April 2016 Meeting Minutes

Request for Reconsideration for Denied Out-of-State Wholesaler Application – Appearance:

Alexso Inc. – Los Angeles, CA

Darla Zarley recused from participation in this matter due to Mr. Melamed being on Roseman University’s Board of Trustees.

Hootan Farahmand, and Hootan Melamed, owner, appeared and were sworn by President Basch prior to answering questions or offering testimony.

Jennifer Gaynor was present as counsel for Mr. Melamed, Mr. Farahmand and Alexso Inc. Mr. Edwards reviewed Alexso Inc.’s past appearances for the Board’s information.

Ms. Gaynor presented information regarding Concierge Compounding Pharmaceutical’s (Concierge) disciplinary action for the Board.

Ms. Gaynor also described the changes Alexso Inc. has implemented to address the Board’s concerns. This included Mr. Farahmand being elected as the new company president and the appointment of a compliance officer to ensure that Alexso Inc. is compliant with the laws for each of the states that Alexso Inc. holds a license.

The Board expressed concern that even with the new proposed business model that the original leadership is still in place.

Ms. Gaynor and Mr. Farahmand stressed that Alexso Inc. and Concierge are different businesses and assured the Board that Alexso Inc. is taking steps to ensure that they are in compliance with all state laws.

Mr. Melamed stated that he can’t take back what happened with Concierge and claimed responsibility for what happened. He explained due to personal issues he stepped down from leadership positions at Alexso Inc.

Board discussion ensued regarding Alexso Inc.’s proposed changes and the possibility of sending Board Staff to inspect Alexso Inc.’s facility.

Board Action:

Motion: Jason Penrod moved to approve Alexso Inc.’s Application for Out-of-State Wholesaler Application pending a positive inspection by Board Staff. Alexso Inc. shall not alter their corporate structure. Board Staff will report to the Board any findings during the inspection.

Second: Kirk Wentworth
Action: Passed Unanimously

July 2016 Meeting Minutes

Board Staff Request for Review and Possible Reconsideration of Out-of-State Wholesaler Application – Appearance:

Alexso, Inc. – Los Angeles, CA

Jennifer Gaynor was present as counsel representing Alexso, Inc.

Mr. Edwards explained that during the last Board meeting, the Board had approved Alexso, Inc.’s Out-of-State Wholesaler Application pending a positive inspection by Board Staff and restrictions on altering Alexso, Inc.’s corporate structure.

Mr. Edwards stated that in the interim while planning the inspection, Board Staff became aware of an indictment against Mr. Hootan Melamed, owner.

Ms. Gaynor agreed with Mr. Edward’s description of the facts. Ms. Gaynor requested that the Board table Alexso, Inc.’s Application for Out-of-State Wholesaler. She stated that she will stay in contact with Board Staff and will request to reappear before the Board to discuss the outcome of this case.
NEVADA STATE BOARD OF PHARMACY
431 W Plumb Lane – Reno, NV 89509 – (775) 850-1440
APPLICATION FOR OUT-OF-STATE WHOLESALER LICENSE
$500.00 Fee made payable to: Nevada State Board of Pharmacy
(non-refundable and not transferable money order or cashier's check only)
Application must be printed legibly or typed

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
(Please provide current license number if making changes WH)  
☐ Publicly Traded Corporation – Pages 1,2,3,4 ☐ Partnership - Pages 1,2,3,6
☐ Non Publicly Traded Corporation – Pages 1,2,3,5a,5b ☐ Sole Owner – Pages 1,2,3,7
Please check box for type of ownership and complete correct part of the application.

GENERAL INFORMATION

Facility Name: Alexso Inc.

Physical Address: 2317 Cotner Avenue, Los Angeles, CA 90054

Mailing Address: (Same)

City: __________________________ State: __________________________ Zip Code: __________________________

Telephone: 480-253-9761 Fax: 888-502-1659

Toll Free Number: 888-495-6078

E-mail: troy@alexso.com Website: www.alexso.com

Facility Manager: Troy Farahmand

Professional qualifications and experience of facility manager: Please see attached document

Types of licensed outlets or authorized persons firm will serve:

☐ Pharmacies ☐ Practitioners ☐ Hospitals ☐ Wholesalers
☐ Other: __________________________

Type of Products to be handled or wholesaled be firm:

☐ Legend Pharmaceuticals, Supplies or Devices ☐ Hypodermic Devices
☐ Poisons or Chemicals ☐ Veterinary Legend Drugs
☐ Controlled Substances (include copy of DEA) ☐ Other: OTC

Page 1 97476
APPLICATION FOR OUT-OF-STATE WHOLESALER LICENSE

This page must be submitted for all types of ownership.

Is your company VAWD certified by NABP? 
(If yes, provide a copy of the certificate.)
Yes ☐ No ☑

Licensed as a Manufacturer by the FDA? 
(If yes, provide a copy of the FDA registration)
Yes ☐ No ☑

Do any shareholders 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 ☐ Please see the attached document

List the top 4 suppliers your company has been associated with in regards to pharmaceutical products that were sold, dispensed or distributed within the last year.

1) Medisca, Inc. 661 Route 3, Unit C, Plattsburgh, NY 12901
   Name ____________________________ Address ____________________________
   Contract Manufacturer ____________________________ Business ____________________________

2) ____________________________ Name ____________________________ Address ____________________________
   ____________________________ Business ____________________________

3) ____________________________ Name ____________________________ Address ____________________________
   ____________________________ Business ____________________________

4) ____________________________ Name ____________________________ Address ____________________________
   ____________________________ Business ____________________________

Within the last five (5) years:

1) Has the corporation, any owner(s), shareholder(s) or partner(s) with at least 10% interest or partners with any interest, ever been charged, or convicted of a felony or gross misdemeanor (including by way of a guilty plea or no contest plea)? Yes ☑ No ☐

2) Has the corporation, any owner(s), shareholder(s) or partner(s) with at least 10% interest or partners with any interest, ever been denied a license, permit or certificate of registration? Yes ☑ No ☐

3) Has the corporation, any owner(s), shareholder(s) or partner(s) with at least 10% interest) or partners with any interest, ever been the subject of an administrative action or proceeding relating to the pharmaceutical industry? Yes ☑ No ☐
APPLICATION FOR OUT-OF-STATE WHOLESALER LICENSE

This page must be submitted for all types of ownership.

4) Has the corporation, any owner(s), shareholder(s) or partner(s) with at least 10% interest or partners with any interest, 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 ☐

5) Has the corporation, any owner(s), shareholder(s) or partner(s) with at least 10% interest or partners with any interest, 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 question 1 through 5 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. Please see attached document ☑

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.

[Signature]
Original Signature of Person Authorized to Submit Application, no copies or stamps

Troy Farahmand
Print Name of Authorized Person

6/23/17
Date

Board Use Only

Received:

Amount $500.00

Page 3
APPLICATION FOR OUT-OF-STATE WHOLESALER LICENSE

OWNERSHIP IS A NON-PUBLICLY TRADED CORPORATION

State of Incorporation: California
Parent Company if any: (None)
Corporation Name: Alexso, Inc
Mailing Address: 2317 Cotner Avenue
City: Los Angeles State: CA Zip: 90064
Telephone: 480-253-9761 Fax: 888-502-1669
Contact Person: Troy Farahmand

For any corporation non publicly traded, disclose the following:

1) List any persons to whom the shares were issued by the corporation?
   
   a) Troy Farahmand
      
      Name: Troy Farahmand
      Address:olkstone Lane, Los Angeles, CA 90077

   b) Hootan Melamed
      
      Name: Hootan Melamed
      Address: Wetherby Lane, Los Angeles, CA 90077

   c) 
      
      Name: 
      Address: 

   d) 
      
      Name: 
      Address: 

2) Provide the number of shares issued by the corporation. 1000

3) What was the price paid per share? $1.00

4) What date did the corporation actually receive the cash assets? 05/01/2010

5) Provide a copy of the corporation’s stock register evidencing the above information

   Please see the attached document

Page 5a
State of California  
Secretary of State  

Statement of Information  
(Domestic Stock and Agricultural Cooperative Corporations)  

FEE (Filing and Disclosure): $25.00.  
If this is an amendment, see instructions.  

IMPORTANT – READ INSTRUCTIONS BEFORE COMPLETING THIS FORM  

1. CORPORATE NAME  
ALEXSO, INC.  

2. CALIFORNIA CORPORATE NUMBER  
C3256201  

Complete Addresses for the Following (Do not abbreviate the name of the city. Items 4 and 5 cannot be P.O. Boxes.)  

<table>
<thead>
<tr>
<th>STREET ADDRESS OF PRINCIPAL EXECUTIVE OFFICE</th>
<th>CITY</th>
<th>STATE</th>
<th>ZIP CODE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2317 COTNER AVE.</td>
<td>LOS ANGELES</td>
<td>CA</td>
<td>90064</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>STREET ADDRESS OF PRINCIPAL BUSINESS OFFICE IN CALIFORNIA, IF ANY</th>
<th>CITY</th>
<th>STATE</th>
<th>ZIP CODE</th>
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<tbody>
<tr>
<td>2317 COTNER AVE.</td>
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<td>CA</td>
<td>90064</td>
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<table>
<thead>
<tr>
<th>MAILING ADDRESS OF CORPORATION, IF DIFFERENT THAN ITEM 4</th>
<th>CITY</th>
<th>STATE</th>
<th>ZIP CODE</th>
</tr>
</thead>
</table>

Names and Complete Addresses of the Following Officers (The corporation must list these three officers. A comparable title is the specific officer may be added; however, the printed titles on this form must not be altered.)  

<table>
<thead>
<tr>
<th>OFFICER</th>
<th>ADDRESS</th>
<th>CITY</th>
<th>STATE</th>
<th>ZIP CODE</th>
</tr>
</thead>
<tbody>
<tr>
<td>7. CHIEF EXECUTIVE OFFICER</td>
<td>HOOTAN TROY FARAHMAND</td>
<td>2317 COTNER AVE.</td>
<td>LOS ANGELES</td>
<td>CA</td>
</tr>
</tbody>
</table>

<table>
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<th>ADDRESS</th>
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</tr>
</thead>
<tbody>
<tr>
<td>8. SECRETARY</td>
<td>HOOTAN TROY FARAHMAND</td>
<td>2317 COTNER AVE.</td>
<td>LOS ANGELES</td>
<td>CA</td>
</tr>
</tbody>
</table>

Names and Complete Addresses of All Directors, Including Directors Who are Also Officers (The corporation must have at least one director. Attach additional pages, if necessary.)  

<table>
<thead>
<tr>
<th>NAME</th>
<th>ADDRESS</th>
<th>CITY</th>
<th>STATE</th>
<th>ZIP CODE</th>
</tr>
</thead>
<tbody>
<tr>
<td>10. NAME</td>
<td>HOOTAN TROY FARAHMAND</td>
<td>2317 COTNER AVE.</td>
<td>LOS ANGELES</td>
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<td>11. NAME</td>
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<tr>
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<tr>
<td>12. NAME</td>
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</table>

| NUMBER OF VACANCIES ON THE BOARD OF DIRECTORS, IF ANY. |

Agent for Service of Process. If the agent is an individual, the agent must reside in California and Item 15 must be completed with a California street address, a P.O. Box address is not acceptable. If the agent is another corporation, the agent must have on file with the California Secretary of State a certificate pursuant to California Corporations Code section 1505 and Item 15 must be left blank.  

<table>
<thead>
<tr>
<th>NAME OF AGENT FOR SERVICE OF PROCESS</th>
<th>ADDRESS</th>
<th>CITY</th>
<th>STATE</th>
<th>ZIP CODE</th>
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<tr>
<td>H. Troy Farahmand</td>
<td>2317 COTNER AVE.</td>
<td>LOS ANGELES</td>
<td>CA</td>
<td>90064</td>
</tr>
</tbody>
</table>

Type of Business  

16. DESCRIBE THE TYPE OF BUSINESS OF THE CORPORATION  
WHOLESALE DISTRIBUTION PHARMA  

17. BY SUBMITTING THIS STATEMENT OF INFORMATION TO THE CALIFORNIA SECRETARY OF STATE, THE CORPORATION CERTIFIES THE INFORMATION CONTAINED HEREIN, INCLUDING ANY ATTACHMENTS, IS TRUE AND CORRECT.  

08/02/2016 HOOTAN TROY FARAHMAND  

08/02/2016  

SIGNED  

APPROVED BY SECRETARY OF STATE  

31-200 (REV 01/02/13)
State of California
Secretary of State

Statement of Information
(Domestic Stock and Agricultural Cooperative Corporations)

Fees (Filing and Disclosure): $25.00.
If this is an amendment, see instructions.

