



STATE OF ARIZONA  
BOARD OF BEHAVIORAL HEALTH EXAMINERS  
1740 WEST ADAMS STREET, SUITE 3600  
PHOENIX, AZ 85007  
PHONE: 602.542.1882 FAX: 602.364.0890  
Board Website: [www.azbbhe.us](http://www.azbbhe.us)  
Email Address: [information@azbbhe.us](mailto:information@azbbhe.us)

DOUGLAS A. DUCEY  
Governor

TOBI ZAVALA  
Executive Director

May 13, 2020

Ms. Karrie Meyer  
[REDACTED]  
[REDACTED]

Dear Ms. Meyer:

On May 8, 2020, the Arizona Board of Behavioral Health Examiners ("Board") reviewed your application for licensure as a licensed professional counselor and determined that you are not eligible for licensure pursuant to A.R.S. § 32-3275(A)(6). Specifically, the Board found that you engaged in conduct that had you been licensed would have constituted grounds for disciplinary action. The Board determined that the disciplinary action invoked the following violations that were based upon the conduct referenced thereafter:

1. A.R.S § 32-3251(16)(y), engaging in a dual relationship with a client that could impair the licensee's objectivity or professional judgment or create a risk of harm to the client. For the purposes of this subdivision, "dual relationship" means a licensee simultaneously engages in both a professional and nonprofessional relationship with a client that is avoidable and not incidental.
2. A.R.S § 32-3251(16)(x), exploiting a client, former client or supervisee. For the purposes of this subdivision, "exploiting" means taking advantage of a professional relationship with a client, former client or supervisee for the benefit or profit of the licensee.
3. A.R.S § 32-3251(16)(l), engaging in any conduct, practice or condition that impairs the ability of the licensee to safely and competently practice the licensee's profession.
4. A.R.S § 32-3251(16)(b), using fraud or deceit in connection with rendering services as a licensee or in establishing qualifications pursuant to this chapter.

These violations were based on the following findings:

1. From 08/14 – 05/18, Karrie Meyer ("Applicant") provided counseling services to J.N. and T.N. who are husband and wife.
2. According to J.N. and T.N., Applicant became aware that J.N. was the victim of a severe burn injury who was awarded settlement money.
3. While still providing counseling services, Applicant entered into a business and co-ownership relationship with her clients, J.N. and T.N.
4. Documents retrieved from the Arizona Corporation Commission indicate Exhale Residential Facility ("Exhale") was formulated and incorporated on 02/03/18.
5. As indicated by the Articles of Organization, the Management Members included:
  - a. J.N.
  - b. T.N.
  - c. Applicant.

- d. Applicant's husband.
6. The Articles of Organization, which were approved in 02/18, demonstrate that Applicant was engaging in both a professional counseling relationship and business relationship with her clients simultaneously.
7. Months after formulating the business, in 05/18, Applicant entered a session note in the clinical record reflecting that a discussion was held in which they gave consideration to shifting the relationship, ending the therapeutic relationship, and safety concerns regarding dual relationships and boundaries.
8. However, the dual relationship and business endeavor had been occurring for several months prior to Applicant's 05/18 clinical entry note.
9. It is a distortion of facts to document an entry note that indicates a conversation was held regarding shifting the relationship and risks associated with dual relationships/boundaries when the shift had already occurred several months prior and certain business endeavors were underway.
10. Nevertheless, Applicant terminated the counseling relationship with J.N. and T.N. in 05/18 and continued to develop her business with her clients.
11. The 08/18 Operating Agreement for Exhale indicated the following:
  - a. Applicant attributed no initial start-up funds and was a co-owner.
  - b. J.N. and T.N. attributed an initial contribution of \$300,000 and were co-owners.
12. Around 02/19, approximately one year after the business was formulated, Exhale began providing services.
13. Applicant's role and title, aside from an Owner, was the Executive Clinical Director.
14. Applicant's job duties required the following:
  - a. State licensure in good standing.
  - b. Knowledge of state accreditation requirements.
  - c. Ensuring that the program operates in compliance with laws and regulations.
  - d. Oversee documentation of clinical services and ensure they meet standards.
  - e. Hire, orient, train and supervise primary therapists and ancillary clinical staff.
15. Through additional complaints filed with the Board, it was learned that J.N. and T.N. were not the only clients/former clients that Applicant fostered inappropriate relationships with.
16. Additional complaints from several other former clients alleged that Applicant held inappropriate relationships with them by hiring them to work at her business.
17. Applicant's former client, C.A., indicated the following:
  - a. From 09/16 – 12/18, Applicant treated C.A.
  - b. In 10/18, Applicant offered C.A. a position as a Behavioral Health Technician at Exhale.
  - c. C.A. was formally hired in 01/19.
  - d. C.A. is aware of many other employees at Exhale who are Applicant's former clients.
18. Applicant's former client, K.J., indicated the following:
  - a. In 05/18, K.J. had a therapy session with Applicant.
  - b. At the end of the session, Applicant offered K.J. a job as Applicant's assistant.
  - c. K.J. agreed and began working for Applicant in 09/18 and later transitioned to working at Exhale in 01/19.
  - d. K.J. later discovered a number of Exhale employees Applicant's former clients.
19. During her investigative interview with Board staff, Applicant acknowledged that there were approximately 6 employees at Exhale who were formerly her clients.
20. Given the amount of clients/former clients whom Applicant hired, her conduct appears to demonstrate a pattern of soliciting clients and their respective assets for services in which Applicant would gain from.
21. In example:
  - a. J.N. and T.N. provided hundreds of thousands of dollars to the business.
  - b. J.T. provided services as an accountant and human resources employee.

