCH INFORMATION

TACOMA CORPORATE OFFICE

Main 253-474-7761
Assoc. Use Only: 800-828-2129

Main Fax 866-401-6648
Parts Fax 253-212-4962

Carol Schienle (A/R) 800-828-8476
Krista Fiala (A/R) 800-828-8492

14 LAKEWOOD (DC)

11101 S. Tacoma Way 253-212-4941
 Suite D Fax 253-581-8605
 Lakewood, WA 98499

50 SAN DIEGO (SZ)

Jim Panigall - Br. 26 vm # 4556
 8291 Aero Place, Suite 100
 San Diego, CA 92123

82 DALLAS (SZ)

Jim Lout - Br. 26 vm # 4600
 508 Wrangler Drive, Suite 100
 Coppell, TX 75019

16 RENO (DC)

Buddy Omvig - Br. 26 vm # 4490
 1316 Capital Blvd, Suite 104, Bldg A
 Reno, NV 89502

Local 858-694-5504
Toll Free to 50 800-552-4522
Fax 866-403-0129

Local 972-471-2727
From Br. 26 4701
Toll Free to 82 800-324-4868
Fax 866-486-9649

55 DENVER (SZ)

Mary Kehoe - Br. 26 vm #4555
 6900 W. Jefferson, Suite 175
 Lakewood, CO 80235

84 OKLAHOMA (SZ)

George Reed - Br. 26 vm # 4581
 1301 Cornell Parkway, Suite 100
 Oklahoma City, OK 73108

Local (Spd Dial 16) 775-856-4433
Toll Free to 67 888-869-3183
Fax 775-856-4432

Local 303-988-9006
Toll Free to 55 800-447-2845
Fax 866-408-3481

Local 405-948-7085
Toll Free to 84 800-324-4867
Fax 866-408-3486

75 ANCHORAGE (NZ)

Bret Wangrud - Br. 26 voicemail # 4576
 12000 Industry Way, Unit N-1
 Anchorage, AK 99515

59 SALT LAKE CITY (SZ)

Michael Russell - Br. 26 vm # 4444
 12278 South Lone Peak Parkway, Suite 101
 Draper, UT 84020

85 AUSTIN (SZ)

Jim Lout - Br. 26 vm # 4600
 4616 W Howard Lane, Suite 970
 Austin, TX 78728

Local 907-561-8950
Toll Free to 25 800-997-8950
Fax 907-563-3154

Local 801-619-7006
Toll Free to 59 866-222-4841
Fax 866-408-3482

Local 512-206-0401
Toll Free to 85 877-363-8717
Fax 512-206-0461

20 TACOMA (NZ)

Jerry Ritsema - Br. 26 vm # 4836
 2502 S. 78th St.
 Tacoma, WA 98409

60 BOISE (NZ)

Derek Johnson - Br. 26 vm # 4772
 917 Industry Way Suite 105
 Meridian, Idaho 83642

70 IOWA (SZ)

George Reed - Br. 26 vm # 4581
 18513 East Admiral Place
 Catoosa, OK 74015

Tacoma Direct (to Console) 866-324-1983
Customer Service 800-562-8176
Cust. Serv. Hotline 800-828-2089
Service Dept. Hotline 800-828-2158

Local 208-898-9575
Toll Free To 60 877-269-9315
Fax 208-898-9509

Local 918-266-7700
Toll Free to 88 800-324-4869
Fax 866-408-3485

37 YAKIMA (NZ)

Reedy Berg - Br. 26 vm # 4520
 1705 Creekside Loop
 Yakima, WA 98902

63 PHOENIX (SZ)

Steven Lappin - Br. 26 vm # 4672
 4625 E. Cotton Center Blvd, Suite 181
 Phoenix, AZ 85040

91 HOUSTON (SZ)

Mark Oliver - Br. 26 vm # 4545
 15031 Woodham Dr., Suite 300
 Houston, TX 77073

Local 509-248-5441
Toll Free to 37 800-572-5618
Fax 866-401-6649

Local 602-437-1701
Toll Free to 63 800-220-4119
Fax 866-408-3484

Local 281-821-7000
Toll Free to 91 800-500-9598
Fax 866-408-3487

38 SPOKANE (NZ)

David Wolkenhauer - Br. 26 vm # 4476
 10807 E Montgomery Dr, Suite 6
 Spokane, WA 99206

