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

In the Matter of the Petition to Revoke Probation and First Amended Accusation Against:	)	
LAWRENCE HANSEN, M.D.	)	Case No. 22-2010-210629
Physician's and Surgeon's Certificate No. G 7513	)	
Respondent.	)	

DECISION

The attached Stipulated Surrender of License and 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 April 2, 2013.

IT IS SO ORDERED March 26, 2013.

MEDICAL BOARD OF CALIFORNIA

By: Kimberly Kirchmeyer for
Linda K. Whitney
Executive Director

KAMALA D. HARRIS
Attorney General of California
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Attorneys for Complainant

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

In the Matter of the Petition to Revoke Probation and First Amended Accusation Against: **LAWRENCE HANSEN, M.D.** **3771 Katella Ave., Ste. 219** **Los Alamitos, CA 90720** **Physician's and Surgeon's Certificate No. G 7513** Respondent.	Case No. 22-2010-210629 OAH No. 2012061038 **STIPULATED SURRENDER OF LICENSE AND ORDER**

IT IS HEREBY STIPULATED AND AGREED by and between the parties in this proceeding that the following matters are true:

PARTIES

1. Linda K. Whitney (Complainant) is the Executive Director of the Medical Board of California. She brought this action solely in her official capacity and is represented in this matter by Kamala D. Harris, Attorney General of the State of California, by Richard D. Marino, Deputy Attorney General.

2. LAWRENCE HANSEN, M.D. (Respondent) is represented in this proceeding by attorney Benjamin J. Fenton, Esq., whose address is 11835 West Olympic Blvd., Suite 925 Los Angeles, CA 90064.2. On or about March 28, 1962, the Medical Board of California issued Physician's and Surgeon's Certificate No. G7513 to LAWRENCE HANSEN, 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 Petition to Revoke Probation and First Amended Accusation No. 22-2010-210629 and will expire on October 31, 2013, unless renewed.

JURISDICTION

3. Petition to Revoke Probation and First Amended Accusation No. 22-2010-210629 was filed before the Medical Board of California (Board), Department of Consumer Affairs, and is currently pending against Respondent. The Petition to Revoke Probation and First Amended Accusation and all other statutorily required documents were properly served on Respondent on December 27, 2012. Respondent timely filed his Notice of Defense. A copy of the Petition to Revoke Probation and First Amended Accusation No. 22-2010-210629 is attached as Exhibit 1 and incorporated by reference.

ADVISEMENT AND WAIVERS

4. Respondent has carefully read, fully discussed with counsel, and understands the charges and allegations in the Petition to Revoke Probation and First Amended Accusation No. 22-2010-210629. Respondent also has carefully read, fully discussed with counsel, and understands the effects of this Stipulated Surrender of License and Order.

5. Respondent is fully aware of his legal rights in this matter, including the right to a hearing on the charges and allegations in the Petition to Revoke Probation and First Amended Accusation; the right to be represented by counsel, at his own expense; 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.

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

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CULPABILITY

7. Respondent understands that the charges and allegations in the Petition to Revoke Probation and First Amended Accusation No. 22-2010-210629, if proven at a hearing, constitute cause for imposing discipline upon his Physician's and Surgeon's Certificate.

7. For the purpose of resolving the Petition to Revoke Probation and First Amended Accusation without the expense and uncertainty of further proceedings, Respondent agrees that, at a hearing, Complainant could establish a factual basis for the charges in the Accusation and that those charges constitute cause for discipline. Respondent hereby gives up his right to contest that cause for discipline exists based on those charges.

8. 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.

RESERVATION

9. The admissions made by Respondent herein are only for the purposes of this proceeding, or any other proceedings in which the Medical Board of California or other professional licensing agency is involved, and shall not be admissible in any other criminal or civil proceeding.

CONTINGENCY

10. 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 surrender, without notice to or participation by Respondent or his counsel. By signing the stipulation, Respondent understands and agrees that he may not withdraw his 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 Surrender 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.

