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DIV. OF OCCUPATIONS  
& PROFESSIONS

COMMONWEALTH OF KENTUCKY  
KENTUCKY BOARD OF EXAMINERS OF PSYCHOLOGY  
AGENCY CASE NO. 06-19  
ADMINISTRATIVE ACTION NO. 07-KBEP-0236

KENTUCKY BOARD OF EXAMINERS OF PSYCHOLOGY      COMPLAINANT

**ORDER**

V.

DANA G. HARDY, M.S.  
CERTIFIED PSYCHOLOGIST WITH AUTONOMOUS  
FUNCTIONING (CERTIFICATE NO. 86)

RESPONDENT

\* \* \* \* \*

The Kentucky Board of Examiners of Psychology having met on August 20, 2007,  
and having considered and voted to approve the Settlement Agreement in the above-  
referenced matter hereby affirms, adopts and incorporates the Settlement Agreement  
attached hereto as its own.

**It Is So Ordered.**

Dated this 20<sup>th</sup> day of August, 2007.

Kentucky Board of Examiners of Psychology

By: Susan Abby Shapiro  
Susan Abby Shapiro, Ph.D.  
Chair, Kentucky Board of  
Examiners of Psychology

cc 8/30/07

## Certificate of Service

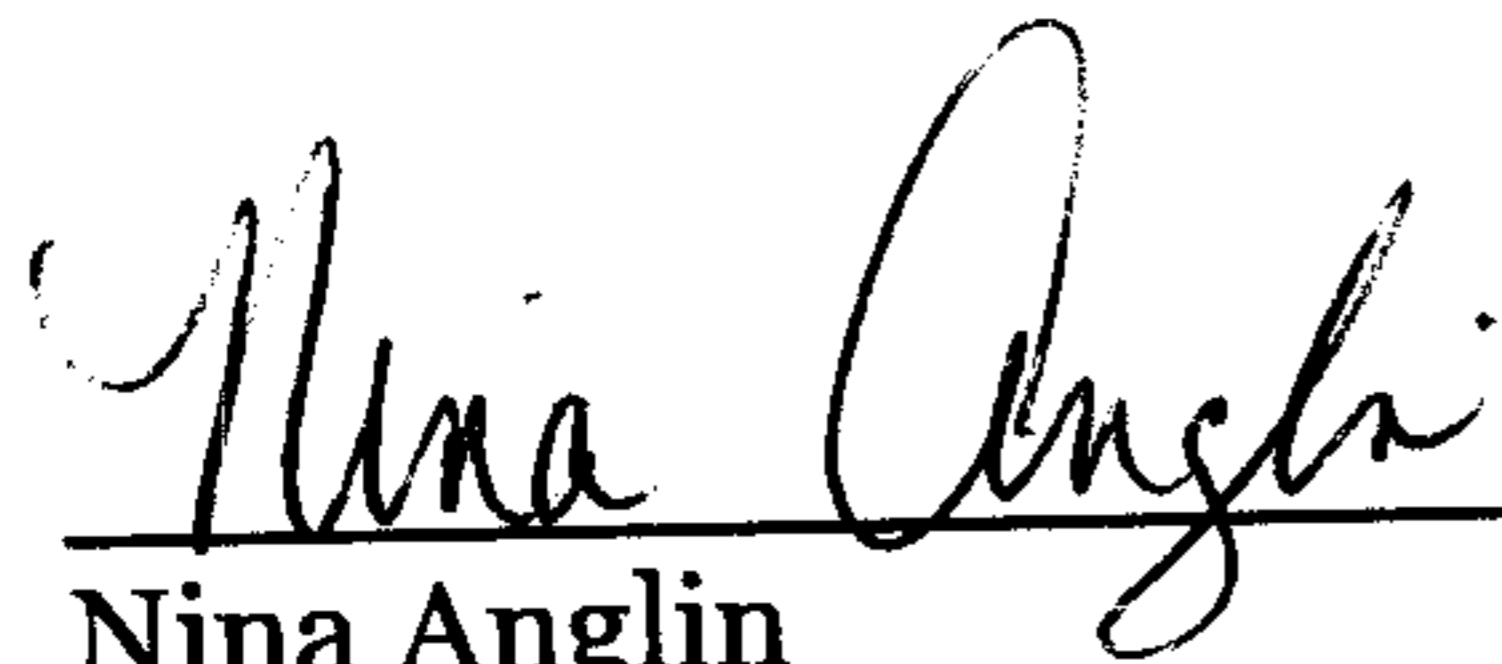
I hereby certify that a true and accurate copy of the foregoing order and settlement agreement was mailed, first class postage prepaid, this 21<sup>st</sup> day of August, 2007, to:

