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

In the Matter of the Accusation Against:

Jennings Ryan Staley, M.D.

Physician's and Surgeon's Certificate No. C 54121

Case No. 800-2020-066389

Respondent.

DECISION

The attached Stipulated Surrender of License and Disciplinary Order 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 May 9, 2023.

IT IS SO ORDERED May 2, 2023.

MEDICAL BOARD OF CALIFORNIA

Reji Varghese

Interim Executive Director

1	ROB BONTA		
2	Attorney General of California ALEXANDRA M. ALVAREZ		
3	Supervising Deputy Attorney General CHRISTINE A. RHEE		
4	Deputy Attorney General State Bar No. 295656		
5	600 West Broadway, Suite 1800 San Diego, CA 92101		
6	P.O. Box 85266 San Diego, CA 92186-5266	·	
7	Telephone: (619) 738-9455 Facsimile: (619) 645-2061		
8	Attorneys for Complainant		
9	BEFORE THE		
10	MEDICAL BOARD OF CALIFORNIA DEPARTMENT OF CONSUMER AFFAIRS		
11	STATE OF CALIFORNIA		
12			
13	In the Matter of the Accusation Against:	Case No. 800-2020-066389	
14	JENNINGS RYAN STALEY, M.D. 31888 Del Obispo Street, Suite No. C-2	OAH No. 2022110611	
15	San Juan Capistrano, CA 92675	STIPULATED SURRENDER OF LICENSE AND DISCIPLINARY ORDER	
16	Physician's and Surgeon's Certificate No. C 54121,	LICENSE AND DISCIPLINARY ORDER	
17	Respondent.		
18	Respondent.		
19			
20	IT IS HEREBY STIPULATED AND AGREED by and between the parties to the above-		
21	entitled proceedings that the following matters are true:		
22	<u>PARTIES</u>		
23	1. William Prasifka (Complainant) was the Executive Director of the Medical Board of		
24	California (Board) and brought this action solely in his official capacity. Reji Varghese is		
25	presently the Interim Executive Director of the Board. He is represented in this matter by Rob		
26	Bonta, Attorney General of the State of California, by Christine A. Rhee, Deputy Attorney		
27	General.		
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- 2. Jennings Ryan Staley, M.D. (Respondent) is represented in this proceeding by attorney Earll M. Pott, Esq., whose address is: 501 West Broadway, Suite 600, San Diego, CA 92101.
- 3. On or about May 5, 2010, the Board issued Physician's and Surgeon's Certificate No. C 54121 to Respondent. The Physician's and Surgeon's Certificate was in full force and effect at all times relevant to the charges brought in Accusation No. 800-2020-066389 and expired on May 31, 2022, and has not been renewed.

JURISDICTION

4. Accusation No. 800-2020-066389 was filed before the Board, and is currently pending against Respondent. The Accusation and all other statutorily required documents were properly served on Respondent on October 4, 2022. Respondent timely filed his Notice of Defense contesting the Accusation. A true and correct copy of Accusation No. 800-2020-066389 is attached as Exhibit A and incorporated by reference herein.

ADVISEMENT AND WAIVERS

- 5. Respondent has carefully read, fully discussed with counsel, and understands the charges and allegations in Accusation No. 800-2020-066389. Respondent also has carefully read, fully discussed with counsel, and understands the effects of this Stipulated Surrender of License and Disciplinary Order.
- 6. Respondent is fully aware of his legal rights in this matter, including the right to a hearing on the charges and allegations in the Accusation; the right to confront and cross-examine the witnesses against him; the right to present evidence and to testify on his own behalf; the right to the issuance of subpoenas to compel the attendance of witnesses and the production of documents; the right to reconsideration and court review of an adverse decision; and all other rights accorded by the California Administrative Procedure Act and other applicable laws.
- 7. Having had the benefit of counsel, Respondent voluntarily, knowingly, and intelligently waives and gives up each and every right set forth above.