IMPORTANT – READ INSTRUCTIONS BEFORE COMPLETING THIS FORM

1. CORPORATE NAME
ALEXSO, INC.

2. CALIFORNIA CORPORATE NUMBER
C3255201

This Space for Filing Use Only

No Change Statement. (Not applicable if agent address of record is a P.O. Box address. See instructions.)

☐ If there have been any changes to the information contained in the last Statement of Information filed with the California Secretary of State, or if no statement of information has been previously filed, this form must be completed in its entirety.
☐ If there has been no change in any of the information contained in the last Statement of Information filed with the California Secretary of State, check the box and proceed to Item 17.

Complete Addresses for the Following. (Do not abbreviate the name of the city. Items 4 and 5 cannot be P.O. Boxes.)

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<th>ITEM</th>
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<th>ITEM</th>
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13. NUMBER OF VACANCIES ON THE BOARD OF DIRECTORS, IF ANY:

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<thead>
<tr>
<th>ITEM</th>
<th>STREET ADDRESS OF AGENT FOR SERVICE OF PROCESS IN CALIFORNIA, IF AN INDIVIDUAL</th>
<th>CITY</th>
<th>STATE</th>
<th>ZIP CODE</th>
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Type of Business

16. DESCRIBE THE TYPE OF BUSINESS OF THE CORPORATION

17. BY SUBMITTING THIS STATEMENT OF INFORMATION TO THE CALIFORNIA SECRETARY OF STATE, THE CORPORATION CERTIFIES THE INFORMATION CONTAINED HEREIN, INCLUDING ANY ATTACHMENTS, IS TRUE AND CORRECT.

01/05/2017 Hootan Troy Farahmand PRESENT
DATE TYPE/PRINT NAME OF PERSON COMPLETING FORM TITLE

S3-200 (REV 01/2013) APPROVED BY SECRETARY OF STATE
<table>
<thead>
<tr>
<th>NAME OF STOCKHOLDER</th>
<th>PLACE OF RESIDENCE</th>
<th>TIME BECAME OWNER</th>
<th>CERTIFICATES ISSUED</th>
<th>NO. SHARES</th>
<th>FROM WHOM SHARES WERE TRANSFERRED (If Original Issue Enter As Such)</th>
<th>AMOUNT PAID THEREON</th>
<th>DATE OF TRANSFER OF SHARES</th>
<th>TO WHOM SHARES ARE TRANSFERRED</th>
<th>CERTIFICATES SURVIVING DERIVED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Horace Dickinson</td>
<td>Los Angeles, CA</td>
<td>May 1, 1910</td>
<td>1</td>
<td>7000</td>
<td>Original</td>
<td>7,000</td>
<td>5/1/10</td>
<td>N/A</td>
<td>1</td>
</tr>
<tr>
<td>Ferguson, Satterlee</td>
<td>Calhoun, GA</td>
<td>May 1, 1910</td>
<td>2</td>
<td>5000</td>
<td>Original</td>
<td>5,000</td>
<td>5/1/10</td>
<td>N/A</td>
<td>2</td>
</tr>
<tr>
<td>Hooken Melamed</td>
<td>LA, CA</td>
<td>12 P</td>
<td>2</td>
<td>3000</td>
<td>Ferguson, Satterlee</td>
<td>1,250,000</td>
<td>10/1/10</td>
<td>Hooken Melamed</td>
<td>2</td>
</tr>
<tr>
<td>Hooken Toy Fields</td>
<td>LA, CA</td>
<td>R P</td>
<td>3</td>
<td>2500</td>
<td>Hooken, Melamed</td>
<td>957,000</td>
<td>11/1/10</td>
<td>Hooken Toy Fields</td>
<td>3</td>
</tr>
</tbody>
</table>


NEVADA STATE BOARD OF PHARMACY
431 W Plumb Lane
Reno, NV 89509
(775) 850-1440
Fax: (775) 850-1444

PHARMACEUTICAL WHOLESALER SURETY BOND

Bond No. ___________ 100288111 ___________
Application/License No. ___________

ALEXSO, INC., doing or intending to do business as a
pharmaceutical wholesaler, whose address for purposes of service is
2317 Colmar Avenue, Los Angeles, CA 90064

Address of Applicant/Principal

PRINCIPAL, and American Contractors Indemnity Company, a
SURETY, are held and firmly bound unto the State of Nevada and to the Nevada
SURETY, are held and firmly bound unto the State of Nevada and to the Nevada
State Board of Pharmacy for the penal sum of ONE HUNDRED THOUSAND
Dollars ($100,000.00), for which payment we bind ourselves, our heirs, executors,
administrators, successors and assigns jointly and severally, by these presents. This
bond term shall become effective on ___________.

WHEREAS, the provisions of Nevada Revised Statutes (NRS) 639.515 require that
the Applicant/Principal file or have on file with the Nevada State Board of Pharmacy
(Board) a bond in the sum of $100,000.00 payable to the Nevada State Board of
Pharmacy and this bond is executed and tendered in accordance therewith. This
bond secures payment of any administrative fines imposed by the Board pursuant to
NRS 639.255 and any costs incurred by the Board regarding the license of
Applicant/Principal that are imposed pursuant to NRS 622.400 or 622.410 which the
Applicant/Principal fails to pay.
THIS BOND is subject to the following conditions:

(1) This bond shall be deemed continuous in form and shall remain in full force and effect and shall run concurrently with the license period for which the license is granted and each and every succeeding license period or periods for which said Applicant/Principal may be licensed, after which liability hereunder shall cease except as to any liability or indebtedness therefore incurred or accrued hereunder.

(2) This bond is executed by the Applicant/Principal and the Surety to comply with the provisions of NRS 639.515 and said bond shall be subject to all of the terms and provisions thereof.

(3) The Surety, its successors and assigns, are jointly and severally liable on the obligations of the bond.

(4) The limitations of the liability of the Surety and the conditions of the bond are set forth in NRS 639.515. Any claim by the Board may be made directly to the Surety and need not be preceded by the filing of any action in a proper court. Payment of any such claim shall be payable to the Nevada State Board of Pharmacy.

(5) The aggregate liability of the Surety hereunder on all claims whatsoever shall not exceed the penal sum of this bond in any event.

(6) This bond may not be cancelled by the Surety without first giving the Board written notice at least thirty days in advance of any intent to cancel the bond.

(7) The Applicant/Principal and Surety may be served with notices, papers and other documents at the addresses given above.

I certify or declare under penalty of perjury, under the laws of the State of Nevada, that I have executed the foregoing bond on behalf of the Surety under an unrevoked power of attorney.

In witness whereof, each party to this bond has caused it to be executed on this 19th day of February, 2015.

APPLICANT/PRINCIPAL

[Signature]
Authorized Representative

SURETY

[Signature]
Surety Company's Representative

JEFF ASE
Attorney-In-fact

SIGNED and SEALED in the presence of:

Witness

SIGNED and SEALED in the presence of:

Witness

Witness

Countersigned by:

William Joseph Mingram - License #217681
ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of ________ San Bernardino ________

On _____February 19, 2015_____ before me, N. Cruz, Notary Public

(Insert name and title of the officer)

personally appeared Jeff Aase

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature __________________________ (Seal)

N. CRUZ
Notary Public-California
San Bernardino County
My Comm. Exp. JUNE 12, 2018
POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That American Contractors Indemnity Company of the State of California, a California corporation, does hereby appoint,

JEFF AASE

its true and lawful Attorney-in-Fact, with full authority to execute on its behalf bond number 100268111, issued in the course of its business and to bind the Company thereby, in an amount not to exceed One hundred thousand and 00/100 ($100,000.00). This Power of Attorney shall expire without further action on December 29, 2017.

This Power of Attorney is granted and is signed and sealed by facsimile under and by the authority of the following resolutions adopted by the Board of Directors of AMERICAN CONTRACTORS INDEMNITY COMPANY at a meeting duly called and held on the 1st day of September, 2011.

"Be it Resolved, that the President, any Vice-President, any Assistant Vice-President, any Secretary or any Assistant Secretary shall be and is hereby vested with full power and authority to appoint any one or more suitable persons as Attorney-in-Fact to represent and act for and on behalf of the Company subject to the following provisions:

Attorney-in-Fact may be given full power and authority for and in the name of and on behalf of the Company, to execute, acknowledge and deliver, any and all bonds, recognizances, contracts, agreements or indemnity and other conditional or obligatory undertakings, including any and all consent for the release of released percentages and/or final estimates on engineering and construction contracts, and any and all notices and documents canceling or terminating the Company's liability thereunder, and any such Instruments so executed by any such Attorney-in-Fact shall be binding upon the Company as if signed by the President and sealed and executed by the Corporate Secretary.

Be it Resolved, that the signature of any authorized officer and seal of the Company heretofore or hereafter affixed to any power of attorney or any certificate relating thereto by facsimile, and any power of attorney or certificate bearing facsimile signature or facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached."

The Attorney-in-Fact named above may be an agent or a broker of the Company. The granting of this Power of Attorney is specific to this bond and does not indicate whether the Attorney-in-Fact is or is not an appointed agent of the Company.

IN WITNESS WHEREOF, American Contractors Indemnity Company has caused its seal to be affixed hereto and executed by its President on this 1st day of December 2014.

State of California
County of Los Angeles SS:

By: Adam S. Pasin, President

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

On this 1st day of December 2014, before me, Maria G. Rodriguez-Wong, a notary public, personally appeared Adam S. Pasin, President of American Contractors Indemnity Company, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within Instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the Instrument the person, or the entity upon behalf of which the person acted, executed the Instrument.

I certify under PENALTY OF PERJURY under the laws of the State of CALIFORNIA that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature ________________________________ (seal)

I, Michael Chalekson, Assistant Secretary of American Contractors Indemnity Company, do hereby certify that the Power of Attorney and the resolution adopted by the Board of Directors of said Company as set forth above, are true and correct transcripts thereof and that neither the said Power of Attorney nor the resolution have been revoked and they are now in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand this 19th day of February 2015:

[Signature]

Michael Chalekson, Assistant Secretary

[Seal]
### Controlled Substance Registration Certificate

**United States Department of Justice**

**Drug Enforcement Administration**

**Washington D.C. 20537**

<table>
<thead>
<tr>
<th>DEA Registration Number</th>
<th>This Registration Expires</th>
<th>Fee Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>RA0479205</td>
<td>06-30-2015</td>
<td>$1523</td>
</tr>
</tbody>
</table>

**Schedules:** 3, 3N, 4, 5

**Business Activity:** Distributor

**Issue Date:** 06-12-2017

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**Alexso Inc.**

2317 Cotner Ave

Los Angeles, CA 90064-0000

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**Sections 304 and 1008 (21 USC 824 and 958) of the Controlled Substances Act of 1970, as amended, provide that the Attorney General may revoke or suspend a registration to manufacture, distribute, dispense, import, or export a controlled substance.**

**This certificate is not transferable on change of ownership, control, location, or business activity, and it is not valid after the expiration date.**
Attachment to Alexso Inc.'s Application for Out-of-State Wholesaler License
(Nevada State Board of Pharmacy)

Alexso Inc. Corporate Officers:

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>% Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Troy Farahmand</td>
<td>President &amp; CEO</td>
<td>32%</td>
</tr>
<tr>
<td>Hootan Melamed</td>
<td>Inactive Shareholder</td>
<td>68%</td>
</tr>
</tbody>
</table>

Alexso, Inc. Employees Handling Drugs on Daily Basis
Brittany Zins, Accounts Liaison, Inventory Management
Shoshana Robello, Accounts Liaison, Inventory Management

Interest Ownership/Management in any Type of Business or Facility Licensed by the State of Nevada
Hootan Melamed is the CEO of Concierge Compounding Pharmaceuticals in Henderson, NV.

Troy Farahmand professional qualifications and experience of facility manager
Troy Farahmand is the Chief Executive Officer for Alexso, Inc. While acting as Chief Executive Officer he was aware of and participated in the day-to-day operations of Alexso, Inc., insofar as distribution and recordkeeping of legend drugs or devices. In June 2016 he became the Designated Representative for Alexso, Inc., and is now responsible for the day-to-day operations involving distribution and recordkeeping of legend drugs or devices.

Troy Farahmand is a licensed attorney in California and, as such, has management and staff training experience. He is responsible for all aspects of the business of Alexso, Inc., including, but not limited to strategy, new product development, commercialization, acquisitions, partnerships and portfolio prioritization, and nationwide marketing and corporate development.

Alexso, Inc. – Denials, Penalties, etc.

On June 16, 2016, Hootan Melamed was criminally indicted on health care fraud charges by a federal grand jury (see attached Melamed Federal Indictment U.S.).