Dana G. Hardy, M.S.  
1118 Winners Circle, Apartment #9  
Louisville, KY 40242  
*Respondent* (by regular mail)

Susan G. Leavenworth, Ph. D., Attorney at Law  
6450 Dutchman's Parkway  
Louisville, KY 40205  
*Attorney for Respondent* (by regular mail)

Mark Brengelman  
Assistant Attorney General  
Capitol Building, Suite 118  
700 Capitol Avenue  
Frankfort, Kentucky 40601-3449  
*Board Counsel* (by messenger mail)

Thomas J. Hellmann  
Division of Administrative Hearings  
Office of the Attorney General  
1024 Capital Center Drive, Suite 200  
Frankfort, KY 40601-8204  
*Hearing Officer*



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Nina Anglin  
Board Administrator

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DIV. OF OCCUPATIONS  
& PROFESSIONS

**Commonwealth of Kentucky  
Board of Examiners of Psychology  
Agency Case No. 06-19  
Administrative Action Nos. 07-KBEP-0236**

**Complainant**

**Commonwealth of Kentucky,  
Board of Examiners of Psychology**

**Settlement Agreement**

v.

**Dana G. Hardy, M.S.  
Certified Psychologist with Autonomous  
Functioning (Certificate No. 86)**

**Respondent**

\*\*\*\*\*

**Whereas,** the Kentucky Board of Examiners of Psychology (hereafter "Board") having investigated an initiating complaint and having filed a Notice of Administrative Hearing and Order dated May 31, 2007, under KRS Chapters 319 and 13B (hereafter "Notice of Administrative Hearing") in Agency Case No. 06-19, against Dana G. Hardy, 1118 Winners Circle, Apartment 9, Louisville, Kentucky 40242 (hereafter "Respondent"), and;

**Whereas,** for the purposes of this Settlement Agreement, the Respondent admits that the Board would prove one (1) violation of each of the following:

1) KRS 319.082(1)(d) by being incompetent or negligent in the practice of psychology. This violation involved the Respondent's failing to meet the minimum standard of care in setting professional boundaries, such as frequency and duration of treatment sessions, defining the inappropriateness of out-of-the-office behavior such as the patient following the Respondent to the Respondent's residence after a treatment session, and revealing personal information about the Respondent inappropriately in a treatment session.

2) KRS 319.082(1)(f) by violating an administrative regulation of the Board, 201 KAR 26:145 § 4(2)(a) by continuing a professional relationship with a client if the objectivity or competency of the credential holder is impaired because of the credential holder's present familial, social, emotional, financial, supervisory,



administrative, or legal relationship with the client. This violation involved the Respondent's continuing the professional therapist-patient relationship after an out-of-the-office relationship began between the Respondent and the client, which included visits to the residence of the Respondent and dinners together at various times.

3) KRS 319.082(1)(f) by violating an administrative regulation of the Board, 201 KAR 26:145 § 4(2)(b)(3) and (c) by entering into a potentially exploitative relationship with the client. This violation involved the Respondent's allowing the client to attend a public legal proceeding involving a minor patient of the Respondent, the Respondent's hiring the client to clean the residence of the Respondent, and allowing the client to drive the Respondent to and from a dental appointment of the Respondent.

**Whereas**, the parties mutually desire to settle the matter in an expeditious manner without resorting to a disciplinary hearing with the Board acknowledging the full cooperation of the Respondent during this process, and;

**Whereas**, the violations that are admitted above occurred during the period of the Respondent's treatment of this client, from approximately 1989 to 1998, and;

**Whereas**, in an unrelated disciplinary action of the Board in the late 1990s, the Respondent benefited from probation and supervision of the Respondent's practice at the time, such that further need for remedial measures of the Board is minimal, and;

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 Agreement.

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.

### **Voluntary Waiver of Rights**

The Respondent has had the opportunity at all times to seek the advice from competent counsel of choice. No coercion has been exerted upon the Respondent, nor have any promises been made other than those reflected in this Settlement Agreement. The Respondent has freely and voluntarily entered into this Settlement Agreement, motivated only by a desire to resolve the issues addressed herein. The Respondent has executed this Settlement Agreement only after a careful reading of it and a full understanding of all of its terms.

