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8
9 **BEFORE THE**
BOARD OF CHIROPRACTIC EXAMINERS
DEPARTMENT OF CONSUMER AFFAIRS
10 **STATE OF CALIFORNIA**
11

12 In the Matter of the Accusation Against:

Case No. AC 2025-1394

13 **JOHN MATTHEW BYSTROM**

14 1933 Coffee Rd.
15 Modesto, CA 95350

ACCUSATION

16 **Chiropractic License No. DC 30236**

17 Respondent.

18
19 **PARTIES**

20 1. Kristin Walker (Complainant) brings this Accusation solely in her official capacity as
21 the Executive Officer of the Board of Chiropractic Examiners (Board), Department of Consumer
22 Affairs.

23 2. On or about July 3, 2006, the Board issued Chiropractic License Number DC 30236
24 to John Matthew Bystrom. (Respondent). The Chiropractic License was in full force and effect at
25 all times relevant to the charges brought herein and will expire on October 31, 2026, unless
26 renewed.

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28 ///

1 **JURISDICTION**

2 3. This Accusation is brought before the Board, under the authority of the following
3 sections of the Chiropractic Act (Act).¹

4 4. Section 10² of the Act states, in pertinent part, that the Board may suspend or revoke
5 a license to practice chiropractic or may place the license on probation for violations of the rules
6 and regulations adopted by the Board or for any cause specified in the Chiropractic Initiative Act.

7 5. Section 118, subdivision (b), of the California Business and Professions Code (Code)
8 provides that the suspension, expiration, surrender, or cancellation of a license shall not deprive
9 the Board of jurisdiction to proceed with a disciplinary action during the period within which the
10 license may be renewed, restored, reissued or reinstated.

11 6. California Code of Regulations, title 16 (Regulation), section 372 states:

12 The suspension, expiration, or forfeiture by operation of law of a license issued
13 by the board, or its suspension, or forfeiture by order of the board or by order of a
14 court of law, or its surrender without the written consent of the board shall not, during
15 any period in which it may be renewed, restored, reissued, or reinstated, deprive the
16 board of its authority to institute or continue a disciplinary proceeding against the
licensee upon any ground provided by law or to enter an order suspending or
revoking the license or otherwise taking disciplinary action against the licensee on
any such ground.

17 **STATUTORY PROVISIONS**

18 7. Section 13 of the Code states:

19 The term “materia medica” as used in this code or in any initiative act referred to in
20 this code, means those substances listed in the official United States Pharmacopoeia, the
21 official Homeopathic Pharmacopoeia of the United States, the official United States
22 Dispensatory, New and Nonofficial Remedies, or the National Formulary, or any
supplement thereof, except substances covered by subdivision (a) of Section 4052 and
Section 4057 of this code.

23 ///

24 ¹ The Chiropractic Act, an initiative measure approved by the electors on November 7,
25 1922, while not included in the Business and Professions Code by the legislature, is set out in
26 West's Annotated California Codes as sections 1000-1 to 1000-19, and is included in Deering's
California Codes as Appendix I, for convenient reference.

27 ²The Chiropractic Act, an initiative measure approved by the electors on November 7,
28 1922, while not included in the Business and Professions Code by the legislature, is set out in
West's Annotated California Codes as sections 1000-1 to 1000-19, and is included in Deering's
California Codes as Appendix I, for convenient reference.

1 (8) Includes any statement, endorsement, or testimonial that is likely to mislead
or deceive because of a failure to disclose material facts.

2 (c) Any price advertisement shall be exact, without the use of phrases,
3 including, but not limited to, "as low as," "and up," "lowest prices," or words or
4 phrases of similar import. Any advertisement that refers to services, or costs for
5 services, and that uses words of comparison shall be based on verifiable data
6 substantiating the comparison. Any person so advertising shall be prepared to
7 provide information sufficient to establish the accuracy of that comparison. Price
8 advertising shall not be fraudulent, deceitful, or misleading, including statements or
9 advertisements of bait, discount, premiums, gifts, or any statements of a similar
10 nature. In connection with price advertising, the price for each product or service
11 shall be clearly identifiable. The price advertised for products shall include charges
12 for any related professional services, including dispensing and fitting services, unless
13 the advertisement specifically and clearly indicates otherwise.

14 (d) Any person so licensed shall not compensate or give anything of value to a
15 representative of the press, radio, television, or other communication medium in
16 anticipation of, or in return for, professional publicity unless the fact of compensation
17 is made known in that publicity.

18 (e) Any person so licensed may not use any professional card, professional
19 announcement card, office sign, letterhead, telephone directory listing, medical list,
20 medical directory listing, or a similar professional notice or device if it includes a
21 statement or claim that is false, fraudulent, misleading, or deceptive within the
22 meaning of subdivision (b).

23 (f) Any person so licensed who violates this section is guilty of a misdemeanor.
24 A bona fide mistake of fact shall be a defense to this subdivision, but only to this
25 subdivision.

26 (g) Any violation of this section by a person so licensed shall constitute good
27 cause for revocation or suspension of his or her license or other disciplinary action.

28 (h) Advertising by any person so licensed may include the following:

(1) A statement of the name of the practitioner.

(2) A statement of addresses and telephone numbers of the offices maintained
by the practitioner.

(3) A statement of office hours regularly maintained by the practitioner.

(4) A statement of languages, other than English, fluently spoken by the
practitioner or a person in the practitioner's office.

(5)(A) A statement that the practitioner is certified by a private or public board
or agency or a statement that the practitioner limits his or her practice to specific
fields.

(B) A statement of certification by a practitioner licensed under Chapter 7
(commencing with Section 3000) shall only include a statement that he or she is
certified or eligible for certification by a private or public board or parent association
recognized by that practitioner's licensing board.

(C) A physician and surgeon licensed under Chapter 5 (commencing with

1 Section 2000) by the Medical Board of California may include a statement that he or
2 she limits his or her practice to specific fields, but shall not include a statement that
3 he or she is certified or eligible for certification by a private or public board or parent
4 association, including, but not limited to, a multidisciplinary board or association,
5 unless that board or association is (i) an American Board of Medical Specialties
6 member board, (ii) a board or association with equivalent requirements approved by
7 that physician and surgeon's licensing board prior to January 1, 2019, or (iii) a board
8 or association with an Accreditation Council for Graduate Medical Education
9 approved postgraduate training program that provides complete training in that
10 specialty or subspecialty. A physician and surgeon licensed under Chapter 5
11 (commencing with Section 2000) by the Medical Board of California who is certified
12 by an organization other than a board or association referred to in clause (i), (ii), or
13 (iii) shall not use the term "board certified" in reference to that certification, unless
14 the physician and surgeon is also licensed under Chapter 4 (commencing with Section
15 1600) and the use of the term "board certified" in reference to that certification is in
16 accordance with subparagraph (A). A physician and surgeon licensed under Chapter
17 5 (commencing with Section 2000) by the Medical Board of California who is
18 certified by a board or association referred to in clause (i), (ii), or (iii) shall not use
19 the term "board certified" unless the full name of the certifying board is also used and
20 given comparable prominence with the term "board certified" in the statement.

21 For purposes of this subparagraph, a "multidisciplinary board or association"
22 means an educational certifying body that has a psychometrically valid testing
23 process, as determined by the Medical Board of California, for certifying medical
24 doctors and other health care professionals that is based on the applicant's education,
25 training, and experience. A multidisciplinary board or association approved by the
26 Medical Board of California prior to January 1, 2019, shall retain that approval.

27 For purposes of the term "board certified," as used in this subparagraph, the
28 terms "board" and "association" mean an organization that is an American Board of
Medical Specialties member board, an organization with equivalent requirements
approved by a physician and surgeon's licensing board prior to January 1, 2019, or an
organization with an Accreditation Council for Graduate Medical Education approved
postgraduate training program that provides complete training in a specialty or
subspecialty.