On May 10, 2016, Hootan Melamed relinquished any and all control, voting power, decision-making ability, and authority on behalf of Alexso to his partner and legal counsel Troy Farahmand. Mr. Melamed is still the current owner of 68% of Alexso’s shares, but only as an “inactive shareholder.” As an inactive shareholder, Mr. Melamed is allowed to own the stock, but legally designates Troy Farahmand full power of substitution to vote the 68% shares at his sole discretion. Mr. Melamed is no longer an employee, officer, or director at Alexso (see attached Alexso, Inc. Shareholder Agreement).
On December 2, 2015, the Alabama Board of Pharmacy denied Alexso’s application for initial license (see attached Action Report).

On June 16, 2015, the Georgia Board of Pharmacy notified Alexso, Inc., that the Board disapproved Alexso’s Wholesaler Pharmacy license application (see attached Georgia Department of Community Health letter).
Action Resolved: See attached active Georgia License # PHWH003947.

On January 25, 2016, the Nevada Board of Pharmacy denied Alexso's application for initial license (see attached Notice of Denial Application for NV Wholesaler License).

On October 27, 2014, a civil penalty was filed by the Oregon Board of Pharmacy in Case No. 2014-0196 (see attached Consent Order).
Action Resolved: See attached active Oregon License # M-0002669.

On August 15, 2013, the South Carolina Board of Pharmacy denied Concierge Compounding Pharmaceuticals, Inc. pharmacy permit application (see attached Order).

On January 19, 2001, an Agreed Order was filed by the Texas State Board of Pharmacy, Order #L-13-019 (See attached Agreed Board Order).
Action Resolved: The board ordered one-year suspension and probation fee.
Melamed Federal Indictment U.S.
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

January 2016 Grand Jury

UNITED STATES OF AMERICA,

Plaintiff,

v.

HOOTAN MELAMED (1),
JEAN FRANCOIS PICARD (2),
JOHN PANGELINAN (3),
PHONG HUNG TRAN (4),
JONATHAN PENA (5),

Defendants.

Case No. 16 CR 1409 H

INDICTMENT

Title 18, U.S.C., Sec. 371 - Conspiracy; Title 18, U.S.C.,
Secs. 1341 and 1346 - Honest Services Mail Fraud; Title 18,
U.S.C., Sec. 1952(a)(1) and (a)(2) - Travel Act; Title 18,
U.S.C., Sec. 2 - Aiding and Abetting; Title 18, U.S.C.,
Sec. 981(a)(1)(C) and Title 28, U.S.C., Sec. 2461(c) -
Criminal Forfeiture

The Grand Jury charges, at all times relevant:

INTRODUCTORY ALLEGATIONS

1. Defendant HOOTAN MELAMED was a pharmacist licensed with the
state of California. He operated and was the de facto owner of New
Age Pharmaceuticals, Inc. ("New Age") a compounding pharmacy located
in Beverly Hills, California. He also had business interests in other
pharmacies, including RoxSan Pharmacy, Inc. ("RoxSan"), Concierge
Compounding Pharmaceuticals, Inc. ("Concierge"), Alexso, Inc., and
Portland Professional Pharmacy ("Portland Pharmacy") (together,
"Melamed's Pharmacies"). These compound pharmacies supplied compound
creams and other custom pharmaceuticals to patients.
2. Defendant JEAN FRANCOIS PICARD was a "medical marketer," operating through C.A.S.E., LLC, Versatile Healthcare and Dignity Consultants. Among the products that he "marketed" were compound creams for Melamed's Pharmacies.

3. Defendant JOHN PANGELINAN was a "medical marketer" who "marketed" durable medical equipment ("DME") for Company No. 1. He was the president of Broad Med, Inc.

4. Defendant PHONG HUNG TRAN was the owner of Coastline Medical Clinics in Southern California. Dr. Tran was previously a licensed physician in the State of California, but had his license suspended after his arrest and indictment by the San Diego District Attorney's Office in January 2016.

5. Defendant JONATHAN PENA was a "medical marketer" who "marketed" DME for Company No. 1, compound creams for Melamed's Pharmacies, and Magnetic Resonance Image ("MRI" scans) for Company A, a diagnostic imaging facility. He operated through JP Medical Marketing.

FIDUCIARY DUTY OF PHYSICIANS

6. Physicians, including medical doctors and chiropractors, owed a fiduciary duty to their patients, requiring physicians to act in their patients' best interests, and not for their own professional, pecuniary, or personal gain.

WORKERS' COMPENSATION PROGRAMS

7. The California Workers' Compensation System ("CWCS") required that employers in California provide workers' compensation benefits to their employees for qualifying injuries sustained in the course of their employment. Under the CWCS, all claims for payments for services or benefits provided to the injured employee, including
medical and legal fees, were billed directly to, and were paid by, the 
insurer. The CWCS was regulated by the California Labor Code, the 
California Insurance Code, and the California Code of Regulations, and 
was administered by the California Department of Industrial Relations. 
8. CWCS benefits were administered by the employer, an 
insurer, or a third party administrator. The CWCS required claims 
administrators to authorize and pay for medical care that was 
"reasonably required to cure or relieve the injured worker from the 
effects of his or her injury."

9. California law, including but not limited to the California 
Business and Professions Code, the California Insurance Code, and the 
California Labor Code, prohibited the offering, delivering, 
soliciting, or receiving of anything of value in return for referring 
a patient for goods or services paid for under the CWCS.

10. The United States offered a workers' compensation program to 
provide medical care to federal workers who suffer work-related 
injuries or occupational diseases. The program was administered by 
the Office of Workers' Compensation Programs. Claims are submitted to 
the Department of Labor for adjudication and payment.

11. Both California and the federal workers' compensation 
benefits included prescription medications prescribed by a doctor. 
Compound creams were specialty medications prescribed for patients who 
are unable to take medications in their standard formulations (for 
example, tablets, pills, or injections), for medications that must be 
absorbed through the skin, or where the specific combination of 
medicines is not available. Compound pharmacies could custom-mix the 
prescribed medicines into a cream to be dispensed to the patient.
12. Both California and the federal workers' compensation benefits included DME prescribed by a doctor. DME was any equipment that provides therapeutic benefits to a patient in need because of certain medical conditions and/or illnesses. An Inferential Unit ("IF Unit") was a device that provides low-level electrical stimulation to a body part to encourage healing.

**Count 1**

**CONSPIRACY TO COMMIT HEALTH CARE FRAUD, HONEST SERVICES MAIL FRAUD AND VIOLATE THE TRAVEL ACT, 18 USC § 371**

13. Paragraphs 1 through 12 of this Indictment are realleged and incorporated by reference.

14. Beginning on a date unknown to the grand jury and continuing through at least June 2016, within the Southern District of California and elsewhere, defendants HOOTAN MELAMED, JEAN FRANCOIS PICARD, JOHN PANGELINAN, PHONG HUNG TRAN and JONATHAN PENA and others did knowingly and intentionally conspire together and with each other and with others to:

a. commit Health Care Fraud, that is, to knowingly and with the intent to defraud execute a material scheme to defraud a health care benefit program, and to obtain by means of materially false and fraudulent pretenses, representations, and promises, any of the money and property owned by, and under the custody and control of a health care benefit program, in connection with the delivery of and payment for health care benefits, items, and services, in violation of Title 18, United States Code, Section 1347;

b. commit Honest Services Mail Fraud, that is, to knowingly and with the intent to defraud, devise and participate in a material scheme to defraud and to deprive patients of the intangible right to a
doctor's honest services, and to cause mailings in furtherance
thereof, in violation of Title 18, United States Code, Sections 1341
and 1346; and

c. violate the Travel Act, that is, to use and cause to be used
facilities in interstate commerce with intent to promote, manage,
establish, carry on, distribute the proceeds of, and facilitate the
promotion, management, establishment, carrying on, and distribution of
the proceeds of an unlawful activity, that is, commercial bribery in
violation of California law, and, thereafter, to promote and attempt
to perform acts to promote, manage, establish, carry on, distribute
the proceeds of, and facilitate the promotion, management,
establishment, carrying on, and distribution of the proceeds of such
unlawful activity, in violation of Title 18, United States Code,
Sections 1952(a)(1) and (a)(3).

PRAVUDLENT PURPOSE

15. It was the goal of the conspiracy to fraudulently obtain
money from health care benefit programs by submitting claims for
prescription pharmaceuticals and DME that were generated through a
secret pattern of bribes to doctors (and those acting with them and on
their behalf), to induce the doctors to refer patients to particular
pharmacies and DME providers, in violation of the doctors' fiduciary
duty to their patients.

MANNER AND MEANS

16. The conspirators used the following manner and means in
pursuit of their fraudulent purpose:

a. It was a part of the conspiracy that defendants MELAMED,
PICARD, PANGELINAN and FENA, and other co-conspirators, knowing that
the payment of per-patient referral fees was unlawful, paid doctors to
recommend certain goods and services and refer workers’ compensation
patients to specific providers for those goods and services, including
to pharmacies in which MELAMED had an interest for prescription
pharmaceuticals, to Company No. 1 for DME, and to other providers in
which the co-conspirators had financial interests for other goods and
services.

b. It was a further part of the conspiracy that defendant TRAN,
knowing that receiving a per-patient referral fee was unlawful, agreed
to accept per-patient bribes from the co-conspirators to refer
workers’ compensation patients to companies owned by his co-
conspirators or in which they had an interest.

c. It was a further part of the conspiracy that the co-
conspirators paid or accepted specific bribe and kickback amounts for
specific kinds of prescriptions, including: between $200-250 per IF
Unit referral, $150-200 for each Flurbiprofen cream prescription, $150
for each Gabapentin cream, and $50 per Terocin patch.

d. It was a further part of the conspiracy that the co-
conspirators bribed and solicited marketers and doctors to prescribe
compound creams and patches over other types of medications, because
these custom pharmaceuticals can be billed at high rates to insurance
companies.

e. It was a further part of the conspiracy that the co-
conspirators crafted compound creams and other pharmaceuticals to
contain the most expensive components, in order to bill at high rates
to insurance companies, instead of customizing the medications to the
needs of particular patients.

f. It was a further part of the conspiracy that the co-
conspirators concealed from patients, and intended to cause the
doctors, including Dr. TRAN, to conceal from patients, the kickback
and bribe payments made to doctors for referring patients to companies
owned by the co-conspirators or in which they had an interest, in
violation of the doctors' fiduciary duty to their patients.

  g. It was a further part of the conspiracy that the co-
conspirators obscured the true nature of their financial relationships
in order to conceal their corrupt payments for patient referrals,
including by entering sham agreements to purportedly lease office
space or provide marketing services, when in reality the corrupt
payments were made in exchange for, or to induce, the referral of
patients.

  h. It was a further part of the conspiracy that the co-
conspirators, knowing that the payment of per-patient referral fees
was unlawful, inserted intermediaries (referring to them as
"marketers" or "marketing companies") to hide and obscure the flow of
payments from providers to doctors, when in reality the payments were
unlawful volume-based, per-patient referral fees.

  i. It was a further part of the conspiracy that the co-
conspirators obscured the true nature of their financial relationships
in order to conceal their corrupt payments for patient referrals,
including by creating separate companies in the names of nominees and
straw owners, to pay and receive kickback and bribe money.

  j. It was a further part of the conspiracy that, knowing that
per-patient referral fees were unlawful, the co-conspirators disguised
their bribes and kickbacks to doctors by providing gift cards,
vacations, sports tickets, cash, or patient referrals.

  k. It was a further part of the conspiracy that MELAMED, after
paying doctors and marketers kickbacks and bribes to prescribe
compound creams, then filled the prescriptions himself through New Age, or sent those prescriptions to other pharmacies to be filled, including RoxSan, Concierge, or Portland, in exchange for a further kickback from those pharmacies.