65 LAS VEGAS (SZ)

Steven Lappin - Br. 26 vm # 4672
 3119 West Post Rd.
 Las Vegas, NV 89118

Local 509-928-7474
Toll Free to 38 800-541-5870
Fax 866-401-6650

Local 702-454-3599
Toll Free to 65 888-454-3599
Fax 702-617-2719

40 PORTLAND (NZ)

Barry Schwartz - Br. 26 ext & vm #4808
 11879 NE Glenn Widing Drive
 Portland, OR 97220

70 BAY AREA (NZ)

Lisa Wells - Br. 26 vm #4424
 32970 Alvarado-Niles Rd., Suite 720
 Union City, CA 94587

PRACTICE LEADERSHIP CENTERS

Margaret Boyce-Cooley - Br. 26 vm #4404
 11879 NE Glenn Widing Drive
 Portland, OR 97220

Local 503-252-9777
Toll Free to 40 800-367-3030
Fax 866-408-3488

Local 510-441-6280
Toll Free to 70 800-829-7949
Fax 866-401-6647

Local 503-249-1115
LD to PLC 800-665-LEAD (5323)
Fax 503-281-2203
 info@practiceleadership.com

43 EUGENE (NZ)

Andy Hutson - Br. 26 vm #4529
 890 Beltline Road
 Springfield, OR 97477

75 SACRAMENTO (NZ)

Andrew Mallett - Br. 26 vm #4596
 1009 Enterprise Way, Suite 250
 Roseville, CA 95678

SUMMIT DENTAL STUDY GROUP

Margaret Boyce-Cooley - Br. 26 vm #4404
 11879 NE Glenn Widing Drive
 Portland, OR 97220

Local 541-746-4866
Toll Free to 43 800-634-6890
Fax 866-408-3480

Local 916-784-8200
Toll Free to 77 800-606-9836
Fax 916-784-8212

Local 800-765-7277
Fax 866-885-1958
 cmills@summitdds.com

Attachment "D"



STATE OF WASHINGTON
BOARD OF ACCOUNTANCY
PO Box 9131 • Olympia, Washington 98507-9131
(360) 753-2585 • FAX (360) 664-9190 • www.cpaboard.wa.gov

November 1, 2010

Dawne Swanson, CFO
Burkhart Dental Supply
PO Box 11265
Tacoma, WA 98411

Re: Complaint against Steven W. Floyd; Case # 2009-123

Dear Ms. Swanson

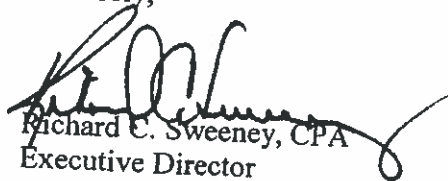
The Board believes it should formally advise you (complainant) of the revocation of the Washington State Certified Public Accountant (CPA) certificate and eligibility to register, renew, or reinstate the practice licenses of:

Steven W. Floyd
Certificate Number 04734

The effective date of this Board action was October 15, 2010. Enclosed please find a copy of the *Stipulation and Agreed Order*.

Thank you for your referral.

Sincerely,


Richard C. Sweeney, CPA
Executive Director

Enclosure

Please be advised: The Washington State Board of Accountancy is required to comply with the Public Records Act, Chapter 42.56 RCW. This act establishes a strong state mandate in favor of disclosure of public records. As such, the information you submit to the board, including personal information, may ultimately be subject to disclosure as a public record.

PROCEEDINGS BEFORE THE
WASHINGTON STATE
BOARD OF ACCOUNTANCY

In the matter of the Certificate and/or
License(s) to practice as a Certified Public
Accountant of

Steven W. Floyd,

Respondent.