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CULPABILITY

- 8. Respondent admits the truth of each and every charge and allegation in Accusation No. 800-2020-066389, agrees that cause exists for discipline and hereby surrenders his Physician's and Surgeon's Certificate No. C 54121 for the Board's formal acceptance.
- 9. Respondent understands that by signing this stipulation he enables the Board to issue an order accepting the surrender of his Physician's and Surgeon's Certificate without further process.

CONTINGENCY

- 10. Pursuant to Business and Professions Code section 2224, subdivision (b), the Executive Director of the Board has been delegated the authority to adopt or reject a stipulation for surrender of a Physician's and Surgeon's Certificate.
- The parties agree that this Stipulated Surrender of License and Disciplinary Order shall be null and void and not binding upon the parties unless approved by the Interim Executive Director on behalf of the Board. Respondent fully understands and agrees that in deciding whether or not to approve and adopt this Stipulated Surrender of License and Disciplinary Order, the Interim Executive Director and/or the Board may receive oral and written communications from its staff and/or the Attorney General's Office. Communications pursuant to this paragraph shall not disqualify the Interim Executive Director, the Board, or any member thereof, and/or any other person from future participation in this or any other matter affecting or involving Respondent. In the event that the Interim Executive Director on behalf of the Board does not, in his discretion, approve and adopt the Stipulated Surrender of License and Disciplinary Order, with the exception of this paragraph, it shall not become effective, shall be of no evidentiary value whatsoever, and shall not be relied upon or introduced in any disciplinary action by either party hereto. Respondent further agrees that should this Stipulated Surrender of License and Disciplinary Order be rejected for any reason by the Interim Executive Director on behalf of the Board, Respondent will assert no claim that the Board, or any member thereof, was prejudiced by its/his/her review, discussion and/or consideration of this Stipulated Surrender of License and Disciplinary Order or of any matter or matters related hereto.

12. The Interim Executive Director shall have a reasonable period of time in which to consider and act on this stipulation after receiving it. By signing this stipulation, Respondent fully understands and agrees that he may not withdraw his agreement or seek to rescind this stipulation prior to the time the Interim Executive Director and acts upon it.

ADDITIONAL PROVISIONS

- 13. This Stipulated Surrender of License and Disciplinary Order is intended by the parties herein to be an integrated writing representing the complete, final, and exclusive embodiment of the agreements of the parties in the above-entitled matter.
- 14. The parties agree that copies of this Stipulated Surrender of License and Disciplinary Order, including copies of the signatures of the parties, may be used in lieu of original documents and signatures and, further, that such copies shall have the same force and effect as originals.
- 15. In consideration of the foregoing admissions and stipulations, the parties agree that the Board may, without further notice or formal proceeding, issue and enter the following Disciplinary Order:

DISCIPLINARY ORDER

IT IS HEREBY ORDERED that Physician's and Surgeon's Certificate No. C 54121, issued to Respondent Jennings Ryan Staley, M.D., is surrendered and accepted by the Board.

- 1. The surrender of Respondent's Physician's and Surgeon's Certificate and the acceptance of the surrendered license by the Board shall constitute the imposition of discipline against Respondent. This stipulation constitutes a record of the discipline and shall become a part of Respondent's license history with the Board.
- 2. Respondent shall lose all rights and privileges as a physician and surgeon in California as of the effective date of the Board's Decision and Order.
- 3. Respondent shall cause to be delivered to the Board his pocket license and, if one was issued, his wall certificate on or before the effective date of the Decision and Order.
- 4. If Respondent ever files an application for licensure or a petition for reinstatement in the State of California, the Board shall treat it as a petition for reinstatement. Respondent must comply with all the laws, regulations and procedures for reinstatement of a revoked or

surrendered license in effect at the time the petition is filed, and all of the charges and allegations contained in Accusation No. 800-2020-066389 shall be deemed to be true, correct and admitted by Respondent when the Board determines whether to grant or deny the petition.