(D) A doctor of podiatric medicine licensed under Article 22 (commencing with
Section 2460) of Chapter 5 by the California Board of Podiatric Medicine may
include a statement that he or she is certified or eligible or qualified for certification
by a private or public board or parent association, including, but not limited to, a
multidisciplinary board or association, if that board or association meets one of the
following requirements: (i) is approved by the Council on Podiatric Medical
Education, (ii) is a board or association with equivalent requirements approved by the
California Board of Podiatric Medicine, or (iii) is a board or association with the
Council on Podiatric Medical Education approved postgraduate training programs
that provide training in podiatric medicine and podiatric surgery. A doctor of
podiatric medicine licensed under Article (commencing with Section 2460) of
Chapter 5 by the California Board of Podiatric Medicine who is certified by an
organization other than a board or association referred to in clause (i), (ii), or (iii)
shall not use the term "board certified" in reference to that certification.

For purposes of this subparagraph, a "multidisciplinary board or association"
means an educational certifying body that has a psychometrically valid testing
process, as determined by the California Board of Podiatric Medicine, for certifying
doctors of podiatric medicine that is based on the applicant's education, training, and
experience. For purposes of the term "board certified," as used in this subparagraph,

1 the terms “board” and “association” mean an organization that is a Council on
2 Podiatric Medical Education approved board, an organization with equivalent
3 requirements approved by the California Board of Podiatric Medicine, or an
4 organization with a Council on Podiatric Medical Education approved postgraduate
5 training program that provides training in podiatric medicine and podiatric surgery.

6 The California Board of Podiatric Medicine shall adopt regulations to establish
7 and collect a reasonable fee from each board or association applying for recognition
8 pursuant to this subparagraph, to be deposited in the State Treasury in the Podiatry
9 Fund, pursuant to Section 2499. The fee shall not exceed the cost of administering
10 this subparagraph.

11 (6) A statement that the practitioner provides services under a specified private
12 or public insurance plan or health care plan.

13 (7) A statement of names of schools and postgraduate clinical training programs
14 from which the practitioner has graduated, together with the degrees received.

15 (8) A statement of publications authored by the practitioner.

16 (9) A statement of teaching positions currently or formerly held by the
17 practitioner, together with pertinent dates.

18 (10) A statement of his or her affiliations with hospitals or clinics.

19 (11) A statement of the charges or fees for services or commodities offered by
20 the practitioner.

21 (12) A statement that the practitioner regularly accepts installment payments of
22 fees.

23 (13) Otherwise lawful images of a practitioner, his or her physical facilities, or
24 of a commodity to be advertised.

25 (14) A statement of the manufacturer, designer, style, make, trade name, brand
26 name, color, size, or type of commodities advertised.

27 (15) An advertisement of a registered dispensing optician may include
28 statements in addition to those specified in paragraphs (1) to (14), inclusive, provided
that any statement shall not violate subdivision (a), (b), (c), or (e) or any other section
of this code.

(16) A statement, or statements, providing public health information
encouraging preventative or corrective care.

(17) Any other item of factual information that is not false, fraudulent,
misleading, or likely to deceive.

(i) Each of the healing arts boards and examining committees within Division 2
shall adopt appropriate regulations to enforce this section in accordance with Chapter
3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the
Government Code.

Each of the healing arts boards and committees and examining committees
within Division 2 shall, by regulation, define those efficacious services to be
advertised by businesses or professions under their jurisdiction for the purpose of

1 determining whether advertisements are false or misleading. Until a definition for
2 that service has been issued, no advertisement for that service shall be disseminated.
3 However, if a definition of a service has not been issued by a board or committee
4 within 120 days of receipt of a request from a licensee, all those holding the license
5 may advertise the service. Those boards and committees shall adopt or modify
6 regulations defining what services may be advertised, the manner in which defined
7 services may be advertised, and restricting advertising that would promote the
8 inappropriate or excessive use of health services or commodities. A board or
9 committee shall not, by regulation, unreasonably prevent truthful, nondeceptive price
10 or otherwise lawful forms of advertising of services or commodities, by either
11 outright prohibition or imposition of onerous disclosure requirements. However, any
12 member of a board or committee acting in good faith in the adoption or enforcement
13 of any regulation shall be deemed to be acting as an agent of the state.

14 (j) The Attorney General shall commence legal proceedings in the appropriate
15 forum to enjoin advertisements disseminated or about to be disseminated in violation
16 of this section and seek other appropriate relief to enforce this section.
17 Notwithstanding any other provision of law, the costs of enforcing this section to the
18 respective licensing boards or committees may be awarded against any licensee found
19 to be in violation of any provision of this section. This shall not diminish the power
20 of district attorneys, county counsels, or city attorneys pursuant to existing law to
21 seek appropriate relief.

22 (k) A physician and surgeon or doctor licensed pursuant to Chapter 5
23 (commencing with Section 2000) by the Medical Board of California or a doctor of
24 podiatric medicine licensed pursuant to Article 22 (commencing with Section 2460)
25 of Chapter 5 by the California Board of Podiatric Medicine who knowingly and
26 intentionally violates this section may be cited and assessed an administrative fine not
27 to exceed ten thousand dollars (\$10,000) per event. Section 125.9 shall govern the
28 issuance of this citation and fine except that the fine limitations prescribed in
paragraph (3) of subdivision (b) of Section 125.9 shall not apply to a fine under this
subdivision.

9. Section 684 of the Code states:

(a) For the purpose of this section:

(1) "FDA" means the United States Food and Drug Administration.

(2) "HCT/Ps" means human cells, tissues, or cellular or tissue-based products,
as defined in Section 1271.3 of Title 21 of the Code of Federal Regulations, as
amended August 31, 2016, as published in the Federal Register (81 Fed. Reg. 60223).

(3) "Stem cell therapy" means a therapy involving the use of HCT/Ps, but shall
not include a therapy involving HCT/Ps that meets the criteria set out in Section
1271.10 of Title 21 of the Code of Federal Regulations, as amended May 25, 2004, as
published in the Federal Register (69 Fed. Reg. 29829), or that qualifies for any of the
exceptions described in Section 1271.15 of Title 21 of the Code of Federal
Regulations, as amended May 25, 2004, as published in the Federal Register (69 Fed.
Reg. 29829).

(b)(1) A health care practitioner licensed under this division who performs a
stem cell therapy that is subject to FDA regulation, but is not FDA-approved, shall
communicate to a patient seeking stem cell therapy the following information in
English:

1 “THIS NOTICE MUST BE PROVIDED TO YOU UNDER CALIFORNIA LAW.
2 This health care practitioner performs one or more stem cell therapies that have not
3 been approved by the United States Food and Drug Administration. You are
4 encouraged to consult with your primary care physician prior to undergoing a stem
5 cell therapy.”

6 (2) The information in paragraph (1) shall be communicated to the patient in all
7 of the following ways:

8 (A) In a prominent display in an area visible to patients in the health care
9 practitioner's office and posted conspicuously in the entrance of the health care
10 practitioner's office. These notices shall be at least eight and one-half inches by 11
11 inches and written in no less than 40-point type.

12 (B) Prior to providing the initial stem cell therapy, a health care practitioner
13 shall provide the patient with the notice described in paragraph (1) in writing. The
14 notice shall be at least eight and one-half inches by 11 inches and written in no less
15 than 40-point type.

16 (c) This section does not apply to a health care practitioner licensed under this
17 division who has obtained approval or clearance for an investigational new drug, or
18 an investigational device exemption, from the FDA for the use of HCT/Ps.

19 ...