11. The parties understand and agree that facsimile copies of this Stipulated Surrender of License and Order, including facsimile signatures thereto, shall have the same force and effect as the originals.

12. 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 Order:

ORDER

IT IS HEREBY ORDERED that Physician's and Surgeon's Certificate No. G7513, issued to Respondent LAWRENCE HANSEN, M.D., is surrendered and accepted by the Medical Board of California.

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 Medical Board of California.

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 license in effect at the time the petition is filed, and all of the charges and allegations contained in the Petition to Revoke Probation and First Amended Accusation No. 22-2010-210629 shall be deemed to be true, correct and admitted by Respondent when the Board determines whether to grant or deny the petition.

5. 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 the Petition to Revoke Probation and First Amended Accusation No. 22-2010-210629 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 Order and have fully discussed it with my attorney, Benjamin J. Fenton, 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 Order voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the Medical Board of California.

DATED: 2/12/2013

LAWRENCE HANSEN, M.D.
Respondent

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

DATED: 2/13/13

BENJAMIN J. FENTON, ESQ.
Attorney for Respondent

ENDORSEMENT

The foregoing Stipulated Surrender of License and Order is hereby respectfully submitted for consideration by the Medical Board of California of the Department of Consumer Affairs.

Dated: Feb. 19, 2013

Respectfully submitted,

KAMALA D. HARRIS
Attorney General of California
E. A. JONES III
Acting Senior Assistant Attorney General

RICHARD D. MARINO
Deputy Attorney General
Attorneys for Complainant

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Exhibit 1

Petition to Revoke Probation and First Amended Accusation No. 22-2010-210629

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Attorneys for Complainant

FILED
STATE OF CALIFORNIA
MEDICAL BOARD OF CALIFORNIA
SACRAMENTO December 27, 2012
BY [illegible] ANALYST

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

In the Matter of the First Amended Accusation and Petition to Revoke Probation Against: **LAWRENCE H. HANSEN, M.D.** **3771 Katella Ave., Ste. 219** **Los Alamitos, CA 90720** **Physician's and Surgeon's Certificate No. G 7513** Respondent.	Case No. 22-2010-210629 OAH No. 2012061038 **FIRST AMENDED ACCUSATION AND PETITION TO REVOKE PROBATION**

Complainant alleges:

PARTIES

1. Linda K. Whitney (Complainant) brings this First Amended Accusation and Petition to Revoke Probation solely in her official capacity as the Executive Director of the Medical Board of California, Department of Consumer Affairs, State of California (Board).

2. On or about March 28, 1962, the Board Physician's and Surgeon's Certificate Number G 7513 to LAWRENCE H. HANSEN, 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 October 31, 2013, unless renewed.

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3. On March 23, 2012, Accusation No. 22-2010-210629 was brought before Board and is now pending against Respondent. On June 13, 2012, nearly nine (9) weeks after it was due, Respondent filed a Notice of Defense. On July 31, 2012, the matter was set for a two day administrative hearing, commencing March 11, 2013. A prehearing and mandatory settlement conference is scheduled for February 1, 2013.

PRIOR DISCIPLINARY RECORD

4. Pursuant to the Board's Decision and Order *In the Matter of the First Amended Accusation Against Lawrence Hansen, M.D.*, OAH No. 2010010881, MBC No. 10-2008-193346, effective February 9, 2011, Respondent's physician and surgeon's certificate was revoked. However, the revocation was stayed and Respondent placed on probation for 35 months with terms and conditions including, among others, that he complete the Physician Assessment and Clinical Education Program or equivalent program (Term and Condition No. 3); that he undergo a psychiatric evaluation and comply with all restrictions or conditions recommended by the evaluating psychiatrist within 15 calendar days after being notified by the Board or its designee (Term and Condition No. 4); and, that he "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 probation, payments and other orders. . . ." (Term and Condition No. 8).

JURISDICTION

5. This First Amended Accusation and Petition to Revoke Probation is brought before the Board under the authority of the following laws. All section references are to the Business and Professions Code unless otherwise indicated.

