

BEFORE THE
MEDICAL BOARD OF CALIFORNIA
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA

In the Matter of the Accusation
Against:

Robert Sheldon Pallas, M.D.

Physician's and Surgeon's
Certificate No. A 32895

Respondent.

Case No.: 800-2018-044489

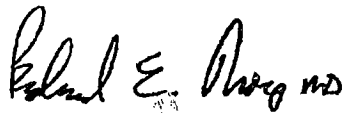
DECISION

The attached Stipulation Settlement is hereby adopted as the Decision and Order of the Medical Board of California, Department of Consumer Affairs, State of California.

This Decision shall become effective at 5:00 p.m. on August 12, 2022.

IT IS SO ORDERED: July 14, 2022.

MEDICAL BOARD OF CALIFORNIA



Richard E. Thorp, M.D., Chair
Panel B

1 ROB BONTA
Attorney General of California
2 ROBERT MCKIM BELL
Supervising Deputy Attorney General
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8
9 **BEFORE THE**
10 **MEDICAL BOARD OF CALIFORNIA**
11 **DEPARTMENT OF CONSUMER AFFAIRS**
12 **STATE OF CALIFORNIA**

13 In the Matter of the Accusation Against:
14 ROBERT SHELDON PALLAS, M.D.
15 1138 Palo Verde
Long Beach, California 90815,
16 Physician's and Surgeon's Certificate No. A
17 32895,
18 Respondent.

Case No. 800-2018-044489

OAH No. 2021030210

19
20 **STIPULATED SETTLEMENT AND**
21 **DISCIPLINARY ORDER**

22 **IT IS HEREBY STIPULATED AND AGREED** by and between the parties to the above-
23 entitled proceedings that the following matters are true:

24 **PARTIES**

25 1. William Prasifka (Complainant) is the Executive Director of the Medical Board of
26 California (Board). He brought this action solely in his official capacity and is represented in this
27 matter by Rob Bonta, Attorney General of the State of California, by Brian D. Bill, Deputy
28 Attorney General.

2. Respondent Robert Sheldon Pallas, M.D. (Respondent) is represented in this
proceeding by attorney Kevin D. Cauley, whose address is: 624 South Grand Avenue, 22nd Floor

1 Los Angeles, CA 90017-3323.

2 3. On or about September 6, 1978, the Board issued Physician's and Surgeon's
3 Certificate No. A 32895 to Respondent. The Physician's and Surgeon's Certificate will expire on
4 July 31, 2022.

5 **JURISDICTION**

6 4. Accusation No. 800-2018-044489 was filed before the Board, and is currently
7 pending against Respondent. The Accusation and all other statutorily required documents were
8 properly served on Respondent on May 18, 2020. Respondent timely filed his Notice of Defense
9 contesting the Accusation.

10 5. A copy of Accusation No. 800-2018-044489 is attached as exhibit A and incorporated
11 herein by reference.

12 **ADVISEMENT AND WAIVERS**

13 6. Respondent has carefully read, fully discussed with counsel, and understands the
14 charges and allegations in Accusation No. 800-2018-044489. Respondent has also carefully read,
15 fully discussed with his counsel, and understands the effects of this Stipulated Settlement and
16 Disciplinary Order.

17 7. Respondent is fully aware of his legal rights in this matter, including the right to a
18 hearing on the charges and allegations in the Accusation; the right to confront and cross-examine
19 the witnesses against him; the right to present evidence and to testify on his own behalf; the right
20 to the issuance of subpoenas to compel the attendance of witnesses and the production of
21 documents; the right to reconsideration and court review of an adverse decision; and all other
22 rights accorded by the California Administrative Procedure Act and other applicable laws.

23 8. Respondent voluntarily, knowingly, and intelligently waives and gives up each and
24 every right set forth above.

25 **CULPABILITY**

26 9. Respondent understands and agrees that the charges and allegations in Accusation
27 No. 800-2018-044489, if proven at a hearing, constitute cause for imposing discipline upon his
28 Physician's and Surgeon's Certificate.

1 15. The parties understand and agree that Portable Document Format (PDF) and facsimile
2 copies of this Stipulated Settlement and Disciplinary Order, including PDF and facsimile
3 signatures thereto, shall have the same force and effect as the originals.

4 16. In consideration of the foregoing admissions and stipulations, the parties agree that
5 the Board may, without further notice or opportunity to be heard by the Respondent, issue and
6 enter the following Disciplinary Order:

7 **DISCIPLINARY ORDER**

8 IT IS HEREBY ORDERED that Physician's and Surgeon's Certificate No. A 32895, issued
9 to Respondent Robert Sheldon Pallas, M.D., is revoked. However, the revocation is stayed and
10 Respondent is placed on probation for five (5) years on the following terms and conditions:

11 1. COMMUNITY SERVICE - FREE SERVICES. Within 60 calendar days of the
12 effective date of this Decision, Respondent shall submit to the Board or its designee for prior
13 approval a community service plan in which Respondent shall, within the first 4 years of
14 probation, provide 200 hours of free services (e.g., medical or nonmedical) to a community or
15 non-profit organization. If the term of probation is designated for 2 years or less, the community
16 service hours must be completed not later than 6 months prior to the completion of probation.

17 Prior to engaging in any community service, Respondent shall provide a true copy of the
18 Decision(s) to the chief of staff, director, office manager, program manager, officer, or the chief
19 executive officer at every community or non-profit organization where Respondent provides
20 community service and shall submit proof of compliance to the Board or its designee within 15
21 calendar days. This condition shall also apply to any change(s) in community service.

22 Community service performed prior to the effective date of the Decision shall not be
23 accepted in fulfillment of this condition.

24 2. EDUCATION COURSE. Within 60 calendar days of the effective date of this
25 Decision, and on an annual basis thereafter, Respondent shall submit to the Board or its designee
26 for its prior approval educational program(s) or course(s) which shall not be less than 40 hours
27 per year, for each year of probation. The educational program(s) or course(s) shall be aimed at
28 correcting any areas of deficient practice or knowledge and shall be Category I certified. The

1 educational program(s) or course(s) shall be at Respondent's expense and shall be in addition to
2 the Continuing Medical Education (CME) requirements for renewal of licensure. Following the
3 completion of each course, the Board or its designee may administer an examination to test
4 Respondent's knowledge of the course. Respondent shall provide proof of attendance for 65
5 hours of CME of which 40 hours were in satisfaction of this condition.

6 3. PROFESSIONALISM PROGRAM (ETHICS COURSE). Within 60 calendar days of
7 the effective date of this Decision, Respondent shall enroll in a professionalism program, that
8 meets the requirements of Title 16, California Code of Regulations (CCR) section 1358.1.
9 Respondent shall participate in and successfully complete that program. Respondent shall
10 provide any information and documents that the program may deem pertinent. Respondent shall
11 successfully complete the classroom component of the program not later than six (6) months after
12 Respondent's initial enrollment, and the longitudinal component of the program not later than the
13 time specified by the program, but no later than one (1) year after attending the classroom
14 component. The professionalism program shall be at Respondent's expense and shall be in
15 addition to the Continuing Medical Education (CME) requirements for renewal of licensure.

16 A professionalism program taken after the acts that gave rise to the charges in the
17 Accusation, but prior to the effective date of the Decision may, in the sole discretion of the Board
18 or its designee, be accepted towards the fulfillment of this condition if the program would have
19 been approved by the Board or its designee had the program been taken after the effective date of
20 this Decision.

