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

In the Matter of the Accusation Against:	)	
	)	
	)	
BRUCE ALLAN HAGADORN, M.D.	)	Case No. 800-2015-016476
	)	
Physician's and Surgeon's Certificate No. G 71549	)	
	)	
Respondent	)	
	)	

DECISION AND ORDER

The attached Proposed Decision 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 September 22, 2017.

IT IS SO ORDERED: August 25, 2017.

MEDICAL BOARD OF CALIFORNIA

Jamie Wright, J.D., Chair
Panel A

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

In the Matter of the Accusation Against: BRUCE ALLAN HAGADORN, M.D., Physician's and Surgeon's Certificate Number G71549, Respondent.	Case No. 800-2015-016476 OAH No. 2017010196

PROPOSED DECISION

Administrative Law Judge Carla L. Garrett, Office of Administrative Hearings, heard this matter on July 11, 2017, at Los Angeles, California.

Jason J. Ahn, Deputy Attorney General, represented Complainant Kimberly Kirchmeyer, Executive Director of the Medical Board of California (Board). Respondent Bruce Allan Hagadorn (Respondent) appeared at hearing and represented himself.

Oral and documentary evidence having been received and the matter having been submitted, the Administrative Law Judge makes the following Proposed Decision.

FINDINGS OF FACT

1. On September 20, 2016, Complainant Kimberly Kirchmeyer filed the Accusation in her official capacity as Executive Director of the Board.

2. The Board issued Physician's and Surgeon's Certificate Number G71549 to Respondent on June 11, 1991. The certificate is renewed and current with an expiration date of November 30, 2018.

Conviction

3. On August 31, 2015, Respondent suffered a conviction in the Superior Court of California, County of Los Angeles, in Case No. 15HF0303, upon a plea of guilty, of eight felonious counts of willfully failing to file tax returns or of making fraudulent tax returns, in

violation of section 19706 of the Revenue and Tax Code. Specifically, Respondent, with intent to evade imposed taxes, failed to file tax returns or statements for the 2008, 2009, 2010, 2011, 2012, and 2013 tax years, in relation to California resident personal income taxes and/or California corporation income taxes. Respondent committed these offenses on or about April 15, 2009, March 15, 2010, April 15, 2010, March 15, 2011, April 15, 2011, March 15, 2012, March 15, 2013, and March 15, 2014.

4. In addition, the felony complaint warrant alleged an embezzlement charge against Respondent in relation to his Chief of Staff position at Irvine Regional Hospital & Medical Center (Irvine Regional Hospital). Specifically, it alleged that Respondent used funds in the medical executive committee's account, approximately $250,000, that were earmarked for donation to Hoag Hospital Foundation.[1] Actually, beginning in February 2009, Respondent wrote numerous checks made payable to himself, and drawn on the medical executive committee's account, totaling $240,000, and then forwarded a check to the Hoag Hospital Foundation in the amount of $10,000. In exchange for the Orange County District Attorney's office (D.A.'s office) moving to dismiss the embezzlement charge on behalf of the People of the State of California, Respondent agreed to pay full restitution to Irvine Regional Hospital.

5. The felony complaint warrant also alleged enhancements. Specifically, it alleged Respondent intentionally took, damaged, and destroyed property valued in excess of $65,000 and $200,000 during the commission and attempted commission of his crimes, in violation of Penal Code section 12022.6, subdivision (a)(1), and section 12022.6, subdivision (a)(2), respectively. The enhancement presumably pertained to the medical executive committee's account that Respondent misused. The felony complaint warrant also alleged Respondent engaged in an aggravated white collar crime in that Respondent engaged in a pattern of related fraudulent felony conduct involving the taking of more than $100,000, but less than $500,000. The enhancement presumably pertained to Respondent's repeated act of writing checks made payable to himself, drawn on the medical executive committee's account.

6. On August 31, 2015, pursuant to the terms of a plea agreement, Respondent pled guilty to eight felonious counts of willfully failing to file tax returns or of making fraudulent tax returns, and admitted to the allegations of the enhancements, namely of violating Penal Code sections 186.11, subdivision (a)(1)/(3), and 12022.6, subdivision (a)(1) and (a)(2). The court placed Respondent on three years of formal probation, pursuant to terms and conditions, including the condition that Respondent serve 365 days in jail.