6. Section 2227 of the Code provides:

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

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"(1) Have his or her license revoked upon order of the division.[1]

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

"(3) Be placed on probation and be required to pay the costs of probation monitoring upon order of the division.

"(4) Be publicly reprimanded by the division.

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

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

7. Section 2052 of the Code provides:

"(a) Notwithstanding Section 146, any person who practices or attempts to practice, or who advertises or holds himself or herself out as practicing, any system or mode of treating the sick or afflicted in this state, or who diagnoses, treats, operates for, or prescribes for any ailment, blemish, deformity, disease, disfigurement, disorder, injury, or other physical or mental condition of any person, without having at the time of so doing a valid, unrevoked, or unsuspended certificate as provided in this chapter [Chapter 5, the Medical Practice Act], or without being authorized to perform the act pursuant to a certificate obtained in accordance with some other provision of law, is guilty of a public

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[1] California Business and Professions Code section 2002, as amended and effective January 1, 2008, provides that, unless otherwise expressly provided, the term "board" as used in the State Medical Practice Act (Cal. Bus. & Prof. Code, §§ 2000, et seq.) means the "Medical Board of California," and references to the "Division of Medical Quality" and "Division of Licensing" in the Act or any other provision of law shall be deemed to refer to the Board.

offense, punishable by a fine not exceeding ten thousand dollars ($10,000), by imprisonment in the state prison, by imprisonment in a county jail not exceeding one year, or by both the fine and either imprisonment.

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

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

8. Section 2234 of the Code, in pertinent part, provides:

"The Division of Medical Quality 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:

". . . ."

"(e) The commission of any act involving dishonesty or corruption which is substantially related to the qualifications, functions, or duties of a physician and surgeon. ". . . ."

9. Section 2264 of the Code, in pertinent part, provides:

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

10. Section 13400 *et seq.* of the Corporations Code codifies the "Moscone-Knox Professional Corporation Act."

11. Section 13401 of the Corporations Code provides:

"(a) 'Professional services' means any type of professional services that may be lawfully rendered only pursuant to a license, certification, or registration authorized by the Business and Professions Code, the Chiropractic Act, or the Osteopathic Act.

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"(b) 'Professional corporation' means a corporation organized under the General Corporation Law or pursuant to subdivision (b) of Section 13406 that is engaged in rendering professional services in a single profession, except as otherwise authorized in Section 13401.5, pursuant to a certificate of registration issued by the governmental agency regulating the profession as herein provided and that in its practice or business designates itself as a professional or other corporation as may be required by statute. However, any professional corporation or foreign professional corporation rendering professional services by persons duly licensed by the Medical Board of California or any examining committee under the jurisdiction of the board, the Osteopathic Medical Board of California, the Dental Board of California, the California State Board of Pharmacy, the Veterinary Medical Board, the California Architects Board, the Court Reporters Board of California, the Board of Behavioral Sciences, the Speech-Language Pathology and Audiology Board, the Board of Registered Nursing, or the State Board of Optometry shall not be required to obtain a certificate of registration in order to render those professional services.

"(c) 'Foreign professional corporation' means a corporation organized under the laws of a state of the United States other than this state that is engaged in a profession of a type for which there is authorization in the Business and Professions Code for the performance of professional services by a foreign professional corporation.

"(d) 'Licensed person' means any natural person who is duly licensed under the provisions of the Business and Professions Code, the Chiropractic Act, or the Osteopathic Act to render the same professional services as are or will be rendered by the professional corporation or foreign professional corporation of which he or she is or intends to become, an officer, director, shareholder, or employee.

"(e) 'Disqualified person' means a licensed person who for any reason becomes legally or was rendering.

12. Section 13401.3 of the Corporations Code provides:

"As used in this part, 'professional services' also means any type of professional services that may be lawfully rendered only pursuant to a license, certification, or registration authorized by the Yacht and Ship Brokers Act (Article 2 (commencing with Section 700) of Chapter 5 of Division 3 of the Harbors and Navigation Code)."

