

COMMONWEALTH OF KENTUCKY
KENTUCKY BOARD OF EXAMINERS OF PSYCHOLOGY
AGENCY CASE NO. 05-10
ADMINISTRATIVE ACTION NO. 06-KBEP-0087

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JUN 05 2006

DIV. OF OCCUPATIONS
& PROFESSIONS

KENTUCKY BOARD OF EXAMINERS OF PSYCHOLOGY

COMPLAINANT

V.

ORDER

STUART L. PALMER, PSY.D.
(LICENSE NO. 1155)

RESPONDENT

* * * * *

The Kentucky Board of Examiners of Psychology having met on June 5, 2006 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 5th day of June 2006.

Kentucky Board of Examiners of Psychology

By: Henry S. Davis, Ph.D.
HENRY S. DAVIS, Ph.D.
Chair, Kentucky Board of Examiners of
Psychology

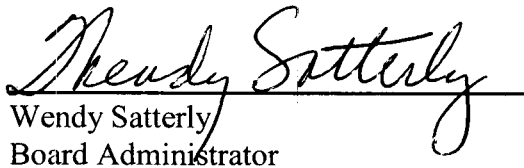
Copies sent this the 15th day of June, 2006, to:

Stuart L. Palmer, Psy.D.
613 Haynes Court
Wilmore, Kentucky 40390
Respondent (by regular mail)

R. Burl McCoy
309 North Broadway
P. O. Box 1660
Lexington, Kentucky 40588
Attorney for Respondent (by regular mail)

Mark Brengelman
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Capitol Building, Suite 118
700 Capitol Avenue
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Board Counsel (by messenger mail)

Thomas Hellmann, Hearing Officer
Office of the Attorney General
Division of Administrative Hearings
1024 Capital Center Drive
Frankfort, Kentucky 40601


Wendy Satterly
Board Administrator

Commonwealth of Kentucky
Board of Examiners of Psychology
Agency Case No. 05-10
Administrative Action No. 06-KBEP-0087

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DIV. OF OCCUPATIONS
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Commonwealth of Kentucky,
Board of Examiners of Psychology

Complainant

v.

Settlement Agreement

Stuart L. Palmer, Psy.D.
(License No. 1155)

Respondent

Whereas, the Kentucky Board of Examiners of Psychology (hereafter "Board") having investigated an initiating complaint filed by a member of the public and having filed a Formal Complaint and Notice of Administrative Hearing and Order dated February 24, 2006, under KRS Chapters 319 and 13B (hereafter "Formal Complaint") against Stuart L. Palmer, Psy.D., 613 Haynes Court, Wilmore, Kentucky 40390 (hereafter "Respondent"), and;

Whereas, for the purposes of this Settlement Agreement, the Respondent admits that the Board would prove the violations alleged in the Formal Complaint as follows:

Count 1: The Respondent violated KRS 319.082(1)(d), (k), and (f) by being negligent in the practice of psychology, by practicing beyond the scope demonstrated by an appropriate combination of knowledge, skill, experience, training, and education, and by violating an administrative regulation of the Board, 201 KAR 26:145 § 4(a), by continuing a professional relationship when the objectivity or competency of the Respondent was impaired due to the Respondent's mental or emotional condition, and;

Count 2: The Respondent has violated KRS 319.082(1)(d) and (f) by being negligent in the practice of psychology and by violating an administrative regulation of the Board, 201 KAR 26:145 § 4(a), by continuing a professional relationship when the objectivity or competency of the Respondent was impaired due to the Respondent's mental or emotional condition, and;

Count 3: The Respondent violated KRS 319.082(1)(d) and (f) by being negligent in the practice of psychology and by violating an administrative regulation of the Board, 201 KAR 26:145 § 4(a), by continuing a professional relationship when the objectivity or competency of the Respondent was impaired due to the Respondent's mental or emotional condition, and;

Count 4: The Respondent has violated KRS 319.082(1)(d) and (f) by being negligent in the practice of psychology, by violating an administrative regulation of the Board, 201 KAR 26:145 § 4(a), by continuing a professional relationship when the objectivity or competency of the Respondent was impaired due to the Respondent's mental or emotional condition, and by violating KRS 319.082(1)(p) by improperly divulging confidential information, and;

Count 5: The Respondent has violated KRS 319.082(1)(d) and (f) by being negligent in the practice of psychology, by violating an administrative regulation of the Board, 201 KAR 26:145 § 4(a), by continuing a professional relationship when the objectivity or competency of the Respondent was impaired due to the Respondent's mental or emotional condition, and;

Count 6: The Respondent has violated KRS 319.082(1)(d) and (f) by being negligent in the practice of psychology, by violating administrative regulations of the Board, 201 KAR 26:145 § 2(1) and (4) and § 4(1)(a), by not deeming the patient to be a patient for two (2) years following the last date of service rendered, and by continuing a professional relationship when the objectivity or competency of the Respondent was impaired due to the Respondent's mental or emotional condition, and by violating 201 KAR 26:145 § 4(2)(b)3 by entering into a potentially exploitative relationship with the client, and;

Count 7: The Respondent has violated KRS 319.082(1)(d) and (f) by being negligent in the practice of psychology, by violating an administrative regulation of the Board, 201 KAR 26:145 § 4(a), by continuing a professional relationship when the objectivity or competency of the Respondent was impaired due to the Respondent's mental or emotional condition, and by violating KRS 319.082(1)(q) by exercising undue influence in such a manner as to exploit the patient for financial or other personal advantage to the Respondent or third party, and;