20 10. Section 810 of the Code states:

21 (a) It shall constitute unprofessional conduct and grounds for disciplinary
22 action, including suspension or revocation of a license or certificate, for a health care
23 professional to do any of the following in connection with their professional
24 activities:

25 (1) Knowingly present or cause to be presented any false or fraudulent claim for
26 the payment of a loss under a contract of insurance.

27 (2) Knowingly prepare, make, or subscribe any writing, with intent to present or
28 use the same, or to allow it to be presented or used in support of any false or
29 fraudulent claim.

30 (b) It shall constitute cause for revocation or suspension of a license or
31 certificate for a health care professional to engage in any conduct prohibited under
32 Section 1871.4 of the Insurance Code or Section 549 or 550 of the Penal Code.

33 ...

34 (6) (d) As used in this section, health care professional means any person
35 licensed or certified pursuant to this division, or licensed pursuant to the Osteopathic
36 Initiative Act, or the Chiropractic Initiative Act.

37 **REGULATORY PROVISIONS**

38 11. Regulation 302 states:

39 (a) Scope of Practice

40 ...

1 (7) A duly licensed chiropractor may only practice or attempt to practice or
2 hold himself or herself out as practicing a system of chiropractic. A duly licensed
3 chiropractor may also advertise the use of the modalities authorized by this section as
4 a part of a course of chiropractic treatment, but is not required to use all of the
5 diagnostic and treatment modalities set forth in this section. A chiropractor may not
6 hold himself or herself out as being licensed as anything other than a chiropractor or
7 as holding any other healing arts license or as practicing physical therapy or use the
8 term “physical therapy” in advertising unless he or she holds another such license.

9 ...

10 12. Regulation 311 states:

11 Constructive educational publicity is encouraged, but the use by any licensee of
12 advertising which contains misstatements, falsehoods, misrepresentations, distorted,
13 sensational or fabulous statements, or which is intended or has a tendency to deceive
14 the public or impose upon credulous or ignorant persons, constitutes grounds for the
15 imposition of any of the following disciplinary penalties:

16 (a) Suspension of said licensee's right to practice in this State for a period not
17 exceeding one (1) year.

18 (b) Placing said licensee upon probation.

19 (c) Taking such other action, excepting the revocation of said licensee's license,
20 in relation to disciplining said licensee as the board in its discretion may deem proper.

21 13. Regulation 316 states, in pertinent part:

22 (a) Every licensee is responsible for the conduct of employees or other persons
23 subject to his supervision in his place of practice, and shall insure that all such
24 conduct in his place of practice conforms to the law and to the regulations herein.

25 14. Regulation 316.5 states:

26 (a) For the purposes of the denial, suspension or revocation of a license
27 pursuant to Section 141 of the Business and Professions Code, Division 1.5
28 (commencing with Section 475) of the Business and Professions Code, or a violation
of Section 10(b) of the Chiropractic Initiative Act of California, a crime, professional
misconduct, or act shall be considered substantially related to the qualifications,
functions or duties of a licensee, if, to a substantial degree, it evidences present or
potential unfitness of a person holding a license to perform the functions authorized
by the license in a manner consistent with the public health, safety or welfare.

...

(c) For purposes of subdivision (a), a substantially related crime, professional
misconduct, or act shall include, but is not limited to, the following:

(1) Violating or attempting to violate, directly or indirectly, or assisting in or
abetting the violation of, or conspiring to violate any provision or term of the
Chiropractic Initiative Act of California, these regulations and/or other state or federal
laws governing the practice of chiropractic.

...

(4) Any crime, professional misconduct, or act involving the sale, gift, administration, or furnishing of narcotics or dangerous drugs or dangerous devices, as defined in Section 4022 of the Business and Professions Code.'

15. Regulation 317 states, in pertinent part:

The board shall take action against any holder of a license who is guilty of unprofessional conduct which has been brought to its attention, or whose license has been procured by fraud or misrepresentation or issued by mistake.

Unprofessional conduct includes, but is not limited to, the following:

(a) Gross negligence;

(b) Repeated negligent acts;

...

(e) Any conduct which has endangered or is likely to endanger the health, welfare, or safety of the public;

(k) The commission of any act involving moral turpitude, dishonesty, or corruption, whether the act is committed in the course of the individual's activities as a license holder, or otherwise;

(l) Knowingly making or signing any certificate or other document relating to the practice of chiropractic which falsely represents the existence or nonexistence of a state of facts;

(m) Violating or attempting to violate, directly or indirectly, or assisting in or abetting in the violation of, or conspiring to violate any provision or term of the Act or the regulations adopted by the board thereunder;

(p) The use of advertising relating to chiropractic which violates section 17500 of the Business and Professions Code;

(q) The participation in any act of fraud or misrepresentation;

...

16. Regulation 319.1 states:

(a) A licensed doctor of chiropractic shall verbally and in writing inform each patient of the material risks of proposed care. "Material" shall be defined as a procedure inherently involving known risk of serious bodily harm. The chiropractor shall obtain the patient's written informed consent prior to initiating clinical care. The signed written consent shall become part of the patient's record.

(b) A violation of this section constitutes unprofessional conduct and may subject the licensee to disciplinary action.

///

1 17. Code of Federal Regulations, title 21, section 1271, subdivision (a) states:

2 (a) **Purpose.** The purpose of this part, in conjunction with §§ 207.9(a)(5), 210.1(c),
3 210.2, 807.20(d), and 820.1(a) of this chapter, is to create an electronic registration and
4 listing system for establishments that manufacture human cells, tissues, and cellular and
5 tissue-based products (HCT/P's) and to establish donor-eligibility, current good tissue
6 practice, and other procedures to prevent the introduction, transmission, and spread of
7 communicable diseases by HCT/P's.

8 (b) **Scope.**

9 (1) If you are an establishment that manufactures HCT/P's that are regulated solely
10 under the authority of section 361 of the Public Health Service Act (the PHS Act), this part
11 requires you to register and list your HCT/P's with the Food and Drug Administration's
12 (FDA's) Center for Biologics Evaluation and Research and to comply with the other
13 requirements contained in this part, whether or not the HCT/P enters into interstate
14 commerce. Those HCT/P's that are regulated solely under the authority of section 361 of
15 the PHS Act are described in § 1271.10.

16 (2) If you are an establishment that manufactures HCT/P's that are regulated as drugs,
17 devices and/or biological products under section 351 of the PHS Act and/or the Federal
18 Food, Drug, and Cosmetic Act, §§ 207.9(a)(5) and 807.20(d) of this chapter require you to
19 register and list your HCT/P's following the procedures in part 207 (if a drug and/or
20 biological product) of this chapter or part 807 (if a device) of this chapter. Sections
21 210.1(c), 210.2, 211.1(b), and 820.1(a) of this chapter require you to comply with the
22 donor-eligibility procedures in subpart C of this part and the current good tissue practice
23 procedures in subpart D of this part, in addition to all other applicable regulations.

24 18. Code of Federal Regulations, title 21, section 1271.3, subdivision (d) states:

25 **Human cells, tissues, or cellular or tissue-based products (HCT/Ps)** means articles
26 containing or consisting of human cells or tissues that are intended for implantation,
27 transplantation, infusion, or transfer into a human recipient. Examples of HCT/Ps include,
28 but are not limited to, bone, ligament, skin, dura mater, heart valve, cornea, hematopoietic
stem/progenitor cells derived from peripheral and cord blood, manipulated autologous
chondrocytes, epithelial cells on a synthetic matrix, and semen or other reproductive tissue.
The following articles are not considered HCT/Ps:

(1) Vascularized human organs for transplantation;

(2) Whole blood or blood components or blood derivative products subject to listing
under parts 607 and 207 of this chapter, respectively;

(3) Secreted or extracted human products, such as milk, collagen, and cell factors;
except that semen is considered an HCT/P;

(4) Minimally manipulated bone marrow for homologous use and not combined with
another article (except for water, crystalloids, or a sterilizing, preserving, or storage agent,
if the addition of the agent does not raise new clinical safety concerns with respect to the
bone marrow);

(5) Ancillary products used in the manufacture of HCT/P;

(6) Cells, tissues, and organs derived from animals other than humans; and

(7) In vitro diagnostic products as defined in § 809.3(a) of this chapter.

