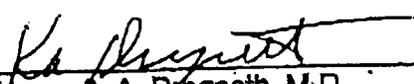


1 4. All admissions made by Respondent are solely for final disposition of this
2 matter and any subsequent related administrative proceedings or civil litigation involving
3 the Board and Respondent. Therefore, said admissions by Respondent are not
4 intended or made for any other use, such as in the context of another state or federal
5 government regulatory agency proceeding, civil or criminal court proceeding, in the
6 State of Arizona or any other state or federal court.

7 5. Respondent acknowledges and agrees that, although the Consent
8 Agreement has not yet been accepted by the Board and issued by the Executive
9 Director, upon signing this agreement, and returning this document (or a copy thereof)
10 to the Board's Executive Director, Respondent may not revoke his acceptance of the
11 Consent Agreement and Order. Respondent may not make any modifications to the
12 document. Any modifications to this original document are ineffective and void unless
13 mutually approved by the parties.

14 6. Respondent further understands that this Consent Agreement and Order,
15 once approved and signed, shall constitute a public record document that may be
16 publicly disseminated as a formal action of the Board.

17 7. If any part of the Consent Agreement and Order is later declared void or
18 otherwise unenforceable, the remainder of the Order in its entirety shall remain in force
19 and effect.

20 
21 Kenneth A. Dregseth, M.D.

Reviewed and accepted this 5
day of March, 2002.

22 
23 James K. Kerely, Esq.
24 (Counsel for Kenneth A. Dregseth, M.D.)

Reviewed and approved as to form
this 5th day of March 2002.

FINDINGS OF FACT

1
2 1. The Board is the duly constituted authority for the regulation and control of
3 the practice of allopathic medicine in the State of Arizona.

4 2. Respondent is the holder of license number 3738 for the practice of
5 allopathic medicine in the State of Arizona.

6 3. The Board initiated case number MD-01-0407 upon receiving a complaint
7 regarding Respondent's advertisement for tattoo removal.

8 4. Respondent, in local newspapers, advertised the removal of tattoos
9 without pain or scarring. On January 24, 2001, patient L.J.M., a female, visited
10 Respondent's office in response to the advertisement.

11 5. During the consultation, Respondent informed patient L.J.M. that Robert
12 Jones ("Mr. Jones"), the principal technician, would be conducting the removal under
13 Respondent's direction and supervision. Respondent further advised that this was a
14 joint research project. Patient L.J.M. signed a contract for tattoo removal, made a
15 partial payment for the services, and received her first treatment.

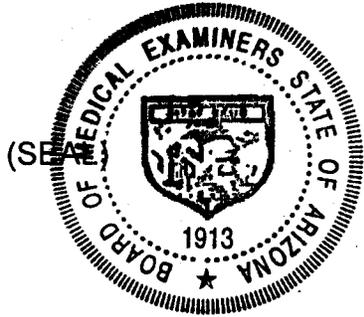
16 6. Patient L.J.M. received subsequent treatments on February 9 and 23,
17 March 14 and 28, and April 13 and 27, 2001. Respondent administered Marcaine
18 injections for L.J.M.'s treatments and actually performed two of the treatments. There
19 were no medical records regarding the treatments.

20 7. Mr. Jones cancelled the final appointment scheduled for May 11, 2001.
21 Patient L.J.M., through Respondent's office, attempted to re-schedule the last
22 treatment, but was informed that Mr. Jones had been dismissed and that Respondent
23 no longer conducted tattoo removal. Further investigation revealed that Mr. Jones
24 informed his customers that Respondent would continue to perform the technique at his
25 office.

1 be made in quarterly equal payments beginning the 15th March, June, September, and
2 December.

3 4. This Order is the final disposition of case number MD-01-0407.

4 DATED AND EFFECTIVE this 10th day of April, 2002.



BOARD OF MEDICAL EXAMINERS
OF THE STATE OF ARIZONA

10 By Claudia Foutz
CLAUDIA FOUTZ, Executive Director

11
12 ORIGINAL of the foregoing filed this
13 10th day of APRIL, 2002 with:

14 The Arizona Board of Medical Examiners
15 9545 E. Doubletree Ranch Road
16 Scottsdale, AZ 85258

17 EXECUTED COPY of the foregoing mailed by
18 Certified Mail this 10th day of APRIL, 2002 to:

19 James K. Kerely, Esq.
20 333 West Wilcox Drive
21 Sierra Vista, AZ 85635

22 EXECUTED COPY of the foregoing mailed
23 this 10th day of APRIL, 2002 to

24 Kenneth A. Dregseth, M.D.
25 444 Taylor Drive
Sierra Vista, AZ 85635-3804

1 EXECUTED COPY of the foregoing
hand-delivered this 10th day of APRIL, 2002, to:

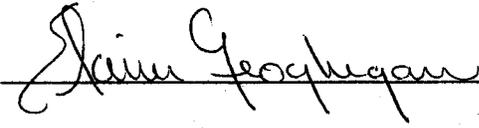
2

3 Christine Cassetta, Assistant Attorney General
4 Sandra Waitt, Management Analyst
5 Lynda Mottram, Compliance Officer
6 Lisa Maxie-Mullins, Legal Coordinator (Investigation File)
c/o Arizona Board of Medical Examiners
9545 E. Doubletree Ranch Road
Scottsdale, AZ 85258

7

8

9



10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25