Commonwealth of Kentucky
Board of Examiners of Psychology
Agency Case No. 99-02-03-D
Administrative Action No. 2000-KBEP-0150

Commonwealth of Kentucky,  Complainant
Board of Examiners of Psychology

v.

Paul F. Schmidt, Ph.D.  Respondent
Licensed Psychologist No. 0252

FINAL ORDER

The Board of Examiners of Psychology, having considered the attached
Settlement Agreement and having noted the agreement of the respondent, respondent’s
attorney, and complainant’s attorney, hereby ORDERS that the Settlement Agreement
shall be and is ACCEPTED and the Settlement Agreement shall be and is hereby
incorporated as part of the Final Order in this matter.

So ORDERED this ___ day of May, 2000.

[Signature]
CHAIRPERSON, BOARD OF EXAMINERS OF PSYCHOLOGY

Attachment
Copies sent this the 9th day of May, 2000, to:

Paul F. Schmidt, Ph.D.
New Life Counseling Center
1868 Campus Place
Louisville ky 40299
Respondent (by regular mail)

William B. Pettus
Vanessa Armstrong
Assistant Attorneys General
Capitol Building, Suite 118
700 Capitol Avenue
Frankfort, Kentucky 40601-3449
Special Board Counsels (by messenger mail)

Thomas J. Hellmann, Hearing Officer
East Office – Division of Administrative Hearings
Office of the Attorney General
1024 Capital Center Drive
Frankfort, Kentucky 40601-8204
Hearing Officer (by messenger mail)

[Signature]
Wendy Satterly
Board Administrator
Commonwealth of Kentucky  
Kentucky Board of Examiners of Psychology  
Agency Case No. 99-02-D  
Administrative Action No. 00-KBEP-0150

Kentucky Board of Examiners of Psychology  
Complainant

v.

Paul F. Schmidt, Ph.D.  
Licensed Psychologist No. 0252,  
Respondent

* * * * *

Whereas, the Kentucky Board of Examiners of Psychology (hereafter "Board") having issued a Formal Complaint dated March 29, 2000, and Notice of Administrative Hearing and Order against Dr. Paul F. Schmidt (hereafter "Respondent"), and;

Whereas, the parties mutually desire to settle the matter in an expeditious manner without resorting to a disciplinary hearing; and

Whereas, the Respondent has had the opportunity at all times to seek advice from competent counsel of choice, and no coercion has been exerted upon the Respondent, nor have any promises been made other than those reflected in this agreement; and

Whereas, the Respondent freely and voluntarily enters into this agreement, motivated by a desire to resolve the issues addressed herein, and the Respondent has executed this Settlement Agreement only after a careful reading of it and a full understanding of all of its terms;

-1-
It is hereby stipulated and agreed between the undersigned parties that this matter shall be settled and resolved as follows:

**Jurisdiction**

The Respondent acknowledges the Board has jurisdiction over the Respondent and the conduct which has precipitated this Settlement.

The Respondent acknowledges the Board has the legal power and authority to take disciplinary action up to and including revocation of the Respondent’s credential.

The Respondent acknowledges the Board will retain jurisdiction over this matter until all terms and conditions set forth in this Settlement Agreement have been met to the satisfaction of the Board. The Respondent expressly indemnifies the Board for any costs incurred, including reasonable attorney fees, in enforcing any provision of this Settlement Agreement should the Board determine the Respondent has not met any term of this Settlement Agreement after notice and opportunity to be heard.

**Costs**

The Board and the Respondent shall each bear their own costs incurred in this matter except as provided below.

**Findings**

The Board has completed an investigation and issued a Formal Complaint. Specifically, the Board has evidence that might lead it to believe the Respondent has committed the following act(s) which, if committed, are a prima facie violation of KRS Chapter 319:

-2-
The Respondent violated an administrative regulation governing the practice of psychology by rendering a formal professional opinion without direct and substantial contact with or formal assessment about person, Mrs. ____________, in violation of KRS 319.082(1)(f) and 201 KAR 26:145 § 3(5).

The above actions of the Respondent, if committed, would constitute a violation of KRS 319.082(1)(f) by violating an administrative regulation governing the practice of psychology.

Though not official findings, there has also been an additional allegation that he offered a clinical opinion in another matter without adequate evaluation of that individual. Furthermore, the Board is in the process of exploring a situation in which it appears he may not have complied with the regulation dealing with the supervision of psychological associates. There was also an allegation that he had handled his relationship with a psychologist colleague in an unprofessional manner.

**Effect Upon Credential Status: Fully Probated Suspension and Supervision**

By acceptance of this Settlement Agreement, the Respondent admits that he violated KRS 319.082(1). Therefore, to avoid the time, cost, and expense of a hearing the Respondent hereby agrees to the following as the agreed upon disciplinary action.

1) The Respondent's credential to practice psychology in the Commonwealth of Kentucky shall be suspended for a period of one year from the date of entry of an Order of the Board adopting this Settlement Agreement. However, the Board agrees to fully probate the suspension upon Respondent's abiding by the following additional terms;
2) The Board also agrees to dismiss as incorporated herein, Agency Action No. 99-03-01-C and Agency Action No. 99-20-C.

3) The Board also agrees that this Settlement Agreement forever resolves any complaint that may be filed by the Board or third parties against Respondent for violations of statutes or administrative regulations arising out of respondent's responsibilities for the employment and supervision of Danna Delafield during the period when this employment and supervision first began up to and including the date that this Settlement Agreement is accepted by the Board.