- c. K.J. provided services as a personal assistant and compliance manager.
22. Even if Applicant created an entry note in each of these client's records regarding role change, it appears highly inappropriate that Applicant would use her professional relationship with clients and recruit them for services that would benefit her.
23. Further, J.N., T.N., and J.T. each reported that Applicant asked them not to tell anyone about their past relationship.
24. Applicant asserts that her former clients whom she hired were not in her direct chain of command.
25. Applicant was the Owner and Executive Clinical Director whose responsibilities including hiring, orienting, training and supervising primary therapists and ancillary clinical staff.
26. Although her staff may not have directly reported Applicant, given her role as Owner and Executive Clinical Director, it would appear Applicant was at the very top of the chain of command and possessed the ability to make decisions that could affect her staff's employment.
27. During a business dispute with J.N. and T.N., Applicant inappropriately referenced her clients' past trauma.
28. In a 09/17/19 email from Applicant to J.N. and T.N., Applicant wrote, in part:
- "These blindsiding meetings (when I should be counseling a patient that was counting on our session) that completely attack me as a person are unfair."
  - "I walked through that journey with you and although I was mostly a bystander, I saw you guys in the trenches...I saw the hopelessness and collapse [J.N.] was in when he didn't want to go on."
  - "I saw the panic attacks that [T.N.] would have. Your case was a heavy one."
  - Applicant feels pressure for business to succeed and as a result suffers significant stress and she is hurt by J.N. and T.N.'s suggestion that she does not contribute as much to the business.
29. It was entirely inappropriate to use a client's past treatment issues against them for any reason, let alone for the purpose of advancing an argument.
30. Exhale is licensed by the Arizona Department of Health Services and accredited by the Joint Commission as a behavioral health residential home.
31. According to Applicant's former client and employee, K.J.:
- K.J. acted as a Compliance Manager for Exhale and drug testing was required in order to gain accreditation from the Joint Commission.
  - Every employee was required to sign an agreement indicating they would submit to drug screens initially, or if there was an accident on company time, or if there was concern that an employee was impaired.
  - Due to company policy and working toward accreditation, Applicant was ordered to submit a drug test.
  - Applicant submitted a positive test for marijuana and then she was ordered to complete another test.
  - K.J. received a voicemail (provided to the Board) from the lab who stated Applicant submitted a false sample and was given the opportunity to test again but Applicant declined.
32. The Exhale Employee Handbook, which Applicant signed receipt of, provides the following:
- Employees must comply with the drug and alcohol use/testing policy.
  - Failure to comply will result in disciplinary action.
  - Failure to comply with this policy includes:
    - Refusing to consent to testing.
    - Refusing to submit a specimen when requested by management.
    - Switching or adulterating a sample.
33. Applicant's laboratory reports included the following:
- 01/23/19 Report – Applicant tested Positive for Marijuana Metabolites.
  - 04/29/19 Report – Applicant falsified test.
  - 05/02/19 Report – Applicant did not take test ordered.

34. Rather than fully communicate and cooperate with the Board on this particular matter, Applicant asserted her right to remain silent regarding questions relating to the drug tests and whether she obtained marijuana illegally.
35. Given Applicant's failure to respond, the following inferences are implied:
  - a. Applicant engages in the illegal consumption of marijuana, as evidenced by her failure to produce a medical marijuana prescription.
  - b. Following her 01/19 positive test for marijuana, Applicant attempted to deceive both her employer and the testing laboratory by submitting a false urine sample.
  - c. The submission of a false urine sample implies the preemptive planning and preparation to collect urine from an invalid source; conceal the urine during the actual testing; and attempt to deceive in order to avoid potential penalty.
  - d. In 05/19, Applicant was again ordered to submit to a urine test.
  - e. Applicant's refusal to submit to testing implies that the test would have registered positive.
  - f. Given the above information, Applicant continued to engage in the illegal consumption of marijuana from at least 01/19 – 05/19.
  - g. Applicant was unable to modify her behavior and abstain from the use of marijuana, despite being aware of her employer's ongoing testing efforts.
36. From 2009 – 2019, Applicant maintained an LPC license.
37. In 10/18, Applicant was issued her 90-day notification, which informed Applicant that her LPC expiration was approaching on 01/31/19, and that she had 90 days to renew her license.
38. Applicant failed to submit a renewal application by 01/31/19 and the status of her license became closed-expired.
39. On 04/29/19, Applicant submitted an online payment for a late renewal through the Board's website; however, Applicant did not provide the renewal application itself or any of the required, accompanying continuing education hours.
40. Despite multiple attempts by Board staff to communicate to Applicant that she did not submit a complete late renewal application, Applicant failed to respond and her license has remained closed-expired since 01/31/19.
41. Since the expiration of her license on 01/31/19, Applicant has:
  - a. Continued to provide psychotherapy.
  - b. Signed off on clinical documents and used the designation, LPC.
  - c. Continued to provide clinical supervision to supervisees.
42. In response to the allegation that Applicant continued to provide psychotherapy with an expired license, Applicant asserted her right to remain silent regarding any allegations concerning treatment of clients at any time after the expiration of her license.
43. Rather than fully cooperate with the Board's investigation on this particular matter, Applicant reminded the Board of its duty that it must find sufficient evidence that Applicant committed a violation in order to prove these allegations.
44. Despite Applicant's lack of cooperation, the Board has gained the following information:
  - a. Ms. "W.", a Therapist and the Operations Manager at Exhale filed a complaint with the Board indicating:
    - In 09/19, Ms. W learned that Applicant had been practicing therapeutic modalities such as EMDR, sensorimotor psychotherapy and psychodrama with clients and that Applicant was seeing clients at her private practice.
    - Applicant also had her expired license displayed on the wall.
  - b. Mr. "Z.", a Therapist at both Exhale and Applicant's private practice, filed a complaint with the Board indicating :
    - During the period after Applicant's license lapsed, Applicant was actively seeing clients according to her Square Transaction app.

