

BEFORE THE DIVISION OF MEDICAL QUALITY  
MEDICAL BOARD OF CALIFORNIA  
DEPARTMENT OF CONSUMER AFFAIRS  
STATE OF CALIFORNIA

In the Matter of the Accusation )  
Against: )

GEORGE D. KARALIS, M.D. )  
Certificate No. A-24412 )

No. D-3800

Respondent. )

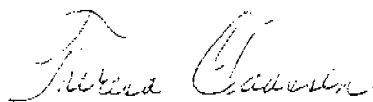
DECISION

The attached Stipulation  
is hereby adopted by the Division of Medical Quality of the  
Medical Board of California as its Decision in the above-entitled  
matter.

This Decision shall become effective on June 9, 1990.

IT IS SO ORDERED May 11, 1990.

DIVISION OF MEDICAL QUALITY  
MEDICAL BOARD OF CALIFORNIA



\_\_\_\_\_  
THERESA CLAASSEN  
Secretary/Treasurer

1 JOHN K. VAN DE KAMP, Attorney General  
of the State of California  
2 FRANK H. PACOE  
Deputy Attorney General  
3 350 McAllister Street, Room 6000  
San Francisco, California 94102  
4 Telephone: (415) 557-2546

5 Attorneys for Complainant

6  
7 BEFORE THE  
8 BOARD OF MEDICAL QUALITY ASSURANCE  
9 DIVISION OF MEDICAL QUALITY  
10 STATE OF CALIFORNIA

11 In the Matter of the Accusation )  
12 Against: ) No. D-3800  
13 ) STIPULATION AND WAIVER  
14 GEORGE DEMETRIUS KARALIS, M.D. )  
P.O. Box 664 )  
15 San Francisco, California 94101 )  
Physician and Surgeon )  
Certificate No. A-024412 )  
16 Respondent. )

17  
18 IT IS HEREBY STIPULATED BY AND BETWEEN George Demetrius  
19 Karalis, M.D., (hereinafter "respondent") with the advice and  
20 consent of his attorney, Louis C. Castro, Esq., and the Division  
21 of Medical Quality, Board of Medical Quality Assurance  
22 (hereinafter "Division") by and through its attorney Frank H.  
23 Pacoe, Deputy Attorney General, as follows:

24 1. Accusation No. D-3800 is presently pending before  
25 the Division. <sup>1/</sup>

26 //

27 1. A copy of said Accusation is attached as Exhibit A.

1           2. Respondent is represented by Louis C. Castro,  
2 Attorney at Law, in this matter.

3           3. Respondent and his attorney have fully discussed  
4 the charges and allegations in Accusation No. D-3800 and  
5 respondent has been fully advised by his attorney of his rights  
6 concerning this Accusation.

7           4. Respondent is fully aware of and understands his  
8 right to a hearing on the charges and allegations in Accusation  
9 No. D-3800; his right to reconsideration, to appeal, and any and  
10 all other rights which may be afforded him under the California  
11 Administrative Procedure Act and the laws of the State of  
12 California.

13           5. Respondent hereby fully and voluntarily waives his  
14 right to a hearing, to reconsideration, to appeal, and any and  
15 all other rights afforded him under the California Administrative  
16 Procedure Act and the laws of the State of California as they  
17 relate to Accusation No. D-3800 except for those statutory rights  
18 pertaining to modification or termination of probation.

19           6. Respondent admits the charges and allegations  
20 contained in paragraph six (6) of Accusation No. D-3800 and  
21 admits that grounds for discipline are stated under Business and  
22 Professions Code section 2236 in conjunction with sections 2227  
23 and 2234.

24           7. Based on the foregoing admissions, it is further  
25 stipulated and agreed by the parties hereto that the Division may  
26 issue the following decision:

27 //

1                   Certificate No. A-024412 issued to respondent  
2                   George Demetrius Karalis, M.D., is revoked. However,  
3                   revocation is stayed and respondent is placed on  
4                   probation for five years upon the following terms  
5                   and conditions:

6                   (1) As part of probation, respondent is suspended from  
7                   the practice of medicine for thirty (30) days beginning the  
8                   effective date of this decision.