21 Respondent shall submit a certification of successful completion to the Board or its
22 designee not later than 15 calendar days after successfully completing the program or not later
23 than 15 calendar days after the effective date of the Decision, whichever is later.

24 4. MONITORING - PRACTICE/BILLING. Within 30 calendar days of the effective
25 date of this Decision, Respondent shall submit to the Board or its designee for prior approval as
26 practice and billing monitors, the name and qualifications of one or more licensed physicians and
27 surgeons whose licenses are valid and in good standing, and who are preferably American Board
28 of Medical Specialties (ABMS) certified. A monitor shall have no prior or current business or

1 personal relationship with Respondent, or other relationship that could reasonably be expected to
2 compromise the ability of the monitor to render fair and unbiased reports to the Board, including
3 but not limited to any form of bartering, shall be in Respondent's field of practice, and must agree
4 to serve as Respondent's monitor. Respondent shall pay all monitoring costs.

5 The Board or its designee shall provide the approved monitor with copies of the Decision(s)
6 and Accusation(s), and a proposed monitoring plan. Within 15 calendar days of receipt of the
7 Decision(s), Accusation(s), and proposed monitoring plan, the monitor shall submit a signed
8 statement that the monitor has read the Decision(s) and Accusation(s), fully understands the role
9 of a monitor, and agrees or disagrees with the proposed monitoring plan. If the monitor disagrees
10 with the proposed monitoring plan, the monitor shall submit a revised monitoring plan with the
11 signed statement for approval by the Board or its designee.

12 Within 60 calendar days of the effective date of this Decision, and continuing throughout
13 probation, Respondent's practice and billing shall be monitored by the approved monitor.
14 Respondent shall make all records available for immediate inspection and copying on the
15 premises by the monitor at all times during business hours and shall retain the records for the
16 entire term of probation.

17 If Respondent fails to obtain approval of a monitor within 60 calendar days of the effective
18 date of this Decision, Respondent shall receive a notification from the Board or its designee to
19 cease the practice of medicine within three (3) calendar days after being so notified. Respondent
20 shall cease the practice of medicine until a monitor is approved to provide monitoring
21 responsibility.

22 The monitor(s) shall submit a quarterly written report to the Board or its designee which
23 includes an evaluation of Respondent's performance, indicating whether Respondent's practices
24 are within the standards of practice of medicine and billing and whether Respondent is practicing
25 medicine safely, billing appropriately or both. It shall be the sole responsibility of Respondent to
26 ensure that the monitor submits the quarterly written reports to the Board or its designee within
27 10 calendar days after the end of the preceding quarter.

28 If the monitor resigns or is no longer available, Respondent shall, within 5 calendar days of

1 such resignation or unavailability, submit to the Board or its designee, for prior approval, the
2 name and qualifications of a replacement monitor who will be assuming that responsibility within
3 15 calendar days. If Respondent fails to obtain approval of a replacement monitor within 60
4 calendar days of the resignation or unavailability of the monitor, Respondent shall receive a
5 notification from the Board or its designee to cease the practice of medicine within three (3)
6 calendar days after being so notified. Respondent shall cease the practice of medicine until a
7 replacement monitor is approved and assumes monitoring responsibility.

8 In lieu of a monitor, Respondent may participate in a professional enhancement program
9 approved in advance by the Board or its designee that includes, at minimum, quarterly chart
10 review, semi-annual practice assessment, and semi-annual review of professional growth and
11 education. Respondent shall participate in the professional enhancement program at Respondent's
12 expense during the term of probation.

13 5. NOTIFICATION. Within seven (7) days of the effective date of this Decision, the
14 Respondent shall provide a true copy of this Decision and Accusation to the Chief of Staff or the
15 Chief Executive Officer at every hospital where privileges or membership are extended to
16 Respondent, at any other facility where Respondent engages in the practice of medicine,
17 including all physician and locum tenens registries or other similar agencies, and to the Chief
18 Executive Officer at every insurance carrier which extends malpractice insurance coverage to
19 Respondent. Respondent shall submit proof of compliance to the Board or its designee within 15
20 calendar days.

21 This condition shall apply to any change(s) in hospitals, other facilities or insurance carrier.

22 6. SUPERVISION OF PHYSICIAN ASSISTANTS AND ADVANCED PRACTICE
23 NURSES. During probation, Respondent is prohibited from supervising physician assistants and
24 advanced practice nurses.

25 7. OBEY ALL LAWS. Respondent shall obey all federal, state and local laws, all rules
26 governing the practice of medicine in California and remain in full compliance with any court
27 ordered criminal probation, payments, and other orders.

28 8. QUARTERLY DECLARATIONS. Respondent shall submit quarterly declarations

1 under penalty of perjury on forms provided by the Board, stating whether there has been
2 compliance with all the conditions of probation.

3 Respondent shall submit quarterly declarations not later than 10 calendar days after the end
4 of the preceding quarter.

5 9. GENERAL PROBATION REQUIREMENTS.

6 Compliance with Probation Unit

7 Respondent shall comply with the Board's probation unit. (

8 Address Changes

9 Respondent shall, at all times, keep the Board informed of Respondent's business and
10 residence addresses, email address (if available), and telephone number. Changes of such
11 addresses shall be immediately communicated in writing to the Board or its designee. Under no
12 circumstances shall a post office box serve as an address of record, except as allowed by Business
13 and Professions Code section 2021, subdivision (b).

14 Place of Practice

15 Respondent shall not engage in the practice of medicine in Respondent's or patient's place
16 of residence, unless the patient resides in a skilled nursing facility or other similar licensed
17 facility.

18 License Renewal

19 Respondent shall maintain a current and renewed California physician's and surgeon's
20 license.

21 Travel or Residence Outside California

22 Respondent shall immediately inform the Board or its designee, in writing, of travel to any
23 areas outside the jurisdiction of California which lasts, or is contemplated to last, more than thirty
24 (30) calendar days.

25 In the event Respondent should leave the State of California to reside or to practice
26 ,Respondent shall notify the Board or its designee in writing 30 calendar days prior to the dates of
27 departure and return.

28 10. INTERVIEW WITH THE BOARD OR ITS DESIGNEE. Respondent shall be

1 available in person upon request for interviews either at Respondent's place of business or at the
2 probation unit office, with or without prior notice throughout the term of probation.

3 11. NON-PRACTICE WHILE ON PROBATION. Respondent shall notify the Board or
4 its designee in writing within 15 calendar days of any periods of non-practice lasting more than
5 30 calendar days and within 15 calendar days of Respondent's return to practice. Non-practice is
6 defined as any period of time Respondent is not practicing medicine as defined in Business and
7 Professions Code sections 2051 and 2052 for at least 40 hours in a calendar month in direct
8 patient care, clinical activity or teaching, or other activity as approved by the Board. If
9 Respondent resides in California and is considered to be in non-practice, Respondent shall
10 comply with all terms and conditions of probation. All time spent in an intensive training
11 program which has been approved by the Board or its designee shall not be considered non-
12 practice and does not relieve Respondent from complying with all the terms and conditions of
13 probation. Practicing medicine in another state of the United States or Federal jurisdiction while
14 on probation with the medical licensing authority of that state or jurisdiction shall not be
15 considered non-practice. A Board-ordered suspension of practice shall not be considered as a
16 period of non-practice.

