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

In the Matter of the Accusation Against: Vanessa Grace Franz, M.D. Physician's & Surgeon's Certificate No. A 143063 Respondent.	Case No. 800-2023-098635

DECISION

The attached Stipulated Settlement 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 November 6, 2026.

IT IS SO ORDERED: October 8, 2026.

MEDICAL BOARD OF CALIFORNIA

MD.

Veling Tsai, M.D., Chair
Panel A

ROB BONTA
Attorney General of California
MICHAEL C. BRUMMEL
Supervising Deputy Attorney General
JAMES W. WALTER
Deputy Attorney General
State Bar No. 173481
1300 I Street, Suite 125
Sacramento, CA 95814
Telephone: (916) 210-7542
Facsimile: (916) 327-2247
E-mail: James.Walter@doj.ca.gov
Attorneys for Complainant

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

In the Matter of the Accusation Against: **VANESSA GRACE FRANZ, M.D.** **1600 Eureka Road** **Roseville, CA 95661** **Physician's and Surgeon's Certificate No. A 143063** Respondent.	Case No. 800-2023-098635 OAH No. 2025100098 **STIPULATED SETTLEMENT AND DISCIPLINARY ORDER**

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

PARTIES

1. Reji Varghese (Complainant) is the Executive Director of the Medical Board of California (Board). He brought this action solely in his official capacity and is represented in this matter by Rob Bonta, Attorney General of the State of California, by James W. Walter, Deputy Attorney General.

2. Respondent Vanessa Grace Franz, M.D. (Respondent) is represented in this proceeding by attorney Ann H. Larson, Esq., whose address is: 12677 Alcosta Blvd, Suite 375 San Ramon, CA 94583-4202.

///

3. On or about June 2, 2016, the Board issued Physician's and Surgeon's Certificate No. A 143063 to Vanessa Grace Franz, M.D. (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. 800-2023-098635, and will expire on March 31, 2028, unless renewed.

JURISDICTION

4. Accusation No. 800-2023-098635 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 May 1, 2025. Respondent timely filed her Notice of Defense contesting the Accusation.

5. A copy of Accusation No. 800-2023-098635 is attached as Exhibit A and incorporated herein by reference.

ADVISEMENT AND WAIVERS

6. Respondent has carefully read, fully discussed with counsel, and understands the charges and allegations in Accusation No. 800-2023-098635. Respondent has also carefully read, fully discussed with her counsel, and understands the effects of this Stipulated Settlement and Disciplinary Order.

7. Respondent is fully aware of her 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 her; the right to present evidence and to testify on her 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.

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

9. Respondent acknowledges the fact that, if adopted by the Board, the Board will report this Stipulated Settlement and Disciplinary Order to the National Practitioner Data Bank (NPDB) and Federation of State Medical Boards (FSMB) and publicly post such enforcement action, and Respondent hereby waives any and all objections thereto.

CULPABILITY

10. Respondent understands and agrees that the charges and allegations in Accusation No. 800-2023-098635, if proven at a hearing, constitute cause for imposing discipline upon her Physician's and Surgeon's Certificate.

11. Respondent agrees that, at a hearing, Complainant could establish a factual basis for the charges in the Accusation, and that Respondent hereby gives up her right to contest those charges.

12. Respondent agrees that her Physician's and Surgeon's Certificate is subject to discipline and agrees to be bound by the Board's imposition of discipline as set forth in the Disciplinary Order below.

CONTINGENCY

13. This stipulation shall be subject to approval by the Medical Board of California. Respondent understands and agrees that counsel for Complainant and the staff of the Medical Board of California may communicate directly with the Board regarding this stipulation and settlement, without notice to or participation by Respondent or her counsel. By signing the stipulation, Respondent understands and agrees that she may not withdraw her agreement or seek to rescind the stipulation prior to the time the Board considers and acts upon it. If the Board fails to adopt this stipulation as its Decision and Order, the Stipulated Settlement and Disciplinary Order shall be of no force or effect, except for this paragraph, it shall be inadmissible in any legal action between the parties, and the Board shall not be disqualified from further action by having considered this matter.

14. This Stipulated Settlement and Disciplinary Order is intended by the parties herein to be an integrated writing representing the complete, final, and exclusive embodiment of the agreement of the parties in the above-entitled matter.