13. Section 13401.5 of the Corporations Code, in pertinent part, provides:

"Notwithstanding subdivision (d) of Section 13401 and any other provision of law, the following licensed persons may be shareholders, officers, directors, or professional employees of the professional corporations designated in this section so long as the sum of all shares owned by those licensed persons does not exceed 49 percent of the total number of shares of the professional corporation so designated herein, and so long as the number of those licensed persons owning shares in the professional corporation so designated herein does not exceed the number of persons licensed by the governmental agency regulating the designated professional corporation:

"(a) Medical corporation.

"(1) Licensed doctors of podiatric medicine.

"(2) Licensed psychologists.

"(3) Registered nurses.

"(4) Licensed optometrists.

"(5) Licensed marriage and family therapists.

"(6) Licensed clinical social workers.

"(7) Licensed physician assistants.

"(8) Licensed chiropractors.

"(9) Licensed acupuncturists.

"(10) Naturopathic doctors.

"(b) Podiatric medical corporation.

"(1) Licensed physicians and surgeons.

"(2) Licensed psychologists.

"(3) Registered nurses.

"(4) Licensed optometrists.

"(5) Licensed chiropractors.

"(6) Licensed acupuncturists.

"(7) Naturopathic doctors.

"(c) Psychological corporation.

"(1) Licensed physicians and surgeons.

"(2) Licensed doctors of podiatric medicine.

"(3) Registered nurses.

"(4) Licensed optometrists.

"(5) Licensed marriage and family therapists.

"(6) Licensed clinical social workers.

"(7) Licensed chiropractors.

"(8) Licensed acupuncturists.

"(9) Naturopathic doctors.

"(d) Speech-language pathology corporation.

"(1) Licensed audiologists.

"(e) Audiology corporation.

"(1) Licensed speech-language pathologists.

"(f) Nursing corporation.

"(1) Licensed physicians and surgeons.

"(2) Licensed doctors of podiatric medicine.

"(3) Licensed psychologists.

"(4) Licensed optometrists.

"(5) Licensed marriage and family therapists.

"(6) Licensed clinical social workers.

"(7) Licensed physician assistants.

"(8) Licensed chiropractors.

"(9) Licensed acupuncturists.

"(10) Naturopathic doctors.

"(g) Marriage and family therapy corporation.

"(1) Licensed physicians and surgeons.

"(2) Licensed psychologists.

"(3) Licensed clinical social workers.

"(4) Registered nurses.

"(5) Licensed chiropractors.

"(6) Licensed acupuncturists.

"(7) Naturopathic doctors.

"(h) Licensed clinical social worker corporation.

"(1) Licensed physicians and surgeons.

"(2) Licensed psychologists.

"(3) Licensed marriage and family therapists.

"(4) Registered nurses.

"(5) Licensed chiropractors.

"(6) Licensed acupuncturists.

"(7) Naturopathic doctors.

"(i) Physician assistants corporation.

"(1) Licensed physicians and surgeons.

"(2) Registered nurses.

"(3) Licensed acupuncturists.

"(7) Naturopathic doctors.

"(k) Chiropractic corporation.

"(1) Licensed physicians and surgeons.

"(2) Licensed doctors of podiatric medicine.

"(3) Licensed psychologists.

"(4) Registered nurses.

"(5) Licensed optometrists.

"(6) Licensed marriage and family therapists.

"(7) Licensed clinical social workers.

"(8) Licensed acupuncturists.

"(9) Naturopathic doctors.

"(l) Acupuncture corporation.

"(1) Licensed physicians and surgeons.

"(2) Licensed doctors of podiatric medicine.

"(3) Licensed psychologists.

"(4) Registered nurses.

"(5) Licensed optometrists.

"(6) Licensed marriage and family therapists.

"(7) Licensed clinical social workers.

"(8) Licensed physician assistants.

"(9) Licensed chiropractors.