17 In the event Respondent's period of non-practice while on probation exceeds 18 calendar
18 months, Respondent shall successfully complete the Federation of State Medical Boards's Special
19 Purpose Examination, or, at the Board's discretion, a clinical competence assessment program
20 that meets the criteria of Condition 18 of the current version of the Board's "Manual of Model
21 Disciplinary Orders and Disciplinary Guidelines" prior to resuming the practice of medicine.

22 Respondent's period of non-practice while on probation shall not exceed two (2) years.

23 Periods of non-practice will not apply to the reduction of the probationary term.

24 Periods of non-practice for a Respondent residing outside of California will relieve
25 Respondent of the responsibility to comply with the probationary terms and conditions with the
26 exception of this condition and the following terms and conditions of probation: Obey All Laws;
27 General Probation Requirements; Quarterly Declarations; Abstain from the Use of Alcohol and/or
28 Controlled Substances; and Biological Fluid Testing..

1 12. COMPLETION OF PROBATION. Respondent shall comply with all financial
2 obligations (e.g., restitution, probation costs) not later than 120 calendar days prior to the
3 completion of probation. Upon successful completion of probation, Respondent's certificate shall
4 be fully restored.

5 13. VIOLATION OF PROBATION. Failure to fully comply with any term or condition
6 of probation is a violation of probation. If Respondent violates probation in any respect, the
7 Board, after giving Respondent notice and the opportunity to be heard, may revoke probation and
8 carry out the disciplinary order that was stayed. If an Accusation, or Petition to Revoke Probation,
9 or an Interim Suspension Order is filed against Respondent during probation, the Board shall have
10 continuing jurisdiction until the matter is final, and the period of probation shall be extended until
11 the matter is final.

12 14. LICENSE SURRENDER. Following the effective date of this Decision, if
13 Respondent ceases practicing due to retirement or health reasons or is otherwise unable to satisfy
14 the terms and conditions of probation, Respondent may request to surrender his or her license.
15 The Board reserves the right to evaluate Respondent's request and to exercise its discretion in
16 determining whether or not to grant the request, or to take any other action deemed appropriate
17 and reasonable under the circumstances. Upon formal acceptance of the surrender, Respondent
18 shall within 15 calendar days deliver Respondent's wallet and wall certificate to the Board or its
19 designee and Respondent shall no longer practice medicine. Respondent will no longer be subject
20 to the terms and conditions of probation. If Respondent re-applies for a medical license, the
21 application shall be treated as a petition for reinstatement of a revoked certificate.

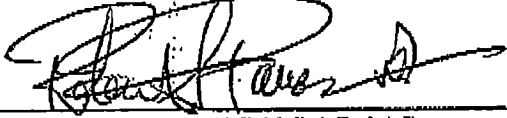
22 15. PROBATION MONITORING COSTS. Respondent shall pay the costs associated
23 with probation monitoring each and every year of probation, as designated by the Board, which
24 may be adjusted on an annual basis. Such costs shall be payable to the Medical Board of
25 California and delivered to the Board or its designee no later than January 31 of each calendar
26 year.

27 16. FUTURE ADMISSIONS CLAUSE. If Respondent should ever apply or reapply for
28 a new license or certification, or petition for reinstatement of a license, by any other health care


1 licensing action agency in the State of California, all of the charges and allegations contained in
2 Accusation No. 800-2018-044489 shall be deemed to be true, correct, and admitted by
3 Respondent for the purpose of any Statement of Issues or any other proceeding seeking to deny or
4 restrict license.

5 ACCEPTANCE

6 I have carefully read the above Stipulated Settlement and Disciplinary Order and have fully
7 discussed it with my attorney, Kevin D. Cauley, Esq.. I understand the stipulation and the effect
8 it will have on my Physician's and Surgeon's Certificate. I enter into this Stipulated Settlement
9 and Disciplinary Order voluntarily, knowingly, and intelligently, and agree to be bound by the
10 Decision and Order of the Medical Board of California.

11
12 DATED: 10/12/2021 
13 ROBERT SHELDON PALLAS, M.D.
14 Respondent

15 I have read and fully discussed with Respondent Robert Sheldon Pallas, M.D. the terms and
16 conditions and other matters contained in the above Stipulated Settlement and Disciplinary Order.
17 I approve its form and content.

18
19 DATED: October 13, 2021 
20 KEVIN D. CAULEY, ESQ.
21 Attorney for Respondent

22 //
23 //
24 //
25 //
26 //
27 //
28 //

ENDORSEMENT

The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully submitted for consideration by the Medical Board of California.

DATED: October 13, 2021

Respectfully submitted,

ROB BONTA
Attorney General of California
ROBERT MCKIM BELL
Supervising Deputy Attorney General



BRIAN D. BILL
Deputy Attorney General
Attorneys for Complainant

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Exhibit A

Accusation No. 800-2018-044489

1 XAVIER BECERRA
Attorney General of California
2 ROBERT MCKIM BELL
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3 BRIAN D. BILL
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9 **BEFORE THE**
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11 **DEPARTMENT OF CONSUMER AFFAIRS**
12 **STATE OF CALIFORNIA**

13 In the Matter of the Accusation Against:

Case No. 800-2018-044489

14 ROBERT SHELDON PALLAS, M.D.

A C C U S A T I O N

15 1138 Palo Verde
16 Long Beach, California 90815

17 Physician's and Surgeon's Certificate A 32895,
18 Respondent.

PARTIES

19 1. Christine J. Lally (Complainant) brings this Accusation solely in her official capacity
20 as the Interim Executive Director of the Medical Board of California (Board).

21 2. On September 6, 1978, the Board issued Physician's and Surgeon's Certificate
22 Number A 32895 to Robert Sheldon Pallas, M.D. (Respondent). The Physician's and Surgeon's
23 Certificate was in full force and effect at all times relevant to the charges brought herein and will
24 expire on July 31, 2020, unless renewed.

JURISDICTION

25
26 3. This Accusation is brought before the Board under the authority of the following
27 laws. All section references are to the Business and Professions Code (Code) unless otherwise
28 indicated.

1 4. Section 2004 of the Code states:

2 The board shall have the responsibility for the following:

- 3 (a) The enforcement of the disciplinary and criminal provisions of the Medical
4 Practice Act.
- 5 (b) The administration and hearing of disciplinary actions.
- 6 (c) Carrying out disciplinary actions appropriate to findings made by a panel or an
7 administrative law judge.
- 8 (d) Suspending, revoking, or otherwise limiting certificates after the conclusion of
9 disciplinary actions.
- 10 (e) Reviewing the quality of medical practice carried out by physician and surgeon
11 certificate holders under the jurisdiction of the board.
- 12 (f) Approving undergraduate and graduate medical education programs.
- 13 (g) Approving clinical clerkship and special programs and hospitals for the programs
14 in subdivision (f).
- 15 (h) Issuing licenses and certificates under the board's jurisdiction.
- 16 (i) Administering the board's continuing medical education program.

17 5. Section 2220 of the Code states:

18 Except as otherwise provided by law, the board may take action against all
19 persons guilty of violating this chapter. The board shall enforce and administer this
20 article as to physician and surgeon certificate holders, including those who hold
21 certificates that do not permit them to practice medicine, such as, but not limited to,
22 retired, inactive, or disabled status certificate holders, and the board shall have all the
23 powers granted in this chapter for these purposes including, but not limited to:

24 (a) Investigating complaints from the public, from other licensees, from health
25 care facilities, or from the board that a physician and surgeon may be guilty of
26 unprofessional conduct. The board shall investigate the circumstances underlying a
27 report received pursuant to Section 805 or 805.01 within 30 days to determine if an
28 interim suspension order or temporary restraining order should be issued. The board
29 shall otherwise provide timely disposition of the reports received pursuant to Section
30 805 and Section 805.01.

