

STATE OF WISCONSIN  
BEFORE THE PSYCHOLOGY EXAMINING BOARD

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IN THE MATTER OF DISCIPLINARY :  
PROCEEDINGS AGAINST :  
 : NOTICE OF HEARING  
CRAIG A. MODELL, PH.D., :  
RESPONDENT. :

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Division of Legal Services and Compliance Case No. 16 PSY 020

TO: Craig A. Modell, PH.D.  
10201 West Lincoln Avenue, Suite 308  
West Allis, Wisconsin 53227-1542

PLEASE TAKE NOTICE that disciplinary proceedings have been commenced against you before the Wisconsin Psychology Examining Board (Board). The Complaint, which is attached to this Notice, states the nature and basis of the proceeding. This proceeding may result in disciplinary action taken against you by the Board. This proceeding is a class 2 proceeding as defined in Wis. Stat. § 227.01(3)(b).

Within 20 days from the date of service of the Complaint, you must file a written Answer to the allegations of the Complaint. You may have an attorney help or represent you. The Answer shall follow the general rules of pleading contained in Wis. Admin. Code § SPS 2.09 and shall be filed as required by Wis. Admin. Code § SPS 2.08(2). If you do not provide a proper Answer within 20 days, you will be found to be in default and a default judgment may be entered against you on the basis of the Complaint and other evidence. In addition, the Board may take disciplinary action against you and impose the costs of the investigation, prosecution and decision of this matter upon you without further notice or hearing.

The original of your Answer should be filed with the Division of Hearings and Appeals, who has been designated to preside over this matter pursuant to Wis. Admin. Code § SPS 2.10, at the address listed below:

**Division of Hearings and Appeals**  
**5005 University Avenue, Suite 201**  
**Post Office Box 7875**  
**Madison, WI 53707-7875**  
**Telephone (608) 264-7980**

An Administrative Law Judge designated to preside over the matter will be assigned, and you will be notified of the assignment.

You should also file a copy of your Answer with the prosecuting attorney, who is:

**Gretchen Mrozinski**  
**Department of Safety and Professional Services**  
**Division of Legal Services and Compliance**  
**Post Office Box 7190**  
**Madison, WI 53707-7190**  
**Telephone (608) 266-5828**  
**Fax (608) 266-2264**

A prehearing conference or a hearing on the matters contained in the Complaint will be held on a date and time to be determined in the future by the Division of Hearings and Appeals.

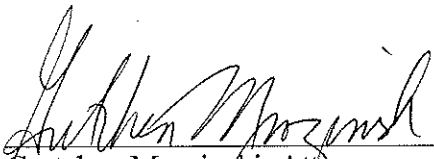
The legal authority and procedures under which the hearing is to be held are set forth in Wis. Stat. §§ 227.44, 445.09 and Wis. Admin. Code ch. SPS 2.

If you do not appear for the prehearing or the hearing when it is scheduled, you will be found to be in default, and a default judgment may be entered against you on the basis of the Complaint and other evidence. The Board may then take disciplinary action against you and impose the costs of the investigation, prosecution and decision of this matter upon you without further notice or hearing.

If you choose to be represented by an attorney in this proceeding, the attorney, after he or she has been retained by you, is requested to promptly file a Notice of Appearance with the Division of Hearings and Appeals and the prosecuting attorney.

A copy of the Complaint and of this Notice has been sent to the Division of Hearings and Appeals. They will be contacting you in the near future to schedule a prehearing conference or hearing regarding this matter.

Dated 16<sup>th</sup> of November, 2017.

  
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Gretchen Mrozinski, Attorney  
State Bar Number 1027075  
Department of Safety and Professional Services  
Division of Legal Services and Compliance  
P.O. Box 7190  
Madison, WI 53707-7190  
(608) 266-5828  
[Gretchen2.Mrozinski@wisconsin.gov](mailto:Gretchen2.Mrozinski@wisconsin.gov)

STATE OF WISCONSIN  
BEFORE THE PSYCHOLOGY EXAMINING BOARD

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IN THE MATTER OF DISCIPLINARY :  
PROCEEDINGS AGAINST :  
 : COMPLAINT  
CRAIG A. MODELL, PH.D., :  
RESPONDENT. :

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Division of Legal Services and Compliance Case No. 16 PSY 020

Gretchen Mrozinski, an Attorney for the State of Wisconsin, Department of Safety and Professional Services, Division of Legal Services and Compliance, Post Office Box 7190, Madison, Wisconsin 53707-7190, upon information and belief, alleges that:

1. Respondent Craig A. Modell, Ph.D., is licensed in the state of Wisconsin to practice psychology, having license number 696-57, first issued on April 14, 1978, and current through September 30, 2019.

2. The most recent address on file with the Wisconsin Department of Safety and Professional Services (Department) for Respondent is 10201 West Lincoln Avenue, Suite 308, West Allis, Wisconsin 53227-1542.

3. At all times relevant to this proceeding, Respondent was employed as a psychologist at a clinic located in Waukesha, Wisconsin.

4. Between March 30, 2012, and October 15, 2015, Respondent provided treatment to Patient A. Patient A sought treatment as a result of an automobile accident that occurred on October 11, 2011.

5. At the time of treatment, Patient A had a civil lawsuit pending for issues related to the automobile accident.

6. During a therapy session in June 2013, Patient A informed Respondent that he did not have money to pay his rent and would lose his apartment.

7. After two sessions of observing Patient A mention his financial situation, on or about June 10, 2013, Respondent loaned \$1,000 to Patient A. Respondent informed Patient A that the money was a loan and Patient A could pay him back when he received the settlement from his lawsuit.