"(10) Naturopathic doctors.

"(m) Naturopathic doctor corporation.

"(1) Licensed physicians and surgeons.

"(2) Licensed psychologists.

"(3) Registered nurses.

"(4) Licensed physician assistants.

"(5) Licensed chiropractors.

"(6) Licensed acupuncturists.

"(7) Licensed physical therapists.

"(8) Licensed doctors of podiatric medicine.

"(9) Licensed marriage, family, and child counselors.

"(10) Licensed clinical social workers.

"(11) Licensed optometrists.

"(n) Dental corporation.

"(1) Licensed physicians and surgeons.

"(2) Dental assistants.

"(3) Registered dental assistants.

"(4) Registered dental assistants in extended functions.

"(5) Registered dental hygienists.

"(6) Registered dental hygienists in extended functions.

"(7) Registered dental hygienists in alternative practice."

ACCUSATION

FIRST CAUSE FOR DISCIPLINE

(Dishonest or Corrupt Acts)

14. Respondent is subject to disciplinary action under Business and Professions Code section 2234, subdivision (e), in that Respondent committed dishonest or corrupt acts, as follows:

A. On or about and during January 2010, the Medical Board of California Enforcement Division was alerted that various individuals, who were not licensed physicians and surgeons, were operating Kush Doctor, a collection of medical marijuana clinics and/or dispensaries, located along Ocean Front Walk, Venice, California.

B. Under California law, only licensed physicians and surgeons may own and operate medical clinics.[2]

C. The Enforcement Division's investigation revealed that Kush Doctor was owned by S.C., A.C. and B.K.,[3] none of whom were licensed physicians and surgeons in California or any other state. Respondent, along with other licensed physicians and surgeons, was hired by the Kush Doctor clinic owners to practice medicine by examining patients to determine whether medical marijuana should be recommended and, if so, to recommend medical marijuana.

D. On June 15, 2010, T.M., a Medical Board of California undercover officer, visited the Kush Doctor facilities, located at 1313 and 1811 Ocean Front Walk, respectively.

E. At the 1313 location, T.M. observed unidentified females holding advertisements and verbally soliciting potential patients to enter the premises to receive a medical marijuana recommendation. T.M. entered the premises. The premises were very small. T.M. observed a male standing behind a cash register as well as several individuals

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[2] For the Moscone-Knox Professional Corporation Act see paragraphs 8 through 12, *ante*.

[3] The true names of all individuals referred to in this accusation are not disclosed in order to protect the privacy rights of the individuals. However, these names are known to Respondent and, if not, will be disclosed upon Respondent's timely request for discovery.

awaiting the physician.

F. T.M. asked to see the physician on duty. T.M. was presented to A.K., a licensed physician and surgeon, who said he was the physician on duty and that he was hired by A.C.[4] A.K. received thirty-three percent (33%) of the day's proceeds as compensation. A.K. indicated that his hours varied based on how busy the clinic was.

G. The 1313 premises had no visible bathroom, sink or running water. There was no examining table or other medical equipment usually present in a medical office. T.M. asked, "How is an appropriate exam conducted in this closet?" A.K. did not respond.

H. T.M. informed A.K. that providing medical marijuana recommendations was unethical without conducting a proper physical examination and medical evaluation, and, then, exited the 1313 location.

I. T.M. then visited the 1811 premises. Again, he observed unidentified females holding advertisements and verbally soliciting potential customers to come inside for a medical marijuana recommendation. T.M. entered the premises. There were approximately 10 patients awaiting the physician. T.M. approached a male, who was later identified to be A.C., one of the clinic's owners, and asked to see the physician on duty.

J. T.M. then met Respondent, a licensed physician and surgeon, who in response to questioning by T.M. stated:

1) He was hired by A.C., who handles the scheduling of patients and the daily operation of the clinic.

2) He was paid by A.C.

3) He had worked at the facility for the past 18 months.

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[4] A.K. gave T.M. the first name only. Further investigation revealed that A.C. was not a licensed physician and surgeon.