31 (b) Investigating the circumstances of practice of any physician and surgeon
32 where there have been any judgments, settlements, or arbitration awards requiring the
33 physician and surgeon or his or her professional liability insurer to pay an amount in
34 damages in excess of a cumulative total of thirty thousand dollars (\$30,000) with
35 respect to any claim that injury or damage was proximately caused by the physician's
36 and surgeon's error, negligence, or omission.

37 (c) Investigating the nature and causes of injuries from cases which shall be
38 reported of a high number of judgments, settlements, or arbitration awards against a
39 physician and surgeon.

1 6. Section 2227 of the Code states:

2 (a) A licensee whose matter has been heard by an administrative law judge of
3 the Medical Quality Hearing Panel as designated in Section 11371 of the Government
4 Code, or whose default has been entered, and who is found guilty, or who has entered
5 into a stipulation for disciplinary action with the board, may, in accordance with the
6 provisions of this chapter:

7 (1) Have his or her license revoked upon order of the board.

8 (2) Have his or her right to practice suspended for a period not to exceed one
9 year upon order of the board.

10 (3) Be placed on probation and be required to pay the costs of probation
11 monitoring upon order of the board.

12 (4) Be publicly reprimanded by the board. The public reprimand may include a
13 requirement that the licensee complete relevant educational courses approved by the
14 board.

15 (5) Have any other action taken in relation to discipline as part of an order of
16 probation, as the board or an administrative law judge may deem proper.

17 (b) Any matter heard pursuant to subdivision (a), except for warning letters,
18 medical review or advisory conferences, professional competency examinations,
19 continuing education activities, and cost reimbursement associated therewith that are
20 agreed to with the board and successfully completed by the licensee, or other matters
21 made confidential or privileged by existing law, is deemed public, and shall be made
22 available to the public by the board pursuant to Section 803.1.

23 7. Section 2228 of the Code states:

24 The authority of the board or the California Board of Podiatric Medicine to
25 discipline a licensee by placing him or her on probation includes, but is not limited to,
26 the following:

27 (a) Requiring the licensee to obtain additional professional training and to pass
28 an examination upon the completion of the training. The examination may be written
or oral, or both, and may be a practical or clinical examination, or both, at the option
of the board or the administrative law judge.

(b) Requiring the licensee to submit to a complete diagnostic examination by
one or more physicians and surgeons appointed by the board. If an examination is
ordered, the board shall receive and consider any other report of a complete
diagnostic examination given by one or more physicians and surgeons of the
licensee's choice.

(c) Restricting or limiting the extent, scope, or type of practice of the licensee,
including requiring notice to applicable patients that the licensee is unable to perform
the indicated treatment, where appropriate.

(d) Providing the option of alternative community service in cases other than
violations relating to quality of care.

//

1 STATUTORY PROVISIONS

2 8. Section 2038 of the Code states:

3 Whenever the words "diagnose" or "diagnosis" are used in this chapter, they
4 include any undertaking by any method, device, or procedure whatsoever, and
5 whether gratuitous or not, to ascertain or establish whether a person is suffering from
6 any physical or mental disorder. Such terms shall also include the taking of a person's
7 blood pressure and the use of mechanical devices or machines for the purpose of
8 making a diagnosis and representing to such person any conclusion regarding his or
9 her physical or mental condition. Machines or mechanical devices for measuring or
10 ascertaining height or weight are excluded from this section.

11 9. Section 2052 of the Code states:

12 (a) Notwithstanding Section 146, any person who practices or attempts to
13 practice, or who advertises or holds himself or herself out as practicing, any system or
14 mode of treating the sick or afflicted in this state, or who diagnoses, treats, operates
15 for, or prescribes for any ailment, blemish, deformity, disease, disfigurement,
16 disorder, injury, or other physical or mental condition of any person, without having
17 at the time of so doing a valid, unrevoked, or unsuspended certificate as provided in
18 this chapter or without being authorized to perform the act pursuant to a certificate
19 obtained in accordance with some other provision of law is guilty of a public offense,
20 punishable by a fine not exceeding ten thousand dollars (\$10,000), by imprisonment
21 pursuant to subdivision (h) of Section 1170 of the Penal Code, by imprisonment in a
22 county jail not exceeding one year, or by both the fine and either imprisonment.

23 (b) Any person who conspires with or aids or abets another to commit any act
24 described in subdivision (a) is guilty of a public offense, subject to the punishment
25 described in that subdivision.

26 (c) The remedy provided in this section shall not preclude any other remedy
27 provided by law.

28 10. Section 2234 of the Code states in pertinent part:

The board shall take action against any licensee who is charged with
unprofessional conduct. In addition to other provisions of this article, unprofessional
conduct includes, but is not limited to, the following:

(a) Violating or attempting to violate, directly or indirectly, assisting in or
abetting the violation of, or conspiring to violate any provision of this
chapter.

...

11. Section 2264 of the Code states:

The employing, directly or indirectly, the aiding, or the abetting of any
unlicensed person or any suspended, revoked, or unlicensed practitioner to engage in
the practice of medicine or any other mode of treating the sick or afflicted which
requires a license to practice constitutes unprofessional conduct.

1 12. Section 2272 of the Code states:

2 Any advertising of the practice of medicine in which the licensee fails to use his
3 or her own name or approved fictitious name constitutes unprofessional conduct.

4 13. Section 2285 of the Code states:

5 The use of any fictitious, false, or assumed name, or any name other than his or
6 her own by a licensee either alone, in conjunction with a partnership or group, or as
7 the name of a professional corporation, in any public communication, advertisement,
8 sign, or announcement of his or her practice without a fictitious-name permit obtained
9 pursuant to Section 2415 constitutes unprofessional conduct. This section shall not
10 apply to the following:

11 (a) Licensees who are employed by a partnership, a group, or a professional
12 corporation that holds a fictitious name permit.

13 (b) Licensees who contract with, are employed by, or are on the staff of, any
14 clinic licensed by the State Department of Health Services under Chapter 1
15 (commencing with Section 1200) of Division 2 of the Health and Safety Code.

16 (c) An outpatient surgery setting granted a certificate of accreditation from an
17 accreditation agency approved by the medical board.

18 (d) Any medical school approved by the division or a faculty practice plan
19 connected with the medical school.

20 14. Section 2286 of the Code states:

21 It shall constitute unprofessional conduct for any licensee to violate, to attempt
22 to violate, directly or indirectly, to assist in or abet the violation of, or to conspire to
23 violate any provision or term of Article 18 (commencing with Section 2400), of the
24 Moscone-Knox Professional Corporation Act (Part 4 commencing with Section
25 13400) of Division 3 of Title 1 of the Corporations Code, or of any rules and
26 regulations duly adopted under those laws.

27 15. Section 2407 of the Code states:

28 A medical or podiatry corporation shall be subject to the provisions of Sections
2285 and 2415.

16. Section 2408 of the Code states:

Except as provided in Sections 13401.5 and 13403 of the Corporations Code,
each shareholder, director and officer of a medical or podiatry corporation, except an
assistant secretary or an assistant treasurer, shall be a licensed person as defined
in Section 13401 of the Corporations Code.