- 5. Respondent shall pay the agency its costs of investigation and enforcement in the amount of \$17,960.00 prior to issuance of a new or reinstated license.
- 6. If Respondent should ever apply or reapply for a new license or certification, or petition for reinstatement of a license, by any other health care licensing agency in the State of California, all of the charges and allegations contained in Accusation No. 800-2020-066389 shall be deemed to be true, correct, and admitted by Respondent for the purpose of any Statement of Issues or any other proceeding seeking to deny or restrict licensure.

ACCEPTANCE

I have carefully read the above Stipulated Surrender of License and Disciplinary Order and have fully discussed it with my attorney Earll M. Pott, Esq. I understand the stipulation and the effect it will have on my Physician's and Surgeon's Certificate. I enter into this Stipulated Surrender of License and Disciplinary Order voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the Medical Board of California.

DATED: 4/16/2023

JENNINGS RYAN STAJEY, M.D.

Respondent

I have read and fully discussed with Respondent Jennings Ryan Staley, M.D., the terms and conditions and other matters contained in this Stipulated Surrender of License and Disciplinary Order. I approve its form and content.

DATED: $\sqrt{\frac{24}{2023}}$ EARLL M. POTT, ESQ.

Attorney for Respondent

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3	respectfully submitted for considera Consumer Affairs.	
4	Consumer Affairs.	ation by the Medical Board of California of the Department of
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5	4/0.4/0.0	
	DATED: <u>4/24/23</u>	Respectfully submitted,
6 7		ROB BONTA Attorney General of California
8		ALEXANDRA M. ALVAREZ Supervising Deputy Attorney General
9		O_{Λ}
10		CHRISTINE A. RHEE Deputy Attorney General
11		Attorneys for Complainant
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Exhibit A

Accusation No. 800-2020-066389

1	ROB BONTA		
2	Attorney General of California ALEXANDRA M. ALVAREZ Supervising Deputy Attorney General CHRISTINE A. RHEE Deputy Attorney General State Bar No. 295656 600 West Broadway, Suite 1800 San Diego, CA 92101		
3			
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5			
6	P.O. Box 85266 San Diego, CA 92186-5266		
7	Telephone: (619) 738-9455 Facsimile: (619) 645-2061	·	
8	Attorneys for Complainant		
9	BEFORE THE		
10	MEDICAL BOARD OF CALIFORNIA DEPARTMENT OF CONSUMER AFFAIRS		
11	STATE OF CALIFORNIA		
12			
13	In the Matter of the Accusation Against:	Case No. 800-2020-066389	
14	JENNINGS RYAN STALEY, M.D.	ACCUSATION	
15	31888 Del Obispo Street, Suite C-2 San Juan Capistrano, CA 92675		
16	Physician's and Surgeon's Certificate No. C 54121,	·	
17	Respondent,		
18			
19		·	
20	PART	·	
21	1. William Prasifka (Complainant) brings this Accusation solely in his official capacity		
22	as the Executive Director of the Medical Board of California, Department of Consumer Affairs		
23	(Board).	•	
24	2. On or about May 5, 2010, the Medical Board issued Physician's and Surgeon's		
25	Certificate No. C 54121 to Jennings Ryan Staley, M.D. (Respondent). The Physician's and		
26	Surgeon's Certificate was in full force and effect at all times relevant to the charges brought		
27	herein and expired on May 31, 2022.		
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7. Section 2228.1 of the Code states, in pertinent part:

- (a) On and after July 1, 2019, except as otherwise provided in subdivision (c), the board and the Podiatric Medical Board of California shall require a licensee to provide a separate disclosure that includes the licensee's probation status, the length of the probation, the probation end date, all practice restrictions placed on the licensee by the board, the board's telephone number, and an explanation of how the patient can find further information on the licensee's probation on the licensee's profile page on the board's online license information internet web site, to a patient or the patient's guardian or health care surrogate before the patient's first visit following the probationary order while the licensee is on probation pursuant to a probationary order made on and after July 1, 2019, in any of the following circumstances:
- (1) A final adjudication by the board following an administrative hearing or admitted findings or prima facie showing in a stipulated settlement establishing any of the following:
- (B) Drug or alcohol abuse directly resulting in harm to patients or the extent that such use impairs the ability of the licensee to practice safely.
- (2) An accusation or statement of issues alleged that the licensee committed any of the acts described in subparagraphs (A) to (D), inclusive, of paragraph (1), and a stipulated settlement based upon a nolo contendere or other similar compromise that does not include any prima facie showing or admission of guilt or fact but does include an express acknowledgment that the disclosure requirements of this section would serve to protect the public interest.
- (b) A licensee required to provide a disclosure pursuant to subdivision (a) shall obtain from the patient, or the patient's guardian or health care surrogate, a separate, signed copy of that disclosure.
- (c) A licensee shall not be required to provide a disclosure pursuant to subdivision (a) if any of the following applies:
- (1) The patient is unconscious or otherwise unable to comprehend the disclosure and sign the copy of the disclosure pursuant to subdivision (b) and a guardian or health care surrogate is unavailable to comprehend the disclosure and sign the copy.
- (2) The visit occurs in an emergency room or an urgent care facility or the visit is unscheduled, including consultations in inpatient facilities.
- (3) The licensee who will be treating the patient during the visit is not known to the patient until immediately prior to the start of the visit.
 - (4) The licensee does not have a direct treatment relationship with the patient.
- (d) On and after July 1, 2019, the board shall provide the following information, with respect to licensees on probation and licensees practicing under

11. Section 2239 of the Code states, in pertinent part:

(a) The use or prescribing for or administering to himself or herself, of any controlled substance; or the use of any of the dangerous drugs specified in Section 4022, or of alcoholic beverages, to the extent, or in such a manner as to be dangerous or injurious to the licensee, or to any other person or to the public, or to the extent that such use impairs the ability of the licensee to practice medicine safely or more than one misdemeanor or any felony involving the use, consumption, or self-administration of any of the substances referred to in this section, or any combination thereof, constitutes unprofessional conduct. The record of the conviction is conclusive evidence of such unprofessional conduct.

12. Section 2242 of the Code states, in pertinent part:

(a) Prescribing, dispensing, or furnishing dangerous drugs as defined in Section 4022 without an appropriate prior examination and a medical indication, constitutes unprofessional conduct. An appropriate prior examination does not require a synchronous interaction between the patient and the licensee and can be achieved through the use of telehealth, including, but not limited to, a self-screening tool or a questionnaire, provided that the licensee complies with the appropriate standard of care.

13. California Code of Regulations, title 16, section 1360, states:

For the purposes of denial, suspension or revocation of a license, certificate or permit pursuant to Division 1.5 (commencing with Section 475) of the code, a crime or act shall be considered to be substantially related to the qualifications, functions or duties of a person holding a license, certificate or permit under the Medical Practice Act if to a substantial degree it evidences present or potential unfitness of a person holding a license, certificate or permit to perform the functions authorized by the license, certificate or permit in a manner consistent with the public health, safety or welfare. Such crimes or acts shall include but not be limited to the following: Violating or attempting to violate, directly or indirectly, or assisting in or abetting the violation of, or conspiring to violate any provision of the Medical Practice Act.

COST RECOVERY

14. Section 125.3 of the Code provides, in pertinent part, that the Board may request the administrative law judge to direct a licensee found to have committed a violation or violations of the licensing act to pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case, with failure of the licensee to comply subjecting the license to not being renewed or reinstated. If a case settles, recovery of investigation and enforcement costs may be included in a stipulated settlement.