K. T.M. advised Respondent that it was unethical to provide medical marijuana recommendations without conducting a proper physical examination and medical evaluation.

L. Before leaving, T.M. again spoke to A.C. who said that he was the lessor of the premises and that A.K. was the lessee. Thereafter, T.M. obtained a copy of the lease. Among other things, the lease indicated that the lessor of the premises is Kush Dr. LLC and A.C. as its Vice President; and, that the lessee, A.K. is to pay the lessor sixty-seven percent (67%) of the proceeds collected on a weekly basis.

M. On or about August 26, 2010, the Medical Board of California conducted undercover operations at the 1313 and 1811 locations. The undercover officers, posing as patients, arrived at the 1313 location just before noon. They observed the facility to be a garage with the doors open. There was a posted sign which read "Kush." Two Caucasian females were in front of the store holding signs and calling out to people, advertising medical marijuana. The undercover officers entered the store and were greeted by an African American male in his mid thirties who spoke with an accent. The man asked if the undercover officer wanted to get "legalized" and explained that the undercover officer could get legalized to use marijuana. The undercover officer asked how does it work and was told that a licensed doctor would issue a recommendation for $150. The undercover officer said that the price was too high. The price of $70 was suggested and agreed upon.

N. While waiting to see the doctor, the undercover officer observed a female in her early twenties asking for a refund. The undercover officer approached the woman and asked what happened. The woman said that she had been overcharged and that she wanted a refund.

O. Soon thereafter, a Caucasian male in his mid thirties, approximately 5'10" tall, 180 lbs, black hair, later identified as A.C. joined the discussion. Meanwhile, the undercover officer was provided with a stack of forms to complete. The undercover officer wrote that he was seeking marijuana for relief from headaches resulting from heavy drinking and inability to sleep.

P. The undercover officer then was instructed to go inside and see the doctor, who was later identified as Y.T. Y.T. took the undercover officer's blood pressure and asked how long he had been using marijuana. The undercover officer replied something to the effect of "since high school." When asked about this symptoms, the undercover officer respondent that he thought he must be allergic to the ingredients in beer and maybe hops. Y.T. acted stunned and instructed the undercover officer to lie down on the examination table and lift his shirt. Y.T. conducted an examination by pressing two fingers on various places of the undercover officer's stomach and asked him if he felt any pain. He then examined the undercover officer's neck. The entire examination lasted about three minutes.

Q. Y.T. wrote notes and asked the undercover officer about his height and weight. He told the undercover officer that he should see a gastroenterologist. He then asked the undercover officer how much he was charged. The undercover officer replied, "Seventy dollars." After noticing Y.T.'s log showed that other patients were charged less, the undercover officer asked if he was being overcharged. Y.T. said, "I wonder why they're charging different prices?"

R. The undercover officer left the examination room and asked for a refund at the front office. He was told that the others were renewals and thus cheaper and was refused a refund. At the same time, Y.T. came out the back and yelled at the front office person, "If you keep charging $50 then I'm leaving." The employee replied, "I meant to talk to you about that, I already spoke to [A.C.] about it, let me get this patient out of here then we'll talk." The employee then processed the undercover officer's paperwork and handed him an envelope and he left the premises at around 12:30 p.m. The envelope contained a Medical Marijuana Recommendation, a copy of it and a card. The address on the recommendation is 1811 Ocean Front Walk, Venice, CA 90291.

S. On August 26, 2010, at approximately 1200 hours, the undercover officer went to another clinic in Venice Beach, California to do an undercover operation. Right outside the entry to the doctor's office were posters advertising medical marijuana

recommendations and posters advertising the name "Kush Doctor." There was also a young female in front of the building announcing out loud to everyone to come in and get your medical marijuana recommendation. She was announcing to all that they would be seen by a medical doctor. The front entrance is a big entry way about the size of a one car garage facing the west towards the ocean. The office looked like a long garage.