1. It was a further part of the conspiracy that the co-conspirators discussed via telephone calls, emails, and in-person meetings the workers' compensation patients who had been corruptly referred for goods and services in exchange for kickbacks.

m. It was a further part of the conspiracy that the co-conspirators utilized interstate facilities, including cellular telephones and email, in order to coordinate the referral of patients for goods and services, knowing that such referrals were predicated on unlawful per-patient kickback payments.

n. It was a further part of the conspiracy that the co-conspirators utilized the mails as an essential part of their fraudulent scheme, including by mailing bills to insurance carriers, and mailing prescription pharmaceuticals and DME to patients.

o. It was a further part of the conspiracy that co-conspirators billed, and caused insurers to bill, for services provided to patients that the co-conspirators had procured by paying bribes and kickbacks.

p. It was a further part of the conspiracy that defendants concealed from insurers and patients the material fact of the kickback arrangements, which were in violation of California state law, that led to the referrals.

q. Using the manners and means described above, defendants submitted and caused to be submitted claims of over $27 million for pharmaceutical prescriptions and over $7.6 million in DME prescriptions procured through the payment of bribes and kickbacks.
OVERT ACTS

17. In furtherance of the conspiracy and in order to effect the objects thereof, the defendants and others committed or caused the commission of the following overt acts in the Southern District of California and elsewhere:

a. On or about August 9, 2012, in a telephone call, PICARD offered to pay a marketer $125 per compound cream prescription the marketer could get a doctor to prescribe, which would be filled by MELAMED and fraudulently billed to an insurance carrier.

b. On or about August 20, 2012, PICARD offered to pay a marketer a “guaranteed [$]200 per script” if the marketer could find doctors who would prescribe compound creams to workers’ compensation patients, which would be filled by MELAMED and fraudulently billed to an insurance carrier.

c. On or about December 12, 2012, PICARD offered a marketer a 25 percent kickback of the proceeds on any creams that the marketer could get doctors to prescribe, which would be filled by MELAMED and fraudulently billed to an insurance carrier.

d. In or about March 2013, PICARD explained to a marketer that the compound creams cost around $20 to produce, but that they could bill the insurance company $3,000 for a “five-pack” of pharmaceuticals that were formulated to contain the highest-priced medications.

e. In or about March 2013, PICARD suggested that a marketer offer to pay the prescribing doctor between $100 and $150 to prescribe a “five-pack” of prescriptions offered by MELAMED’s pharmacy.

f. In or about March 2013, PICARD directed a marketer to fax compound cream prescriptions to a fax number for New Age.
g. On or about March 26, 2013, in a telephone call, PICARD requested information about patients that had been procured as a result of a bribe, so that New Age could bill the Department of Labor for prescription pharmaceuticals for those patients.

h. On or about March 27, 2013, MELAMED caused $4,497.77 to be billed to the U.S. Department of Labor's workers' compensation program for pharmaceuticals that MELAMED had bribed a doctor to prescribe.

i. On or about March 28, 2013, MELAMED caused $2,613.60 to be billed to the U.S. Department of Labor's workers' compensation program for pharmaceuticals that he had bribed a doctor to prescribe.

j. On or about March 30, 2013, MELAMED and PICARD and others caused prescription pharmaceuticals that were prescribed due to payment of kickbacks and bribes to be mailed to a location in San Diego.

k. On or about April 4, 2013, MELAMED and PICARD and others caused prescription pharmaceuticals that were prescribed due to payment of kickbacks and bribes to be mailed to a location in San Diego.

l. On or about April 11, 2013, MELAMED and PICARD and others caused prescription pharmaceuticals that were prescribed due to payment of kickbacks and bribes to be mailed to a location in San Diego.

m. On or about May 2, 2013, MELAMED and PICARD and others caused prescription pharmaceuticals that were prescribed due to payment of kickbacks and bribes to be mailed to a location in San Diego.
n. On or about May 9, 2013, MELAMED caused $10,740.28 to be billed to the U.S. Department of Labor's workers' compensation program for pharmaceuticals that he had bribed a doctor to prescribe.

o. On or about July 23, 2013, MELAMED and PICARD and others caused prescription pharmaceuticals that were prescribed due to payment of kickbacks and bribes to be mailed to a location in San Diego.

p. On or about October 17, 2013, MELAMED caused $1,476.00 to be billed to the U.S. Department of Labor's workers' compensation program for pharmaceuticals that he had bribed a doctor to prescribe.

q. On or about November 26, 2013, MELAMED caused $1,476.00 to be billed to the U.S. Department of Labor's workers' compensation program for pharmaceuticals that he had bribed a doctor to prescribe.

r. On or about June 24, 2014, PENA gave a doctor gift cards totaling $1,050 in value, in payment for 42 MRI scans that the doctor had referred to Company A.

s. On or about August 1, 2014, PENA gave a doctor a gift card for $725, in payment for 29 MRI scans that the doctor had referred to Company A.

t. On or about April 15, 2014, TRAN and PANGELINAN caused Company No. 1 to send a claim for $1,375.31 for DME for patient Michael W., that was referred to Company No. 1 due to payment of kickbacks and bribes, to be sent to an insurance company in San Diego.

u. On or about August 21, 2014, TRAN and PANGELINAN caused Company No. 1 to send a claim for $1,375.31 for DME for patient Maria H., that was referred to Company No. 1 due to payment of kickbacks and bribes, to be sent to an insurance company in San Diego.
v. On or about August 14, 2014, TRAN and PANGELINAN caused Company No. 1 to send a claim for $1,375.31 for DME for patient Francisco C., that was referred to Company No. 1 due to payment of kickbacks and bribes, to be sent to an insurance company in San Diego.

w. On or about November 29, 2014, MELAMED caused New Age to send to an insurer in San Diego a claim for reimbursement for prescription pharmaceuticals (for patient Edgar M.).

x. On or about December 13, 2014, MELAMED caused New Age to send to an insurer in San Diego a claim for reimbursement for prescription pharmaceuticals (for patient Clara S.).

y. On or about December 13, 2014, MELAMED caused New Age to send to an insurer in San Diego a claim for reimbursement for prescription pharmaceuticals (for patient Fidel V).

z. On or about October 28, 2015, MELAMED paid a marketer a total of $75,810 for 390 compound creams and 331 Terocin patches prescribed in September 2015 by doctors recruited by the marketer or those working with him.

aa. On or about October 29, 2015, PANGELINAN accepted $20,130.50 as his share of the kickback paid by MELAMED, for 237 creams and 237 Terocin patches that PANGELINAN’s doctors prescribed.

bb. On or about November 4, 2015, TRAN asked PENA to send kickback money to a separate marketing company, because TRAN did not want the money going directly to him.

c. On or about November 4, 2015, TRAN asked PENA to send him a text message that used the code “Let’s meet at one [o’clock]” if PENA would pay $100 per compound cream prescription, or “two [o’clock]” if PENA would pay $200.
dd. In November 2015, TRAN and PANGELINAN discussed a bribe payment of over $100 per cream prescribed.

ee. On or about November 16, 2015, PANGELINAN delivered to TRAN or TRAN's representative a check for $10,000 made out to "Team Enterprise," in payment for 50 IF Units referred by TRAN to Company No. 1.

ff. On or about November 19, 2015, PANGELINAN accepted a check for $11,565.06 in payment for the DME referrals he had caused doctors to make to Company No. 1 in October 2015.

gg. On or about November 20, 2015, MELAMED paid a marketer a total of $75,900 for 387 compound creams and 339 Terocin patches prescribed by doctors recruited by that marketer and those working with him in October 2015.

hh. On or about November 24, 2015, PANGELINAN suggested a new kickback deal with TRAN, to pay TRAN over $100 for each compound cream prescription that TRAN prescribed to MELAMED'S Pharmacies.

ii. On or about November 24, 2015, PANGELINAN offered to tell doctors that he worked with, including Dr. F and Dr. Y, and their staff, that they should conceal the fact that the doctors were supposed to prescribe a certain amount of DME for the monthly payments received from Company No. 1.

jj. On or about November 24, 2015, PANGELINAN accepted $17,037.50 as his share of the kickback paid by MELAMED, for 254 creams and 252 Terocin patches that PANGELINAN's doctors prescribed.

kk. Sometime before December 2015, TRAN and PANGELINAN agreed that TRAN would receive $10,000 per month (disguised as payment for "marketing" services) in exchange for referring 50 IF Units per month to Company No. 1.
11. On or about December 8, 2015, TRAN said that he would be
sending many more DME referrals to Company No. 1, and in order for
Company No. 1 to “catch up” on payments due him, TRAN suggested that
he only have to refer 40 IF Units per month in exchange for the
$10,000 monthly payment from Company No. 1.

mm. On or about December 8, 2015, TRAN and PANGELINAN agreed
that TRAN would be paid $125 per compound cream that he prescribed and
sent to PANGELINAN, to be filled by a pharmacy designated by MELAMED.

nn. On or about December 15, 2015, PANGELINAN delivered to TRAN
or TRAN’s representative a check for $10,000 made out to “Team
Enterprise,” in payment for 50 IF Units referred by TRAN to Company
No. 1.

oo. On or about December 17, 2015, PANGELINAN accepted a check
for $7,506.34 in payment for the DME referrals he had caused doctors
to make to Company No. 1 in November 2015.

pp. In or around December 2015, TRAN started a new marketing
company so that he could receive kickback payments.

qq. In or about December 2015, MELAMED agreed to pay $175 per
compound cream prescription to a marketer so that TRAN, in turn, could
be paid $125 per prescription for prescribing compound creams to be
filled by a pharmacy designated by MELAMED.

rr. On or about December 14, 2015, MELAMED paid a marketer a
total of $77,900 for 412 compound creams and 314 Terocin patches
prescribed in November 2015 by doctors recruited by the marketer or
those working with him.

ss. On or about December 16, 2015, PANGELINAN accepted
$18,462.50 as his share of the kickback paid by MELAMED, for 256
crems and 256 Terocin patches that PANGELINAN’s doctors prescribed.
tt. On or about January 29, 2016, MELAMED paid a marketer a total of $64,150 for 335 compound creams and 278 Terocin patches prescribed in December 2015 by doctors recruited by the marketer or those working with him.

uu. On or about January 14, 2016, PANGELINAN accepted a check for $8,610.86 in payment for the DME referrals he had caused doctors to make to Company No. 1 in December 2015.

vv. On or about January 14, 2016, PANGELINAN delivered to TRAN or TRAN’s representative a check for $10,000 made out to “Team Enterprise,” in payment for 40 or 50 IF Units referred by TRAN to Company No. 1.

ww. On or about February 18, 2016, PANGELINAN accepted a check for $12,981.27 in payment for the DME referrals he had caused doctors to make to Company No. 1 in January 2016.

xx. On or about February 29, 2016, MELAMED caused New Age to send to an insurer in San Diego a claim for reimbursement for prescription pharmaceuticals (for patient Edgar M.).

yy. On or about March 1, 2016, MELAMED paid a marketer a total of $54,900 for 273 compound creams and 278 Terocin patches prescribed in January 2016 by doctors recruited by the marketer or those working with him.

zz. On or about March 3, 2016, PANGELINAN accepted $12,768.75 as his share of the kickback paid by MELAMED, for 234 creams and 234 Terocin patches that PANGELINAN’s doctors prescribed.

aaa. On or about March 16, 2016, PANGELINAN accepted a check for $9,469.34 in payment for the DME referrals he had caused doctors to make to Company No. 1 in February 2016.
In or about April 2016, over telephone conversations and
telephone communications, MELAMED agreed to pay a total of $74,300 for
412 compound creams and 250 Terocin patches prescribed by doctors
recruited by a marketer or those working with him in March 2016.

On or about April 18, 2016, PANGELINAN accepted a check for
$10,786.03 in payment for the DME referrals he had caused doctors to
make to Company No. 1 in March 2016.

On or about April 22, 2016, PANGELINAN accepted $4,050 as
his share of the kickback paid by MELAMED, for 162 creams that
PANGELINAN’s doctors prescribed.

On or about April 22, 2016, PANGELINAN delivered to a
doctor a check for $12,400 in payment for 124 compound creams referred
by that doctor to be filled by MELAMED.

On or about May 13, 2016, PANGELINAN accepted a check for
$9,140.29 in payment for the DME referrals he had caused doctors to
make to Company No. 1 in April 2016.

On or about June 3, 2016, PANGELINAN accepted $10,050 as
his share of the kickback paid by MELAMED, for 124 creams that
PANGELINAN’s doctors prescribed.

All in violation of Title 18, United States Code, Section 371.

Counts 2 – 12

HONEST SERVICES MAIL FRAUD, 18 U.S.C. §§ 1341, 1346 AND 2

18. Paragraphs 1 through 12 of this Indictment are realleged and
incorporated by reference.

19. Beginning on a date unknown and continuing through at least
June 2016, within the Southern District of California and elsewhere,
defendants HOOTAN MELAMED, JEAN FRANCOIS PICARD, JOHN PANGELINAN and
PHONG HUNG TRAN and others, knowingly and with the intent to defraud,
devised a material scheme to defraud, that is, to deprive patients of
their intangible right to doctors' honest services.

20. Paragraphs 15 and 16 of this Indictment are realleged and
incorporated by reference as more fully describing the scheme to
defraud.