4) The Respondent shall pay the total sum of Two-hundred and seventy dollars ($270.00) by certified check or money order made payable to “Kentucky State Treasurer” as reimbursement for administrative costs to the Board, simultaneous with the tendering of this Settlement Agreement, and;

5) During the period of probation, Respondent shall undergo weekly supervision of the Respondent's entire practice, which shall begin within thirty days of the appointment in writing of a Kentucky licensed psychologist pursuant to 201 KAR 26:171 § 13 appointed by the Board and paid for by the Respondent;

A) Said supervision shall include one-hour, weekly, face-to-face meetings with a Board-appointed supervisor in accord with 201 KAR 26:171 §§ 13 and 14, and shall encompass the practice of psychology in general with an initial and continued focus on appropriate relationships with other professionals, on the amount of direct professional contact required before rendering professional opinions about patients,
and on the requirement for providing supervision to psychological associates. In the event of unscheduled illness and conflicting vacation schedules, the supervision sessions may be rescheduled by agreement of the supervisor and the Respondent. It is the intention of the Board that this supervision shall be carried out in consecutive, weekly sessions although missed sessions may be made up at the end of the regular supervisory period;

B) At the conclusion of the first six months of supervision, the Respondent, through the Board supervisor, may petition the Board in writing during the period of supervision to terminate the remaining time of supervision. The Board shall consider and rule upon the written request, if any, at its next regularly scheduled meeting after receipt of the written request. The Respondent shall not terminate supervision until and unless the Board so approves in writing.

In the event that the Respondent should leave Kentucky to reside or practice outside of Kentucky or for any reason should the Respondent stop practicing psychology in Kentucky, the Respondent shall notify the Board in writing within ten (10) days of the dates of departure and return or the dates of non-practice within Kentucky. Non-practice shall be defined as any period of time exceeding thirty (30) days in which the Respondent is not engaging in activities defined in KRS 319.010(3). Periods of temporary or permanent residency outside of Kentucky or practice of psychology outside Kentucky or of non-practice within Kentucky shall not apply to the reduction of the probationary period.
The Respondent shall cooperate at all times with the supervisor, the Board, the
Board’s staff and its agents who are engaged in the supervision and investigation of
compliance with this Settlement Agreement.

The Respondent expressly understands failure to comply with and complete all
terms of this Settlement Agreement means the Respondent’s credential shall be deemed
suspended and shall further constitute failure to comply with an Order of the Board
under KRS 319.082(1)(h) for which the Board may impose additional penalties available
under law after notice and opportunity to be heard.

This action shall constitute disciplinary action against the credential of the
Respondent.

Resolution of Formal Complaint

The Board’s Formal Complaint filed on March 29, 2000, and the specific statutory
and regulatory charges contained therein are hereby completely resolved along with
the same violation set forth in Agency Action No. 99-20-C.

Release of Liability

In consideration of execution of this Settlement Agreement, the Respondent, for
the Respondent, the Respondent’s executors, administrators, successors, and assigns,
hereby releases and forever discharges the Commonwealth of Kentucky, Kentucky
Board of Psychology, Kentucky State Board of Examiners of Psychology, and the
Kentucky Attorney General, and each of their members, agents, and employees in their
individual and representative capacities, from any and all manner of actions, causes of

-6-
action, suits, debts, judgments, executions, claims, and demands whatsoever, known
and unknown, in law or equity, that Respondent ever had, now has, may have, or claim
to have against any or all of the persons or entities named in this paragraph arising out
of or by reason of this investigation, this settlement or its administration.

Acceptance by the Board

This Settlement Agreement, when executed by the Respondent, shall be
presented to the Kentucky Board of Examiners of Psychology with a recommendation
for approval from the Board’s counsel and case manager at the next regularly scheduled
meeting of the Board following receipt of the executed Agreement. The Settlement
Agreement shall not become effective until it has been approved by a majority of the
Board and endorsed by a representative member of the Board.

The Respondent understands the Board is free to accept or reject this Settlement
Agreement. The Respondent hereby agrees to waive any right he might have to
challenge, based solely on the presentation of this Settlement Agreement to the Board,
the impartiality of the Board to hear this administrative action if, after review by the
Board, this Settlement Agreement is rejected.

Open Records

The Respondent acknowledges this Settlement Agreement is subject to disclosure
under the Kentucky Open Records Act, may be shared with any professional
organization or licensing Board as the Board deems appropriate in its discretion, and
shall be made public according to KRS 319.092(6) and 201 KAR 26:130 § 12.

-7-
Complete Agreement

This Settlement Agreement and Order consists of eight pages and embodies the entire agreement between the Board and the Respondent. It may not be altered, amended, or modified without the express written consent of both parties.

Have Seen, Understood, and Approved:

[Signature]
Paul F. Schmidt, Ph.D.
New Life Counseling Center
1868 Campus Place
Louisville, Kentucky 40299
Respondent

Date: __________________________

[Signature]
Bill Pettus
Bill Pettus and
Vanessa L. Armstrong
Assistant Attorneys General
Office of the Attorney General
Capitol Avenue, Suite 26
Frankfort, Kentucky 40601-3449
Phone: (502) 696-5300
Fax: (502) 564-2894
Counsel for the Kentucky Board of Examiners of Psychology

Date: 5/8/00

-8-