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

///

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

DISCIPLINARY ORDER

A. PUBLIC REPRIMAND

IT IS HEREBY ORDERED THAT the Physician's and Surgeon's Certificate No. A143063 issued to Vanessa Grace Franz, M.D. shall be and is hereby publicly reprimanded pursuant to California Business and Professions Code section 2227, subdivision (a)(4). This Public Reprimand, which is issued in connection with Accusation No. 800-2023-098635, is as follows:

"On or between February 22, 2021, and March 25, 2021, while treating Patient A at Kaiser Hospital, you negligently performed surgery that caused permanent injury to Patient A by failing to identify the distal nerves prior to performing a resection of a lipoma, by placing staples (vascular clips) on the distal nerves of Patient A, and for failing to adequately document the patient's medical records as more fully described in Accusation No. 800-2023-098635."

B. EDUCATION: PATIENT SAFETY COURSE-VIRTUAL VS. IN-PERSON EXAMINATION

Within 60 calendar days of the effective date of this Decision, Respondent shall enroll in a course in Virtual Physical Examination Techniques and Patient Safety and Triage- learning when to switch from a virtual to an in-person visit. This course shall be Category I certified and approved in advance by the Board or its designee. Respondent shall provide the approved course provider with any information and documents that the approved course provider may deem pertinent. Respondent shall participate in and successfully complete the classroom component of the course not later than six (6) months after Respondent's initial enrollment. Respondent shall successfully complete any other component of the course within one (1) year of enrollment. The course shall be at Respondent's expense and shall be in addition to the Continuing Medical Education (CME) requirements for renewal of licensure.

C. INVESTIGATION/ENFORCEMENT COST RECOVERY

Respondent is hereby ordered to reimburse the Board its costs of investigation and

enforcement, including, but not limited to, expert review, legal reviews, and investigation, in the amount of $27,750 (twenty-seven thousand seven hundred fifty dollars and no cents). Costs shall be payable to the Medical Board of California. Failure to pay such costs shall be considered unprofessional conduct.

Payment must be made in full within 30 calendar days of the effective date of the Order, or by a payment plan approved by the Medical Board of California. Any and all requests for a payment plan shall be submitted in writing by respondent to the Board. Failure to comply with the payment plan shall be considered unprofessional conduct.

The filing of bankruptcy by respondent shall not relieve respondent of the responsibility to repay investigation and enforcement costs, including expert review costs.

D. **FAILURE TO COMPLY**

If Respondent fails to enroll in, participate in, or successfully complete the educational program and/or course, and/or complete the terms and conditions as described in Conditions B and C, within the designated time period set forth in the Decision and Order, Respondent shall receive and comply with a notification from the Board or its designee to cease the practice of medicine within three (3) calendar days after being so notified. Respondent shall not resume the practice of medicine until enrollment or participation or fulfillment in the educational program and/or course, and/or completion of the terms and conditions have been provided to the Board as required by the express language of the Decision and Order. In addition, failure to successfully complete the educational program(s) and/or course(s), and/or complete the terms and conditions outlined above shall also constitute separate grounds for general unprofessional conduct and will be grounds for further immediate disciplinary action against Respondent's license

///

///

///

///

///

///

ACCEPTANCE

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

DATED: 05/05/2026

VANESSA GRACE FRANZ, M.D.
Respondent

I have read and fully discussed with Respondent Vanessa Grace Franz, M.D. the terms and conditions and other matters contained in the above Stipulated Settlement and Disciplinary Order. I approve its form and content.

DATED: 5/5/2026

ANN H. LARSON, ESQ.
Attorney for Respondent

ENDORSEMENT

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

DATED: 5/5/2026

Respectfully submitted,

ROB BONTA
Attorney General of California
MICHAEL C. BRUMMEL
Supervising Deputy Attorney General

JAMES W. WALTER
Deputy Attorney General
Attorneys for Complainant

ROB BONTA
Attorney General of California
MICHAEL C. BRUMMEL
Supervising Deputy Attorney General
JAMES W. WALTER
Deputy Attorney General
State Bar No. 173481
1300 I Street, Suite 125
P.O. Box 944255
Sacramento, CA 94244-2550
Telephone: (916) 210-7542
Facsimile: (916) 322-8288
E-mail: James.Walter@doj.ca.gov
Attorneys for Complainant

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

In the Matter of the Accusation Against: **Vanessa Grace Franz, M.D.** **1600 Eureka Road** **Roseville, CA 95661-3027** **Physician's and Surgeon's Certificate No. A 143063,** Respondent.	Case No. 800-2023-098635 **ACCUSATION**

PARTIES

1. Reji Varghese (Complainant) brings this Accusation solely in his official capacity as the Executive Director of the Medical Board of California, Department of Consumer Affairs (Board).