21. For the purpose of executing the scheme and attempting to do
so, within the Southern District of California, the following
defendants knowingly caused to be delivered by U.S. Mail according to
the direction thereon the following mail matter:

<table>
<thead>
<tr>
<th>Ct. No.</th>
<th>Date</th>
<th>Defendants</th>
<th>Item(s) Mailed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>3/30/2013</td>
<td>MELAMED, PICARD</td>
<td>Prescription pharmaceuticals prescribed due to payment of kickbacks by MELAMED and PICARD</td>
</tr>
<tr>
<td>3</td>
<td>4/4/2013</td>
<td>MELAMED, PICARD</td>
<td>Prescription pharmaceuticals prescribed due to payment of kickbacks by MELAMED and PICARD</td>
</tr>
<tr>
<td>4</td>
<td>4/11/2013</td>
<td>MELAMED, PICARD</td>
<td>Prescription pharmaceuticals prescribed due to payment of kickbacks by MELAMED and PICARD</td>
</tr>
<tr>
<td>5</td>
<td>5/2/2013</td>
<td>MELAMED, PICARD</td>
<td>Prescription pharmaceuticals prescribed due to payment of kickbacks by MELAMED and PICARD</td>
</tr>
<tr>
<td>6</td>
<td>7/23/2013</td>
<td>MELAMED, PICARD</td>
<td>Prescription pharmaceuticals prescribed due to payment of kickbacks by MELAMED and PICARD</td>
</tr>
<tr>
<td>7</td>
<td>4/15/2014</td>
<td>PANGELINAN, TRAN</td>
<td>Claim of $1375.31 for DME (for patient Michael W.) prescribed by TRAN, for which TRAN and PANGELINAN received kickbacks from Company No. 1</td>
</tr>
<tr>
<td>8</td>
<td>8/21/2014</td>
<td>PANGELINAN, TRAN</td>
<td>Claim of $1375.31 for DME (for patient Maria H.) prescribed by TRAN, for which TRAN and PANGELINAN received kickbacks from Company No. 1</td>
</tr>
<tr>
<td>9</td>
<td>11/29/2014</td>
<td>MELAMED</td>
<td>Claim for prescription pharmaceuticals (for patient Edgar M.) sent by New Age to an insurer</td>
</tr>
<tr>
<td>Cl.</td>
<td>Date</td>
<td>Defendants</td>
<td>Item(s) Mailed</td>
</tr>
<tr>
<td>-----</td>
<td>------------</td>
<td>----------------</td>
<td>-------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>10</td>
<td>12/13/2014</td>
<td>MELAMED</td>
<td>Claim for prescription pharmaceuticals (for patient Clara S.) sent by New Age to an insurer</td>
</tr>
<tr>
<td>11</td>
<td>12/13/2014</td>
<td>MELAMED</td>
<td>Claim for prescription pharmaceuticals (for patient Fidel V.) sent by New Age to an insurer</td>
</tr>
<tr>
<td>12</td>
<td>8/14/2015</td>
<td>PANGELINAN, TRANG</td>
<td>Claim of $1375.31 for DME (for patient Francisco C.) prescribed by TRANG, for which TRANG and PANGELINAN received kickbacks from Company No. 1</td>
</tr>
</tbody>
</table>

All in violation of Title 18, United States Code, Sections 1341, 1346 and 2.

Counts 13 - 14

TRAVEL ACT, 18 USC §§ 1952 AND 2

22. Paragraphs 1 through 12 are realleged and incorporated by reference.

23. Beginning on date unknown and continuing through at least June 2016, within the Southern District of California and elsewhere, defendants HOOTAN MELAMED and JEAN FRANCOIS PICARD knowingly used and cause to be used facilities in interstate commerce with the intent to promote, manage, establish, carry on, distribute the proceeds of, and facilitate the promotion, management, establishment, carrying on, and distribution of the proceeds of an unlawful activity, that is, bribery in violation of California Penal Code Sections 139.3-32 and California Labor Code Section 3215, and, thereafter, to promote and attempt to perform acts to promote, manage, establish, carry on, distribute the proceeds of, and facilitate the promotion, management, establishment, carrying on, and distribution of the proceeds of such unlawful activity as follows:
<table>
<thead>
<tr>
<th>Case</th>
<th>Date</th>
<th>Defendants</th>
<th>Use of Facility in Interstate Commerce</th>
<th>Acts Performed Thereafter</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>8/9/2012</td>
<td>MELAMED, PICARD</td>
<td>Telephone call by PICARD offering</td>
<td>PICARD paid a marketer</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>to pay $125 per compound cream</td>
<td>$1,053.53 for 3 sets of compound cream prescriptions filled by MELAMED</td>
</tr>
<tr>
<td>14</td>
<td>3/26/2013</td>
<td>MELAMED, PICARD</td>
<td>Telephone call by PICARD to obtain</td>
<td>PICARD paid a marketer</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>information to fill prescription and bill</td>
<td>$1,053.53 for 3 sets of compound cream prescriptions filled by MELAMED</td>
</tr>
</tbody>
</table>

All in violation of Title 18, United States Code, Sections 1952(a)(1), (a)(2) and 2.

**FORFEITURE ALLEGATION**

24. Paragraphs 1 through 12 of this Indictment are realleged and incorporated as if fully set forth herein for the purpose of alleging forfeiture pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

25. Upon conviction of the offenses of Conspiracy, Honest Services Mail Fraud and Travel Act as alleged in Counts 1 through 14, defendants HOOTAN MELAMED, JEAN FRANCOIS PICARD, JOHN PANGELINAN, PHONG HUNG TRAN and JONATHAN PENA shall forfeit to the United States all right, title, and interest in any property, real or personal, that constitutes or is derived from proceeds traceable to a violation of such offenses, including a sum of money equal to the total amount of gross proceeds derived, directly or indirectly, from such offenses.
26. If any of the above described forfeitable property, as a result of any act or omission of defendants HOOTAN MELAMED, JEAN FRANCOIS PICARD, JOHN PANGELINAN, PHONG HUNG TRAN and JONATHAN PENA: (a) cannot be located upon the exercise of due diligence; (b) has been transferred or sold to, or deposited with, a third party; (c) has been placed beyond the jurisdiction of the Court; (d) has been substantially diminished in value; or (e) has been commingled with other property which cannot be divided without difficulty; it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p) and Title 18, United States Code, Section 982(b), to seek forfeiture of any other property of defendants HOOTAN MELAMED, JEAN FRANCOIS PICARD, JOHN PANGELINAN, PHONG HUNG TRAN and JONATHAN PENA up to the value of the forfeitable property described above.

All pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c).

DATED: June 16, 2016.

A TRUE BILL:

Foreperson

LAURA E. DUFFY
United States Attorney

By: VALERIE H. CHO
Assistant U.S. Attorney

I hereby attest and certify on 6/16/2016
That the foregoing document is a true and correct copy of the original on file in my office and in my legal custody

CLERK, U.S. DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

By: Dated: 
Alexso, Inc. Shareholder Agreement
May 26, 2017

VIA EMAIL (SENT BY SHOSHANA ROBELLO)

S. Paul Edwards
General Counsel
Nevada State Board of Pharmacy
431 W. Plumb Lane
Reno, NV 89509

Re: Alexso, Inc.

Dear Mr. Edwards:

I represent Alexso, Inc. I understand that you spoke with Shoshana Robello of Alexso, Inc. yesterday regarding Alexso, Inc. and its current management and control. This letter will address Hootan Melamed’s current involvement in Alexso, Inc.

As relayed by Alexso, Inc., Hootan Melamed relinquished any and all control and decision-making power, ability and authority on behalf of Alexso, Inc. as reflected in a notarized agreement dated May 10, 2016. Mr. Melamed is not an employee, officer, or director of Alexso, Inc. and has relinquished his voting power in the company. Mr. Melamed has been given no access to the Alexso building since early July 2016 nor does he have access to any Alexso accounts. Attached hereto is a copy of the May 10, 2016 Agreement reflecting his relinquishment of all control and decision-making power, ability and authority on behalf of Alexso, Inc. as well as a copy of the most recent Statement of Information filed with the California Secretary of State reflecting that Mr. Melamed is not an officer or director. While there is pending litigation between the parties, including Alexso, Inc. and Mr. Melamed, with respect to Alexso, Inc. and Mr. Melamed’s rights and authority, Alexso, Inc. is confident that it will prevail and has asked me to relay to you the foregoing with respect to Mr. Melamed and the attachments hereto.

If Mr. Melamed were to become an employee, officer, or director of Alexso, Inc. again, Alexso, Inc. could inform you of such a change.
S. Paul Edwards  
May 26, 2017  
Page 2

Please call me if you would like to discuss these issues.

Very truly yours,

GORDON & REES LLP

Kai Peters

KP:nb/mmg  
Enclosure
AGREEMENT

THIS AGREEMENT ("Agreement") is entered into as of May 6, 2016 (hereinafter referred to as the "Effective Date") by and between Hootan Melamed (hereinafter referred to as "Melamed") and Hootan Troy Farahmand (hereinafter referred to as "Farahmand") (Melamed and Farahmand are sometimes referred to herein collectively as "Parties" and individually as "Party") as follows:

RECITALS

WHEREAS, the Parties acknowledge and agree that Melamed and Farahmand are presently the sole shareholders of Alexso, Inc., a California corporation (hereinafter referred to as "Alexso");

WHEREAS, the Parties acknowledge and agree that Melamed and Farahmand have entered into that certain Shareholders' Agreement regarding Alexso, Inc., effective January 1, 2016 (hereinafter referred to as the "Shareholders' Agreement");

WHEREAS, the Parties acknowledge and agree that as of January 1, 2016, Melamed owns sixty-eight percent (68%) of the outstanding shares of stock in Alexso and Farahmand owns the remaining thirty-two percent (32%) of the outstanding shares of stock in Alexso.

WHEREAS, the Parties acknowledge and agree that Melamed and Farahmand are presently the only two directors of Alexso;

WHEREAS, the Parties acknowledge and agree that Farahmand is presently, the only officer of Alexso, holding the positions of President, Chief Financial Officer and Secretary.

WHEREAS, the Parties acknowledge and agree that between January 1, 2015 and December 31, 2015, Melamed received a portion of his distributions totaling $2,005,440.21 from Alexso (hereinafter referred to as "Melamed's 2015 Distributions") by means of payment to third parties. Some of Melamed's 2015 Distributions took the form of payments to third-parties designated by Melamed, who were not affiliated with or creditors of Alexso, and who were paid by Alexso on behalf of Melamed for Melamed's personal benefit.

WHEREAS, the Parties acknowledge and agree that between January 1, 2016 and the Effective Date, Melamed has expended personally more than approximately $850,000.00 in profit distributions from Alexso (hereinafter referred to as "Melamed's 2016 Distributions"). Again Melamed's 2016 Distributions payments substantially took the form of payments to third-parties designated by Melamed, who were not affiliated with or creditors of Alexso, and who were paid by Alexso on behalf of Melamed for Melamed's personal benefit. To date shareholders have not taken any draws and Melamed's expenses are accumulating and are still owed to the company to date and the accounting of such shall take place on or before 12/31/2016.

WHEREAS, the Parties acknowledge and agree that Melamed has reviewed all books and records of Alexso to date and has no issues with any transactions and has satisfied himself of such prior to signing this document.
WHEREAS, the Parties acknowledge and agree that in recent times due to continued Alexso state licencing questions of Melamed’s prior conduct in other businesses and his previous felony conviction and his own personal issues, Melamed is no longer capable to devote any of his time and effort to Alexso, to discharge his duties as officer or director of Alexso, and to make important decisions on behalf of Alexso.

WHEREAS, the Parties acknowledge and agree that as of the Effective Date, the shareholders and directors of Alexso have unanimously determined, in good faith, that Melamed is an Inactive Shareholder in its broadest sense as that term is used in the Bylaws and Shareholders Agreement pertaining to Alexso.

WHEREAS, the Parties acknowledge and agree that although Faramand has, to date, shared the decision-making power on behalf of Alexso with Melamed as a shareholder, co-director and officer of Alexso, in light of Melamed’s inability to continue to do so, Faramand is ready, willing and able to assume full control over all affairs of Alexso and to make all important decisions on behalf of the company.

THEREFORE, for good and valuable consideration, including but not limited Faramand’s agreement to assume full control over Alexso, the receipt of which is hereby acknowledged, the Parties agree as follows:

1. Melamed agrees to and hereby does relinquish any and all control and decision-making power, ability and authority on behalf of Alexso as provided for in this Agreement.

2. To the extent may be applicable, Melamed hereby resigns as an employee of Alexso.

3. To the extent may be applicable, Melamed hereby resigns as an officer position of Alexso. To the extent that any officer position is vacant by virtue of Melamed’s instant resignation, Faramand hereby accepts and shall be appointed to such position as Melamed’s immediate successor.

4. To the extent may be applicable, Melamed hereby resigns from Alexso’s board of directors. Pursuant to paragraph 1.1.2. of the Shareholders’ Agreement, Melamed has declined to designate a representative to replace himself to serve on the Alexso’s board of directors. Therefore, Faramand shall continue serve as Alexso’s sole director.

5. Melamed hereby designates Faramand as trustee to hold and vote the entirety of Melamed’s shares of stock in Alexso during the term of this Agreement in Faramand’s sole discretion pursuant to this Agreement.

