

**STATE OF CALIFORNIA
DEPARTMENT OF INDUSTRIAL RELATIONS
DIVISION OF WORKERS' COMPENSATION
BEFORE THE ADMINISTRATIVE DIRECTOR**

In Re: PROVIDER SUSPENSION

KAY PHARMACY, INC.,

Respondent.

ORDER OF SUSPENSION

WHEREAS, Labor Code section 139.21(a)(1)(D) requires the Administrative Director to suspend any entity controlled by and individual who has been convicted of a felony or misdemeanor described in Labor Code section 139.21(a)(1)(A); and

WHEREAS, Respondent Kay Pharmacy, Inc., is controlled by an individual, John Khanbekyan, who has been convicted of a felony or misdemeanor described in Labor Code section 139.219(a)(1)(A). (Per Labor Code section 139.21(a)(3), an entity is controlled by an individual if: (1) the individual is or was an officer or director of the entity; (2) is or was a shareholder with a 10 percent or greater interest in the entity; or (3) held de facto ownership of the entity or de facto control consistent with the rights and duties of an officer or director of the entity. See Villanueva v. Teva Foods (2019) WCAB Case No. ADJ9332041, 84 Cal. Comp. Cases 198 [significant panel decision].); and

WHEREAS, on or about August 4, 2026, the Administrative Director mailed to Kay Pharmacy, Inc., a written notice of the right to a hearing regarding the suspension and the procedure to follow to request a hearing, as provided in Labor Code section 139.21(b)(2) and California Code of Regulations, title 8, section 9788.1; and

WHEREAS, pursuant to Labor Code section 139.21(b)(2) and California Code of Regulations, title 8, section 9788.1(d), the written notice advised Kay Pharmacy, Inc., that the suspension would start thirty (30) calendar days after the date of mailing of written

1 notice, unless Kay Pharmacy, Inc., submitted a written request for a hearing within ten (10)
2 calendar days of the date of mailing of the notice; and

3 WHEREAS, Kay Pharmacy, Inc., did not submit a written request for hearing with in
4 ten (10) calendar days of the date of mailing of the notice; and

5 WHEREAS, the Administrative Director is required to suspend any physician,
6 practitioner, or provider pursuant to Labor Code section 139.21 and California Code of
7 Regulations, title 8, section 9788.2, after thirty (30) days from the date the notice was
8 mailed, unless the physician, practitioner, or provider submits a written request for a
9 hearing within ten (10) calendar days of the date of mailing of the notice;

10 **IT IS HEREBY ORDERED** that Kay Pharmacy, Inc., is hereby suspended from
11 participating in the workers' compensation system as a physician, practitioner, or provider.

12
13 Date: October 5, 2026

/S/ Nicole L. Richardson
Nicole L. Richardson
Administrative Director
Division of Workers' Compensation