- As of the date of his complaint in 10/19, Mr. Z still has access to the Square Transaction app and it appears that Applicant continues to see clients at her private practice.
45. In addition to the above complaints, Board staff obtained clinical records from both Applicant's private practice and Exhale.
  46. In each, there was conclusive evidence demonstrating that Applicant provided therapeutic services beyond the expiration of her license in 01/19.
  47. In her complaint response, Applicant asserted that, should the Board conclude Applicant performed any therapeutic tasks after the expiration of her license, they were done in a paraprofessional capacity.
  48. Applicant's assertion is flawed for the following reasons:
    - a. Applicant provided psychotherapy at both her private practice and Exhale.
    - b. Applicant's private practice is not licensed by the Arizona Department of Health Services and therefore, no title of paraprofessional can be used by Applicant when maintaining a non-licensed, independent private practice.
    - c. At Exhale, Applicant was an Owner and the Executive Clinical Director.
    - d. A paraprofessional who works at a licensed facility requires clinical oversight and supervision from a Behavioral Health Professional or BHP.
    - e. No person could provide appropriate clinical oversight or supervision to Applicant as there would be a conflict of interest given Applicant's role as Owner and Executive Clinical Director.
    - f. Furthermore, the Operating Agreement for Exhale indicated:
      - "[Applicant] shall have final decision-making authority over all clinical care matters."
      - This authority includes but is not limited to all clinical treatments that are regulated by the Board of Behavioral Health, therapeutic sessions, program schedules, individual client needs related to safety, individual client needs related to symptoms of the client, and the resolution of all ethical matters.
  49. During its investigation, the Board:
    - a. Obtained numerous clinical records where Applicant applied the designation of LPC beyond the expiration of her license.
    - b. Obtained several examples of clinical supervision sessions delivered by Applicant beyond the expiration of her license.

In addition, pursuant to A.R.S. § 32-3221, the Counseling Academic Review Committee determined that you did not establish eligibility for licensure based on the following:

1. You did not establish that you meet A.A.C. R4-6-501(C).

#### Notice of Appealable Agency Action:

Pursuant to A.R.S. § 41-1092.03 (B), you may request a formal hearing by notifying the Board, in writing, within 35 days from the date of this letter. The hearing will be held within 60 days after the Board receives your request. (A.R.S. § 41-1092.05)(A)) At the hearing, you will have the burden of proof to demonstrate that you are qualified for licensure regarding the matters set forth above. The Office of the Attorney General will represent the State of Arizona at the hearing. In addition, if you request a hearing, you have the right to request a settlement conference. (A.R.S. § 41-1092.06) Please note that if you do not request a hearing by the close of business on June 17, 2020, your file will be closed without recourse to appeal. If you desire

licensure in the future you will be required to submit a new application and fee. Please be further advised that pursuant to the Board's licensure statutes only persons holding licenses to practice behavioral health may do so unless they are exempt from licensure pursuant to A.R.S. § 32-3271.

Notice to Licensure Applicant:

Pursuant to A.R.S. § 41-1093.01, an agency shall limit all occupational regulations to regulations that are demonstrated to be necessary to specifically fulfill a public health, safety or welfare concern. Pursuant to A.R.S. § 41-1093.02 and A.R.S. § 41-1093.03, you have the right to petition this agency to repeal or modify the occupational regulation or bring an action in a court of general jurisdiction to challenge the occupational regulation and to ensure compliance with A.R.S. § 41-1093.01.

If you have any questions, I can be reached at (602) 542-1617.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tobi Zavala', with a long horizontal flourish extending to the right.

Tobi Zavala  
Executive Director

cc: Applicant's attorney.