2. On or about June 2, 2016, the Medical Board issued Physician's and Surgeon's Certificate No. A 143063 to Vanessa Grace Franz, M.D. (Respondent). The Physician's and Surgeon's Certificate was in full force and effect at all times relevant to the charges brought herein and will expire on March 31, 2026, unless renewed.

///

///

///

JURISDICTION

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

4. Section 2227 of the Code provides that a licensee who is found guilty under the Medical Practice Act may have his or her license revoked, suspended for a period not to exceed one year, placed on probation and required to pay the costs of probation monitoring, or such other action taken in relation to discipline as the Board deems proper.

5. Section 2234 of the Code states:

> 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.
>
> (b) Gross negligence.
>
> (c) Repeated negligent acts. To be repeated, there must be two or more negligent acts or omissions. An initial negligent act or omission followed by a separate and distinct departure from the applicable standard of care shall constitute repeated negligent acts.
>
> (1) An initial negligent diagnosis followed by an act or omission medically appropriate for that negligent diagnosis of the patient shall constitute a single negligent act.
>
> (2) When the standard of care requires a change in the diagnosis, act, or omission that constitutes the negligent act described in paragraph (1), including, but not limited to, a reevaluation of the diagnosis or a change in treatment, and the licensee's conduct departs from the applicable standard of care, each departure constitutes a separate and distinct breach of the standard of care.
>
> (d) Incompetence.
>
> (e) The commission of any act involving dishonesty or corruption that is substantially related to the qualifications, functions, or duties of a physician and surgeon.
>
> (f) Any action or conduct that would have warranted the denial of a certificate.
>
> (g) The failure by a certificate holder, in the absence of good cause, to attend and participate in an interview by the board no later than 30 calendar days after being notified by the board. This subdivision shall only apply to a certificate holder who is the subject of an investigation by the board.

(h) Any action of the licensee, or another person acting on behalf of the licensee, intended to cause their patient or their patient's authorized representative to rescind consent to release the patient's medical records to the board or the Department of Consumer Affairs, Health Quality Investigation Unit.

(i) Dissuading, intimidating, or tampering with a patient, witness, or any person in an attempt to prevent them from reporting or testifying about a licensee.

6. Section 2266 of the Code states: The failure of a physician and surgeon to maintain adequate and accurate records relating to the provision of services to their patients constitutes unprofessional conduct.

COST RECOVERY

7. 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

8. Respondent is a general surgeon who was employed by Kaiser Permanente Hospital in Roseville, California in 2021.

9. On February 21, 2021, Respondent examined Patient A[1] for evaluation of a mass on her left forearm, which appeared to be growing larger but had been present on the patient's forearm for several years. Patient A was complaining of increasing pain in and around the mass. The examination was done by telemedicine. Respondent's notes of the February 21, 2021, encounter do not document that she asked standard questions including size of tumor, location, whether the patient experiences paresthesias, muscular weakness, or skin changes. There was also no discussion whether any previous imaging had been performed. Respondent recommended that Patient A undergo surgery for removal of this mass, and the surgery was scheduled. While Respondent claims she performed an evaluation of the mass prior to beginning surgery, her pre-

[1] Patient A's name is redacted to protect her privacy. Her full name will be provided to Respondent and her counsel in discovery.

surgical notes of March 25, 2021, do not document any examination of Patient A's arm or that Respondent took a history from Patient A regarding the mass on her arm.

10 Respondent planned a surgery that included resection of the mass (a post-operative pathology determined that the mass was a lipoma, or non-cancerous mass of fat cells that grows between the skin and muscles of a patient). Surgery near the wrist or hand of a patient requires a surgeon to be cognizant of the risk of injury to the superficial branch of the radial nerve (SBRN) because the wrist and hand area is an especially sensitive area where surgeons encounter nerves, blood vessels, or other organs. Appropriate training, experience and diligence is necessary to avoid injury to underlying nerves which surgeons encounter during an operation.

11. On or about March 25, 2021, during surgery Respondent mistakenly placed surgical clips on the distal nerves of Patient 1's left forearm in an attempt to control bleeding. Respondent did not know that she had placed the surgical clips onto the distal nerves of the SBRN.