8. During the therapy sessions, Patient A made repeated comments about his lawsuit and potential settlement. Respondent agreed to include in his treatment notes that he provided Patient A with relaxation techniques in order to bolster his claim in the lawsuit.

9. Respondent further instructed Patient A how to testify at deposition and trial regarding the relaxation techniques.

10. In March 2015, Patient A won his personal injury lawsuit, but did not receive a large monetary award.

11. On April 16, 2015, during a therapy session, Respondent instructed Patient A to “write up a little I.O.U. that [Patient A] will pay [Respondent] back the thousand dollars.”

12. During the April 16, 2015, therapy session, Respondent also discussed with Patient A his \$14,000 outstanding therapy bill.

13. On April 18, 2015, Respondent and Patient A signed the contract which Patient A drafted. The one-page contract contained the following provisions:

- a. Acknowledgment that Respondent loaned Patient A \$1,000;
- b. Patient A agreed to pay back the entire \$1,000 via monthly payments of \$100;
- c. Patient A agreed to pay the outstanding bill for treatment with the proceeds he might receive as a result of litigation;
- d. Patient A agreed not to allow his personal injury attorney to negotiate a lesser amount for the outstanding treatment bill;
- e. Patient A agreed to pay a 5% bonus to Respondent for his advice and understanding during litigation; the bonus was tied to Respondent’s “extraordinary influence;”
- f. The 5% bonus would be determined by the net amount Patient A received in his court case, which Patient A anticipated would go through the appeal process; and
- g. Recognition that Respondent assisted Patient A with obtaining legal advice on Patient A’s behalf.

14. On April 7, 2016, Patient A filed a civil lawsuit against Respondent. The lawsuit claimed that Respondent made a personal loan to Patient A during the course of treatment; fabricated treatment notes; signed a contract for 5% of Patient A’s personal injury claim; and destroyed the contract for the 5% of Patient A’s personal claim.

15. On June 8, 2016, Respondent was deposed by Patient A’s attorney.

16. During the deposition, Respondent made the following statements:

- a. Respondent acknowledged loaning Patient A \$1,000 to help pay his rent.
- b. Respondent expected Patient A to pay back the loan with the money he received from his settlement.

- c. Respondent acknowledged that giving money to a patient and entering into the contract with Patient A was unethical and created a dual relationship.
- d. Respondent admitted to telling Patient A to “write up an I.O.U” for the loan. Respondent stated that he had Patient A read the contract to him and did not read the contract himself before signing.
- e. Respondent admitted that he did not ask Patient A to remove the 5% “bonus” language or any other language from the contract before signing it.
- f. Respondent admitted that he kept the original contract and gave a copy to Patient A. Respondent further admitted tearing up Patient A’s copy of the contract during an October 2015 meeting.
- g. Respondent admitted to talking to three attorneys on Patient A’s behalf during the course of treating Patient A.

17. During the deposition it was revealed that Patient A had taken audio and video recording of some of the therapy sessions.

18. The audio recording revealed that Respondent was aware that Patient A had taken notes of the therapy sessions and that they were different from Respondent’s notes. Respondent stated that it “doesn’t look good for my notes. My notes, I put down I did relaxation with you.”

19. When Patient A asked if he should destroy his notes, Respondent stated “Yeah, I, you could, you know, say that.”

20. During the conversation regarding the therapy notes, Respondent stated that Patient A should leave his notes separate and use Respondent’s notes. Respondent made several statements about him and Patient A being “on the same page” when it comes to discussing what occurred during the therapy sessions.

21. Respondent and Patient A discussed the relaxation therapy and Patient A stated that he didn’t remember doing relaxation therapy except for the session right before his trial.

22. Respondent is heard on the audio recording instructing Patient A how he should testify regarding the relaxation techniques.

23. In January 2017, Respondent, Respondent’s insurance company, and Patient A entered into a stipulation and order settling the lawsuit for payment to Patient A in the amount of \$75,000.

24. As a result of the conduct contained in one or more of paragraphs 4 through 22, Respondent engaged in unprofessional conduct pursuant to Wis. Admin. Code § Psy 5.01(7), by reporting distorted, erroneous, or misleading psychological information.

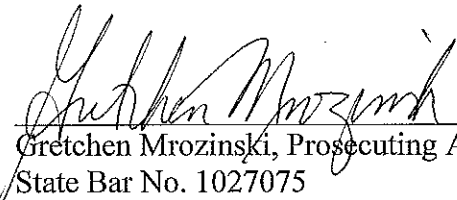
25. As a result of the conduct contained in one or more of paragraphs 4 through 22, Respondent engaged in unprofessional conduct pursuant to Wis. Admin. Code § Psy 5.01(9), by allowing professional judgment to be controlled by another.

26. As a result of the conduct contained in one or more of paragraphs 4 through 22, Respondent engaged in unprofessional conduct pursuant to Wis. Admin. Code § Psy 5.01(17), by failing to avoid prohibited dual relationships.

27. As a result of the above conduct, Respondent is subject to discipline pursuant to Wis. Stat. § 455.09(1)(g).

Therefore, the Division of Legal Services and Compliance demands that the Psychology Examining Board hear evidence relevant to the matters alleged in this complaint, determine and impose the discipline warranted, and assess the costs against Respondent Craig A. Modell, Ph.D.

Dated at Madison, Wisconsin this 16<sup>th</sup> day of November, 2017.

  
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Gretchen Mrozinski, Prosecuting Attorney  
State Bar No. 1027075  
Department of Safety and Professional Services  
Division of Legal Services and Compliance  
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