The Respondent is fully aware of the Respondent's rights to contest charges in a formal hearing. These rights include: representation by an attorney at the Respondent's own expense, the right to a public hearing on any charges or allegations filed, the right to confront and cross-examine witnesses called to testify against the Respondent, the right to present evidence on the Respondent's own behalf, the right to compulsory process to secure the attendance of such witnesses, the right to testify on the Respondent's own behalf, the right to receive written findings of fact and conclusions of law supporting the decision on the merits of the Formal Complaint, the right to obtain judicial review of the Board's decision, and the right to appeal any final order of the Board to the Franklin Circuit Court as otherwise allowed by KRS 319.092(7).



All of these rights are being voluntarily waived by the Respondent in exchange for the Board's acceptance of this Settlement Agreement.

#### **Costs**

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

#### **Effect Upon Credential Status: Reprimand; Supervision; Fines; Costs**

The Respondent hereby agrees to the following disciplinary action:

- 1) The Respondent's credential to practice psychology in the Commonwealth of Kentucky shall be reprimanded, once for each of the three (3) violations, and;
- 2) The Respondent shall pay the amount of \$2,010.00 (itemized as \$510.00 for investigative costs and \$1,500.00 as a fine (\$500.00 for each of three (3) violations) by certified check or money order made payable to "Kentucky State Treasurer" and mailed to the Board at P.O. Box 1360, Frankfort, Kentucky 40601-1360, by May 1, 2008, without interest so long as the payment is made in full by May 1, 2008; if the Respondent defaults then the outstanding balance shall accrue interest at the judgment rate of twelve percent (12%) and from the date that the amount was due; the Board shall have the right to recover any unpaid amounts in addition to any other remedies afforded to the Board; the Respondent shall mail the payment(s) to the Board as above with a cover letter giving notice that the payment is being made in accord with this Settlement Agreement, and

- 3) The Respondent shall, by October 31, 2007:

a) complete the continuing education course by Cross Country Education titled “Advanced Ethics and Boundaries for the Behavioral Professional,” at the cost of the Respondent, and;

b) obtain appropriate continuing education units from Cross Country Education for this course, however, these continuing education units shall not count for the continuing education hours already separately mandated by KRS Chapter 319 as a condition of licensure renewal for this renewal cycle, and;

c) schedule a meeting (to occur after completion of the above continuing education but not later than November 15, 2007) of not less than 1.5 hours with a licensed psychologist appointed by the Board, at the cost of the Respondent, in order to discuss with the licensed psychologist the Respondent’s past and present practices and understanding of the ethics and boundaries of the behavioral professional, and for the purpose of demonstrating that the Respondent’s practice does not pose a risk to the public as a result of the violations admitted, above, and;

d) submit to the licensed psychologist appointed by the Board a written summary of the above continuing education course prior to the scheduled meeting, sufficient to allow the examples in the course, as well as the Respondent’s own experiences, to provide an informative structure to this supervision process, and;

e) submit to additional supervisory sessions, at the cost of the Respondent, as above (of not more than 3.0 hours in total duration) if the licensed psychologist appointed by the Board does not certify to the Board that the Respondent’s practice does not pose a risk to the public as above.

In the event that the Respondent should 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(6). Periods of temporary or permanent residency outside of Kentucky or practice of psychology outside Kentucky or of non-practice within Kentucky shall not reduce the supervisory 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 and shall submit any releases for records deemed necessary by the Board or Board supervisor.

The Respondent expressly understands failure to comply with and complete all terms of this Settlement Agreement means the Respondent's credential 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. This is the second disciplinary action of the Respondent.

#### **Resolution of Pending Charges**

The Board's Notice of Administrative Hearing dated May 31, 2007, is hereby resolved.

#### **Release of Liability**

In consideration of execution of this Settlement Agreement, the Respondent, for the Respondent individually, the Respondent's executors, administrators, successors and assigns,



hereby releases and forever discharges the Commonwealth of Kentucky, Kentucky Board of Psychology, Kentucky 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 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 Agreement, 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 at the next regularly scheduled meeting of the Board following receipt of the executed Settlement Agreement. The Settlement Agreement shall not become effective until it has been approved by a majority of the Board and endorsed by the Chair 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 the Respondent 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.

If the Settlement Agreement is not accepted by the Board, it shall be regarded as null and void. Representations and/or admissions by the Respondent in the Settlement Agreement, or other settlement proposals, will not be regarded as evidence against the Respondent at any

subsequent disciplinary hearing. The Respondent will be free to defend and no inferences against the Respondent will be made from the willingness to have entered into this Settlement Agreement.