NO. ACB-1241

STIPULATION AND
AGREED ORDER

The Washington State Board of Accountancy (Board) and Steven W. Floyd (Respondent) stipulate and agree as follows:

Section 1: Procedural Stipulations

- 1.1 Respondent understands that the State may issue a statement of charges in this matter and proceed to a hearing before the Board upon the merits of said charges although the State has not done so, in order to facilitate resolution of this matter in accordance with the legislative intent endorsed in RCW 34.05.060.
- 1.2 Respondent understands that should the State prevail at hearing based on a statement of charges that the Board has the power and authority to deny, suspend, revoke, or refuse to renew the Respondent's certified public accountant certificate or any individual or firm license to practice public accounting as a certified public accountant in Washington and may impose a fine plus the Board's investigative and legal costs in bringing charges or impose conditions precedent to renewal of the certificate or license, or impose full restitution to injured parties.
- 1.3 Respondent understands that Respondent has the right to defend against a statement of charges by demanding a hearing and presenting evidence on Respondent's behalf and Respondent voluntarily waives the right to a hearing and all other rights which may be

accorded the Respondent by the Administrative Procedures Act, chapter 34.05 RCW, and the laws of Washington, including the right to petition the courts for judicial review.

- 1.4 Respondent wishes to expedite the resolution of this matter by means of this Stipulation and Agreed Order and does not desire to proceed to a formal hearing based on the issuance of a statement of charges.
- 1.5 The Respondent understands that the Stipulation and Agreed Order are not binding unless approved by the Board.
- 1.6 Should this Stipulation and Agreed Order be rejected by the Board and the State proceeds to issue a statement of charges, Respondent waives any objection to the participation of any members of the Board at a hearing on this matter, other than the consulting board member in this proceeding.
- 1.7 The parties further stipulate to the following Stipulated Facts, Conclusions of Law and Agreed Order:

Section 2: Stipulated Facts

- 2.1 At all times material hereto, Respondent, Steven W. Floyd, has held a Certified Public Accountant (CPA) certificate (No. 04734) in the state of Washington. The Respondent's individual license to practice public accounting as a CPA lapsed on June 30, 2009, due to the Respondent's failure to renew. The Respondent was the sole owner of the CPA firm, Steven W. Floyd, CPA (No. 2486). The CPA firm license issued to Steven W. Floyd, CPA became invalid effective October 2, 2009, due to Respondent's failure to renew Respondent's individual license to practice public accounting.
- 2.2 The Respondent was employed as Controller of Burkhart Dental Supply (Burkhart) from June 2, 1986, through April 20, 2009. During the period April 4, 2000, through April 9, 2009, the Respondent, in his capacity as Controller, converted in excess of \$700,000 of Burkhart's funds to pay Respondent's personal credit card debt and altered Burkhart's account coding to disguise payments as actual business expenses.

- 2.3 The Respondent helped Burkhart with documents and information to determine the extent of the theft and recover approximately \$692,000 of the misappropriated funds from Burkhart's insurance carrier.
- 2.4 On January 11, 2010, the Prosecuting Attorney for Pierce County charged the Respondent with theft in the first degree in the Superior Court of Washington for Pierce County ("Superior Court") (Cause No. 10-1-00126-5) in violation of RCW 9A.56.020(1)(b) and RCW 9A56.030(1)(a).
- 2.5 On March 10, 2010, the Respondent pled guilty in Superior Court and entered the following admission:

The judge has asked me to state what I did in my own words that makes me guilty of this crime. This is my statement:

During a period of time between approx 2000 & 2009 I obtained money from my employer valued well in excess of \$1500. I agree that aggravating factors exist as set out in the plea agreement which I have reviewed and signed. This took place in Pierce Co.

- 2.6 On March 24, 2010, the Superior Court entered a Judgment and Sentence finding the Respondent guilty by plea of one count of theft in the first degree and concluding the offense was a major economic offense or series of offenses, because the Respondent used his position of trust, confidence, or fiduciary responsibility to facilitate the commission of the offense. The Superior Court sentenced the Respondent to 36 months confinement in the custody of the Washington State Department of Corrections and ordered payment of:
- (1) restitution to Burkhart Dental Supply in the amount of \$58,000, (2) restitution to Hartford Financial Products in the amount of \$692,000, (3) a \$500 crime victim assessment, (4) a \$200 criminal filing fee, and (5) a \$100 DNA collection fee.