Notwithstanding the provisions of this section or
Sections 13401.5, 13403, 13406, and 13407 of the Corporations Code, a shareholder
of a medical corporation which renders professional services may be a medical
corporation which has only one shareholder who shall be a licensed person as defined

1 in Section 13401 of the Corporations Code. The shareholder of the latter corporation
2 may be an officer or director of the former corporation.

3 Nothing in this section shall be construed as prohibiting a nonlicensed person
4 from using the business titles of executive vice president, chief executive officer,
5 executive secretary, or any other title denoting an administrative function within the
6 professional corporation.

7 17. Section 2410 of the Code, states:

8 A medical or podiatry corporation shall not do or fail to do any act the doing of
9 which or the failure to do which would constitute unprofessional conduct under any
10 statute or regulation now or hereafter in effect. In the conduct of its practice, it shall
11 observe and be bound by such statutes and regulations to the same extent as a licensee
12 under this chapter.

13 18. Section 2415 of the Code states:

14 (a) Any physician and surgeon or any doctor of podiatric medicine, as the case
15 may be, who as a sole proprietor, or in a partnership, group, or professional
16 corporation, desires to practice under any name that would otherwise be a violation of
17 Section 2285 may practice under that name if the proprietor, partnership, group, or
18 corporation obtains and maintains in current status a fictitious-name permit issued by
19 the Division of Licensing, or, in the case of doctors of podiatric medicine, the
20 California Board of Podiatric Medicine, under the provisions of this section.

21 (b) The division or the board shall issue a fictitious-name permit authorizing the
22 holder thereof to use the name specified in the permit in connection with his, her, or
23 its practice if the division or the board finds to its satisfaction that:

24 (1) The applicant or applicants or shareholders of the professional corporation
25 hold valid and current licenses as physicians and surgeons or doctors of podiatric
26 medicine, as the case may be.

27 (2) The professional practice of the applicant or applicants is wholly owned and
28 entirely controlled by the applicant or applicants.

(3) The name under which the applicant or applicants propose to practice is not
deceptive, misleading, or confusing.

(c) Each permit shall be accompanied by a notice that shall be displayed in a
location readily visible to patients and staff. The notice shall be displayed at each
place of business identified in the permit.

(d) This section shall not apply to licensees who contract with, are employed
by, or are on the staff of, any clinic licensed by the State Department of Health
Services under Chapter 1 (commencing with Section 1200) of Division 2 of the
Health and Safety Code or any medical school approved by the division or a faculty
practice plan connected with that medical school.

(e) Fictitious-name permits issued under this section shall be subject to Article
19 (commencing with Section 2421) pertaining to renewal of licenses.

(f) The division or the board may revoke or suspend any permit issued if it finds
that the holder or holders of the permit are not in compliance with the provisions of

1 this section or any regulations adopted pursuant to this section. A proceeding to
2 revoke or suspend a fictitious-name permit shall be conducted in accordance with
Section 2230.

3 (g) A fictitious-name permit issued to any licensee in a sole practice is
4 automatically revoked in the event the licensee's certificate to practice medicine or
podiatric medicine is revoked.

5 (h) The division or the board may delegate to the executive director, or to
6 another official of the board, its authority to review and approve applications for
fictitious-name permits and to issue those permits.

7 (i) The California Board of Podiatric Medicine shall administer and enforce this
8 section as to doctors of podiatric medicine and shall adopt and administer regulations
specifying appropriate podiatric medical name designations.

9 19. Section 3501 of the Code states in pertinent part:

10 As used in this chapter:

11 ...

12 (e) "Supervising physician" or "supervising physician and surgeon" means a
13 physician and surgeon licensed by the Medical Board of California or by the
14 Osteopathic Medical Board of California who supervises one or more physician
assistants, who possesses a current valid license to practice medicine, and who is not
15 currently on disciplinary probation prohibiting the employment or supervision of a
physician assistant.

16 (f)

17 (1) "Supervision" means that a licensed physician and surgeon oversees the
18 activities of, and accepts responsibility for, the medical services rendered by a
physician assistant. Supervision, as defined in this subdivision, shall not be construed
19 to require the physical presence of the physician and surgeon, but does require the
following:

20 (A) Adherence to adequate supervision as agreed to in the practice agreement.

21 (B) The physician and surgeon being available by telephone or other electronic
communication method at the time the PA examines the patient.

22 (2) Nothing in this subdivision shall be construed as prohibiting the board from
23 requiring the physical presence of a physician and surgeon as a term or condition of a
PA's reinstatement, probation, or imposing discipline.

24 ...

25 20. Section 13409 of the California Corporations Code, states:

26 (a) A professional corporation may adopt any name permitted by a law
27 expressly applicable to the profession in which such corporation is engaged or by a
rule or regulation of the governmental agency regulating such profession. The
28 provisions of subdivision (b) of Section 201 shall not apply to the name of a
professional corporation if such name shall contain and be restricted to the name or

1 the last name of one or more of the present, prospective, or former shareholders or of
2 persons who were associated with a predecessor person, partnership or other
3 organization or whose name or names appeared in the name of such predecessor
4 organization, and the Secretary of State shall have no authority by reason of
5 subdivision (b) of Section 201 to refuse to file articles of incorporation which set
6 forth such a name; provided, however, that such name shall not be substantially the
7 same as the name of a domestic corporation, the name of a foreign corporation
8 qualified to render professional services in this state which is authorized to transact
9 business in this state, or a name which is under reservation for another corporation.
10 The Secretary of State may require proof by affidavit or otherwise establishing that
11 the name of the professional corporation complies with the requirements of this
12 section and of the law governing the profession in which such professional
13 corporation is engaged. The statements of fact in such affidavits may be accepted by
14 the Secretary of State as sufficient proof of the facts.

15 ...
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18 21. Section 13410 of the California Corporations Code, states:

19 (a) A professional corporation or a foreign professional corporation qualified to
20 render professional services in this state shall be subject to the applicable rules and
21 regulations adopted by, and all the disciplinary provisions of the Business and
22 Professions Code expressly governing the practice of the profession in this state, and
23 to the powers of, the governmental agency regulating the profession in which such
24 corporation is engaged. Nothing in this part shall affect or impair the disciplinary
25 powers of any such governmental agency over licensed persons or any law, rule or
26 regulation pertaining to the standards for professional conduct of licensed persons or
27 to the professional relationship between any licensed person furnishing professional
28 services and the person receiving such services.

...
REGULATORY PROVISIONS

22. California Code of Regulations section 1399.541 states in pertinent part:

Because physician assistant practice is directed by a supervising physician, and
a physician assistant acts as an agent for that physician, the orders given and tasks
performed by a physician assistant shall be considered the same as if they had been
given and performed by the supervising physician. Unless otherwise specified in
these regulations or in the delegation or protocols, these orders may be initiated
without the prior patient specific order of the supervising physician.

23 ...
24
25 23. California Code of Regulations section 1399.542 states as follows:

The delegation of procedures to a physician assistant under Section 1399.541,
subsections (b) and (c) shall not relieve the supervising physician of primary
continued responsibility for the welfare of the patient.

26 //

1 24. California Code of Regulations section 1399.545 states in pertinent part:

2 ...