6. **IRREVOCABLE PROXY COUPLED WITH AN INTEREST:**

6.1 Melamed hereby appoints Faramand as his true and lawful attorney-in-fact and proxy, with full power of substitution for and in his name, to vote the 68% shares and any other capital stock or equity securities of Alexso, in Faramand’s sole discretion.
6.2 The Parties acknowledge and agree that the appointment and proxy granted by Melamed to Farahmand set forth herein is irrevocable and, because of the consideration being provided by Farahmand, this Proxy is coupled with an interest within the meaning of the California Corporations Code. This Proxy shall not terminate by operation of law, or by dissolution, bankruptcy or adjudication of incompetence or insanity of Melamed or the occurrence of any other event except as set forth in this Agreement.

7. ACKNOWLEDGMENT OF NON-ASSIGNMENT, TRANSFER OR PROXY: By executing this Agreement, Melamed represents that, to date, he has not transferred or assigned any of his interest in shares of stock in Alexso that are described in this Agreement and that Melamed is fully authorized to make the representations and agree to the terms contained in this Agreement. Further, by executing this Agreement, Melamed represents that, to date, he has not granted any proxy to vote any of his shares in Alexso to any other person or entity, whether revocable or irrevocable. By executing this Agreement, Melamed hereby revokes and terminates any proxy that he may have previously granted to any person or entity.

8. CONFLICT: To the extent there is any conflict between the terms of this Agreement, the Bylaws or any applicable Shareholders' Agreement, this Agreement shall control and shall be given the broadest legal effect possible, including but not limited to the terms of this Agreement being deemed to be an action by the Shareholders and/or Directors of Alexso without a meeting, pursuant to Sections 9 and 13 of the Bylaws.

9. RELEASE: In consideration of the terms described in this Agreement and other valuable consideration, the receipt of which is hereby acknowledged, Melamed hereby releases and discharges, Farahmand and each of his, as the case may be, past, present and future partners, associates, of counsel, attorneys, insurers, agents, servants, employees, successors-in-interest, predecessors-in-interest, parent and subsidiary organizations/entities, affiliates, officers, directors, shareholders, joint ventures, estates, spouses, heirs, representatives and assigns, and each of them (hereinafter referred to as the "Releases"), collectively from any and all causes of action, costs, claims, damages, debts, obligations, demands, expenses, sanctions, penalties, attorneys' fees, and liabilities, in law or in equity, whether based on tort, contract or other theories of recovery, of whatever kind or nature, whether anticipated or unanticipated, whether known or unknown, past, present or future, which Melamed has held, now holds or may thereafter accrue against the Releases regarding or arising out of any matter whatsoever. Melamed will not institute legal proceedings or participate in any manner in any civil lawsuit or administrative proceeding based upon, arising out of or relating to any claim, demand, cause of action or other right released herein. Melamed further agrees to indemnify and hold harmless the Releases and each of them against any loss or liability whatsoever, including without limitation reasonable attorney's fees, caused by or incurred in any action or proceeding before any court or governmental agency, commission, division or department, whether state, federal or local, which is brought by or on behalf of Melamed or Melamed's successors in interest, if such action or proceeding arises of, is based upon or is related to any claims, demands, causes of action or other right released herein.

10. WAIVER OF SECTION 1542 OF CALIFORNIA CIVIL CODE. The releases set forth in paragraph 1 constitute a waiver of any rights or benefits which any the undersigned
has or may have against the other parties named herein by reason of the provision of Section 1542 of the Civil Code of the State of California which provides that:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

Melamed expressly acknowledges that she/he is fully aware of the effect and import of this provision and that she/he releases and waives any rights they otherwise would have under this provision.

11. MISCELLANEOUS:

11.1 INVALIDITY OF PROVISIONS: The parties to this Agreement understand and agree that, in the event any term, condition or provision of this Agreement shall be declared by a tribunal of competent jurisdiction as invalid, illegal, or unenforceable, such invalidity, illegality or unenforceability shall not affect any other term, condition or provision of this Agreement, and this Agreement shall be interpreted as though such illegal, unenforceable, or invalid term, condition or provision was not part hereof.

11.2 ENTIRE AGREEMENT: This Agreement constitutes the entire agreement between the parties, and it is expressly understood and agreed that it may not be altered, amended, modified or otherwise changed in any respect or particular whatsoever, except in writing duly executed by the party to be charged. The Parties further declare and represent that no promise, inducement, representation or agreement not contained in this Release has been made to the parties; that this Release contains the entire agreement between the parties hereto, and that the terms of this Release are contractual and not a mere recital.

11.3. CONSTRUCTION: Headings at the beginning of each section are solely for the convenience of the parties and are not a part of and shall not be used to interpret this Agreement. The singular form shall include plural, and vice versa. This Agreement shall be construed as if all parties have prepared it. Unless otherwise indicated, all references to paragraphs are to this Agreement. The neutral gender includes the feminine and masculine, the masculine includes the feminine and the neuter, and the feminine includes the neuter, and each includes corporation, partnership or other legal entity when the context so requires.

11.4 GOVERNING LAW AND SEVERABILITY: This Agreement and the legal relations between the parties hereto shall be governed by and construed in accordance with the laws of the State of California. In the event any provision of this Agreement or the application of any such provision shall be held by a tribunal of competent jurisdiction to be contrary to law, the remaining provisions of this Agreement shall remain in full force and effect.

11.5 RIGHT TO SEEK LEGAL ADVICE: The Parties further represent and warrant that they had the right and sufficient opportunity to be represented by legal counsel of
their own choosing, in connection with executing this Release, has read this Release in its entirety, and fully understand each of its parts and its legal effect.

11.6 REPRESENTATION OF AUTHORITY: The Parties represent and warrant that they have the sole right and exclusive authority to execute this Agreement on their own respective behalf, and that she has not sold, assigned, transferred, conveyed, or otherwise disposed of any matter covered by this Agreement.

11.7 WARRANTY OF NON-ASSIGNMENT: The parties hereto and each of them represent and warrant that they have not heretofore assigned or transferred, or purported to assign or transfer, to any person, firm, or corporation whatsoever, any claim, debt, liability, demand, obligation, cost, expense, action, or cause of action covered by this Agreement, and each party hereto acknowledges and agrees that this warranty and representation is an essential and material term of this Agreement, without which none of the consideration received in connection herewith would have been made or delivered. The foregoing warrant and representation shall survive the delivery of this Agreement, and each of the parties hereto shall indemnify and hold the others harmless from any claims, demands, or actions which have been assigned or transferred, or purported to have been assigned or transferred, in violation of the foregoing representation and warranty.

11.8 SUCCESSORS AND ASSIGNS: This Agreement shall be binding upon each of the Parties, their respective spouse, agents, representatives heirs, attorneys, employees servants, affiliates, predecessors, successors and assigns, if any.

11.9 COUNTERPARTS: This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile, PDF, and Photo copy signatures may be used with the same force and effect as original signatures once notarized.

11.10 FULL AND INDEPENDENT KNOWLEDGE AND CAPACITY: The Parties acknowledge that they have carefully read and fully understand all of the provisions of this Agreement and that each Party has the legal capacity to enter into this Agreement.

11.11 AMBIGUITIES NOT CONSTUED AGAINST DRAFTER: The terms of this Agreement have been negotiated at arm's length between sophisticated Parties. As a result, the rule of “interpretation against the draftsman” shall not apply in any dispute over interpretation of the terms of this Agreement and that this Agreement shall be interpreted as if both Parties jointly drafted it.

11.12 FURTHER NECESSARY ACTION: The Parties agree, without further consideration, to execute or to be executed, and to deliver to the Releasees any other documents and to take any other action as may be necessary to consummate the subject matter of this Agreement.

11.13 CALIFORNIA LAW/VENUE: All questions with respect to the construction of this Agreement and the rights and liabilities of the Parties hereto shall be
governed by the substantive laws of the State of California, or where pre-empted, by the appropriate body of federal law. This Agreement shall be deemed to have been entered into in Los Angeles, California and any complaint or lawsuit seeking adjudication or redress of same may be brought in a court of competent jurisdiction in Los Angeles, California.

11.14 NO THIRD PARTY RIGHTS: This Agreement is made for the benefit of the Parties hereto and any other parties that are expressly identified in Sections 3 and 4 hereof and neither this Agreement nor any provision hereof shall be construed or deemed to give rise to rights in any other person.

11.15 Judgment upon the award rendered by the arbitrator, Judge, or Jury may be entered in any court of competent jurisdiction and the arbitrator shall be entitled to award the prevailing party its reasonable fees and expenses, including attorneys' fees.

11.16 Each of the Parties acknowledges that he has read this Agreement, that he fully understands that his rights, privileges and duties under the Agreement; that he fully understands the rights that he is giving up and obligations agreeing to by entering into this Agreement and that he enters into this Agreement fully and voluntarily. Each of the Parties further acknowledges that he has had an opportunity to consult with attorneys of their own choice to explain the terms of this Agreement and the consequences of signing it and have made a voluntary decision to enter into this Agreement without any reservations.

11.17 NO ORAL MODIFICATION: All Parties agree that any subsequent amendment or modification to this Agreement shall be deemed to be null and void unless such amendment or modification is in writing, specifically refers to this Agreement, and is signed and notarized by all Parties.

IN ACKNOWLEDGEMENT OF THE FOREGOING I HAVE READ THE FOREGOING AGREEMENT AND RELEASE AND I ACCEPT AND AGREE TO THE PROVISIONS CONTAINED THEREIN AND HEREBY EXECUTE IT VOLUNTARILY AND WITH FULL UNDERSTANDING OF ITS CONSEQUENCES.

[Remainder of Page Intentionally Left Blank]
IN WITNESS WHEREOF, the parties have signed this Agreement on the date above written with the intent to be legally bound.

ALEXSO, INC.

By: ____________________________

Hootan Farahmand, President

Date Signed: 5/10/16

SHAREHOLDERS:

By: ____________________________

Hootan Melamed

Date Signed: ____________________________

By: ____________________________

Hootan Troy Farahmand

Date Signed: 5/10/16
CALIFORNIA JURAT WITH AFFIANT STATEMENT

☐ See Attached Document (Notary to cross out lines 1–6 below)
☐ See Statement Below (Lines 1–6 to be completed only by document signer[s], not Notary)

1.

2.

3.

4.

5.

6.

Signature of Document Signer No. 1

Signature of Document Signer No. 2 (If any)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Los Angeles

Subscribed and sworn to (or affirmed) before me on this 10th day of May 2016 by

1. Hootan Melamed
   (and 2. Hootan Troy Farahmand)

Name(s) of Signer(s)

proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Signature

Signature of Notary Public

Seal

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: ________________________________ Document Date: ________________

Number of Pages: ______ Signer(s) Other Than Named Above: ________________________________
Action Report: National Practitioner Data Bank
Alabama State Board of Pharmacy
ALEXSO, INC.

ALABAMA STATE BOARD OF PHARMACY

STATE LICENSURE/ACTION:
Initial Action: - DENIAL OF INITIAL LICENSE OR CERTIFICATE

Date of Action: 12/02/2016

Basis for Initial Action:
- LICENSE REVOCATION, SUSPENSION OR OTHER DISCIPLINARY ACTION TAKEN BY A FEDERAL, STATE OR LOCAL LICENSING AUTHORITY

Entity Name: ALABAMA STATE BOARD OF PHARMACY
Address: 111 VILLAGE STREET
P.O. BOX 381988
City, State, Zip: BIRMINGHAM, AL 35242
Country:
Name or Office: MITZI ELLENBURG
Title or Department: INTERIM SECRETARY
Telephone: (205) 981-4764
Entity Internal Report Reference:
Type of Report: INITIAL

Organization Name: ALEXSO, INC.
Other Organization Name(s) Used:
Business Address: 2317 CUTNER AVE
City, State, ZIP: LOS ANGELES, CA 90064
Organization Type: OTHER TYPE NOT CLASSIFIED - SPECIFY (999)
Other, as Specified: MANUFACTURER/WHOLESALER/DISTRIBUTOR

Names and Titles of Principal Officers and Owners (POO):
Federal Employer Identification Numbers (FEIN):
Social Security Numbers (SSN):
Individual Taxpayer Identification Numbers (ITIN):
State License Number, State of Licensure:
Is the Subject a health care entity that provides health care services and engages in a formal peer review process for the purpose of furthering quality health care?:
Drug Enforcement Administration (DEA) Numbers:
Clinical Laboratory Act (CLIA) Numbers:
Food and Drug Administration (FDA) Numbers:
National Provider Identifiers (NPI):
Medicare Provider/Supplier Numbers:
Name(s) of Health Care Entity (Entities) With Which Subject Is Affiliated or Associated (Inclusion Does Not Imply Complicity in the Reported Action.):
Business Address of Affiliate:
City, State, ZIP:
Nature of Relationship(s):

DCN: 5500000103018808
Process Date: 01/25/2016
Page: 1 of 3
ALEXSO, INC.
For authorized use by:
ALEXSO, INC.