7. Respondent did not serve 365 days in a correctional facility. Rather, the court permitted Respondent to wear an ankle monitor and allowed him to continue practicing as a physician. Respondent will complete his three-year probation on August 31, 2018, and is

---

[1] The Hoag Foundation's main focus is funding non-profit organizations that support community healthcare programs, social service programs and youth programs in Los Angeles, Orange County and Central Coast areas of California.

currently on "administrative status probation," meaning, Respondent is subjected to minimal supervision. In other words, Respondent need not appear for weekly or monthly contact meetings with his probation officer because he has proven himself to be a compliant probationer.

Respondent's Testimony / Rehabilitation

8. Respondent testified at hearing. Respondent graduated medical school in 1989 and completed an internship and residency in obstetrics and gynecology from the University of California at Irvine in 1990 and 1993, respectively. From 1993 through 2009, Respondent practiced at Irvine Regional Hospital, where he served as Vice Chief of Staff from 2005 to 2007, and Chief of Staff from 2007 to 2009. Irvine Regional Hospital closed in 2009 due to funding issues, of which Respondent and the rest of its staff received approximately six months' advanced notice. Shortly after delivering notice of its impending closure, Irvine Regional Hospital began closing down divisions, including the obstetrics and gynecology division, which meant Respondent no longer earned money delivering babies at that hospital. Within three months, Respondent's income dropped approximately 72 percent, resulting in the eventual loss of his car and home, and left him struggling to maintain a private practice, which he operated under a corporation. Additionally, Respondent's father had fallen ill, resulting in Respondent spending his resources attending to his father, and subsequently his mother, after Respondent's father died in 2011. Moreover, Respondent is the father of four children, and at that time, three of them were in college. Respondent was responsible for paying their tuition. All of these financial difficulties resulted in a "perfect storm" that led to Respondent's violation of the law.

9. Specifically, before Irvine Regional Hospital closed, the medical executive committee elected Respondent to "clean up the bills" and use the resulting funds for a charitable donation to the Hoag Foundation. However, instead of sending the funds to the Hoag Foundation, Respondent sent the funds to himself, justifying in his mind that he was entitled to at least $4,000 as a monthly stipend as Chief of Staff, like previous Chiefs of Staff, and to carry out the duties imposed on him by the medical executive committee. Respondent calculated that the amount of funds he sent himself totaled approximately $143,000, but the D.A.'s office alleged the amount was closer to $250,000.

10. Respondent failed to file his personal and corporate tax returns from 2008 to 2014 because he was plagued by financial difficulties, a substantial reduction in work, family distractions stemming from his sick father and ailing mother, and unprecedented stress. At hearing, Respondent insisted he was not trying to cheat the government, hide money, or evade taxes, despite his guilty plea, as he intended to file his tax returns, but he was simply too overwhelmed by his financial and familial plights.

11. Respondent agreed to a plea bargain "to make everything go away." In that regard, he obtained a loan to pay restitution to the medical staff of Irvine Regional Hospital in the total amount of $250,000, in exchange for the D.A.'s office dropping the embezzlement charge. Additionally, Respondent filed his delinquent tax returns, paid the

Franchise Tax Board the amount of $103,865, including tax and penalties, and now files his tax returns in a timely fashion.

12. On May 14 and 15, 2016, Respondent voluntarily attended an Institute for Medical Quality (IMQ) program focused on professionalism, law, and ethics. The program focused on both the legal and ethical dimensions of the medical practice in California and introduced its participants to a range of resources to address present or future situations. The program was designed to serve as proactive training for physicians who sought options to appropriately handle professional ethical dilemmas. Final completion of the program required a longitudinal follow-up at six and twelve months after the course. Respondent has yet to participate in any longitudinal follow-up, as he has not heard back from anyone from IMQ, and Respondent, due to his distractions, has not checked in with IMQ regarding any longitudinal follow-up.

13. While Respondent is grateful he was still able to continue practicing medicine and earn money instead of spending time in jail, Respondent's current financial condition remains precarious. He still supports three of his four children financially and pays college tuition. Because of Respondent's heavy financial and familial obligations, Respondent asserts he must continue working for years and years to come without any break in employment.

14. Respondent's conviction resulted in great embarrassment to him and his family. The stress of this matter affected his health, as Respondent developed diabetes, which resulted in multiple surgeries and the near loss of his foot. He also suffered the loss of his home and cars stemming from his financial difficulties. Such factors have served as a constant reminder to Respondent to obey all laws and not make the same mistakes in the future. Respondent has enjoyed being a physician and considers it an honor to help people, and believes he still has a lot to offer in that regard.

