

1 **BEFORE THE BOARD OF MEDICAL EXAMINERS**
2 **OF THE STATE OF NEVADA**

3 * * * * *

4
5 **In the Matter of Charges and Complaint**

Case No. 22-5972-1

6 **Against:**

FILED

7 **KAREN FRANCES ARCOTTA, M.D.,**

JUN 10 2022

8 **Respondent.**

9 NEVADA STATE BOARD OF
MEDICAL EXAMINERS

By: *[Signature]*

10 **SETTLEMENT AGREEMENT**

11 The Investigative Committee (IC) of the Nevada State Board of Medical Examiners
12 (Board), by and through Aaron Bart Fricke, J.D., General Counsel for the Board and attorney for
13 the IC, and Karen Frances Arcotta, M.D., (Respondent), a licensed physician in Nevada, assisted
14 by her attorney, Mace J. Yampolsky, Esq., of the law firm of Yampolsky & Margolis, hereby
15 enter into this Settlement Agreement (Agreement) based on the following:¹

16 **A. BACKGROUND**

17 2. Respondent is a medical doctor currently licensed in active status by the Board
18 pursuant to Chapter 630 of the Nevada Revised Statutes (NRS) and Chapter 630 of the Nevada
19 Administrative Code (NAC) (collectively, the Medical Practice Act) to practice medicine in
20 Nevada. Her license was originally issued on July 9, 1983 (License No. 4896).

21 3. On February 14, 2022, in Case No. 22-5972-1, the IC filed a formal Complaint
22 (Complaint) charging Respondent with violating the Medical Practice Act. Specifically, the
23 Complaint alleges one (1) violation of NRS 630.306(1)(c), Unlawful Distribution of Controlled
24 Substances (Count I), two (2) violations of NRS 630.306(1)(p), Unsafe or Unprofessional Conduct
25 (Count II and VI), two (2) violations of NRS 630.301(9), Disreputable Conduct (Count III and
26

27 ¹ All agreements and admissions made by Respondent are solely for final disposition of this matter and any
28 subsequent related administrative proceedings or civil litigation involving the Board and Respondent. Therefore,
Respondent's agreements and admissions are not intended or made for any other use, such as in the context of another
state or federal government regulatory agency proceeding, state or federal civil or criminal proceeding, any state or
federal court proceeding, or any credentialing or privileges matter.

1 VII), two (2) violations of NRS 630.301(4), Malpractice (Count IV and VII), one (1) violation of
2 NRS 630.306(1)(c), Unlawful Distribution of Controlled Substances (Count V), one (1) violation
3 of NRS 630.306(1)(b)(3), Violation of Statutes and Regulations of the Pharmacy Board (Count
4 IX), and one (1) violation of NRS 630.306(1)(g), Continual Failure to Practice Medicine Properly
5 (Count X). By reason of the foregoing, Respondent is subject to discipline by the Board as
6 provided in NRS 630.352.

7 4. Respondent was properly served with a copy of this Complaint, has reviewed and
8 understands this Complaint, and has had the opportunity to consult with competent counsel
9 concerning the nature and significance of this Complaint.

10 5. Respondent is hereby advised of her rights regarding this administrative matter,
11 and of her opportunity to defend against the allegations in the Complaint. Specifically,
12 Respondent has certain rights in this administrative matter as set out by the United States
13 Constitution, the Nevada Constitution, the Medical Practice Act, the Nevada Open Meeting Law
14 (OML), which is contained in NRS Chapter 241, and the Nevada Administrative Procedure Act
15 (APA), which is contained in NRS Chapter 233B and 622A. These rights include the right to a
16 formal hearing on the allegations in the Complaint, the right to representation by counsel, at her
17 own expense, in the preparation and presentation of her defense, the right to confront and cross-
18 examine the witnesses and evidence against him, the right to written findings of fact, conclusions
19 of law and order reflecting the final decision of the Board, and the right to judicial review of the
20 Board's order, if the decision is adverse to her.

21 6. Respondent understands that, under the Board's charge to protect the public by
22 regulating the practice of medicine, the Board may take disciplinary action against Respondent's
23 license, including license probation, license suspension, license revocation and imposition of
24 administrative fines, as well as any other reasonable requirement or limitation, if the Board
25 concludes that Respondent violated one or more provisions of the Medical Practice Act.

26 7. Respondent understands and agrees that this Agreement, by and between
27 Respondent and the IC, is not with the Board, and that the IC will present this Agreement to the
28 Board for consideration in open session at a duly noticed and scheduled meeting. Respondent

1 understands that the IC shall advocate for the Board's approval of this Agreement, but that the
2 Board has the right to decide in its own discretion whether or not to approve this Agreement.
3 Respondent further understands and agrees that if the Board approves this Agreement, then the
4 terms and conditions enumerated below shall be binding and enforceable upon her and the Board.