CONFIDENTIAL DOCUMENT - FOR AUTHORIZED USE ONLY
Type of Adverse Action: STATE LICENSURE
Basis for Action: LICENSE REVOCATION, SUSPENSION OR OTHER DISCIPLINARY ACTION TAKEN BY A FEDERAL, STATE OR LOCAL LICENSING AUTHORITY (39)

Name of Agency or Program That Took the Adverse Action
ALABAMA STATE BOARD OF PHARMACY

Specified in This Report: Advancing Action Classification Code(s):
DENIAL OF INITIAL LICENSE OR CERTIFICATE (3145)

Date Action Was Taken:
12/02/2015

Date Action Became Effective:
12/02/2015

Length of Action:
INDEFINITE

Total Amount of Monetary Penalty, Assessment and/or Restitution:

Is Subject Automatically Reinstated After Adverse Action Period Is Completed?:

Description of Subject's Act(s) or Omission(s) or Other Reasons for Action(s) Taken and Description of Action(s) Taken by Reporting Entity:
MANUFACTURER/WHOLESALER/DISTRIBUTOR APPLICANT DENIED DUE TO DUE TO DISCIPLINE BY THE SOUTH CAROLINA BOARD OF PHARMACY AND TEXAS BOARD OF PHARMACY

☐ Subject Identified in Section B has appealed the reported adverse action.

If the subject identified in Section B of this report has submitted a statement, it appears in this section.

Unless a box below is checked, the subject of this report identified in Section B has not contested this report.

☐ This report has been disputed by the subject identified in Section B.

☐ At the request of the subject identified in Section B, this report is being reviewed by the Secretary of the U.S. Department of Health and Human Services to determine its accuracy and/or whether it complies with reporting requirements. No decision has been reached.

☐ At the request of the subject identified in Section B, this report was reviewed by the Secretary of the U.S. Department of Health and Human Services and a decision was reached. The subject has requested that the Secretary reconsider the original decision.

☐ At the request of the subject identified in Section B, this report was reviewed by the Secretary of the U.S. Department of Health and Human Services. The Secretary's decision is shown below:

Date of Original Submission: 01/25/2016
Date of Most Recent Change: 01/25/2016

CONFIDENTIAL DOCUMENT - FOR AUTHORIZED USE ONLY
This report is maintained under the provisions of: Section 1921

The information contained in this report is maintained by the National Practitioner Data Bank for restricted use under the provisions of Section 1921 of the Social Security Act, and 45 CFR Part 60. All information is confidential and may be used only for the purpose for which it was disclosed. Disclosure or use of confidential information for other purposes is a violation of federal law. For additional information or clarification, contact the reporting entity identified in Section A.

______________________________
END OF REPORT

______________________________
CONFIDENTIAL DOCUMENT - FOR AUTHORIZED USE ONLY
Denial Letter
Georgia Department of Community Health
June 16, 2015

Alexso Inc
2317 Cotner Avenue
Los Angeles CA 90064

Application # 1860240
Email: troy@alexso.com

Re: Application for Registration – Wholesaler Pharmacy

Dear Alexso Inc:

The Georgia Board of Pharmacy reviewed your application for licensure at its recent meeting. After careful consideration of your application and supporting documents, the Board respectfully disapproved your application for licensure.

Please be advised that you do have the right to an appearance before the Board to discuss your application. A written request for such must be put in writing within 30 days of the date of this letter. The request may be faxed to 770-344-5727 or emailed to bhowell@dch.ga.gov.

If our office can be of further assistance, please do not hesitate to contact us.

Sincerely,

Georgia Board of Pharmacy
June 17, 2015

Alexso Inc
2317 Cotner Avenue
Los Angeles CA 90064

Application # 1860240
Email: trov@alexso.com

Re: Appearance Before the Board

Dear Alexso Inc:

This letter serves as confirmation of your appointment before the Georgia Board of Pharmacy on Wednesday, October 14, 2015. The meeting will be conducted at the Georgia Department of Community Health, 2 Peachtree St., N.W., 36th Floor, Atlanta, GA and is scheduled to begin at 9:00 a.m. Directions are attached.

If you are bringing documents with you for Board consideration, you must make your own copies before arriving if you wish to keep such. We will be unable to make copies for you at the meeting.

*Please note that the date/time you have been scheduled for is the next available appointment at this time. If there are any cancellations prior to this date, you will be notified.

If our office can be of any further assistance to you in this matter, please do not hesitate to contact us at 404-651-8000 or email bhowell@dch.ga.gov.

Sincerely,

Georgia Board of Pharmacy
Action Resolve: Georgia License Approval
Wholesaler Pharmacy License # PHWH003947
Georgia Board of Pharmacy
Application originally declined
Licensure granted:
  License Number: PHWH003947
  Issued: 02/17/16
  Expires: 06/30/17
Congratulations! Your license or registration for Wholesaler Pharmacy has been issued and your license number is PHWHO003947. You may print a pdf of such at http://gadch.mylicense.com/PocketCards/

Please make note of your expiration date, which is 06/30/2017 to insure timely renewal.

Thank you.

Georgia Board of Pharmacy
Apply For a License
Renew License
Change your Residential or Physical Address (Person License) or Mailing Address (Facility License)
Change Your Mailing Address (Person License)
Logout

Georgia Online Licensing

<<< Please select an option from the menu on the left <<<

NOTE: If you have not completed your license application or renewal process, click the Continue "Link" beneath in the Your Licenses section below.

Name: Alexso Inc
Address: 2317 Colner Avenue
         Los Angeles, CA 90064

Your Licenses

<table>
<thead>
<tr>
<th>License Number</th>
<th>Profession</th>
<th>Type</th>
<th>License Wholesaler Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>PHWH0038947</td>
<td>Pharmacy</td>
<td>Pharmacy</td>
<td></td>
</tr>
</tbody>
</table>

Issued: 2/17/2016  Expires: 6/30/2017
The document is a license from the State of Georgia Department of Community Health, Georgia State Board of Pharmacy, and Wholesaler Pharmacy. The license number is PHW11003947, and the status is Active. The license is issued to Alexso Inc, located at 2317 Coitner Avenue, Los Angeles CA 90064. The license expires on 6/30/2017 and was issued on 2/17/2016.

Above is your wall license to practice your profession. A pocket-sized license card is below.

Please make note of the expiration date on your license. It is your responsibility to renew your license before it expires.

Please notify the Board if you have a change of address or otherwise need to update your records.
Notice of Denial of Application for NV Wholesaler License
Nevada Board of Pharmacy
Nevada Board of Pharmacy

Application originally declined

The application was re-reviewed by the board and is currently pending on the condition that Hootan Troy Farahmand is the only active officer at Alexso and that two members of the board perform an inspection at Alexso. The inspection date is currently pending.
January 25, 2016

VIA U.S. CERTIFIED MAIL AND ELECTRONIC MAIL
Alexso, Inc.
Attn: Troy Farahmand
2317 Cotner Ave., 2nd Fl
Los Angeles, CA 90064

Re: Alexso, Inc. – Notice of Denial of Application for NV Wholesaler’s License

Dear Mr. Farahmand:

As you are aware, in October 2015, the Nevada State Board of Pharmacy (Board) considered and denied Alexso, Inc.’s application for an Out-of-State Wholesaler License. That denial was based on information, events and prior legal issues relating to Hootan Melamed, the company’s president and majority shareholder, and his former company, Concierge Compounding Pharmaceutical (Concierge), which were disclosed and discussed during the hearing on your application. Based on that information and hearing, the Board found grounds under NRS 639.210 to deny the application.

In particular, the Board Members had many questions and expressed concerns regarding Mr. Melamed’s prior conduct, including individually and as an owner of Concierge. The Board Members also expressed concern during the hearing that Mr. Melamed, as an owner of Concierge, and as a pharmacist who should have been an integral part of resolving issues at Concierge, demonstrated little interest, claimed to lack knowledge and/or otherwise failed to adequately answer Board Member questions regarding his prior activities and those of his former company.

Based on Mr. Melamed’s history and Concierge’s history under his ownership and control, the Board Members expressed concerns about Mr. Melamed’s character and willingness to, as an owner/officer of Alexso, Inc., abide by federal and state laws and regulations relating the purchase and sale of dangerous drugs and controlled substances. Those factors led to the Board’s determination that Alexso, Inc. does not meet the high standards of practice required of all Nevada-licensed wholesalers. A copy of the audio recording of the hearing is available to you upon request.
Alexso, Inc. has the right under NRS 639.139 to petition the Board for reconsideration of its application. The statute provides in relevant part:

NRS 639.139 Denial of application: Procedure for reconsideration.

1. At any time within 30 days after receipt of the notice of denial of an application, the applicant may petition the Board for reconsideration of the application. The petition must set forth a denial, in whole or in part, of the violations alleged and a statement that the applicant is prepared to submit evidence in support of the denial of the allegations.

....

(Emphasis added.)

If Alexso, Inc., opts to exercise its right to petition the Board for reconsideration, please submit that petition and all supporting evidence you wish to present to the Board's offices at 431 W. Plumb Lane, Reno, Nevada 89509, within thirty (30) days of receipt of this notice.

Additionally, please feel free to contact me if you have questions.

Best regards,

S. Paul Edwards
General Counsel
Nevada State Board of Pharmacy

Cc: Larry Pinson, Executive Secretary of the Nevada Board of Pharmacy
April 28, 2016

VIA U.S. MAIL AND ELECTRONIC MAIL
Alexso, Inc.
Attn: Troy Farahmand
2317 Cotner Ave., 2nd Fl
Los Angeles, CA 90064

Re: Alexso, Inc. – Notice of Approval of NV Wholesaler License

Dear Mr. Farahmand:

As you are aware, on April 13, 2016, the Nevada State Board of Pharmacy (Board) heard Alexso, Inc.'s Petition for Reconsideration and granted the company's application for a Nevada Wholesaler license. That approval is contingent upon the following conditions:

1. An on-site inspection and approval of Alexso's facilities and operations by Nevada Board Inspector(s) and/or staff member(s);

2. Alexso's ownership structure and officers may not change from what Alexso presented at the Board Meeting without prior written approval from the Board.

Please feel free to contact me if you have questions.

Best regards,

S. Paul Edwards
General Counsel
Nevada State Board of Pharmacy

Cc: Larry Pinson, Executive Secretary of the Nevada Board of Pharmacy
Consent Order
Oregon Board of Pharmacy
BEFORE THE BOARD OF PHARMACY
OF THE STATE OF OREGON

In the Matter of ) Case No. 2014-0196
Alexco Corporation ) CONSENT ORDER
Respondent )

WHEREAS, the Board of Pharmacy of the State of Oregon has filed a Notice of
Proposed Civil Penalty; Answer Required ("Notice") regarding the Respondent in the above-
captioned matter; and

WHEREAS, the above-noted Notice was duly served on the Respondent as required by
law; and

WHEREAS, the parties are desirous of resolving and settling those matters contained in
the above-noted Notice without further proceedings thereon; and

WHEREAS, the Respondent is aware of the right to a hearing with the assistance of
counsel and the right to judicial review of the Board's decision, and hereby freely and voluntarily
waives those rights; and

WHEREAS, the Respondent admits that the facts alleged in the above-noted Notice are
true, that the Respondent's conduct, as admitted, violated the statutes and rules cited in the
Notice, and that legal cause exists pursuant to ORS 689.335, 689.405, and 689.445 for
disciplinary action by the Board; and

WHEREAS, the Respondent consents to the action as set forth herein;

The Board finds that the allegations in the Notice are true and hereby:

1. The Respondent shall pay a civil penalty to the Board in the amount of $10,000
   with the full $10,000 stayed pending the following terms. If respondent violates any term or
   condition of this Consent Order, within three years of the effective date of this Consent Order,
   the Board may take action to lift the stayed civil penalty.

2. Respondent shall register as a Manufacturer with the Oregon Board of Pharmacy.
   Whereas respondent is in the process of registering as a Wholesaler in the State of California, the
   requirement to provide documentation of current licensure in California is waived at time of
   application to Oregon Board of Pharmacy for initial licensure. Respondent shall provide a copy
   of their California Wholesaler license within 30 days of its issuance.

3. Respondent shall annually register with the State Board of Pharmacy as required
   by ORS 689.305.
4. This Consent Order shall become effective immediately upon issuance by the Board.

CONSENT

I hereby acknowledge that I am the authorized representative of Respondent. On behalf of the Respondent, I further certify that I have read and understand the Notice and this Consent Order and am aware of the right to a hearing with the assistance of counsel and the right to judicial review of the Board's final order. On behalf of the Respondent I agree to the Board entering the Consent Order.