3 (f) The supervising physician has continuing responsibility to follow the
4 progress of the patient and to make sure that the physician assistant does not function
5 autonomously. The supervising physician shall be responsible for all medical services
6 provided by a physician assistant under his or her supervision.

6 25. California Code of Regulations, Title 16, section 1343 states as follows:

7 A professional corporation shall comply with the following provisions:

8 (a) The corporation is organized and exists pursuant to the general corporation
9 law and is a professional corporation within the meaning of the Moscone-Knox
10 Professional Corporations Act (Corporations Code Section 13400 et seq.).

10 (b) Each shareholder, director or officer (except as provided in Section 13403
11 of the Corporations Code and Section 2408 of the code) holds a valid physician's and
12 surgeon's certificate or certificate to practice podiatric medicine, as the case may be,
13 provided that, a licensed podiatrist, psychologist, optometrist, physician's assistant,
14 clinical social worker, marriage, family and child counselor, chiropractor or
15 registered nurse may be a shareholder, director or officer of a medical corporation so
16 long as such licensed persons own no more than 49% of the total shares issued by the
17 medical corporation and the number of licensed persons owning shares in the medical
18 corporation does not exceed the number of physicians owning shares in such a
19 corporation, and a licensed physician may be a shareholder, director or officer of a
20 podiatry corporation so long as such physician owns no more than 49% of the total
21 shares issued by the podiatry corporation and the number of licensed physicians
22 owning shares in the podiatry corporation does not exceed the number of podiatrists
23 owning shares in such a corporation. A physician, psychologist, optometrist and
24 registered nurse may also be a shareholder, director or officer in a podiatry
25 corporation subject to the same numerical restrictions.

19 (c) Each professional employee of the corporation who will practice medicine,
20 podiatry, psychology, optometry, clinical social work, marriage, family and child
21 counselling, chiropractic or nursing, whether or not a director, officer or shareholder,
22 holds a valid license.

21 (d) A physician and surgeon or podiatrist may be a shareholder, officer or
22 director in more than one professional corporation.

23 26. California Code of Regulations, Title 16, section 1344 states as follows:

24 (a) Unless a fictitious name permit is obtained pursuant to Section 2415 of the code,
25 the name of a professional corporation shall be restricted to the name or surname of
26 one or more of the present prospective or former shareholders who are physicians or
27 podiatrists, as the case may be, for a medical or podiatry corporation.

27 (b) When the applicant uses any fictitious, false or assumed name or any name other
28 than the name or surname of one or more of the present, prospective or former
shareholders, or any other words or names in addition to those of the shareholders, it
shall obtain a permit pursuant to Section 2415 of the code. The fee required in Section

1 1352 shall accompany the fictitious name permit application.

2 (c) A professional corporation with a majority of physicians and surgeons as
3 shareholders, officers and directors shall not use the designations "Podiatry
4 Corporation" or "Podiatry Corp." A corporation with a majority of podiatrists as
5 shareholders, officers and directors shall not use the designation "Medical
6 Corporation" or "Medical Corp.."

7 27. California Code of Regulations, Title 16, section 1347 states as follows:

8 (a) A professional corporation may perform any act authorized in its articles
9 of incorporation or bylaws so long as that act is not in conflict with or prohibited by
10 the Medical Practice Act, and where applicable the Psychology Licensing Law, the
11 Optometry law, Physician Assistants Practice Act, the social worker licensing law
12 and the marriage, family and child counselor licensing law or the Nursing Practice
13 Act in the case of a corporation which has a licensed psychologist, optometrist or
14 registered nurse as a shareholder, director or officer, or the regulations adopted
15 pursuant thereto.

16 (b) A professional medical or podiatry corporation may enter into partnership
17 agreements with other physicians and surgeons or podiatrists, as the case may be,
18 practicing individually or in a group or with other medical or podiatry corporations.

19 28. California Code of Regulations, Title 16, section 1350.2 states in pertinent part:

20 (c) No licensed person shall render professional services using a fictitious,
21 false or assumed name or any name other than his or her own unless and until a
22 fictitious name permit has been issued by the division.

23 **FACTUAL ALLEGATIONS**

24 29. On or about May 19, 2017, Health Quality Investigation Unit ("HQIU") Investigators
25 interviewed Respondent regarding an unrelated incident. According to the interview: Respondent
26 supervises physician assistants ("PAs") at three separate clinics. Respondent visits each clinic
27 approximately one day per month for the purposes of PA chart reviews. Respondent generally
28 does not treat patients at the clinics. Respondent signs and approves the PAs' charts if there are
no errors. However, if Respondent identifies an issue, he "fold[s] [the chart] over" and instructs
the clinic manager to "put a note on [the chart]." As to clinic ownership, Respondent stated "I
guess I own the medical practice according to the law." However, Respondent made no capital
contribution to acquire technical ownership of the three clinics. Although Respondent
"technically owns" the three clinics, he is not involved in the control or operations of the clinics.

//

1 **Clinica Medica La Caridad Medical Services, Inc. (Clinic No. 1)**

2 **Respondent's Involvement with Clinic No. 1**

3 30. During the May 19, 2017 interview, Respondent stated:

- 4 a. J.C.¹ and M.T., a married couple, "owned" Clinic No. 1. Neither J.C., nor M.T.
5 are licensed healthcare professionals in California.
- 6 b. He supervised two PAs at Clinic No. 1 for approximately nine years. During
7 that time, he treated patients at Clinic No. 1 less than 10 times; usually when
8 the PAs were unavailable.
- 9 c. Two additional physicians might be employed on a part-time basis at Clinic No.
10 1. However, Respondent was uncertain regarding this staffing issue, as he
11 never interacted with the two physicians.
- 12 d. He receives a salary from Clinic No. 1 in the amount of \$2,000.00 per month,
13 "tax free." According to Respondent, Clinic No. 1 pays income taxes on his
14 behalf.

15 **Corporate Information**

16 31. On May 2, 2008, Articles of Incorporation for Clinic No. 1 were filed with the
17 California Secretary of State.²

18 32. On June 9, 2008, a Statement of Information for Clinic No. 1 was filed. Respondent
19 was identified as the Chief Executive Officer ("CEO") and J.C., an unlicensed individual, was
20 identified as the Secretary and Chief Financial Officer ("CFO"). Respondent, J.C., and D.B., a
21 licensed PA, were identified as directors of Clinic No. 1.

22 33. On May 9, 2017, Respondent filed a Statement of Information affirming that Clinic
23 No. 1's corporate structure had not changed since the June 9, 2008 filing.

24 **Clinica Medica La Caridad Management Services, Inc.**

25 34. On May 2, 2008, Articles of Incorporation for Clinica Medica La Caridad
26 Management Services, Inc. were filed.

27 ¹ Initials are used in lieu of full names to protect the individual's privacy.

28 ² All references to filed documents refer to filings with the California Secretary of State,
 unless otherwise indicated.

1 35. On March 23, 2009, a Statement of Information for Clinica Medica La Caridad
2 Management Services, Inc. was filed. J.C. was identified as the CEO, Respondent was identified
3 as the Secretary, and a third individual was identified as the CFO.

4 36. On August 19, 2011, J.C. filed a Statement of Information affirming that Clinica
5 Medica La Caridad Management Services, Inc.'s corporate structure had not changed since the
6 March 23, 2009 filing date.