CONCLUSIONS OF LAW

1. The standard of proof which must be met to establish the charging allegations herein is "clear and convincing evidence." (*Ettinger v. Board of Medical Quality Assurance* (1982) 135 Cal.App.3d 853.) This means the burden rests with Complainant to offer proof that is clear, explicit and unequivocal--so clear as to leave no substantial doubt and sufficiently strong to command the unhesitating assent of every reasonable mind. (*Katie V. v. Superior Court* (2005) 130 Cal.App.4th 586, 594.)

2. The purpose of the Medical Practice Act[2] is to assure the high quality of medical practice; in other words, to keep unqualified and undesirable persons and those guilty of unprofessional conduct out of the medical profession. (*Shea v. Board of Medical Examiners* (1978) 81 Cal.App.3d 564, 574.) The imposition of license discipline does not

---

[2] Business and Professions Code sections 2000 through 2521.

depend on whether patients were injured by unprofessional medical practices. (See, *Bryce v. Board of Medical Quality Assurance* (1986) 184 Cal.App.3d. 1471; *Fahmy v. Medical Board of California* (1995) 38 Cal.App.4th 810, 817.) Our courts have long held that the purpose of physician discipline by the Board is not penal, but to "protect the life, health and welfare of the people at large and to set up a plan whereby those who practice medicine will have the qualifications which will prevent, as far as possible, the evils which could result from ignorance or incompetency or a lack of honesty and integrity." (*Furnish v. Board of Medical Examiners* (1957) 149 Cal.App.2d 326, 331.

3. Business and Professions Code section 2236 states, in relevant part:

(a) The conviction of any offense substantially related to the qualifications, functions, or duties of a physician and surgeon constitutes unprofessional conduct within the meaning of this chapter. The record of conviction shall be conclusive evidence only of the fact that the conviction occurred. [¶] . . . [¶]

(d) A plea or verdict of guilty or a conviction after a plea of nolo contendere is deemed to be a conviction within the meaning of this section and Section 2236.1. The record of conviction shall be conclusive evidence of the fact that the conviction occurred.

4. Business and Professions Code section 490, subdivisions (a) and (c), state:

(a) In addition to any other action that a board is permitted to take against a licensee, a board may suspend or revoke a license on the ground that the licensee has been convicted of a crime, if the crime is substantially related to the qualifications, functions, or duties of the business or profession for which the license was issued. [¶] . . . [¶]

(c) A conviction within the meaning of this section means a plea or verdict of guilty or a conviction following a plea of nolo contendere.

5. California Code of Regulations, title 16, section 1360, provides:

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.

6. Business and Professions Code section 2234 provides, in 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. [¶] . . . [¶]
>
> (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.

7. "Unprofessional conduct is that conduct which breaches the rules or ethical code of a profession, or conduct which is unbecoming a member in good standing of a profession. (Citation.)" (*Shea, supra* (1978) 81 Cal.App.3d at 574.) In *Krain v. Medical Board* (1999) 71 Cal.App.4th 1416, 1424-1425, the court had occasion to determine whether a dishonest act performed by a physician outside the context of the doctor-patient relationship could form the basis for license discipline. In determining that the dishonest conduct was substantially related to the functions, duties and qualifications of a medical doctor, the court stated:

> Krain's conviction may properly form the basis of discipline only if it is "substantially related to the qualifications, functions, or duties of a physician and surgeon ...." (§ 2236, subd. (a).) Whether such a relationship exists is a question of law "for this court's independent determination. [Citations.]" (*Gromis v. Medical Board* (1992) 8 Cal.App.4th 589, 598, 10 Cal.Rptr.2d 452.)
>
> Krain contends that his conviction for solicitation of subornation of perjury does not bear a substantial relationship to his qualifications as a physician. Based on *Windham v. Board of Medical Quality Assurance* (1980) 104 Cal.App.3d 461, 163 Cal.Rptr. 566 (*Windham*), we reject Krain's contention. In *Windham,* a physician was disciplined as a result of his conviction for tax fraud. In that case, the physician argued "that while tax fraud may adversely reflect on his moral character, it is not the type of transgression which reflects on his professional qualifications, functions or duties." (*Id.* at p. 470, 163 Cal.Rptr. 566.) The Court of Appeal rejected this argument: "First of all, we find it difficult to compartmentalize dishonesty in such a way that a person who is willing to cheat his government out of $65,000 in taxes may yet be considered honest in his dealings with his patients. In this connection, however, we should point out that today's doctor deals financially with the government-state, local and federal-in many ways that have nothing to do with his own personal tax obligation.... [¶] ... Above all, however, there is the

relation between doctor and patient. It is unnecessary to describe the extent to which that particular relationship is based on utmost trust and confidence in the doctor's honesty and integrity." (*Windham, supra,* 104 Cal.App.3d at p. 470, 163 Cal.Rptr. 566.)

