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June 26, 2007

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Mr. Homer Smith 305 Vine Street Liverpool, NY 13088

CEASE & DESIST

Dear Mr. Smith:

An investigation by the North Carolina Board of Pharmacy has established that MyPharmal.net is soliciting pharmacies in North Carolina via facsimile. Your name is listed as the administrative contact for MyPharmal.net.

The Board has obtained copies of the faxes sent to numerous sites in North Carolina. The material sent in your faxes solicits Internet-based orders for prescription drugs. The material requests "patients" to answer a questionnaire, which is then referred to a physician for review and issuance of a prescription to a pharmacy, which would in turn ship to the prescription drugs to the "patients. Drugs mentioned in the MyPharma1.net faxes include Ultram, Soma, Fioricet, Prozac and Buspar.

Such activity violates North Carolina and federal law in at least two ways.

First, MyPharmal.net does not hold a pharmacy permit with the Board. North Carolina law specifically prohibits pharmacies from dispensing, mailing, or shipping medications into North Carolina without a valid permit.

Second, even if MyPharmal.net did hold a pharmacy permit, its activities would nonetheless violate federal and state law. North Carolina law expressly prohibits pharmacists from filling any prescription that is not generated pursuant to a physical examination and a prior prescriber-patient relationship. 21 N.C.A.C. 46.1801(b). Furthermore, distribution of controlled substances in this manner violates both the North Carolina and federal controlled substances acts.

Mr. Homer Smith June 26, 2007 Page Two

Our Board, with cooperation with other state and federal law enforcement, has been active in shutting down illegal internet businesses such as your. And we are prepared to do the same in your case.

By copy of this letter, I am alerting the federal Drug Enforcement Administration, the North Carolina Attorney General's office, and appropriate legal authorities in New York of the nature of your business.

Accordingly, you are ordered to <u>IMMEDIATELY CEASE AND DESIST</u> any further solicitations for "patients" in North Carolina or otherwise facilitating the dispensing of prescription drugs in violation of federal and state law. Failure to abide by this order will result in the Board taking all available legal options. Please give this order your immediate, most serious attention.

Sincerely,

Jay Campbell

Executive Director

ce: Clinton Pinyan, Esq., North Carolina Board of Pharmacy Counsel

Karen Matthew, North Carolina Board of Pharmacy Director

of Investigations and Inspections

Creecy Johnson, North Carolina Assistant Attorney General

Brian Reise, Drug Enforcement Administration

Larry Mokhiber, Executive Director, New York Board of Pharmacy

Michael Moffett, Section Chief New York Bureau of Narcotic Control