7 Clinic No. 1 Staff Interviews

8 37. On May 17, 2019, HQIU Investigators visited Clinic No. 1 and interviewed the
9 following employees:

- 10 a. D.B., a licensed PA, stated that he has worked at Clinic No. 1 for approximately
11 11 years. Respondent acquired the clinic when the founding physician left the
12 practice. Respondent visits the clinic once or twice a week to review charts.
13 b. A.E., a medical assistant, stated that he was interviewed by J.C. and hired with
14 Respondent's approval.
15 c. G.H., a medical assistant, stated that J.C. interviewed and hired her to work at
16 the clinic.
17 d. J.P., a medical assistant, stated that she was interviewed and hired by J.C.

18 38. On May 20, 2019, HQIU Investigators conducted a telephone interview with J.C.
19 According to the interview:

- 20 a. J.C. has been employed as the administrator/office manager at Clinic No. 1
21 since approximately 2009.
22 b. J.C. is paid a salary of approximately \$1500.00 to \$3000.00 per month.
23 c. Respondent is the sole owner. J.C. was unaware as to how Respondent
24 acquired ownership of Clinic No. 1.
25 d. Clinic staff includes two PAs, several medical assistants, and Respondent.
26 e. J.C. is documented as the secretary or CFO on corporate filings, but he has no
27 ownership interest.

28 //

1 f. J.C. was unaware of the Fictitious Name Permit (FNP) requirement. However,
2 an FNP application was recently filed with the Board.

3 39. On June 26, 2019, HQIU Investigators visited Clinic No. 1 and again interviewed
4 J.C., who stated:

- 5 a. He is the office administrator and is responsible for payroll, deposits, billing,
6 and paperwork. Both he and Respondent have access to Clinic No. 1's bank
7 accounts. He also interviews and hires staff, with Respondent's approval.
- 8 b. Clinic No. 1 was originally named the "General Family Clinic" and was
9 founded by another physician.
- 10 c. Clinic ownership transitioned to Respondent after the founding physician fell
11 ill. Respondent made no capital contribution to acquire ownership.
- 12 d. After acquiring ownership of the clinic, Respondent changed the name to
13 Clinica La Caridad.

14 Fictitious Name Permit

15 40. On May 17, 2019, Respondent, on behalf of Clinic No. 1, filed an FNP application
16 with the Board.

17 41. Prior to submitting the FNP application, Clinic No. 1 was owned and operated
18 without an FNP.

19 42. Prior to submitting the FNP application, Respondent practiced medicine at Clinic No.
20 1 both individually by treating patients and by way of agency through supervising the clinic's
21 PAs.

22 **La Concepcion Medical Clinic Corporation (Clinic No. 2)**

23 Respondent's Involvement with Clinic No. 2.

24 43. During the May 19, 2017 interview, Respondent stated:

- 25 a. He has "owned" Clinic No. 2 for approximately five years.
- 26 b. He is A.C.'s supervising physician.
- 27 c. A.C. is the only provider at Clinic No. 2.

28 //

1 44. Respondent receives a salary from Clinic No. 2 in the amount of \$3,000.00 per
2 month, "tax free." According to Respondent, Clinic No. 2 pays income taxes on his behalf.

3 Fictitious Name Permit

4 45. On January 19, 2019, Clinic No. 2, under new ownership, filed an FNP application
5 with the Board. On March 12, 2019, the Board issued an FNP to Clinic No. 2.

6 46. Prior to filing the FNP application, Clinic No. 2 was owned and operated without an
7 FNP.

8 47. Prior to submitting the FNP application, Respondent practiced medicine at Clinic No.
9 2 both individually by treating patients and by way of agency as supervising physician to the
10 clinic's PA.

11 Corporate History.

12 48. On October 13, 2011, Articles of Incorporation for Clinic No. 2 were filed.

13 49. On December 13, 2011, a Statement of Information for Clinic No. 2 was filed.

14 a. A.C., a licensed PA in California, was identified as the CEO and a director. O.C.
15 and B.C. were identified as the Secretary and CFO, respectively. O.C. and B.C.
16 were also identified as directors of Clinic No. 2. Neither O.C., nor B.C. are
17 licensed medical professionals.

18 b. Respondent's name did not appear on the filing.

19 c. The business was classified as a "medical clinic general practice."

20 50. On October 17, 2017, a Statement of Information was filed that affirmed no changes
21 were made to the corporation.

22 Clinic No. 2 Staff Interviews

23 51. On September 10, 2018, HQUI investigators visited Clinic No. 2 and interviewed
24 A.C. According to the interview:

25 a. A.C. and his family opened the practice in May 2011.

26 b. Respondent is A.C.'s supervising physician. Respondent visits the clinic
27 approximately once per month to review charts. Respondent only treats patients at
28 the clinic when necessary.

- 1 c. Other than his supervisory responsibilities, Respondent's role in clinic operations
2 is minimal. Respondent does not hire staff, does not have access to bank accounts,
3 does not have keys to the building and did not invest in the practice.

4 52. On December 21, 2018, HQIU investigators again visited Clinic No. 2 and
5 interviewed A.C. According to the interview:

- 6 a. Clinic ownership is in the process of transitioning from Respondent to E.C., a
7 licensed physician. A Statement of Information was filed on December 20, 2018,
8 documented the restructuring.
9 b. Respondent was informed that his services were no longer necessary after
10 December 31, 2018.

11 **Clinica Medica-San Marcos (Clinic No. 3)**

12 Respondent's Involvement with Clinic No. 3.

13 53. During the May 19, 2017 interview, Respondent stated:

- 14 a. He was referred to G.R. by Clinic No. 3's medical assistant, K.F.
15 b. G.R. owns the clinic.
16 c. G.R. is a licensed PA and is a physician licensed in a foreign country.
17 d. He has supervised G.R. for approximately eight years.
18 e. A California-licensed physician works part-time at the clinic. However,
19 Respondent was unable to recall the physician's name. Respondent further
20 stated that he does not interact with the physician.
21 f. He is paid approximately \$2,000.00 per month, "tax free."

22 Clinic No. 3 Corporate History.

23 54. On August 3, 2004, G.R., a licensed PA, filed Articles of Incorporation for Ancon
24 Management, Inc.

25 55. On December 20, 2005, a Restated Articles of Incorporation for Ancon Management,
26 Inc. was filed. The filing changed the name of the corporation to Clinica Medica San Marcos,
27 Inc. The filing identified P.M., a licensed physician in California, as the president and G.R. as the
28 Secretary.

1 56. On August 13, 2007, a Statement of Information was filed for Clinic No. 3. The
2 filing identified Respondent as the CEO and G.R. as the Secretary and CFO.

3 57. On July 6, 2018, a Statement of Information was filed that certified no changes were
4 made to Clinic No. 3's corporate structure since the August 13, 2007 filing.

5 Clinic No. 3 Staff Interviews

6 58. On October 9, 2018, and December 19, 2018, HQIU Investigators visited Clinic No.
7 3. During those visits, the investigators spoke with clinic's front desk clerk, R.R.,³ who stated:

- 8 a. Respondent is present at the clinic twice a week to review and sign charts.
- 9 b. Respondent rarely treats patients at the clinic.
- 10 c. The clinic was founded approximately ten years ago with P.M.'s assistance.
11 R.R. has worked at the clinic since its opening.
- 12 d. P.M. was G.R.'s supervising physician. P.M. died approximately two years
13 after the clinic's opening. The clinic was closed until another physician could
14 replace P.M.
- 15 e. Respondent was referred to G.R. by Clinic No. 3's medical assistant.
16 Respondent and the medical assistant worked together at a separate clinic.
- 17 f. Respondent receives a monthly payment of \$2500.00 for his services.
- 18 g. Respondent owns 51% of the clinic and G.R. owns the remainder.