5 **B. TERMS & CONDITIONS**

6 **NOW, THEREFORE**, in order to resolve the matters addressed herein, i.e., the matters
7 with regard to the Complaint, Respondent and the IC hereby agree to the following terms and
8 conditions:

9 1. **Jurisdiction.** Respondent is, and at all times relevant to the Complaint has been, a
10 physician licensed to practice medicine in Nevada subject to the jurisdiction of the Board as set
11 forth in the Medical Practice Act.

12 2. **Representation by Counsel/Knowing, Willing and Intelligent Agreement.**
13 Respondent acknowledges she is represented by counsel, and wishes to resolve the matters
14 addressed herein with said counsel. Respondent agrees that if representation by counsel in this
15 matter materially changes prior to entering into this Agreement and for the duration of this
16 Agreement, that counsel for the IC will be timely notified of the material change. Respondent
17 agrees that she knowingly, willingly and intelligently enters into this Agreement after deciding to
18 have a full consultation with and upon the advice of legal counsel.

19 3. **Waiver of Rights.** In connection with this Agreement, and the associated terms
20 and conditions, Respondent knowingly, willingly and intelligently waives all rights in connection
21 with this administrative matter. Respondent hereby knowingly, willingly and intelligently waives
22 all rights arising under the United States Constitution, the Nevada Constitution, the Medical
23 Practice Act, the OML, the APA, and any other legal rights that may be available to her or that
24 may apply to her in connection with the administrative proceedings resulting from the Complaint
25 filed in this matter, including defense of the Complaint, adjudication of the allegations set forth in
26 the Complaint, and imposition of any disciplinary actions or sanctions ordered by the Board.
27 Respondent agrees to settle and resolve the allegations of the Complaint as set out by this
28 Agreement, without a hearing or any further proceedings and without the right to judicial review.

1 4. **Acknowledgement of Reasonable Basis to Proceed.** As of the time of entering
2 into this Settlement Agreement, the allegations of the Complaint remain unproven. Respondent
3 acknowledges that the IC believes it has a reasonable basis to allege that Respondent engaged in
4 conduct that is grounds for discipline pursuant to the Medical Practice Act. The IC acknowledges
5 Respondent is not admitting that the IC's claims/counts as alleged in the Complaint have merit
6 and Respondent is agreeing to resolve this matter to avoid the costs of hearing and potential
7 subsequent litigation. Respondent asserts if this matter were to proceed to hearing, she has
8 evidence, witnesses, expert witness(es) and defenses to the counts/claims alleged in the
9 Complaint, but for the purposes of resolving the matter and for no other purpose, Respondent
10 waives the presentation of evidence, witnesses, expert witnesses, and defenses in order to
11 effectuate this Agreement.

12 5. **Consent to Entry of Order.** In order to resolve this Complaint pending against
13 Respondent, Respondent hereby agrees that the Board may issue an order finding that Respondent
14 engaged in conduct that is grounds for discipline pursuant to the Medical Practice Act.
15 Accordingly, the following terms and conditions are hereby agreed upon:

- 16 a. Respondent admits to all Counts, I through X, as alleged in the Complaint.
- 17 b. Respondent shall immediately cease the practice of medicine pending the
18 Board's acceptance, adoption and approval of this Agreement.
- 19 c. Respondent's license shall be immediately revoked. Pursuant to
20 NRS 622A.410(1), Respondent may not apply for reinstatement of her medical license for a
21 period of five (5) years from the date of the Board's acceptance of this Agreement as an Order of
22 the Board.
- 23 d. Respondent shall pay a fine of ten thousand dollars (\$10,000.00). This
24 order for the payment of a fine shall be immediately stayed, until which time as Respondent
25 reapplies for licensure, at which time, Respondent is ordered to pay the fine within sixty (60) days.
- 26 e. Respondent shall pay the costs and expenses incurred in the investigation
27 and prosecution of the above-referenced matter within sixty (60) days of the Board's acceptance,
28 adoption and approval of this Agreement, the current amount being two thousand six hundred

1 ninety-seven dollars and fifty-eight cents (\$2,697.58). This order for the payment of costs and
2 expenses shall be immediately stayed, until which time as Respondent reapplies for licensure, at
3 which time, Respondent is ordered to pay these costs and expenses within sixty (60) days.

4 f. This Agreement shall be reported to the appropriate entities and parties as
5 required by law, including, but not limited to, the National Practitioner Data Bank.

6 g. Respondent shall receive a Public Letter of Reprimand.

7 6. **Release from Liability.** In execution of this Agreement, Respondent understands
8 and agrees that the State of Nevada, the Board, and each of its members, staff, counsel,
9 investigators, experts, peer reviewers, committees, panels, hearing officers, consultants and agents
10 are immune from civil liability for any decision or action taken in good faith in response to
11 information acquired by the Board. NRS 630.364(2)(a). Respondent agrees to release the State of
12 Nevada, the Board, and each of its members, staff, counsel, investigators, experts, peer reviewers,
13 committees, panels, hearing officers, consultants and agents from any and all manner of actions,
14 causes of action, suits, debts, judgments, executions, claims and demands whatsoever, known and
15 unknown, in law or equity, that Respondent ever had, now has, may have or claim to have, against
16 any or all of the persons, government agencies or entities named in this paragraph arising out of,
17 or by reason of, this investigation, this Agreement or the administration of the case referenced
18 herein.