1 (8) Blood vessels recovered with an organ, as defined in 42 CFR 121.2, that are
2 intended for use in organ transplantation and labeled “For use in organ transplantation
only.”

3 19. Code of Federal Regulations, section 1271.10, subdivision (a) states:

4 (a) An HCT/P is regulated solely under section 361 of the PHS Act and the
5 regulations in this part if it meets all of the following criteria:

6 (1) The HCT/P is minimally manipulated;

7 (2) The HCT/P is intended for homologous use only, as reflected by the labeling,
advertising, or other indications of the manufacturer's objective intent;

8 (3) The manufacture of the HCT/P does not involve the combination of the cells or
9 tissues with another article, except for water, crystalloids, or a sterilizing, preserving, or
storage agent, provided that the addition of water, crystalloids, or the sterilizing, preserving,
10 or storage agent does not raise new clinical safety concerns with respect to the HCT/P; and

11 (4) Either:

12 (i) The HCT/P does not have a systemic effect and is not dependent upon the
metabolic activity of living cells for its primary function; or

13 (ii) The HCT/P has a systemic effect or is dependent upon the metabolic activity of
14 living cells for its primary function, and:

15 (a) Is for autologous use;

16 (b) Is for allogeneic use in a first-degree or second-degree blood relative; or

17 (c) Is for reproductive use.

18 **COST RECOVERY**

19 20. Regulation 317.5, subdivision (a), states, in pertinent part:

20 In any order in resolution of a disciplinary proceeding before the Board of
21 Chiropractic Examiners, the board may request the administrative law judge to direct
a licensee found to have committed a violation or violations of the Chiropractic
22 Initiative Act to pay a sum not to exceed the reasonable costs of the investigation and
enforcement of the case.

23 **DEFINITIONS**

24 21. *Wharton's jelly* is a gelatinous substance within the umbilical cord that provides
25 cushion, protection, and structural support to umbilical vessels by preventing their compression,
26 torsion, and bending. This gelatinous substance contains primitive mesenchymal stem cells
(MSC) and high amounts of extracellular matrix components, including collagen, hyaluronic acid,
27 and sulfated proteoglycans. Wharton's jelly has been subject to numerous clinical trials but is not
28

1 FDA approved. On June 3, 2021, the FDA issued the following advisory:

2 *“The US Food and Drug Administration (FDA) regulates regenerative medicine*
3 *products. There continues to be broad marketing of unapproved products considered*
4 *regenerative medicine therapies that are intended for the treatment or cure of a wide*
5 *range of diseases or medical conditions. These products require FDA*
6 *licensure/approval to be marketed to consumers. Before approval, these products*
7 *require FDA oversight in a clinical trial. These unapproved products whether*
8 *recovered from your own body or another person’s body, include stem cells, stromal*
9 *vascular fraction (fat-derived cells), umbilical cord blood and/or cord blood stem*
10 *cells¹, amniotic fluid, Wharton’s jelly, ortho-biologics, and exosomes. FDA has*
11 *received reports of blindness, tumor formation, infections, and more, detailed below,*
12 *due to the use of these unapproved products.”³*

13 22. *Trigenics therapy* is a hybrid treatment approach that combines functional neurology,
14 manual muscle therapy, and exercise rehabilitation. The treatment involves a combination of
15 manual muscle testing and manipulation, nerve stimulation, and exercise rehabilitation

16 23. *Cold laser therapy* is a non-invasive treatment that uses low-intensity light applied to
17 targeted areas of the body to promote healing, reduce pain, and decrease inflammation. The
18 therapy works by stimulating cellular processes, promoting tissue repair, and enhancing blood
19 flow to the affected areas.

20 **SECRETARY OF STATE RECORDS**

21 **Escalon Physical Medicine, Inc.**

22 24. Articles of Incorporation filed with the California Secretary of State show that
23 Escalon Physical Medicine, Inc., was founded on or about April 2, 2014, as a professional
24 corporation⁴ (healthcare) and a business address of 1631 Fourth Street, Escalon, CA 95320. On or
25 about February 5, 2018, S.R. was issued 51 shares of stock with 49 shares issued to Respondent.
26 The Statement of Information filed with the California Secretary of State on February 6, 2018,
27 identify S.R. as the CEO and Director with Respondent as CFO/Sec and Director. A fictitious
28 name permit was issued by the Osteopathic Medical Board of California on May 29, 2018, for the
name “Escalon Physical Medicine.” The Statement of Information filed with the California

³ <https://www.fda.gov/vaccines-blood-biologics/consumers-biologics/important-patient-and-consumer-information-about-regenerative-medicine-therapies>

⁴ Due to it being licensed as a medical professional corporation within the meaning of the Moscone-Knox Professional Corporation Act, California Corporation Code section 13400 *et seq*, the majority ownership or 51% of the shares are required to be held by a medical doctor or equivalent.

1 Secretary of State on March 8, 2021, updated the business address to reflect the location of 1933
2 Coffee Road, Modesto, CA 95355. The Statement of Information was updated again on February
3 15, 2023, identifying R.S., M.D. as CEO/Director and Respondent as CFO/Secretary/Director.

4 **Escalon Integrative Health, Inc.**

5 25. Escalon Integrative Health, Inc., was founded on November 1, 2017, as a professional
6 medical corporation with a principal place of business located at 1631 Fourth Street, Escalon, CA
7 95320. Board Minutes reflect that S.R. was the Pres/Treas and Respondent was the Secretary. A
8 fictitious name permit was issued by the Osteopathic Medical Board of California on January 10,
9 2018, for the name “Escalon Integrative Health, Inc.” A Certificate of Dissolution was filed by
10 S.R. on March 20, 2018. However, the Statement of Information filed the following month on
11 April 4, 2018, listed S.R. as the CEO and Director with Respondent listed as the CFO/Secretary
12 and Director.

13 **FACTUAL ALLEGATIONS**

14 26. On or about July 3, 2020, a complaint was filed with the Board alleging that
15 Respondent was offering and performing injections and IV therapies at his practice, Escalon
16 Physical Medicine, located at 1631 Fourth Street, Escalon, CA, without proper medical oversight.
17 The complainant alleged that the Escalon Physical Medicine’s website⁵ was advertising stem cell
18 therapy and IV therapy at its location in Escalon, California. The complainant further alleged that
19 the website listed three chiropractors as staff, including Respondent, and S.R., a Doctor of
20 Osteopathy (D.O.) but that when complainant called Escalon Physical Medicine to inquire as to
21 whether Dr. S.R. was accepting new patients, he was told that Escalon Physical Medicine doesn’t
22 have a Dr. S.R.⁶

23 27. Corporate records were obtained from the California Secretary of State which showed
24 that Escalon Physical Medicine, located at 1631 Fourth Street, Escalon, CA, was formed as a
25

26 _____
27 ⁵ <https://www.escalonintegrativehealth.com>

28 ⁶ S.P.R., D.O. was listed as the Medical Director on documents filed with the Secretary of State on July 3, 2020. The Statement of Information was updated on February 15, 2023, to reflect that R.S., M.D., was the medical director.

1 professional corporation with S.R., D.O. as Chief Executive Officer and Respondent as Chief
2 Financial Officer/Director/Secretary.