9                   (2) Within sixty (60) days of the effective date of  
10                  this decision, respondent shall take and pass an oral clinical  
11                  examination in psychiatry and to be administered by the Division  
12                  or its designee. If respondent fails this examination,  
13                  respondent must take and pass a re-examination consisting of a  
14                  written as well as an oral clinical examination. The waiting  
15                  period between repeat examinations shall be at three month  
16                  intervals until success is achieved. The Division shall pay the  
17                  cost of the first examination and respondent shall pay the cost  
18                  of any subsequent re-examinations.

19                  If respondent fails the first examination, respondent  
20                  shall cease the practice of medicine until the re-examination has  
21                  been successfully passed, as evidenced by written notice to  
22                  respondent from the Division.

23                  (3) Respondent shall complete the community service  
24                  requirement ordered as a condition of probation by the Superior  
25                  Court, County of Alameda, Case No. 89328.

26                  (4) Within thirty (30) days of the effective date of  
27                  this decision, respondent shall submit to the Division, for its

1 prior approval, a plan of practice in which respondent's  
2 patients' billings shall be reviewed monthly by a peer physician,  
3 independent bookkeeper, independent accountant, or other person  
4 approved by the Division, who shall submit monthly reports to the  
5 Division. The expense of such review shall be borne by  
6 respondent. Respondent may maintain solo practice under this  
7 provision.

8 (5) Within thirty (30) days of the effective date of  
9 this decision, respondent shall submit to the Division, for its  
10 prior approval, a plan of supervised practice in which  
11 respondent's activities as a physician and his patients' records  
12 shall be overseen and supervised monthly by a peer physician  
13 approved by the Division, who shall submit monthly reports to the  
14 Division. The expense of such review shall be borne by  
15 respondent. Respondent may maintain a solo practice under this  
16 provision.

17 If the supervising physician resigns or is no longer  
18 available, respondent shall, within fifteen (15) days, move to  
19 have a new supervising physician appointed, through nomination by  
20 respondent and approval by the Division.

21 (6) Respondent shall undergo and continue treatment  
22 with Douglas Detrick, Ph.D., until the Division deems that no  
23 further psychotherapy is necessary. Respondent shall have the  
24 treating psychotherapist submit quarterly status reports to the  
25 Division. The Division may require respondent to undergo  
26 psychiatric evaluations by a Division-appointed psychiatrist.  
27 Should respondent choose a psychotherapist other than Dr.

1 Detrick, respondent shall submit to the Division for its prior  
2 approval the name and qualifications of a psychotherapist of  
3 respondent's choice.

4 (7) Respondent shall obey all federal, state and local  
5 laws, and all rules governing the practice of medicine in  
6 California.

7 (8) Respondent shall submit quarterly declarations  
8 under penalty of perjury on forms provided by the Division,  
9 stating whether there has been compliance with all the conditions  
10 of probation.

11 (9) Respondent shall comply with the Division's  
12 probation surveillance program.

13 (10) Respondent shall appear in person for interviews  
14 with the Division's medical consultant upon request at various  
15 intervals and with reasonable notice.

16 (11) The period of probation shall not run during the  
17 time respondent is residing or practicing outside the  
18 jurisdiction of California. If, during probation, respondent  
19 moves out of the jurisdiction of California to reside or practice  
20 elsewhere, respondent is required to immediately notify the  
21 Division in writing of the date of departure, and the date of  
22 return, if any.

23 (12) Upon successful completion of probation,  
24 respondent's certificate will be fully restored.

25 (13) If respondent violates probation in any respect,  
26 the Division, after giving respondent notice and the opportunity  
27 to be heard, may revoke probation and carry out the disciplinary

1 order that was stayed. If an accusation or petition to revoke  
2 probation is filed against respondent during probation, the  
3 Division shall have continuing jurisdiction until the matter is  
4 final, and the period of probation shall be extended until the  
5 matter is final.

6 8. The parties hereto agree that the terms and  
7 conditions set forth herein shall be null and void and not  
8 binding upon them unless approved and adopted by the Division.