### **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 26:140 §12, and may be reported in accord with federal law.

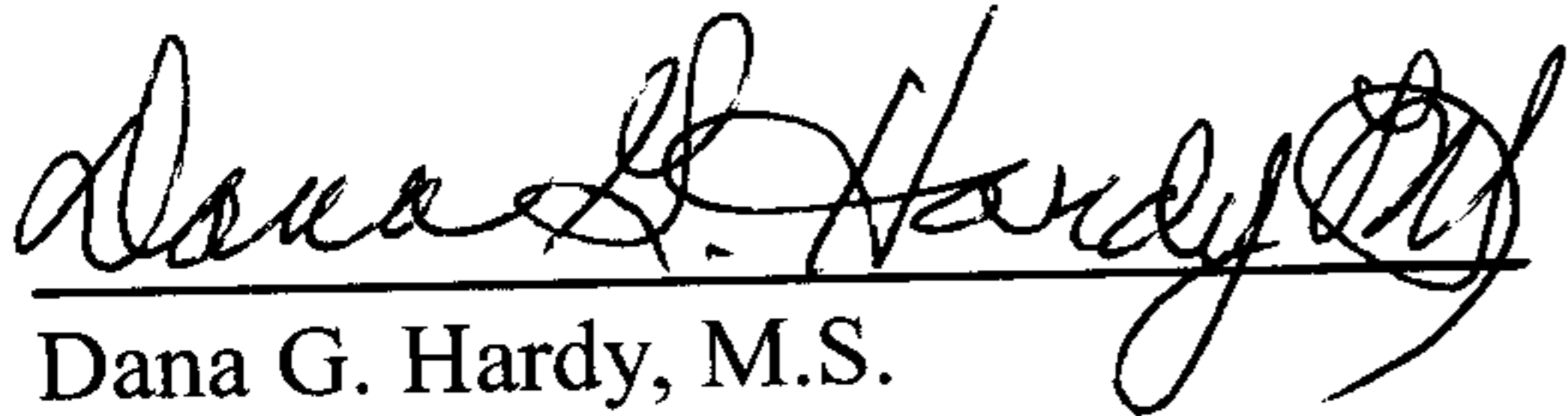
### **Complete Agreement**

This Settlement Agreement and Order consists of eight (8) pages and an additional signature page (9 pages) and embodies the entire agreement between the Board and the Respondent. This Settlement Agreement shall constitute a binding contract between the Respondent and the Board, subject only to approval by the Board as set forth above. The Respondent shall not rescind, revoke, or withdraw this Settlement Agreement prior to its presentation to the Board at a regularly scheduled meeting of the Board. It may not be altered, amended or modified without the express written consent of both parties.

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**Have Seen, Understood and Approved:**

Kentucky Board of Examiners of Psychology



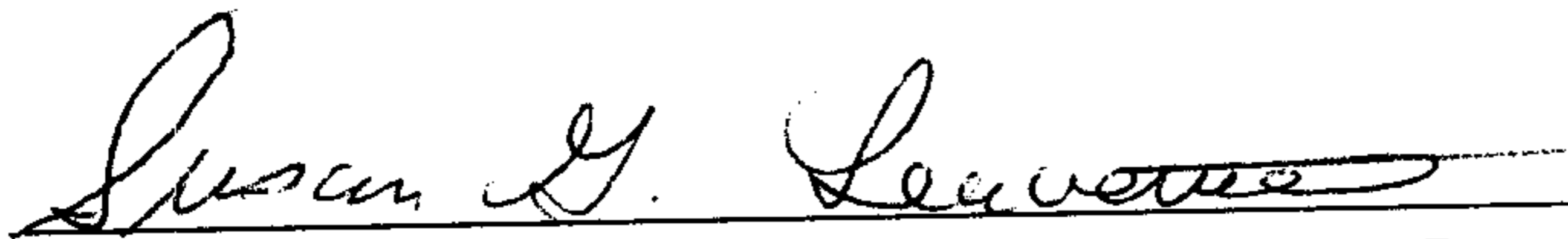
Dana G. Hardy, M.S.  
1118 Winners Circle, Apartment 9  
Louisville, Kentucky 40242  
*Respondent*

Date: 8/01/07

By: 

Mark Brengelman  
Assistant Attorney General  
Office of the Attorney General  
Capitol Avenue, Suite 118  
Frankfort, Kentucky 40601-3449  
Phone: (502) 696-5627  
Fax: (502) 564-6801  
*Counsel for the Board*

Date: Aug. 20, 2007



Susan G. Leavenworth, Ph.D., Attorney at Law  
6450 Dutchman's Parkway  
Louisville, Kentucky 40205  
*Attorney for Respondent*

Date: 8-1-07