3 28. A review of the Escalon Physical Medicine’s website identified the name of the office
4 as Modesto Physical Medicine and a location of 1933 Coffee Road, Modesto, CA 95355. The
5 website included advertisements for biological treatments such as “Wharton’s Jelly”, a safe, non-
6 surgical alternative to surgery, that decreases pain and inflammation to improve capacity for daily
7 activities. Included on the website are various conditions for which this treatment would be
8 recommended.

9 29. A review of Modesto Physical Medicine’s Facebook and Instagram page revealed
10 multiple posts advertising stem cell treatment, platelet rich plasma (PRP) injections, hair
11 restoration, neuropathy treatment, vitamin IV therapy, Botox injections, cervical decompression,
12 and lipo shots. A search for corporate records filed with the California Secretary of State for
13 Modesto Physical Medicine was unsuccessful as no documents were located.

14 **D.T.’s Treatment**

15 30. On or about June 22, 2022, court records were received from San Joaquin County
16 Superior Court regarding a small claims case filed against Escalon Physical Medicine by C.T. and
17 D.T. who had sued Escalon Physical Medicine for \$8,000 due to ineffective stem cell treatment
18 and incorrect statements made regarding the elimination of pain.

19 31. On or about October 12, 2022, a phone call was held with C.T. and D.T. regarding
20 D.T.’s experience with Escalon Physical Medicine, Inc. aka Modesto Physical Medicine.

21 32. C.T. stated that he and D.T. attended a seminar on stem cell therapy after receiving a
22 flyer in the mail for Escalon Physical Medicine. As D.T. had been having knee problems in her
23 knees and did not want surgery, she and D.T. attended the seminar that was held at a restaurant in
24 Modesto. The seminar included a presentation and video testimonials of people’s experiences
25 with stem cells. The video testimonials were from individuals stating that they were healed, that
26 their cartilage regrew, and stating it is going to heal you and make you all better. Following the
27 presentation, D.T. paid \$500 for a deposit.

28 ///

1 33. At the first appointment, C.T. and D.T. met with M.B., who was unlicensed at the
2 time, and Respondent. M.B. and Respondent examined her knees and told her that she had no
3 cartilage left in her knees. C.T. and D.T. were never informed that stem cell therapy was not FDA
4 approved. A second payment for \$7,500 was made via check following the first or second
5 appointment.

6 34. At the second appointment, D.T. was given two stem cell injections, one in each leg,
7 by N.B., a nurse practitioner (NP).

8 35. D.T.'s subsequent appointments were with M.B. for physical therapy and cool laser
9 treatments to improve flexibility. During a meeting with M.B. about continued treatment, C.T.
10 and D.T. were informed that M.B. did not have a license for physical therapy but that he was in
11 training or in the process of getting a license.

12 36. D.T. was told that an x-ray taken late into the physical therapy process suggested the
13 cartilage in her knee was regrowing. However, there was no improvement in D.T.'s pain or
14 mobility.

15 37. D.T. attended approximately 20 appointments at Escalon Physical Medicine before
16 being told that there was nothing left that could be done for her knees. At no point did D.T. meet
17 with or receive treatment by a medical doctor nor was she ever introduced to, or examined by
18 S.R., DO. Medical records received from Modesto Physical Medicine later showed that D.T.
19 received laser therapy and trigenics on a nearly weekly basis between October 19, 2016, and July
20 19, 2017.

21 38. At the last visit, after the laser treatment was finished, C.T. and D.T. were informed
22 that there was nothing more that can be done since the treatments were not working and to not
23 return for any additional treatment. C.T. requested a refund as the treatments did not work but as
24 told that they would not be provided a refund.

25 39. After filing a small claims action in San Joaquin County Superior Court, C.T. and
26 D.T. were awarded a full refund of \$8,000 which was paid in two installments.

27 40. C.T. mentioned that he and D.T. attended another seminar regarding robotic assisted
28 knee replacement surgery and met F.M. who was also treated by Respondent with stem cell

1 injections without any positive effects.

2 41. On or about December 20, 2023, medical records were received for patient D.T. that
3 included a ledger showing that D.T. received a stem cell injection on October 17, 2016, and
4 received trigenics on a nearly weekly basis between October 19, 2016, and February 27, 2017.
5 D.T. also received Cold Laser Therapy on February 20, 22, and 27, 2017.

6 **F.A.'s Treatment**

7 42. On or about November 14, 2022, Investigators for the Board met with F.A., a former
8 patient at Escalon Physical Medicine, aka Modesto Physical Medicine, regarding his complaints
9 about the treatment he was provided.

10 43. F.A. stated that he was seeking treatment for his left shoulder and two fingers when
11 he heard an advertisement on the radio for stem cell therapy being offered at Modesto Physical
12 Medicine. F.A. sent his X-rays to Modesto Physical Medicine to review and set up a consultation.
13 F.A. was seen by M.B. who advised that he was a good candidate, that they “do this all the time”,
14 and that he would not need surgery.

15 44. F.A. agreed to the stem cell treatment and paid \$7,500 through Care Credit to
16 Modesto Physical Medicine. F.A. advised that he had about 6-7 appointments in total that
17 occurred in December of 2020 and that he had three stem cell injections that were administered
18 by B.H., FNP. F.A. received one stem cell injection in his shoulder and one on each finger.

19 45. F.A. advised that the stem cell therapy didn't work and that he ended up having
20 surgery on his shoulder in May of 2021.

21 46. On or about December 22, 2023, medical records were received for patient F.A. from
22 Modesto Physical Medicine that showed F.A. received a stem cell injection on December 9, 2020,
23 and received trigenics weekly between December 9, 2020, and January 20, 2021.

24 **F.M. Treatment**

25 47. On or about October 7, 2022, investigators received a call from F.M.'s daughter K.T.,
26 who advised that F.M. died on May 1, 2022. K.T. stated that F.M. did receive stem cell treatment
27 in his hip at Modesto Physical Medicine at a cost of approximately \$10,000.

28 ///

1 48. On or about December 18, 2023, treatment records were requested for F.M. from
2 Modesto Physical Medicine along with a signed release from K.T.

3 49. On or about January 11, 2023, medical records were received for patient F.M. that
4 showed that F.M. presented to M.C. at Modesto Physical Medicine on May 15, 2017, with an
5 interest in stem cell injections on his right hip. F.M. received two, 1 cc stem cell injections, on his
6 right pelvis on June 12, 2017, by W.C., D.O. The informed consent form approved in F.M.'s file
7 did not mention anything about stem cells or that stem cell use is not FDA approved.

8 **Undercover Operation**

9 50. On October 28, 2022, during a review of the Modesto Physical Medicine website, it
10 was observed that the "About Us" page was updated and now identified Dr. R.S., MD, as
11 affiliated with the practice.

12 51. On or about November 17, 2022, an undercover telephone call was made to Modesto
13 Physical Medicine to inquire about stem cell treatments. During the call, the investigator was
14 advised that Respondent or M.B. would do the consult and that the consultation was free but
15 would cost \$89 if they take x-rays.

16 52. On or about December 20, 2022, Investigators conducted an undercover operation of
17 Modesto Physical Medicine. A business card with M.B.'s cell phone number and email were
18 obtained as well as two informational pamphlets.

19 53. The first pamphlet collected during the undercover operation listed three different
20 service types offered by Modesto Physical Medicine, "Chiropractic Services",
21 "Physiotherapy/Rehab" and "Medical Services". The "Medical Services" included "Ortho
22 Biological Injections" described as, "an alternative approach to dealing with Osteoarthritis of the
23 knee, shoulder, hip, lower back, spine or other joint condition.

24 54. A second pamphlet was also obtained during the undercover operation which was
25 from Regenerative Labs and titled "About Wharton's Jelly Allografts." This pamphlet included
26 sections titled "Regenerative Labs Wharton's Jelly Allografts", Advantages of Wharton's Jelly",
27 "What is a Structural Defect?" and "Supplementing a Defect." The pamphlet also included
28 information about the source of the tissues, the processing regimen, and recommended dosing.