FACTUAL ALLEGATIONS

- 15. In or around early March 2020, Respondent owned a medical practice named Skinny Beach Med Spa located in San Diego, California. Skinny Beach Med Spa offices were located in San Diego, Del Mar, and San Juan Capistrano. Skinny Beach Med Spa offered weight loss programs, hyperbaric oxygen therapy, Botox, tattoo removal, hair removal, and fat transfer.
- 16. On or about March 19, 2020, California Governor Gavin Newsom issued a statewide shelter-in-place order to contain the spread of COVID-19.
- 17. On or about March 27, 2020, Skinny Beach Med Spa sent an email newsletter to its patient population. The email started with, "Quick thoughts on the COVID-19 pandemic from Dr. Staley." In the email, Respondent stated that he had obtained a "limited supply" of hydroxychloroquine, and that he was selling "COVID treatment packs" which contained the following medications and supplements: azithromycin, hydroxychloroquine, Vitamin C, and zinc. Respondent offered to proactively sell these treatment packs to patients. Should those patients then experience symptoms of COVID-19, Respondent would instruct the patients on how to take the medication via telemedicine visits. In this email, Respondent also offered anti-anxiety treatments to avoid panic and promote sleep and a concierge medicine package for 90 days which would include intravenous drips, 24/7 access to Respondent, and COVID-19 testing.
- 18. On or about April 3, 2020, an undercover agent (UC) from the Federal Bureau of Investigation (FBI) posed as a potential patient and spoke to Respondent on the phone. The UC told Respondent that he had a wife and three kids and that his father would be moving in with his family. The UC asked Respondent about his COVID treatment packs. Respondent explained how the treatment pack worked, and that the UC could either pick up the packs or have them mailed to him. Respondent told the UC that once someone got sick, Respondent would "activate" the kit and advise the household on how to take the medications. Respondent explained that the

¹ Hydroxychloroquine is an immunosuppressive prescription drug often used to treat and prevent malaria and to treat lupus and arthritis. It is a dangerous drug pursuant to section 4022 of the Code.

² Azithromycin is a prescription antibiotic commonly used to treat bacterial infections. It is a dangerous drug pursuant to section 4022 of the Code.

medication would be taken by all household members, including those that were asymptomatic, to prevent them from contracting COVID-19.

- 19. During this phone call on or about April 3, 2020, Respondent told the UC that hydroxychloroquine "cures the disease [COVID-19]," is an "amazing cure," and that by taking the medication, "you're immune for at least six weeks." Respondent also told the UC that "[t]here's never been before, except for hepatitis C, in the history of medicine been a situation where a medication is completely curative of a virus... [i]t's hard to believe, it's almost too good to be true."
- 20. During this phone call on or about April 3, 2020, Respondent told the UC that he had just gotten the last "tank" of hydroxychloroquine smuggled out of China and that he had "tricked customs" by stating that it was "yam extract." At the end of the call, Respondent agreed to sell the UC six COVID treatment kits for his family for approximately \$4,000.00.
- 21. On or about April 6, 2020, the UC spoke to Respondent on the phone. During the call, Respondent asked the UC if he needed Viagra, Xanax, or IV fluids, to which the UC responded, "[y]eah, I mean, who doesn't need those things," and "[y]eah, why not?" Respondent did not conduct any kind of medical examination of the UC, nor did he ask the UC any questions to determine whether Viagra or Xanax were medically indicated for the UC or any of his purported family members. On or about the same day, the UC paid for the treatment packs to be mailed to him.
- 22. On or about April 9, 2020, the FBI received the mailed COVID treatment packs. The package included azithromycin, hydroxychloroquine, and chloroquine.⁵ The package also contained plastic bottles of Viagra and Xanax.

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³ Viagra, brand name for sildenafil, is a prescription medication commonly prescribed to treat erectile dysfunction. It is a dangerous drug pursuant to section 4022 of the Code.

⁴ Xanax, brand name for alprazolam, is a benzodiazepine and a Schedule IV controlled substance pursuant to Health and Safety Code section 11507, subdivision (d). It is also a dangerous drug pursuant to section 4022 of the Code.

⁵ Chloroquine is an anti-malarial and immunosuppressive prescription drug. It is a dangerous drug pursuant to section 4022 of the Code.