Count 8: The Respondent has violated KRS 319.082(1)(d) and (f) by being negligent in the practice of psychology, by violating an administrative regulation of the Board, 201 KAR 26:145 § 7(7) by failing to limit access to client

records to preserve their confidentiality, and by violating 201 KAR 26:145 § 3(6)(a)-(c) by failing to maintain and retain the psychological records, and;

Count 9: The Respondent has violated KRS 319.082(1)(d) and (f) by being negligent in the practice of psychology, by violating an administrative regulation of the Board, 201 KAR 26:145 § 7(7) by failing to limit access to client records to preserve their confidentiality, and by violating KRS 319.082(1)(p) by improperly divulging confidential information.

Whereas, the parties mutually desire to settle the matter in an expeditious manner without resorting to a disciplinary hearing; 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: Suspension; Probation; Supervision; 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 suspended for a period of five (5) years, and;
- 2) The five (5) year suspension shall be probated for five (5) years after service of thirty (30) days of an active suspension to be completed in thirty (30) consecutive calendar days no later than August 31, 2006, and;
- 3) The Respondent shall pay the total amount of \$5,000.00 by certified check or money order made payable to "Kentucky State Treasurer" as reimbursement for costs to the Board, in eighteen (18) equal payments of \$277.78 due on the first of each month beginning September 1, 2006, without interest, and;
- 4) The Respondent shall undergo weekly supervision during five (5) year period of probation of at least two (2.0) hours per week for a period of at least one (1) year of the Respondent's entire practice of psychology in Kentucky, which shall begin within thirty (30) days of the appointment in writing of a Kentucky licensed psychologist pursuant to 201 KAR 26:171 § 13 appointed by the Board, and to be paid for by the Respondent directly to the supervisor;
 - A) Said supervision shall include weekly, face-to-face meetings with the 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 boundary issues. 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) After one (1) year of supervision, the Respondent, through the Board supervisor, may petition the Board in writing for reduction of the two (2.0) hour weekly supervision to one (1) hour weekly 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 reduce the supervision to one (1) hour weekly until and unless the Board so approves in writing, and;

C) After three (3) years of supervision, the Respondent, through the Board supervisor, may petition the Board in writing for termination of all the provisions of the remaining probation, supervision, personal therapy, and continuing education. 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 the supervision until and unless the Board so approves in writing, and;

5) The Respondent shall during the five (5) year period of probation, unless modified as allowed above, undergo personal therapy not less than one (1), face-to-face session per week, and shall cooperate with the Board and Board-appointed supervisor to sign any releases of information requested by the Board or Board-appointed supervisor, and;

6) The Respondent shall during the five (5) year period of probation, unless modified as allowed above, obtain ten (10) hours of continuing education credits in the areas of boundary issues, treatment of personality and dissociative identity disorders, and any other content directed

by the Board-appointed supervisor, in addition to the continuing education credits otherwise required by KRS Chapter 319.

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 probationary period and 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.

The Respondent expressly understands failure to comply with and complete all terms of this Settlement Agreement shall 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 Pending Charges

The Board's Formal Complaint filed February 24, 2006, 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

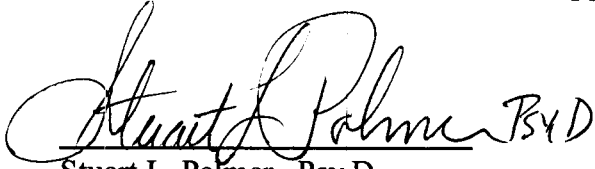
The Respondent acknowledges this Settlement Agreement is subject to disclosure under the Kentucky Open Records Act, may be shared with any professional organization or licensing Board as the Board deems appropriate in its discretion, and shall be made public according to KRS 319.092(6) and 201 KAR 26:140 §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 ninth (9th) signature page and embodies the entire agreement between the Board and the Respondent.

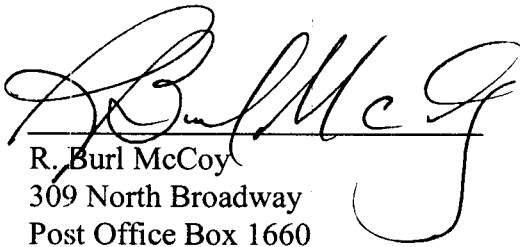
This Settlement Agreement shall constitute a binding contract between the Respondent and the Board, subject only to approval by the Board as set forth above. The Respondent shall not rescind, revoke, or withdraw this Settlement Agreement prior to its presentation to the Board at a regularly scheduled meeting of the Board. It may not be altered, amended or modified without the express written consent of both parties.

Have Seen, Understood and Approved:



Stuart L. Palmer, Psy.D.
613 Haynes Court
Wilmore, Kentucky 40390
Respondent

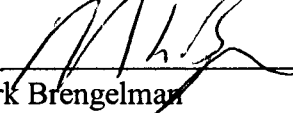
Date: May 19, 2006



R. Burl McCoy
309 North Broadway
Post Office Box 1660
Lexington, Kentucky 40588
Attorney for Respondent

Date: 19 May, 06

Kentucky Board of Examiners of Psychology

By: 
Mark Brengelman

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Counsel for the Board

Date: May 19, 2006