19 59. On May 15, 2019, HQIU Investigators visited Clinic No. 3 and interviewed G.R.,
20 who stated:

- 21 a. He has practiced at Clinic No. 3 for approximately 13 years.
- 22 b. He primarily treats the clinic's patients.
- 23 c. He is responsible for hiring and firing. R.R. is responsible for the "banking."
24 d. He interviewed and hired Respondent as the medical director and supervising
25 physician.
- 26 e. Respondent is paid \$1500 per month for his services. Respondent reviews
27 charts at the clinic twice a week.

28 ³ The individual was later identified as G.R.'s spouse.

1 f. Respondent owns 51% of the clinic. However, Respondent is not paid 51% of
2 the monthly earnings.

3 g. Respondent made no investment in the clinic when he acquired ownership.

4 60. On May 15, 2019, HQIU Investigators also interviewed K.F., a medical assistant
5 employed at Clinic No. 3. K.F. stated:

6 a. She has worked for G.R. for approximately 16 years. She met G.R. while they
7 were both employed at another clinic.

8 b. G.R. interviewed and hired her to work at Clinic No. 3.

9 c. She believes that G.R. owns Clinic No. 3.

10 61. During the May 15, 2019 visit, G.R. provided a FNP issued by the Board in February
11 2018.

12 Clinic No. 3 FNP

13 62. On December 31, 2005, P.M. filed an FNP application with the Board for Clinica
14 Medica San Marcos, Inc. The application identified P.M. as 51 percent owner of Clinic No. 3 and
15 G.R. as the owner of the remainder. On February 14, 2006, the Board issued an FNP to Clinic
16 No. 3. On March 1, 2020, Clinic No. 3's FNP lapsed.

17 **FIRST CAUSE FOR DISCIPLINE**

18 (Aiding and Abetting the Unlicensed Practice of Medicine)

19 63. By reason of the facts alleged above in Paragraphs 29 through 62, Respondent Robert
20 Sheldon Pallas, M.D. is subject to disciplinary action under California Business and Professions
21 Code sections 2234, subdivision (a), 2264, and 2410; and California Corporations Code section
22 13410, in that Respondent "owned" Clinic Nos. 1, 2, and 3 in name only, thereby facilitating
23 improperly licensed clinics, controlled and operated by non-physicians and unlicensed persons, to
24 treat patients.

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1 **SECOND CAUSE FOR DISCIPLINE**

2 (Corporate Practice of Medicine Without a Fictitious Name Permit)

3 64. By reason of the facts alleged above in Paragraphs 29 through 52, Respondent Robert
4 Sheldon Pallas, M.D. is subject to disciplinary action under California Business and Professions
5 Code sections 2334, subdivision (a); 2285, 2410, 2415, subdivision (b)(2); California
6 Corporations Code sections 13409, subdivision (a), and 13410; and California Code of
7 Regulations, Title 16, sections 1344, subdivisions (a) and (b); and 1350.2, subdivision (c);
8 1399.541; and 1399.545, subdivision (f), subdivision (a) in that Respondent practiced medicine
9 without a FNP by treating patients at Clinic Nos. 1 and 2 and through the supervision of PAs at
10 Clinic Nos. 1 and 2.

11 **THIRD CAUSE FOR DISCIPLINE**

12 (Improperly Procuring Fictitious Name Permits for Corporations

13 Owned, Operated, and/or Controlled by Unlicensed Persons)

14 65. By reason of the facts alleged above in Paragraphs 29 through 52, Respondent Robert
15 Sheldon Pallas, M.D. is subject to disciplinary action under California Business and Professions
16 Code sections 2410 and 2415, subdivision (b)(2); and California Corporations Code sections
17 13409 and 13410 in that he submitted applications to the Board for, and received from the Board,
18 Fictitious Name Permits for Clinic Nos. 1 and 2, which are controlled and operated by non-
19 physicians and unlicensed persons.

20 **FOURTH CAUSE FOR DISCIPLINE**

21 (Using an Unapproved Fictitious Name

22 in the Advertising of the Practice of Medicine)

23 66. By reason of the facts alleged above in Paragraphs 29 through 52, Respondent Robert
24 Sheldon Pallas, M.D. is subject to disciplinary action under California Business and Professions
25 Code sections 2234, subdivision (a), 2272, 2285, 2286, 2407, 2410, 2415, subdivision (a);
26 California Corporations Code section 13410, and California Code of Regulations, Title 16,
27 sections 1344, subdivisions (a) and (b) in that Clinic Nos. 1 and 2 used unapproved fictitious
28 names in signage and/or advertising materials.

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FIFTH CAUSE FOR DISCIPLINE

(Participation and/or Affiliation with Medical Corporations Founded, Structured, Controlled, and/or Operated in Violation of the Moscone-Knox Professional Corporation Act)

67. By reason of the facts alleged above in Paragraphs 29 through 62, Respondent Robert Sheldon Pallas, M.D. is subject to disciplinary action under California Business and Professions Code section 2286; California Corporations Code section 13410; and California Code of Regulations, Title 16, sections 1344, subdivision (a), and 1347, subdivision (a), in that he participated and/or affiliated with medical corporations that were founded, structured, controlled, and/or operated in violation of rules and regulations related to the corporate practice of medicine through his ownership in name only of Clinic Nos. 1, 2, and 3; in his supervision of PAs at Clinic Nos. 1, 2, and 3; and his practicing medicine at Clinic Nos. 1, 2, and 3.

SIXTH CAUSE FOR DISCIPLINE

(Assisting in the Violation of Corporate Practice of Medicine Laws and Regulations)

68. By reason of the facts alleged above in Paragraphs 29 through 62, and the allegations contained in Causes for Discipline One through Five, Respondent Robert Sheldon Pallas, M.D. is subject to disciplinary action under California Business and Professions Code sections 2286, 2234, subdivision (a), 2410, in that his ownership in name only of Clinics Nos. 1, 2, and 3, which facilitated the control and operation of the clinics by non-physicians and unlicensed persons.

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PRAYER

WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged, and that following the hearing, the Medical Board of California issue a decision:

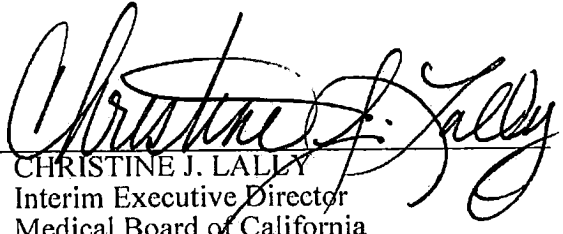
1. Revoking or suspending Physician's and Surgeon's Certificate Number A 32895, issued to Robert Sheldon Pallas, M.D.;

2. Revoking, suspending or denying approval of Robert Sheldon Pallas, M.D.'s authority to supervise physician assistants and advanced practice nurses;

3. If placed on probation, ordering Robert Sheldon Pallas, M.D. to pay the Board the costs of probation monitoring; and

4. Taking such other and further action as deemed necessary and proper.

DATED: May 18, 2020



CHRISTINE J. LALLY
Interim Executive Director
Medical Board of California
Department of Consumer Affairs
State of California

Complainant

LA2019504812
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