12. Respondent did not believe that she was operating near where the nerves would be coming up laterally and, therefore, she did not identify them at any point during the surgery. Respondent placed vascular clips near the radial styloid area without knowledge of the potential risk to the nerves of the SBRN.

13. Following surgery, Patient A developed an infection, which was treated with antibiotics. Patient A complained of significant pain in the days following surgery and sought treatment at the Kaiser Emergency Room, where she was prescribed gabapentin and Tylenol. In the following days, the pain in Patient A's left forearm was so bad that she took as many as eight 200 milligram Gabapentin tablets and 10 Tylenol pills to manage her condition. Patient A's pain continued for several months. Patient A was referred to physical therapy which did not alleviate her pain. Patient A ultimately sought a second opinion from another physician, N.T., M.D., because the pain persisted for months.

14. On or about August 13, 2021, N.T., M.D. examined Patient A. Patient A was tender and complained of dorsal forearm and wrist shooting pain, numbness, and swelling since the surgery performed by Respondent. Narcotics and nonsteroidal anti-inflammatory drugs were ineffective at relieving Patient A's pain. Patient A presented with maximum tenderness occurring

over the radius. N.T., M.D. ordered x-rays, which revealed a small lump that appeared to N.T., M.D. to be a vascular clip or staple, which was near the area of maximum tenderness on the radial styloid area. The x-rays further revealed that three vascular clips, used by Respondent during her surgery, were deeply embedded and near bone near the radial styloid. N.T., M.D.'s assessment following this examination was that Patient A could be having pain from staples and irritation of the superficial branch of radial nerve or neuropraxia from retraction of SBRN. N.T., M.D. recommended surgical exploration of the area, removal of vascular staples, and repair of nerve injury if necessary.

15. On or about September 28, 2021, N.T., M.D. performed surgery on Patient A's left forearm, removing three surgical clips that Respondent had placed in the patient's forearm during this surgery. Nerves could not be repaired because neuroma covered much of the distal branch of the SBRN, near where two staples were placed. Additionally, N.T., M.D. could not find distal nerve branches in the area where the nerves were stapled, making it impossible to repair the damaged nerves. The nerve damage sustained by Patient A was a result of iatrogenic injury to the nerve not being identified or preserved and is a permanent injury.

16. Following the surgery with N.T., M.D., Patient A noted decreased pain and some Tinel's type nerve pain, but this pain resolved quickly after surgery. However, Patient A was left with permanent numbness in her left forearm.

17. Following the second surgery, Patient A filed a lawsuit against Respondent and Kaiser Foundation Health Plan. Kaiser Foundation Health Plan served a Report of Settlement with the Medical Board of California.

FIRST CAUSE FOR DISCIPLINE

(Repeated Negligence)

18. Respondent has subjected her Physician's and Surgeon's Certificate No. A 143063 to disciplinary action under section 2234, subdivision (c), of the Code, in that she was repeatedly negligent in her care and treatment of Patient A as more particularly alleged in paragraphs 8 through 17 above, which are incorporated by reference as if fully set forth here. Additional circumstances are as follows:

A. Failing to perform and/or document adequate physical exams of Patient A prior to commencing surgery.

B. Failing to perform and/or document Patient A's history prior to commencing surgery.

C. Failing to identify distal nerves prior to performing the resection of the lipoma.

D. Failing to realize she placed surgical screws on the distal nerves of Patient A and further for her lack of awareness that this procedure could cause permanent injury.

SECOND CAUSE FOR DISCIPLINE

(Inadequate Records)

19. Respondent has subjected her Physician's and Surgeon's Certificate No. A 143063 to disciplinary action under section 2266 of the Code, in that she failed to adequately and accurately maintain medical records for Patient A, as more particularly alleged in paragraphs 8 through 18, above, which are incorporated by reference as if fully set forth here.

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 No. A 143063, issued to Respondent Vanessa Grace Franz, M.D.;

2. Revoking, suspending or denying approval of Respondent Vanessa Grace Franz, M.D.'s authority to supervise physician assistants and advanced practice nurses;

3. Ordering Respondent Vanessa Grace Franz, M.D., to pay the Board the costs of the investigation and enforcement of this case, and if placed on probation, the costs of probation monitoring; and

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

DATED: MAY 01 2025

REJI VARGHESE
Executive Director
Medical Board of California
Department of Consumer Affairs
State of California
Complainant