1 55. On or about December 20, 2022, one of the investigators received an email from
2 M.B. that included four attachments that were described as research papers on stem cell therapy.

3 The attachments were as follows:

4 a. The Holy Grail of Orthopedic Surgery Mesenchymal Stem Cells – Their Current Uses
5 and Potential Applications, Published by Hindawi, Stem Cells International;

6 b. Advances in Regenerative Orthopedics, Published by Mayo Clinic, Symposium on
7 Regenerative Medicine;

8 c. Cartilage Repair in the Knee Using Umbilical Cord Wharton’s Jelly – Derived
9 Mesenchymal Stem Cells Embedded onto Collagen Scaffolding and Implanted Under Dry
10 Arthroscopy, Published in Arthroscopy Techniques, Vol. 7, No. 1; and

11 d. Consensus on Regenerative Medicine in Orthopedics and Sports Medicine, Published
12 by Healthcare Business Today Team.

13 56. On or about December 20, 2022, undercover operators for the Board attended a
14 consultation appointment regarding stem cell therapy at Modesto Physical Medicine.

15 57. For the consultation, investigators met with M.B. who advised that he used to conduct
16 lectures on stem cells. M.B. described the stem cell care plan for patients as including a one-time
17 injection followed by trigenics therapy starting thirty days later. M.B. explained that the stem cell
18 procedure included mixing platelet rich plasma obtained from the patient with Wharton’s Jelly
19 and injecting it into the patient’s affected joint. When asked whether the investigator would need
20 to return for subsequent injections, M.B. stated that the amount of stem cell injections depends on
21 the patient but, “you can’t overdo it”. M.B. advised that a knee stem cell treatment from start to
22 finish is \$5,700 and discussed the payment options.

23 58. On June 28, 2023, updated Secretary of State records were obtained for Escalon
24 Physical Medicine that showed that R.S., MD and J.B., DC, were the directors of Escalon
25 Physical Medicine located at 1933 Coffee Road, Modesto, CA 95355.

26 **Interview with S.R., DO**

27 59. On or about October 3, 2022, S.R., DO was interviewed by Board investigators. S.R.
28 advised that he started with Escalon Physical Medicine aka Modesto Physical Medicine in

1 November 2017 and was paid \$2,000 a month for serving as the Medical Director. S.R. developed
2 protocols for the practice, reviewed forms, and reviewed charts in person every three months.
3 S.R. left Modesto Physical Medicine in May of 2022.

4 60. S.R. claimed that he had no knowledge of stem cell injections being performed and
5 that the charts he reviewed did not say stem cells but used the term “rejuvenation”.

6 **Interview with B.H., NP**

7 61. On or about March 15, 2024, B.H., Nurse Practitioner (NP) was interviewed. B.H.
8 stated that she worked for Modesto Physical Medicine from 2018 through 2022 and that she was
9 interviewed and hired by M.B. Once hired, B.H. met Respondent and the Medical Director, Dr.
10 S.R.

11 62. B.W. stated that the medical services Modesto Physical Medicine offered included
12 trigger point injections, allergy scratch tests, immunotherapy, durable medical equipment, nerve
13 conduction velocity tests, other diagnostic testing, and therapeutic exercises.

14 63. When asked what S.R.’s role was at the facility, B.H. explained that he would
15 conduct chart reviews, answer her questions, and show her the different procedures. S.R. worked
16 off-site but was available via telephone. S.R. would come into the office maybe once every two to
17 three months to conduct chart reviews.

18 64. B.H. stated the patient’s “Case Manager” was M.B., DC and that his role was the
19 “sales guy”.

20 65. B.H. explained that at the consultation, patients would meet with M.B. for about an
21 hour and a half and would undergo x-rays for free. If patients booked an appointment for the stem
22 cell injections, the patient would pay for the stem cell package and would be scheduled for an
23 appointment. B.H. would then see the patient for a physical examination and injections on the
24 same day.

25 66. B.H. stated that they were not allowed to use the term “stem cells,” but were to refer
26 to them as biological allografts. B.H. stated she used New Life brand biological allografts which
27 is a company out of Florida that uses umbilical allografts from c-section births.

28 ///

1 **Interview with M.B., DC**

2 67. On or about August 8, 2024, M.B., DC was interviewed by investigators.

3 68. M.B. stated that the medical services offered by Modesto Physical Medicine include
4 trigger point injections, allergy scratch tests, immunotherapy, durable medical equipment, nerve
5 conduction velocity tests, other diagnostic testing, and therapeutic exercises.

6 69. M.B. stated that several years ago Modesto Physical Medicine began working with
7 platelet-rich plasma and stem cells and that coaching groups helped Modesto Physical Medicine
8 implement regenerative medicine into their practice. M.B. explained that regenerative medicine
9 helps provide relief from pain, decrease inflammation, and promote healing.

10 70. In his role as case manager, M.B. would take patient histories and explain the services
11 offered by Modesto Physical Medicine. M.B. stated that the typical patients were older, active
12 males and that most patients came in with a specific need and had heard about stem cells through
13 advertising, social media, newspapers, or lectures.

14 71. M.B. said the initial consultation is an educational opportunity for the patient. M.B.
15 would review the patient's condition and talk about the process and the therapies performed. If
16 patients came in specifically for stem cells, M.B. would tell the patient about stem cells and go
17 over alternative therapies such as shockwave, Trigenics, cortisone, hyaluronic acid, and platelet-
18 rich plasma. M.B. would explain that imaging was required unless the procedure chosen was
19 ultrasound guided. The patient would decide with M.B. what treatments they wanted prior to
20 being seen by medical staff.

21 72. M.B. said patients are not eligible for stem cells if they have cancer, fractures, or if
22 the patient appeared to not be able to respond well to treatment, such as poor overall health, or if
23 the joint was too far gone. M.B. stated that conditions that are appropriate for stem cell treatment
24 include knee pain, worn-out joints, osteoarthritis, and acute damage.

25 73. If the patient was referred to the chiropractic side of the practice, they would be
26 treated by himself, or the other chiropractor employed. If the patient was referred to the medical
27 side, they would typically be seen by the nurse practitioner. M.B. said the most common setup
28 was to have one nurse practitioner who would work two to three days a week.

1 74. M.B. said that once the patient was referred to the medical side, the patient would
2 meet with the nurse practitioner to determine if they were a good candidate for stem cells. If the
3 patient was determined to be a good candidate, the patient would receive the stem cell injection
4 the same day. The appointment typically lasts one to two hours, depending on the services
5 rendered, and the nurse practitioner performed the injections. The patient would then return for a
6 follow-up one week and one-month post-injection. Additionally, the patient would receive soft
7 tissue therapies.

8 75. When asked what type of stem cells are used and how they are stored, M.B.
9 responded that there is a freezer at Modesto Physical Medicine where stem cells are stored. M.B.
10 stated different stem cells are used for different purposes, but they primarily use Wharton's Jelly,
11 a human tissue allograft. M.B. stated that for the past few years, Modesto Physical Medicine used
12 New Life products and specifically used Restor for joint injections.

13 76. When asked if stem cells are FDA-approved, M.B. responded that he believed stem
14 cells are used off label and that he was transparent with patients and that additional information
15 regarding the FDA approval was included in the informed consent.

16 77. When asked about patient F.A., M.B. advised that F.A. presented to Modesto
17 Physical Medicine and was interested in stem cells. F.A. received an injection in his shoulder and
18 is believed have gone through additional therapies. M.B. advised that F.A.'s wife was not happy
19 with the results and wanted a full refund. M.B. stated that he tried to accommodate F.A. by
20 offering a 50% refund or performing the procedure again under ultrasound guidance which was
21 refused. M.B. believed that F.A. paid around \$8,000.