Krain's conviction for soliciting the subornation of perjury, like the tax fraud conviction at issue in *Windham,* involves dishonesty. We agree with the reasoning of *Windham:* the intentional solicitation to commit a crime which has as its hallmark an act of dishonesty cannot be divorced from the obligation of utmost honesty and integrity to the patients whom the physician counsels, as well as numerous third-party entities and payors who act on behalf of patients. (*Windham, supra,* 104 Cal.App.3d at p. 470, 163 Cal.Rptr. 566; see also *Matanky v. Board of Medical Examiners* (1978) 79 Cal.App.3d 293, 305-306, 144 Cal.Rptr. 826.) Krain's plea of guilty to solicitation of subornation of perjury is substantially related to his qualifications as a physician.

8. Cause exists to revoke Respondent's physician's and surgeon's certificate as Respondent has violated the provisions of the Medical Practice Act, in particular Business and Professions Code sections 2234, subdivisions (a) and (e), 2236, subdivisions (a) and (d), and 490, subdivisions (a) and (c), and California Code of Regulations, title 16, section 1360, in that Respondent has been convicted of a crime substantially related to the qualifications, functions and duties of a licensed physician and surgeon, as set forth in Factual Findings 3 through 6.

9. Cause exists to revoke Respondent's physician's and surgeon's certificate as Respondent has violated the provisions of the Medical Practice Act, in particular Business and Professions Code sections 2234, subdivisions (a) and (e), because his failure to file tax returns from 2008 to 2014 were acts of unprofessional conduct, dishonesty and corruption, as set forth in Factual Findings 3 through 6.

10. Pursuant to California Code of Regulations, title 16, section 1360.1:

When considering the suspension or revocation of a license, certificate or permit on the ground that a person holding a license, certificate or permit under the Medical Practice Act has been convicted of a crime, the division, in evaluating the rehabilitation of such person and his or her eligibility for a license, certificate or permit shall consider the following criteria:

(a) The nature and severity of the act(s) or offense(s).

(b) The total criminal record.

(c) The time that has elapsed since commission of the act(s) or offense(s).

(d) Whether the licensee, certificate or permit holder has complied with any terms of parole, probation, restitution or any other sanctions lawfully imposed against such person.

(e) If applicable, evidence of expungement proceedings pursuant to Section 1203.4 of the Penal Code.

(f) Evidence, if any, of rehabilitation submitted by the licensee, certificate or permit holder.

11. In applying the criteria to the instant matter, the evidence showed Respondent committed his offenses on or about April 15, 2009, March 15, 2010, April 15, 2010, March 15, 2011, April 15, 2011, March 15, 2012, March 15, 2013, and March 15, 2014. His last offense occurred three years ago, and his combined offenses resulted in jail time (via ankle monitoring) and a three-year probationary period. While Respondent has no prior criminal history, he remains on probation until August 31, 2018, and there has been no expungement of his criminal conviction. He has, however, been in compliance with his probation and has not suffered any more arrests or convictions. It is well established, however, that people have a strong incentive to obey the law while under the supervision of the criminal justice system, and, as such, little weight is generally placed on the fact that an applicant has engaged in good behavior while on probation or parole. (*In re Gossage* (2000) 23 Cal.4th 1080, 1099.) By insisting at hearing that he did not evade taxes or otherwise attempt to cheat the government when he failed to file tax returns for 2008 through 2014, Respondent had failed to fully acknowledge the wrongfulness of his conduct, an essential step towards rehabilitation. (*Seide v. Committee of Bar Examiners* (1989) 49 Cal.3d 933.)