Authorized Representative
Alexco Corporation
Respondent

Date
11/25/14

IT IS SO ORDERED.

BOARD OF PHARMACY
FOR THE STATE OF OREGON

Date
11/25/14

Gary Miner, R.Ph.,
Compliance Director
BEFORE THE BOARD OF PHARMACY
OF THE STATE OF OREGON

In the Matter of )  Case No. 2014-0196
 )
Alexso Corporation )  NOTICE OF PROPOSED
 )  CIVIL PENALTY;
 )  ANSWER REQUIRED
 Respondent

Under the authority granted to the Oregon Board of Pharmacy (Board) pursuant to ORS
Chapter 689 (the Oregon Pharmacy Act), including ORS 689.135, 689.145, 689.155 and
689.832(1), the Oregon Board of Pharmacy proposes to impose a civil penalty against Alexso
Corporation located at 1151 S. Beverly Dr in Los Angeles, CA (Respondent) because
Respondent violated the Oregon Pharmacy Act and the Board of Pharmacy rules as set forth
below:

Respondent engaged in the distribution of drugs into Oregon without registering with the
Oregon Board of Pharmacy as a drug outlet in violation of OAR 855-060-0004,
ORS 689.305(1), and ORS 689.335 which is grounds for imposition of a civil penalty pursuant
to ORS 689.832(1), 689.335(1), 689.405(1)(e)(B), and 689.445.

Based on these alleged violations, the Board proposes to impose a civil penalty in an
amount of $10,000 per violation.

HEARING RIGHTS

The corporation is entitled to a hearing as provided by the Administrative Procedures Act
(ORS chapter 183). An attorney must represent the corporation. If the corporation wishes to have
a hearing, the corporation’s attorney must file a written request for hearing with the Board within
21 days from the date this notice was mailed. The corporation’s attorney may send or deliver a
request for hearing to:

Oregon Board of Pharmacy
800 NE Oregon Street, Suite 150
Portland, OR 97232
Fax: (971) 673-0002

If a request for hearing is not received within this 21-day period, the corporation’s right
to a hearing shall be considered waived.

If the corporation requests a hearing, the corporation’s attorney will be notified of the
time and place of the hearing. Before the commencement of the hearing, the corporation will be
given information on the procedures, right of representation and other rights of parties relating to
the conduct of the hearing.

If the corporation does not request a hearing within 21 days, or if it withdraws a hearing
request, notifies the Board or Administrative Law Judge that it will not appear, or fails to appear
at a scheduled hearing, the Board may issue a final order by default imposing discipline. If the
Board issues a final order by default, it designates its file on this matter as the record.

ANSWER REQUIRED

Pursuant to OAR 855-001-0010 and OAR 855-001-0015, if you request a hearing you
must also provide, within 21 days from the date this contested case notice was served, a written
answer to the allegations set forth in this contested case notice. Your written answer must include
an admission or denial of each factual matter alleged in the notice and a short and plain statement
of each relevant affirmative defense you may have. Except for good cause, factual matters
alleged in the notice and not denied in the answer shall be presumed admitted; failure to raise a
particular defense in the answer will be considered a waiver of such defense; new matters alleged
in the answer (affirmative defenses) shall be presumed to be denied by the agency; and evidence
shall not be taken on any issue not raised in the notice and the answer.

Hearing Request and Answers:
Consequences of Failure to Answer
855-001-0015

(1) A hearing request, and answer when required, shall be made in writing to the
Board by the party or his attorney and an answer shall include the following:

(a) An admission or denial of each factual matter alleged in the notice;
(b) A short and plain statement of each relevant affirmative defense the party
may have.

(2) Except for good cause;

(a) Factual matters alleged in the notice and not denied in the answer shall be
presumed admitted;
(b) Failure to raise a particular defense in the answer will be considered a
waiver of such defense;
(c) New matters alleged in the answer (affirmative defenses) shall be
presumed to be denied by the agency; and
(d) Evidence shall not be taken on any issue not raised in the notice and the
answer.

BOARD OF PHARMACY
FOR THE STATE OF OREGON

Date 10/27/14

Gary Miner, R.Ph.,
Compliance Director

DATE OF MAILING 10-28-2014

Page 2 of 2 – NOTICE OF PROPOSED CIVIL PENALTY; Case No. 2014-0196
Action Resolve: Oregon License Approval
Manufacturer License # M-0002669
Order
South Carolina Department of Labor, Licensing and Regulation
This matter came before the State Board of Pharmacy ("Board") for hearing on June 19, 2013 as a result of the non-resident pharmacy permit application ("Application") of Concierge Compounding Pharmaceuticals ("Applicant"). Applicant was duly noticed to appear due to a prior criminal action. Sally Chia, Pharmacist-in-Charge, and Hootan Melamed, Permit Holder, appeared on behalf of the Applicant. Applications of this type are governed by S.C. Code Ann. §§40-43-83, 40-43-86, 40-43-89 (1976, as amended), and South Carolina Code of Regulations, Reg. 99-43, as amended.

FINDINGS OF FACT

1. Applicant is located in Henderson, Nevada.
2. Applicant submitted an application for a nonresident pharmacy permit, which application was received on February 21, 2013 ("Application").
3. Applicant's proposed pharmacist-in-charge is Sally Chia ("PIC"). The PIC is licensed in Nevada with license number 18013.
4. Applicant answered "yes" to question 2 on the Application, related to a criminal prosecution. In 1999, Melauned pled guilty to a felony for conspiracy to commit securities fraud for a "pump and dump" scheme in the stock market. This occurred while he was a student in pharmacy school.
5. Applicant garners interest in the business by traveling to trade shows. Once Applicant receives some business in a certain area, Applicant applies in the appropriate state.
Applicant is licensed in 15 states currently.

6. Approximately 80-90% of Applicant's business is out-of-state.

7. Applicant complies with a 3:1 technician to pharmacist ratio.

8. The Nevada Board does a separate compounding inspection on pharmacies.

9. Applicant is undergoing the Pharmacy Compounding Accreditation Board (PCAB) accreditation process.

10. Regarding adjustments in formulas, Applicant testified that they write down any adjustments on the worksheets. Now, Applicant is printing out and taping any adjustments on the worksheets. Their new policy is to make adjustments in the formula. The adjustments are not reflected in the materials as submitted to the Board.

11. Applicant does not think they have shipped products into South Carolina.

CONCLUSIONS OF LAW

In an application hearing, "(t)he applicant shall demonstrate to the satisfaction of the board that the applicant meets all requirements for the issuance of a license." S.C. Code Ann. § 40-1-130 (1976, as amended). Thus, the burden of proof in an application for licensure or certification is on the Applicant to provide full, complete, and accurate responses to all questions on the application and to demonstrate that he or she is qualified for the license sought.

After careful consideration, the Board determined that approval of the permit should be denied based on testimony. Under the Pharmacy Practice Act, specifically in S.C. Code Ann. § 40-43-83(H), it states "The Board of Pharmacy may deny or refuse to renew a permit if it determines that the granting or renewing of such permit would not be in the public interest. If an application is refused, the board shall notify the applicant in writing of its decision and the reasons for its decision." Here, the Board finds that it would not be in the public interest because the Board does not believe Applicant has met the standards of pharmacy practice as required by South Carolina law. The Board has serious concerns regarding the accuracy and completeness of the compounded formulas provided in the application. Additionally, in the materials as submitted to the Board, the formulas are not adjusted and do not definitively meet the standards as required by South Carolina; as such, these omissions are not in compliance with the standards for compounding set forth in S.C. Code Ann. §§ 40-43-86(CC) and 40-43-88.

CERTIFIED TRUE COPY

BY: [Signature]

TITLE: Records Analyst
THEREFORE, IT IS ORDERED that Applicant's Application is DENIED.
AND IT IS SO ORDERED.

SOUTH CAROLINA DEPARTMENT OF
LABOR, LICENSING & REGULATION

STATE BOARD OF PHARMACY

J. Addison Livingston, R.Ph. Pharm.D
Chairman of the Board

August 15, 2013.

CERTIFIED TRUE COPY

BY:  
TITLE:  Records Analyst
Agreed Board Order
Texas State Board of Pharmacy
AGREED BOARD ORDER #L-13-019

RE: IN THE MATTER OF
CONCierge COMPOUNDING
PHARMACEUTICALS, INC.
(APPLICANT FOR TEXAS
PHARMACY LICENSE)

BEFORE THE TEXAS STATE
BOARD OF PHARMACY

On this day came on to be considered by the Texas State Board of Pharmacy ("Board") the matter of the Application for Pharmacy License submitted by Concierge Compounding Pharmaceuticals, Inc. ("Applicant"), 1887 Whitney Mesa Dr., Henderson, Nevada 89014.

By letter dated July 2, 2013, the Board gave preliminary notice to Applicant of its intent to take disciplinary action. This action was taken as a result of an investigation which produced evidence indicating that Applicant may have violated:

Section 565.002(b)(2) of the Texas Pharmacy Act, TEX. OCC. CODE ANN. Title 3, Subtitle J (2011), in that allegedly:

COUNT

On or about January 19, 2001, Hootan Melamed (corporate president of Concierge Compounding Pharmaceuticals, Inc.) was convicted of the felony offense of Conspiracy to Commit Securities Fraud in Case No. CR00-7-GAF-2, in the United States District Court for the Central District of California. The action was based on evidence that Mr. Melamed and others artificially inflated the share prices of a company by posting false information on the internet, after which the conspirators sold their shares for a profit of $211,250. The trial court sentenced Mr. Melamed to 10 months prison followed by 3 years probation and ordered him to pay restitution.

An informal conference was held in the Board's office on July 10, 2013, with Hootan Melamed, Corporate President of Applicant, in attendance. The informal conference was heard by a Board panel comprised of: Dennis F. Wiesner, R.Ph., Board Member; Gay Dodson, R.Ph., Executive Director/Secretary; and Carol Fisher, R.Ph., M.P.A., Director of Enforcement; with Caroline K. Hotchkiss, Staff Attorney, serving as General Counsel. Tyler P. Vance, Staff Attorney, was also in attendance.

At the aforementioned conference, Hootan Melamed, Corporate President of Applicant, waived the right to be represented by legal counsel. By signing this Order, Hootan Melamed, Corporate President of Applicant, neither admits nor denies the truth of the matters previously
set out in this Order, and agrees that the Board has jurisdiction in this matter and waives the right to notice of hearing, formal administrative hearing, and judicial review of this Order.

The parties acknowledge that this Order resolves the allegations set forth herein, and agree to the terms and conditions set forth in the ORDER OF THE BOARD below.

ORDER OF THE BOARD

THEREFORE, PREMISES CONSIDERED, the Board does hereby ORDER that:

(1) Applicant shall be granted a Texas Pharmacy License after successfully completing the requirements of licensure as set forth in the Texas Pharmacy Act, TEX. OCC. CODE ANN., Title 3, Subtitle J (2011) and the Texas Pharmacy Board Rules, 22 TEX. ADMIN. CODE (2013).

(2) Applicant's license shall be suspended for a period of one (1) year, with such period to commence upon issuance of the license. Such suspension shall be probated under the conditions that Applicant abide by the terms of this Order, and shall not violate any pharmacy or drug statute or rule of this state, another state, or the United States with respect to pharmacy, controlled substances, and dangerous drugs.

(3) Applicant shall pay a probation fee of one thousand two hundred dollars ($1,200) due ninety (90) days after the entry of this Order.

(4) Applicant shall be responsible for all costs relating to compliance with the requirements of this Order.

(5) Applicant shall allow Board staff to directly contact Applicant on any matter regarding the enforcement of this Order.

(6) Failure to comply with any of the requirements in this Order constitutes a violation and shall be grounds for further disciplinary action. The requirements of this Order are subject to the Texas Pharmacy Act, TEX. OCC. CODE ANN., Title 3, Subtitle J (2011), and Texas Pharmacy Board Rules, 22 TEX. ADMIN. CODE (2013).
Agreed Board Order #L-13-019
Conclere Compounding Pharmaceuticals, Inc.
Page 3

And it is so ORDERED.

THIS ORDER IS A PUBLIC RECORD.

SIGNED AND ENTERED ON THIS 6th day of August, 2013

MEMBER, TEXAS STATE BOARD OF PHARMACY

ATTEST:

Gay Dodson, R.Ph., Executive Director/Secretary
Texas State Board of Pharmacy

APPROVED AS TO FORM AND AGREED TO:

Hooton Malamed, Corporate President of Conclere Compounding Pharmaceuticals, Inc.

APPROVED AS TO FORM:

Kerstin E. Arnold, General Counsel
Texas State Board of Pharmacy