Based on the foregoing Stipulated Facts, the Board makes the following:

Section 3: Conclusions of Law

- 3.1 The Washington State Board of Accountancy has jurisdiction over the subject matter herein.
- 3.2 The Respondent's conduct described in Stipulated Facts 2.2 through 2.6 constitutes cause for Board discipline under RCW 18.04.295(2), (4), and (5)(a) for violations of WAC 4-25-610 that requires a CPA to exercise professional judgment in all activities, to act in a way that will serve the public interest, honor the public trust, and demonstrate commitment to professionalism, to perform all professional responsibilities with the highest sense of honesty, and to use due care to comply with state law and the ethical standards; WAC 4-25-620 that requires a person using the CPA title to be honest, objective, and free of conflicts of interest in the performance of professional services; WAC 4-25-631 that requires a CPA to exercise due care and professional judgment in order to comply with the Professional Code of Conduct issued by the AICPA; WAC 4-25-650 that prohibits a CPA from committing acts reflecting adversely on the CPA's fitness to represent themselves as a CPA; WAC 4-25-670 that defines what enforcement actions must be reported to the Board within 30 days; and WAC 4-25-910 that prohibits a CPA from engaging in acts of fiscal dishonesty or fraud and violating rules of professional conduct.

Section 4: Agreed Order

Based on the Stipulated Facts and Conclusions of Law, Respondent agrees to entry of the following Order:

- 4.1 Respondent's CPA certificate and eligibility to renew or reinstate the Respondent's individual or firm licenses to practice public accounting are hereby revoked from the date this Order is accepted and entered by the Board and thereafter until Respondent:


- 4.1.1 Complies with all the then current requirements of eligibility as an original applicant for a Washington CPA license, including but not limited to the then existing education, examination, experience and good character requirements.
- 4.1.2 Demonstrates that restitution has been paid in full to Burkhart Dental Supply and Hartford Financial Products or documents entry into a plan of full restitution satisfactory to the Board and approved in writing by authorized representatives of Burkhart Dental Supply and Hartford Financial Products.
- 4.1.3 Pays a thirty thousand dollar (\$30,000) fine payable to the Washington State Board of Accountancy.
- 4.1.4 Satisfies any other requirement imposed by the Board as a condition for reinstatement.
- 4.1.5 During the period after the acceptance and entry of this Order Respondent shall not otherwise violate any provisions of chapters 18.04 RCW or 4-25 WAC.
- 4.2 Respondent must serve ten years of the revocation before the Board will consider an application for the CPA examination by the Respondent.
- 4.3 The Board will publish the terms of this Stipulation and Agreed Order.
- 4.4 The Respondent shall not use the designation "CPA-Inactive," "certified public accountant-inactive," "CPA," "certified public accountant," or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that the Respondent is a certified public accountant-inactive, CPA-inactive, certified public accountant, or CPA or hold out as a "CPA" or "certified public accountant" until the Respondent's CPA certificate or license has been reinstated.

4.5 Nothing in this Order precludes the Board from exercising its authority and responsibilities under chapter 18.04 RCW or chapter 4-25 WAC. Any violations of such chapters or this Order constitute independent grounds for the denial, suspension, revocation or refusal to renew the respondent's certificate and/or license(s).

I, STEVEN W. FLOYD, certify that I have read this Stipulation and Agreed Order in its entirety; that I fully understand and agree to all of it, and that it may be presented to the Board without my appearance. If the Board accepts the Stipulation and Agreed Order, I understand that I will receive a signed copy.

DATED this First (1) day of October, 2010.

I apologize to the Board for what I have done & any embarrassment it brings to the profession. It is not my intention to even attempt to renew my certification. I appreciate your consideration & thank you.



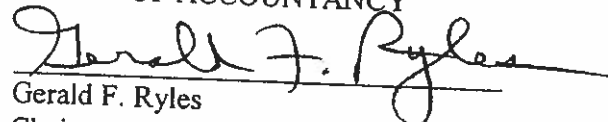
Steven W. Floyd
Respondent

Section 5: Order

The Board accepts and enters this Stipulation and Agreed Order.

DATED this 15th day of OCTOBER 2010.

WASHINGTON STATE
BOARD OF ACCOUNTANCY



Gerald F. Ryles
Chair

Attachment "E"

Statement for Question 8) Answer "Yes"

Burkhart Dental Supply Company was a victim of an employee theft that was discovered in 2009. This individual still has shares in the company through the employee owned ESOT. This individual was prosecuted and sentenced to serve a three year prison sentence as described in Attachment "D" page 3.

A handwritten signature in black ink, appearing to read "L. Isbell", written over a horizontal dashed line.

Lori Isbell, President

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