12. Notwithstanding Respondent's perspective regarding tax evasion, the evidence shows that Respondent has taken proactive steps to ensure he does not run afoul of the law again. Specifically, Respondent has voluntarily attended a course on professionalism, law, and ethics. Additionally, Respondent has filed all delinquent tax returns, has paid all of his back taxes, including penalties, and now files timely tax returns. While Respondent's "act[s] of dishonesty cannot be divorced from the obligation of utmost honesty and integrity to the patients whom the physician counsels . . . ," (*Windham, supra,* 104 Cal.App.3d at p. 470, 163 Cal.Rptr. 566; see also *Matanky v. Board of Medical Examiners* (1978) 79 Cal.App.3d 293, 305-306, 144 Cal.Rptr. 826.), the Superior Court did not consider Respondent a threat to the public, given its decision to permit Respondent to serve 365 days outside of a locked facility. Instead, the court permitted Respondent to undergo ankle monitoring in lieu of imprisonment, and allowed Respondent to continue practicing medicine during that period, which he did, and continues to do, in a positive manner. Given these factors, suspension of Respondent's license is not necessary to ensure the protection of the public. Rather, a lengthy probation with terms and conditions designed to reinforce, among other things, Respondent's ethics and law-abiding efforts shall be sufficient.

ORDER

Physician's and Surgeon's Certificate Number G71549 issued to Bruce Allan Hagadorn is revoked. However, the revocation is stayed and respondent is placed on probation for a period of five years upon the following terms and conditions:

1. Community Service - Free Services

Within 60 calendar days of the effective date of this Decision, Respondent shall submit to the Board or its designee for prior approval a community service plan in which Respondent shall within the first two years of probation, provide 400 hours of free services (e.g., medical or nonmedical) to a community or non-profit organization. If the term of probation is designated for two years or less, the community service hours must be completed not later than six months prior to the completion of probation.

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

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

2. Professionalism Program (Ethics Course)

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

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

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

3. Notification

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

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

4. Supervision of Physician Assistants and Advanced Practice Nurses

During probation, Respondent is prohibited from supervising physician assistants and advanced practice nurses.

5. Obey All Laws

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

6. Quarterly Declarations

Respondent shall submit quarterly declarations under penalty of perjury on forms provided by the Board, stating whether there has been compliance with all the conditions of probation.

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

7. General Probation Requirements

Compliance with Probation Unit:

Respondent shall comply with the Board's probation unit.

Address Changes:

Respondent shall, at all times, keep the Board informed of respondent's business and residence addresses, email address (if available), and telephone number. Changes of such

addresses shall be immediately communicated in writing to the Board or its designee. Under no circumstances shall a post office box serve as an address of record, except as allowed by Business and Professions Code section 2021(b).

Place of Practice:

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

License Renewal:

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

Travel or Residence Outside California:

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

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

8. Interview with the Board or its Designee

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

9. Non-practice While on Probation

Respondent shall notify the Board or its designee in writing within 15 calendar days of any periods of non-practice lasting more than 30 calendar days and within 15 calendar days of Respondent's return to practice. Non-practice is defined as any period of time Respondent is not practicing medicine as defined in Business and Professions Code sections 2051 and 2052 for at least 40 hours in a calendar month in direct patient care, clinical activity or teaching, or other activity as approved by the Board. If Respondent resides in California and is considered to be in non-practice, Respondent shall comply with all terms and conditions of probation. All time spent in an intensive training program which has been approved by the Board or its designee shall not be considered non-practice and does not relieve respondent from complying with all the terms and conditions of probation. Practicing medicine in another state of the United States or Federal jurisdiction while on probation with the medical

licensing authority of that state or jurisdiction shall not be considered non-practice. A Board-ordered suspension of practice shall not be considered as a period of non-practice.

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

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

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

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

10. Completion of Probation

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

11. Violation of Probation

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

12. License Surrender

Following the effective date of this Decision, if Respondent ceases practicing due to retirement or health reasons or is otherwise unable to satisfy the terms and conditions of probation, Respondent may request to surrender his or her license. The Board reserves the right to evaluate Respondent's request and to exercise its discretion in determining whether or not to grant the request, or to take any other action deemed appropriate and reasonable under the circumstances. Upon formal acceptance of the surrender, respondent shall within 15 calendar days deliver Respondent's wallet and wall certificate to the Board or its designee

and respondent shall no longer practice medicine. Respondent will no longer be subject to the terms and conditions of probation. If Respondent re-applies for a medical license, the application shall be treated as a petition for reinstatement of a revoked certificate.

13. Probation Monitoring Costs

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

DATED: July 26, 2017

DocuSigned by:
Carla L. Garrett
40D88C3B895043D...