22 78. When asked about patient D.T., M.B. advised that D.T. and her husband presented to
23 Modesto Physical Medicine for stem cell treatment for her knees. M.B. stated that D.T. was not
24 healthy or active and the treatment did not have a good outcome. M.B. stated that they went to
25 court, and Modesto Physical Medicine refunded 100% of the \$8,900 originally paid by D.T.

26 79. M.B. did not recall patient F.M. when asked about him.

27 **Interview with R.S., MD**

28 80. On or about January 7, 2025, investigators met with R.S., MD who advised that

1 he became involved in Modesto Physical Medicine as the medical director and supervising
2 physician of a nurse practitioner approximately three years ago and that he is paid \$2,500 a
3 month. R.S. stated that he did not form a corporation with Modesto Physical Medicine.

4 81. R.S. advised he is on-site at Modesto Physical Medicine approximately every three
5 months. R.S. stated Bystrom (unknown first name) brings charts to his Pleasant Hill office for
6 review. R.S. stated he communicates with Bystrom several times a month via telephone or text to
7 discuss various ongoingings at the clinic.

8 82. R.S. stated he understands Bystrom's business as a chiropractic practice that also
9 performs platelet-rich plasma injections. R.S. stated he does not believe Modesto Physical
10 Medicine is using any stem cell products.

11 **J.B., NP interview**

12 83. On or about September 12, 2024, investigators met with J.B., a nurse practitioner who
13 had been working at Modesto Physical Medicine for the past two and a half years.

14 84. J.B. stated that the medical treatments offered at Modesto Physical Medicine include
15 platelet-rich plasma, platelet-rich plasma facials, hyaluronic acid injections, and stem cell therapy.

16 85. J.B. explained that when a patient comes in for knee or back pain, Modesto Physical
17 Medicine mentions stem cells as a service. If the patient is interested in stem cells, Respondent
18 will give the patient a brief rundown of what stem cells entail, perform a brief workup, obtain
19 imaging, load all patient information into the patient chart, and schedule the patient to see a nurse
20 practitioner.

21 86. The patient will then see the nurse practitioner who will perform a consultation and
22 perform the injection, if appropriate. Once the injection is performed, the patient is to return to
23 Modesto Physical Medicine in 30 days for a rehab program. The stem cells used are from
24 Regenerative Labs.

25 **J.S., NP interview**

26 87. On or about October 9, 2024, investigators met with J.S., a nurse practitioner at
27 Modesto Physical Medicine. J.S. stated that she works on Wednesdays and has worked at
28 Modesto Physical Medicine since October or November 2023.

1 88. J.S. said Modesto Physical Medicine offers ortho biologics, platelet-rich plasma,
2 lidocaine needling, Botox, micro-needling, hormone replacement, Toradol injections, and blood
3 work. J.S. explained that ortho biologics consists of Wharton's Jelly mixed with platelet-rich
4 plasma that is injected into a joint to promote healing and reduce pain and inflammation. J.S.
5 described Wharton's Jelly as a product that contains stem cells, proteins, and other things that
6 promote healing and reduce pain and inflammation.

7 89. J.S. said she can see seven to ten patients a day. The patients that are scheduled for
8 J.S. are typically already patients at the clinic for pain and want a consultation for something
9 different, so they are scheduled with Sandoval. The patients are typically already interested in a
10 specific treatment. J.S. completes a history and physical on the patient and determines if the
11 patient can benefit from the treatment and if they are a candidate. If the patient is a good
12 candidate, they can receive the injection on the same day.

13 90. J.S. reviews the consent paperwork with the patient which includes alternative
14 treatment options, the stem cells can help reduce pain and inflammation, potential adverse effects,
15 where the products are derived from, and that stem cell therapy is not FDA approved

16 **M.C., D.C. interview**

17 91. On or about August 8, 2024, investigator interviewed M.C. a chiropractor employed
18 at Modesto Physical Medicine. M.C. stated that he started at Modesto Physical Medicine in 2015
19 and works three days a week. M.C. advised that Respondent is the sole owner of Modesto
20 Physical Medicine.

21 92. When asked what services Modesto Physical Medicine offers, M.C. stated that
22 Modesto Physical Medicine offers regenerative medicine, platelet-rich plasma, trigger point
23 injections, IV therapies, and ultrasounds to look at the different joints.

24 93. M.C. stated that Modesto Physical Medicine offers stem cell therapy and performs
25 stem cell therapy on patients with knee and shoulder issues but that stem cells can be used
26 anywhere there is cartilage in joints.

27 94. M.C. explained that new patients are scheduled for a consultation with Respondent or
28 M.B. At the consultation, the patient will undergo x-rays, and Respondent or M.B. will make

1 treatment recommendations. The patient then will meet with J.S. or J.B. to determine if the
2 patient is a viable candidate for stem cell therapy. If the patient is a viable candidate, they will
3 receive the stem cell injection, and then about 30 days later, the patient will start the rehab plan
4 with the chiropractic side.

5 **Interview with Respondent**

6 95. On or about August 8, 2024, investigators interviewed Respondent. Respondent
7 stated he first obtained his chiropractic license in 2005 or 2006 and that after he first graduated
8 from chiropractic school, he thought he was licensed and worked with his brother, M.B. but he
9 was not licensed. Respondent applied for and obtained his chiropractic license with a two-year
10 probationary period. Since the probation was completed, Respondent's advised that his
11 chiropractic license has been in good standing. Respondent stated he has had one small claim
12 settlement with C.T. and D.T.

13 96. Respondent said that after working with his brother after graduation he worked for
14 C.G., DC, at Escalon Chiropractic. After about six months, Respondent bought Escalon
15 Chiropractic from C.G. In 2014, Respondent changed the practice from Escalon Chiropractic to
16 Escalon Physical Medicine. In October 2020, Respondent moved the practice to Modesto and
17 renamed it Modesto Physical Medicine.

18 97. Respondent stated he heard about medical integration from one of M.B.'s old
19 classmates. Respondent went to a seminar about medical integration, and it seemed like a great
20 idea so, he medically integrated the practice in 2014

21 98. Respondent stated R.S. is paid a salary of \$2,500 a month and that R.S. owns 51% of
22 the business. Respondent advised that R.S. comes to Modesto Physical Medicine every few
23 months but is available by telephone at any time.

24 99. Respondent advised that Modesto Physical Medicine offers multiple medical
25 treatments, including BioT hormone replacement therapy, stem cells, aka Wharton's Jelly,
26 platelet-rich plasma, trigger point injections, cortisone injections, hyaluronic acid injections, B12,
27 IV therapies, various bloodwork, and durable medical equipment. Respondent advised that
28

1 Modesto Physical Medicine advertised on Facebook, Instagram, radio, mailers, and billboards
2 using the term regenerative medicine.

3 100. When asked to explain the stem cells like he would to a patient, Respondent stated
4 that stem cells are a combination of platelet-rich plasma and Wharton's Jelly, a product that
5 comes from the placenta and umbilical cord of C-section births that are sent to a lab. The lab pulls
6 the cells from the tissues, and Modesto Physical Medicine buys it. Respondent explained that on
7 the day of the procedure, Modesto Physical Medicine will draw the patient's blood, take out the
8 platelet-rich plasma, mix the platelet-rich plasma with the stem cells, and inject it into the affected
9 area. The stem cells don't immediately fix the area of complaint but are attracted to the broken
10 tissue and inflammation. Respondent advised that stem cells help with inflammation, reduce pain,
11 and have a lot of healing factors that help heal the joint. Respondent advised that it typically takes
12 about three to four weeks to notice any change, and the maximum result may take up to nine
13 months. Respondent stated that this is a long-term process that can be repeated with the effects
14 lasting three to five years.