T. The undercover officer entered. He saw chairs lined up against both sidewalls and six people apparently waiting to see the doctor. At the end of the waiting room, there was a desk where the receptionist was sitting. Next to the receptionist, on the wall opposite the front entrance, there was a door to another room. The undercover officer walked up to the receptionist, a young white female, and said that he wanted to get a marijuana recommendation. She asked for his identification and said it would cost $115.00 for the recommendation. She spoke with a heavy accent.

U. The receptionist gave the undercover officer forms to complete. The undercover office completed the forms using the alias "Angel Balboa." He wrote that he wanted the marijuana for his insomnia.

V. Dr. M. then began to write on a piece of paper and told the investigator that he qualified for a medical marijuana recommendation. When the investigator asked where he could purchase marijuana, Dr. M initially replied that it was illegal for him to give out such information. Then, Dr. M. whispered that marijuana could be purchased "next door, upstairs."

W. The investigator spent five minutes, in all, with Dr. M. The investigator left the room. He paid the receptionist $115.00. The receptionist then took the investigator's identification and scanned it. She then printed the marijuana recommendation card with the investigator's scanned identification printed on it.

X. The receptionist then told the investigator to show the recommendation card to the security guard upstairs.

Y. The investigator later proceeded to the marijuana dispensary where, using marked money, he purchased $20.00 worth of marijuana. At the location, he observed

people smoking marijuana. He observed literature and videos concerning the types and prices of the marijuana.

Z. On October 26, 2010, an undercover operation was conducted at 1811 Ocean Front Walk. Medical Board of California Supervising Investigator C.M., posing as an individual seeking medical marijuana, approached a woman standing outside the facility holding a Kush Doctor sign. On the sign was a black marijuana leaf illustration.

AA. The woman advised C.M. that she, C.M., could obtain a marijuana recommendation for $150.00. She also advised that C.M. could purchase marijuana "upstairs." The woman handed C.M. several forms to complete. C.M. did so and then was taken into a room where she met Respondent. C.M. told Respondent that she needed marijuana to relax. Respondent also asked C.M. how much she had paid for the appointment. C.M. replied, "One hundred forty-five dollars." Respondent provided C.M. with a medical marijuana recommendation and told her that she could use it to get in the marijuana dispensary.

BB. On April 20, 2011, the Medical Board of California, through its Enforcement Division and with the assistance of the Los Angeles Police Department, executed search warrants at 1313, 1811, and 2017 Ocean Front Walk, Venice Beach, California. Each facility is part of the Kush Dr. Corporation, owned and operated by S.C.

CC. During the execution of the search warrants, A.C. was questioned. He stated that he was the manager of Kush Dr., that he manages everyone including the physicians, and that the physicians receive 33% of the proceeds of the enterprise.

DD. J.S. was working as a physician and surgeon at the 1811 location during the execution of the search warrants. A medical board investigator approached J.S. and advised him that he was not under arrest and that he did not have to answer any questions. Notwithstanding, J.S. agreed to speak with the investigator. J.S. revealed the following:

1) J.S. had been working at Kush Dr. for approximately two months.

2) J.S. was hired by A.C. and entered into a written contract to provide medically related services for Kush Dr.

3) J.S. treats patients for medicinal marijuana needs.

4) J.S. advised that most of the patients he sees are in their early twenties. These patients present with complaints of pain, insomnia, and depression.

5) J.S. did not contact the patients' primary care physicians.

6) J.S. was paid roughly one-third of the facility's proceeds on the days that he works.

EE. By practicing medicine in a clinic or facility owned by one or more non-physicians, in violation of the Moscone-Knox Professional Corporation Act, Respondent and the other physicians employed there engaged in dishonest or corrupt acts.

SECOND CAUSE FOR DISCIPLINE

(Aiding or Abetting the Unlicensed Practice of Medicine)

15. Respondent is subject to disciplinary action under Business and Professions Code section 2264 in that he aided and abetted the unlicensed practice of medicine, as follows:

A. Complainant refers to and, by this reference, incorporates herein paragraph 13, subparagraphs A through EE, inclusive, above, as though fully set forth.