CARLA L. GARRETT
Administrative Law Judge
Office of Administrative Hearings

KAMALA D. HARRIS
Attorney General of California
MATTHEW M. DAVIS
Supervising Deputy Attorney General
JASON J. AHN
Deputy Attorney General
State Bar No. 253172
600 West Broadway, Suite 1800
San Diego, CA 92101
P.O. Box 85266
San Diego, CA 92186-5266
Telephone: (619) 738-9433
Facsimile: (619) 645-2061

Attorneys for Complainant

FILED
STATE OF CALIFORNIA
MEDICAL BOARD OF CALIFORNIA
SACRAMENTO September 20 2016
BY ANALYST

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

In the Matter of the Accusation Against: **Bruce Allan Hagadorn, M.D.** **16300 SAND CANYON AVE STE 805** **IRVINE, CA 92618** **Physician's and Surgeon's Certificate No. G71549,** Respondent.	Case No. 800-2015-016476 **A C C U S A T I O N**

Complainant alleges:

PARTIES

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

2. On or about June 11, 1991, the Medical Board issued Physician's and Surgeon's Certificate Number G71549 to Bruce Allan Hagadorn, 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 November 30, 2016, unless renewed.

JURISDICTION

3. This Accusation is brought before the Medical Board of California (Board), Department of Consumer Affairs, 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, be publicly reprimanded, or have such other action taken in relation to discipline as the Board deems proper.

5. Section 2234 of the Code states, in pertinent part:

> "The board shall take action against any licensee who is charged with unprofessional conduct.[1] 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.
>
> "..."

6. Section 2236 of the Code states:

> "(a) The conviction of any offense substantially related to the qualifications, functions, or duties of a physician and surgeon constitutes unprofessional conduct within the meaning of this chapter [Chapter 5, the Medical Practice Act]. The record of conviction shall be conclusive evidence only of the fact that the conviction occurred.
>
> "(b) The district attorney, city attorney, or other prosecuting agency shall notify the Division of Medical Quality of the pendency of an action against a licensee charging a felony or misdemeanor immediately upon obtaining

---

[1] Unprofessional conduct under California Business and Professions Code section 2234 is conduct which breaches the rules of ethical code of the medical profession, or conduct which is unbecoming to a member in good standing of the medical profession, and which demonstrates an unfitness to practice medicine. (*Shea v. Board of Medical Examiners* (1978) 81 Cal.App.3d 564, 575.)

information that the defendant is a licensee. The notice shall identify the licensee and describe the crimes charged and the facts alleged. The prosecuting agency shall also notify the clerk of the court in which the action is pending that the defendant is a licensee, and the clerk shall record prominently in the file that the defendant holds a license as a physician and surgeon.

"(c) The clerk of the court in which a licensee is convicted of a crime shall, within 48 hours after the conviction, transmit a certified copy of the record of conviction to the board. The division may inquire into the circumstances surrounding the commission of a crime in order to fix the degree of discipline or to determine if the conviction is of an offense substantially related to the qualifications, functions, or duties of a physician and surgeon.

"(d) A plea or verdict of guilty or a conviction after a plea of nolo contendere is deemed to be a conviction within the meaning of this section and Section 2236.1. The record of conviction shall be conclusive evidence of the fact that the conviction occurred."

7. 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."

///

FIRST CAUSE FOR DISCIPLINE

(Conviction of a Crime Substantially related to the Qualifications, Functions, or Duties of a Physician and Surgeon)

8. Respondent has subjected his Physician's and Surgeon's Certificate No. G71549 to disciplinary action under sections 2227 and 2234, as defined by section 2236, of the Code, in that he has been convicted of a crime substantially related to the qualifications, functions, or duties of a physician and surgeon. The circumstances are as follows:

9. On or about March 19, 2015, a criminal complaint was filed against respondent in the case entitled *The People of the State of California v. Bruce Allan Hagadorn, Superior Court of California, County of Orange*, Case No. 15HF0303, charging respondent with the following counts:

A. Count 1 – On or about and between January 15, 2009 and December 28, 2010, in violation of Section 487(a) / 506 of the Penal Code (EMBEZZLEMENT BY FIDUCIARY OF TRUST), a FELONY, respondent, a trustee, banker, merchant, broker, attorney, agent, assignee in trust, executor, administrator, and collector, and person otherwise intrusted with and having in his control property, of a value in excess of nine hundred fifty dollars ($950), for the use of Medical Staff of Irvine Regional Hospital, did unlawfully and fraudulently appropriate it to a use and purpose not in the due and lawful execution of his trust, and secreted it with a fraudulent intent to appropriate it to such use and purpose.