15 101. When asked if he advised patients that stem cells are not FDA-approved, Respondent
16 responded that if patients ask him about FDA approval, he will tell them stem cells are not
17 approved but are FDA-cleared, like Viagra. Respondent added that the consent form used by
18 Modesto Physical Medicine also states that stem cells are not FDA approved.

19 102. Respondent stated the stem cell product used by Modesto Physical Medicine is
20 approved for burn victims and heart patches but is not approved for other applications such as
21 orthopedics.

22 **FIRST CAUSE FOR DISCIPLINE**

23 **(False, Fraudulent, Misleading, or Deceptive Statement)**

24 103. Respondent is subject to disciplinary action pursuant to Code section 651, subdivision
25 (b)(1),(2) & (7), in that in that Respondent made false, fraudulent, misleading, or deceptive
26 statements that contained a misrepresentation of fact, was likely to mislead or deceive because of
27 a failure to disclose materials facts, and made a scientific claim that cannot be substantiated by
28

1 reliable, peer reviewed, published scientific studies as set forth in paragraphs 28, 32, 53-55, and
2 99.

3 **SECOND CAUSE FOR DISCIPLINE**

4 **(Unprofessional Conduct – Allow Writing to be Used to Support False Claim)**

5 104. Respondent is subject to disciplinary action pursuant to Code section 810, subdivision
6 (a)(2), in that in that Respondent knowingly prepared, made, or subscribed a writing, with intent
7 to present or use the same, or to allow it to be presented or used in support of a false or fraudulent
8 claim as forth in paragraphs 28, 29, 32, 53-55, and 100.

9 **THIRD CAUSE FOR DISCIPLINE**

10 **(Failure to Communicate Required Notice to Patient)**

11 105. Respondent is subject to disciplinary action pursuant to Code section 684 in that in
12 that Respondent failed to communicate to patient’s the required notice regarding performing of
13 stem cell therapies that have not been approved by the United States Food and Drug
14 Administration as set forth in paragraphs 28, 29, 33, 49, 53-55, and 101.

15 **FOURTH CAUSE FOR DISCIPLINE**

16 **(Exceeding Scope of Practice)**

17 106. Respondent is subject to disciplinary action under Regulations section 302,
18 subdivision (a)(7) Respondent offered services outside the scope of chiropractic care authorized
19 by his license as more thoroughly set forth in paragraphs 28 through 101.

20 **FIFTH CAUSE FOR DISCIPLINE**

21 **(Making Sensational or Fabulous Statements)**

22 107. Respondent is subject to disciplinary action pursuant to Regulation section 311, by
23 making sensational or fabulous statements in that Respondent’s advertisement brochures
24 described biological treatment, containing Wharton’s Jelly, a structural tissue allograft and failed
25 to mention that the procedure was not FDA approved as more thoroughly set forth in paragraphs
26 28, 29, 32, 53-55, 100, and 101.

27 ///

28 ///

1 **SIXTH CAUSE FOR DISCIPLINE**

2 **(Unprofessional Conduct - Gross Negligence)**

3 108. Respondent is subject to disciplinary action pursuant to Regulation section 317,
4 subdivision (a), in that Respondent was grossly negligent when Respondent recommended
5 Wharton’s Jelly (Stem Cells) for regenerative use which is not FDA approved as more thoroughly
6 set forth in paragraphs 28 through 102.

7 **SEVENTH CAUSE FOR DISCIPLINE**

8 **(Repeated Acts of Negligence)**

9 109. Respondent is subject to disciplinary action pursuant to Regulation section 317,
10 subdivision (b), in that he demonstrated repeated acts of negligence as follows:

11 a. Respondent recommended an experimental therapy that is not FDA approved and
12 without providing any scientific evidence.

13 b. Respondent failed to advise patients that stem cells are not FDA approved unless
14 asked.

15 c. Respondent advised patients that stem cells are “not approved but FDA cleared”,
16 “like Viagra.”

17 d. Respondent’s advertising brochures described biological treatment, containing
18 Wharton’s Jelly, a structural tissue allograft, and failed to mention that the procedure was not
19 FDA approved.

20 **EIGHTH CAUSE FOR DISCIPLINE**

21 **(Unprofessional Conduct - Dishonesty)**

22 110. Respondent is subject to disciplinary action pursuant to Regulation section 317,
23 subdivision (k), on the grounds of unprofessional conduct, in that Respondent committed acts of
24 moral turpitude and dishonesty as follows:

25 a. Respondent failed to advise patients that stem cells are not FDA approved unless
26 asked.

27 b. Respondent advised patients that stem cells are “not approved but FDA cleared”,
28 “like Viagra.”

1 c. Respondent's advertising brochures described biological treatment, containing
2 Wharton's Jelly, a structural tissue allograft, and failed to mention that the procedure was not
3 FDA approved.

4 **NINTH CAUSE FOR DISCIPLINE**

5 (Misrepresentation of Facts)

6 111. Respondent is subject to disciplinary action pursuant to Regulation section 317,
7 subdivision (q), by making misstatements of fact when Respondent stated that R.S., M.D., owned
8 51% of Modesto Physical Medicine as more thoroughly set forth in paragraph 98.

9 **TENTH CAUSE FOR DISCIPLINE**

10 (Informed Consent)

11 112. Respondent is subject to disciplinary action pursuant to section 10 of the Act and
12 Regulation section 319.1, subdivision (a), in that Respondent did not have written informed
13 consent on file for patient D.T. as set forth in paragraphs 33 to 41.

14 **ELEVENTH CAUSE FOR DISCIPLINE**

15 (Violation of the Corporate Practice of Medicine)

16 113. Respondent is subject to disciplinary action under Regulation section 317,
17 subdivisions (k), (l), and (q) in that Respondent violated the Corporate Practice of Medicine
18 (CPOM) as set forth in California Business and Professions Code § 2400 et seq., the Moscone-
19 Knox Professional Corporation Act; and the Knox-Keene Health Care Service Plan Act by
20 employing a physician as a medical director when the physician does not own the practice and by
21 operating a business advertising, offering, and/or providing patient evaluation, diagnosis, care,
22 and/or treatment as a non-physician.

23 **DISCIPLINARY CONSIDERATIONS**

24 114. On or about December 8, 2006, Statement of Issues No. 2006-534 was filed against
25 Respondent alleging that Respondent's application for licensure was subject to denial due to
26 unlicensed practice of chiropractic care in that in or about March of 2005 through October of
27 2005 Respondent engaged in the practice of chiropractic care at the Bystrom Family Chiropractic
28 Clinic in Modesto, California. On or about April 25, 2006, Respondent entered into a Stipulated

1 Settlement in which he admitted the truth of the charges alleged in Statement of Issues No. 2006-
2 534. The terms of the stipulation included that Respondent be issued a chiropractic license, that
3 the license be revoked, with revocation stayed, and Respondent placed on probation for a period
4 of three (3) years under certain terms and conditions. The stipulation was adopted by the Board
5 and became effective on July 3, 2006.

6 **PRAYER**

7 WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged,
8 and that following the hearing, the Board of Chiropractic Examiners issue a decision:

- 9 1. Revoking or suspending Chiropractic License Number DC 30236, issued to John
10 Matthew Bystrom;
- 11 2. Ordering John Matthew Bystrom to pay the Board of Chiropractic Examiners the
12 reasonable costs of the investigation and enforcement of this case, pursuant to Title 16, California
13 Code of Regulations, section 317.5; and,
- 14 3. Taking such other and further action as deemed necessary and proper.

15
16 DATED: 1/16/2026

Signature on File
KRISTIN WALKER
Executive Officer
Board of Chiropractic Examiners
Department of Consumer Affairs
State of California
Complainant

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