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DATED: April 14, 1990 George Demetrius Karalis  
GEORGE DEMETRIUS KARALIS, M.D.  
Respondent

DATED: April 13, 1990 Louis C. Castro  
LOUIS C. CASTRO, Esq.  
Attorney for Respondent

DATED: April 24, 1990 Frank H. Pacoe  
FRANK H. PACOE  
Deputy Attorney General  
Attorney for Complainant

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1 JOHN K. VAN DE KAMP, Attorney General  
of the State of California  
2 FRANK H. PACOE  
Deputy Attorney General  
3 350 McAllister Street, Room 6000  
San Francisco, California 94102  
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5 Attorneys for Complainants  
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7 BEFORE THE  
8 BOARD OF MEDICAL QUALITY ASSURANCE  
DIVISION OF MEDICAL QUALITY  
9 STATE OF CALIFORNIA  
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11 In the Matter of the Accusation )  
12 Against: ) No. D-3800  
13 GEORGE DEMETRIUS KARALIS, M.D. ) ACCUSATION  
P.O. Box 664 )  
14 San Francisco, California 94101 )  
Physician and Surgeon )  
15 Certificate No. A-024412 )  
16 Respondent. )  
17 \_\_\_\_\_ )

18 Complainant, KENNETH J. WAGSTAFF, charges and alleges  
19 as follows:

20 1. He is the Executive Director of the Board of  
21 Medical Quality Assurance (hereinafter referred to as the  
22 "Board") and makes these charges and files this Accusation in his  
23 official capacity and not otherwise.

24 2. On or about September 1, 1971, the Board issued  
25 Physician and Surgeon Certificate No. A-024412 to George  
26 Demetrius Karalis, M.D. (hereinafter referred to as the  
27 //



1 "respondent"). That certificate has continued in full force and  
2 effect at all times material hereto.

3 3. Business and Professions Code sections 2227 and  
4 2234 provide, in pertinent part, that the Division of Medical  
5 Quality shall take disciplinary action against any licensee who  
6 is guilty of unprofessional conduct.

7 4. Business and Professions Code section 2236 provides  
8 that the conviction of any offense substantially related to the  
9 qualifications, functions, or duties of a physician and surgeon  
10 constitutes unprofessional conduct.

11 5. Penal Code section 487(1) provides, in relevant  
12 part, that grand theft is theft committed when money, labor or  
13 real or personal property is taken of a value exceeding four  
14 hundred dollars (\$400.00).

15 6. Respondent has been guilty of unprofessional  
16 conduct pursuant to Business and Professions Code section 2236,  
17 thereby providing grounds for disciplinary action under sections  
18 2227 and 2234 of said Code in that respondent was convicted of  
19 offenses substantially related to the qualifications, functions,  
20 or duties of a physician and surgeon, as is more particularly set  
21 forth as follows:

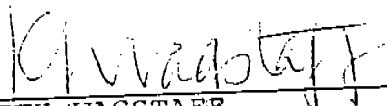
22 On or about August 24, 1987, respondent was convicted  
23 by a guilty plea in the Superior Court, County of Alameda, Case  
24 No. 89328, on one count of violation of Penal Code section 487(1)  
25 [grand theft]. Pursuant to said conviction, on or about October  
26 5, 1987 respondent was sentenced to three years probation,  
27 ordered to pay a fine in the amount of \$1,500.00, restitution in

1 the amount of \$3,000.00 and further ordered to perform 100 hours  
2 of community service. The circumstances of the aforementioned  
3 offense involved respondent's knowing, willful, unlawful and  
4 felonious taking of money and personal property of another of  
5 value exceeding four hundred dollars (\$400.00); the property of  
6 Computer Sciences Corporation and the State of California  
7 (Medi-Cal Program).

8 The aforementioned offense was substantially related to  
9 the qualifications, functions, and duties of a physician and  
10 surgeon in that it evidences unfitness to perform the functions  
11 authorized by a physician's and surgeon's certificate in a manner  
12 consistent with the public health, safety and welfare.

13 WHEREFORE, complainant prays that a hearing be held and  
14 respondent's license be suspended or revoked or such other action  
15 be taken as may be deemed proper.

16  
17 DATED: May 24, 1988

  
18 KENNETH WAGSTAFF  
19 Executive Director  
20 Board of Medical Quality Assurance  
21 Division of Medical Quality  
22 State of California

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Complainant