B. Count 2 – On or about April 15, 2009, in violation of Section 19706 of the Revenue and Taxation Code (WILLFUL FAILURE TO FILE OR MAKE FRAUDULENT TAX RETURN), a FELONY, respondent did willfully and unlawfully fail to file a return and supply information for the taxable year California Resident Personal Income Taxes 2008, with intent to evade a tax imposed by Part 10 (commencing with Section 17001), or Part 11 (commencing with Section 23001) of the Revenue and Taxation Code, and with like intent, willfully make, render, sign, and verify a false or fraudulent return or statement, and supply false or fraudulent

information.

C. Count 3 – On or about April 15, 2010, in violation of Section 19706 of the Revenue and Taxation Code (WILLFUL FAILURE TO FILE OR MAKE FRAUDULENT TAX RETURN), a FELONY, respondent did willfully and unlawfully fail to file a return and supply information for the taxable year California Resident Personal Income Taxes 2009, with intent to evade a tax imposed by Part 10 (commencing with Section 17001), or Part 11 (commencing with Section 23001) of the Revenue and Taxation Code, and with like intent, willfully make, render, sign, and verify a false or fraudulent return or statement, and supply false or fraudulent information.

D. Count 4 - On or about April 15, 2011, in violation of Section 19706 of the Revenue and Taxation Code (WILLFUL FAILURE TO FILE OR MAKE FRAUDULENT TAX RETURN), a FELONY, respondent did willfully and unlawfully fail to file a return and supply information for the taxable year California Resident Personal Income Taxes 2010, with intent to evade a tax imposed by Part 10 (commencing with Section 17001), or Part 11 (commencing with Section 23001) of the Revenue and Taxation Code, and with like intent, willfully make, render, sign, and verify a false or fraudulent return or statement, and supply false or fraudulent information.

E. Count 5 - On or about March 15, 2010, in violation of Section 19706 of the Revenue and Taxation Code (WILLFUL FAILURE TO FILE OR MAKE FRAUDULENT TAX RETURN), a FELONY, respondent did willfully and unlawfully fail to file a return and supply information for the taxable year California Corporation Income Taxes 2009, with intent to evade a tax imposed by Part 10 (commencing with Section 17001), or Part 11 (commencing with Section 23001) of the Revenue and Taxation Code, and with like intent, willfully make, render, sign, and verify a false or fraudulent return or statement, and supply false or fraudulent information.

F. Count 6 – On or about March 15, 2011, in violation of Section 19706 of the Revenue and Taxation Code (WILLFUL FAILURE TO FILE OR MAKE FRAUDULENT TAX RETURN), a FELONY, respondent did willfully and unlawfully fail to file a return and supply information for the taxable year California Corporation Income Taxes 2010, with intent to evade a tax imposed by Part 10 (commencing with Section 17001), or Part 11 (commencing with Section 23001) of the Revenue and Taxation Code, and with like intent, willfully make, render, sign, and verify a false or fraudulent return or statement, and supply false or fraudulent information.

G. Count 7 – On or about March 15, 2012, in violation of Section 19706 of the Revenue and Taxation Code (WILLFUL FAILURE TO FILE OR MAKE FRAUDULENT TAX RETURN), a FELONY, respondent did willfully and unlawfully fail to file a return and supply information for the taxable year California Corporation Income Taxes 2011, with intent to evade a tax imposed by Part 10 (commencing with Section 17001), or Part 11 (commencing with Section 23001) of the Revenue and Taxation Code, and with like intent, willfully make, render, sign, and verify a false or fraudulent return or statement, and supply false or fraudulent information.

H. Count 8 – On or about March 15, 2013, in violation of Section 19706 of the Revenue and Taxation Code (WILLFUL FAILURE TO FILE OR MAKE FRAUDULENT TAX RETURN), a FELONY, respondent did willfully and unlawfully fail to file a return and supply information for the taxable year California Corporation Income Taxes 2012, with intent to evade a tax imposed by Part 10 (commencing with Section 17001), or Part 11 (commencing with Section 23001) of the Revenue and Taxation Code, and with like intent, willfully make, render, sign, and verify a false or fraudulent return or statement, and supply false or fraudulent information.