- 23. On or about April 10, 2020, federal agents interviewed Respondent at Skinny Beach Med Spa. Contrary to what he told the UC, Respondent denied telling patients that hydroxychloroquine was a cure for COVID-19. Respondent also told the federal agents that he legally purchased hydroxychloroquine from a pharmaceutical supplier in China.
- 24. On or about April 16, 2020, in *United States of America v. Jennings Ryan Staley*, Case No. 20-mj-01407-JLB, a Complaint was filed charging Respondent with one count of felony mail fraud, in violation of Title 18, section 1341 of the United States Code.
- 25. On or about May 20, 2020, in *United States of America v. Jennings Ryan Staley*, Case No. 20-cr-01227-GPC, an Indictment was filed charging Respondent with one count of mail fraud in violation of Title 18, section 1341 of the United States Code.
- 26. On or about August 21, 2020, in *United States of America v. Jennings Ryan Staley*, Case No. 20-cr-01227-GPC, the Court modified Respondent's conditions of pre-trial release to include drug and alcohol testing no more than four times per month.
- 27. On or about December 2, 2020, in *United States of America v. Jennings Ryan Staley*, Case No. 20-cr-01227-GPC, a Superseding Indictment was filed charging Respondent with the following: three counts of mail fraud, in violation of Title 18, section 1341 of the United States Code; one count of illegally importing merchandise, in violation of Title 18, section 545 of the United States Code; three counts of providing false statements to federal agents, in violation of Title 18, section 1001(a)(2) of the United States Code section; and one count of aggravated identity theft, in violation of Title 18, section 1028A of the United States Code.
- 28. On or about July 13, 2021, in *United States of America v. Jennings Ryan Staley*, Case No. 20-cr-01227-GPC, Respondent signed a plea agreement agreeing to plead guilty to one count of illegally importing merchandise, in violation of Title 18, section 545 of the United States Code. In the plea agreement, Respondent admitted that the following facts are true and undisputed:
 - a. On or about March 28, 2020, Respondent sent a message to an employee asking whether the employee had extra hydroxychloroquine tablets from a prior valid prescription. On or about March 29, 2020, Respondent wrote a prescription for 180 tablets of 200 mg hydroxychloroquine for the employee without the employee's knowledge or consent.

SECOND CAUSE FOR DISCIPLINE 1 (Dishonest or Corrupt Acts) 2 32. 3 Respondent has further subjected his Physician's and Surgeon's Certificate No. C 54121 to disciplinary action under sections 2227 and 2234, as defined by section 2234, 4 subdivision (e), of the Code, in that he committed dishonest and corrupt acts, as more particularly 5 alleged in paragraphs 15 through 30, above, which are hereby incorporated by reference and re-6 alleged as if fully set forth herein. 7 THIRD CAUSE FOR DISCIPLINE 8 (Use or Administration to Himself of Controlled Substances) 9 33. Respondent has further subjected his Physician's and Surgeon's Certificate 10 11 No. C 54121 to disciplinary action under sections 2227 and 2234, as defined by section 2239, of the Code, in that Respondent used cocaine, as more particularly alleged in paragraphs 15 through 12 30, above, which are hereby incorporated by reference and re-alleged as if fully set forth herein. 13 FOURTH CAUSE FOR DISCIPLINE 14 (Prescribing, Dispensing, or Furnishing Dangerous Drugs without 15 Appropriate Prior Examination and Medical Indication) 34. Respondent has further subjected his Physician's and Surgeon's Certificate No. 16 C 54121 to disciplinary action under sections 2227 and 2234, as defined by section 2242, of the 17 Code, in that Respondent prescribed, dispensed, or furnished dangerous drugs without an 18 appropriate prior examination and a medical indication for the employee and the UC, as more 19 particularly alleged in paragraphs 15 through 30, above, which are hereby incorporated by 20 reference and re-alleged as if fully set forth herein. 22 FIFTH CAUSE FOR DISCIPLINE (Violation of Statutes Regulating Dangerous Drugs or Controlled Substances) 35. Respondent has further subjected his Physician's and Surgeon's Certificate No. C 54121 to disciplinary action under sections 2227 and 2234, as defined by section 2238, of the Code, in that Respondent violated state statutes and regulations regulating dangerous drugs or controlled substances, as more particularly alleged in paragraphs 15 through 34, above, which are

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hereby incorporated by reference and re-alleged as if fully set forth herein.