B. By practicing medicine in a clinic or facility owned by one or more non-physicians, in violation of the Moscone-Knox Professional Corporation Act, Respondent aided and abetted the unlicensed practice of medicine.

THIRD CAUSE FOR DISCIPLINE

(Unprofessional Conduct)

16. Respondent is subject to disciplinary action under Business and Professions Code section 2234, generally, in that he committed unprofessional conduct, as follows:

A. Complainant refers to and, by this reference, incorporates herein paragraphs 14, subparagraphs A through EE, inclusive, and 15, above, as though fully set forth.

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PETITION TO REVOKE PROBATION

FIRST GROUND FOR REVOCATION

(Failure To Obey All Laws)

17. Respondent's probation is subject to revocation in that he violated Term and Condition No. 8 because he did not "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 probation, payments and other orders. . . ."

A. Complainant refers to and, by this reference, incorporates herein paragraphs 14, subparagraphs A through EE, inclusive, and 15, above, as though fully set forth.

SECOND GROUND FOR REVOCATION

(Failure to Pass PACE Evaluation)

17. Respondent's probation is subject to revocation in that he violated Term and Condition No. 3 in that he did not successfully complete the Physician Assessment and Clinical Education or equivalent program, as follows:

A. On September 26 and 27, 2011, Respondent presented at the University of California, San Diego (UCSD) for Phase I and, on May 14 through 18, 2012, for Phase II of the Physician Assessment and Clinical Education Program Respondent was required to complete pursuant to Term and Condition No. 3 of his probation.[5]

B. At the completion of Phases I and II of the PACE program, a written report was generated summarizing the results and conclusions of the medical testing professionals.

C. Phase I required Respondent to perform a "mock patient history and physical." "Overall, [Respondent]'s performance of the history and physical was not within the standard of care."

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[5] Prior to undergoing Phase I of PACE, Respondent presented for a neurological examination. The expert who administered the examination found that "[Respondent]'s neuropsychological functioning is not normal for a middle aged adult. Compared to a younger man, he has problems with speed of processing, information processing and flexibility of thought processes[]" and that "[h]is motor impairments and age-related cognitive decline would likely constitute a significant public safety hazard, should {he] return to performing surgery . . . ."

D. Phase I required Respondent to undergo a physical examination and mental health evaluation. Respondent was unable to perform the tandem gait and Romberg tests.[6]

E. Phase II of the PACE program is a five-day clinical education and assessment program provided in the actual clinical environment. It is a formative and summative assessment of the participant's clinical skills, knowledge and judgment.

F. During the program, Respondent's participation, communication skills, medical knowledge, and ability to access evidence based on medicine was found wanting. According to the individuals who evaluated him, Respondent's "performance during Phase II was unsatisfactory" and his "overall performance [during the] seven day physician assessment is consistent with a **Fail**."

[6]The Romberg test is a neurological examination based on the premise that a person requires at least two of the three following senses to maintain balance while standing: proprioception (the ability to know one's body in space); vestibular function (the ability to know one's head position in space); and vision (which can be used to monitor [and adjust for] changes in body position).

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 the probation and enforcing that part of the decision that was stayed by the Medical Board of California *In the Matter of the First Amended Accusation Against Lawrence Hansen, M.D.,* MBC Case No 10-2008-193346;

2. Revoking Physician's and Surgeon's Certificate Number G 7513, issued to Lawrence H. Hansen, M.D.;

3. Revoking, suspending or denying approval of Lawrence H. Hansen, M.D.'s authority to supervise physician's assistants, pursuant to section 3527 of the Code;

4. Ordering Lawrence H. Hansen, M.D. to pay the Medical Board of California, if placed on probation, the costs of probation monitoring; and,

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

DATED: December 27, 2012

LINDA K. WHITNEY
Executive Director
Medical Board of California
Department of Consumer Affairs
State of California

Complainant

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