///

I. Count 9 - On or about March 15, 2014, in violation of Section 19706 of the Revenue and Taxation Code (WILLFUL FAILURE TO FILE OR MAKE FRAUDULENT TAX RETURN), a FELONY, respondent did willfully and unlawfully fail to file a return and supply information for the taxable year California Corporation Income Taxes 2013, with intent to evade a tax imposed by Part 10 (commencing with Section 17001), or Part 11 (commencing with Section 23001) of the Revenue and Taxation Code, and with like intent, willfully make, render, sign, and verify a false or fraudulent return or statement, and supply false or fraudulent information.

J. Special Allegations

a) As to Count(s) 1, 2, 3, 4, 5, 6, 7, 8 and 9, it is further alleged pursuant to Penal Code section 12022.6(a)(1) (PROPERTY DAMAGE / LOSS OVER $65,000), that respondent intentionally took, damaged, and destroyed property valued in excess of sixty-five thousand dollars ($65,000) during the commission and attempted commission of the above offense;

b) As to Count(s) 1, 2, 3, 4, 5, 6, 7, 8 and 9, it is further alleged pursuant to Penal Code section 12022.6(a)(2) (PROPERTY DAMAGE / LOSS OVER $200,000), that respondent intentionally took, damaged, and destroyed property valued in excess of two hundred thousand dollars ($200,000) during the commission and attempted commission of the above offense.

c) It is further alleged pursuant to Penal Code section 186.11(a)(1)/(3) (AGGRAVATED WHITE COLLAR CRIME – OVER $100,000), that as to counts 1, 2, 3, 4, 5, 6, 7, 8, and 9, respondent engaged in a pattern of related fraudulent felony conduct involving the taking of more than one hundred thousand dollars ($100,000) but less than five hundred thousand dollars ($500,000).

K. On or about August 31, 2015, respondent pled guilty to counts 2 through 9, and admitted to special allegations of violating Penal Code section 186.11(a)(1)/(3), Penal Code section 12022.6(a)(1), and Penal Code section

12022.6(a)(2).

L. On or about August 31, 2015, respondent was sentenced to, among other things, 365 days in jail, stayed until November 6, 2015, followed by three (3) years of formal probation, and various fines and fees.

SECOND CAUSE FOR DISCIPLINE

(Dishonesty or Corruption)

10. Respondent has further subjected his Physician's and Surgeon's Certificate No. G71549 to disciplinary action under sections 2227 and 2234, as defined by section 2234, subdivision (e), of the Code, in that he has committed an act or acts of dishonesty or corruption, as more particularly alleged in paragraph 9(A) through 9(L), above, which are hereby incorporated by reference and realleged as if fully set forth herein.

THIRD CAUSE FOR DISCIPLINE

(Violation of the Medical Practice Act)

11. Respondent has further subjected his Physician's and Surgeon's Certificate No. G71549 to disciplinary action under sections 2227 and 2234, as defined by section 2234, subdivision (a), of the Code, in that he has violated or attempted to violate, directly or indirectly, or assisted in or abetted the violation of, or conspired to violate a provision of the Medical Practices Act, as more particularly alleged hereinafter:

(a) Paragraphs 8 through 10, above, are hereby incorporated by reference and realleged as if fully set forth herein.

///

///

///

///

///

///

///

///

FOURTH CAUSE FOR DISCIPLINE

(General Unprofessional Conduct)

12. Respondent has further subjected his Physician's and Surgeon's Certificate No. G71549 to disciplinary action under sections 2227 and 2234, as defined by section 2234 of the Code, in that he has engaged in conduct which breaches the rules or ethical code of the medical profession, or conduct which is unbecoming to a member in good standing of the medical profession and which demonstrates an unfitness to practice medicine, as more particularly alleged hereinafter:

(a) Paragraphs 8 through 11, above, are hereby incorporated by reference and realleged as if fully set forth herein.

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 G 71549, issued to Bruce Allan Hagadorn, M.D.;

2. Revoking, suspending or denying approval of Bruce Allan Hagadorn, M.D.'s authority to supervise physician assistants, pursuant to section 3527 of the Code;

3. Ordering Bruce Allan Hagadorn, M.D., if placed on probation, to pay the Board the costs of probation monitoring; and

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

DATED: September 20, 2016

KIMBERLY KIRCHMEYER
Executive Director
Medical Board of California
Department of Consumer Affairs
State of California
Complainant