19 7. **Procedure for Adoption of Agreement.** The IC and counsel for the IC shall
20 recommend approval and adoption of the terms and conditions of this Agreement by the Board in
21 resolution of this Complaint. In the course of seeking Board acceptance, approval and adoption of
22 this Agreement, counsel for the IC may communicate directly with the Board staff and the
23 adjudicating members of the Board. Respondent acknowledges that such contacts and
24 communications may be made or conducted ex-parte, without notice or opportunity to be heard on
25 her part until the public Board meeting where this Agreement is discussed, and that such contacts
26 and communications may include, but may not be limited to, matters concerning this Agreement,
27 the Complaint and any and all information of every nature whatsoever related to this matter.

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1 The IC and its counsel agree that Respondent and/or Counsel for the Respondent may appear at
2 the Board meeting where this Agreement is discussed and, if requested, respond to any questions
3 that may be addressed to the IC or the IC's counsel.

4 8. **Effect of Acceptance of Agreement by Board.** In the event the Board accepts,
5 approves and adopts this Agreement, the Board shall issue a final order, making this Agreement
6 an order of the Board, and, pending full compliance with the terms herein, the case shall be closed
7 and all remaining claims arising out of the Complaint shall be dismissed with prejudice.

8 9. **Effect of Rejection of Agreement by Board.** In the event the Board does not
9 accept, approve and adopt this Agreement, this Agreement shall be null, void and of no force and
10 effect except as to the following agreement regarding adjudications: (1) Respondent agrees that,
11 notwithstanding rejection of this Agreement by the Board, nothing contained in this Agreement
12 and nothing that occurs pursuant to efforts of the IC to seek the Board's acceptance of this
13 Agreement shall disqualify any member of the adjudicating panel of the Board from considering
14 this Complaint and from participating in disciplinary proceedings against Respondent, including
15 adjudication of this case; and (2) Respondent further agrees that she shall not seek to disqualify
16 any such member absent evidence of bad faith.

17 10. **Binding Effect.** If approved by the Board, Respondent understands that this
18 Agreement is a binding and enforceable contract upon Respondent and the Board.

19 11. **Forum Selection Clause.** The parties agree that in the event either party is
20 required to seek enforcement of this Agreement in district court, the party's consent to such
21 jurisdiction and agree that exclusive jurisdiction shall be in the Second Judicial District Court,
22 State of Nevada, Washoe County.

23 12. **Attorneys' Fees and Costs.** The parties agree that in the event an action is
24 commenced in district court to enforce any provision of this Agreement, the prevailing party shall
25 be entitled to recover reasonable attorneys' fees and costs.


26 13. **Failure to Comply with Terms.** Should Respondent fail to comply with any term
27 or condition of this Agreement once the Agreement has been accepted, approved and adopted by
28 the Board, the IC shall be authorized to immediately suspend Respondent's license to practice

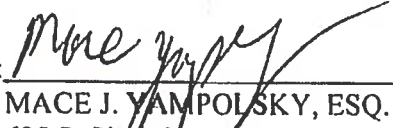
1 medicine in Nevada pending an Order to Show Cause Hearing, which will be duly noticed.
2 Failure to comply with the terms of this Agreement, including failure to pay any fines, costs,
3 expenses or fees owed to the Board, is a failure to comply with an order of the Board, which may
4 result in additional disciplinary action being taken against Respondent. NRS 630.3065(2)(a).
5 Further, Respondent's failure to remit payment to the Board for monies agreed to be paid as a
6 condition of this Agreement may subject Respondent to civil collection efforts.

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8 DATED this 20th day of APRIL, 2022. DATED this 30 day of MARCH, 2022.

9 INVESTIGATIVE COMMITTEE OF THE
10 NEVADA STATE BOARD OF MEDICAL
11 EXAMINERS

YAMPOLSKY & MARGOLIS

12 By: 
13 AARON BART FRICKE, J.D.
14 General Counsel
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By: 
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Attorney for Respondent

18 DATED this 29th day of March, 2022.

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20 By: 
21 KAREN FRANCES ARCOTTA, M.D.,
22 Nevada License No. 4896
23 Respondent
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ORDER

IT IS HEREBY ORDERED that, the foregoing Settlement Agreement (Case No. 22-5972-1) was approved and accepted by the Nevada State Board of Medical Examiners on the 10th day of June, 2022.

DATED this 10th day of June, 2022.

NEVADA STATE BOARD OF MEDICAL
EXAMINERS

By:


VICTOR M. MURO, M.D.
Board President