

24-7305

No: 25-

In the Supreme Court of the United States

FRANCIS JOSEPH,

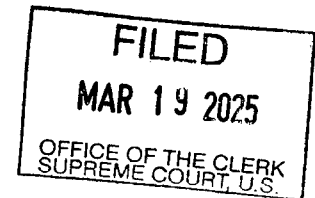
Petitioner,

vs.

UNITED STATES OF AMERICA,

Respondent.

ORIGINAL



ON PETITION FOR WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE TENTH CIRCUIT

PETITION FOR WRIT OF CERTIORARI

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QUESTION PRESENTED FOR REVIEW

Colorado law prohibits non-physicians from owning or controlling medical practices under its Corporate Practice of Medicine (CPOM) doctrine, codified in C.R.S. § 12-240-138. These regulations ensure that medical decision-making remains in the hands of licensed professionals by barring laypersons from exerting financial or operational control over medical corporations. Compliance with CPOM is mandatory for physicians in Colorado, and failure to prevent unauthorized control can result in professional discipline, including revocation of a medical license.

Dr. Francis Joseph took steps to remove non-physician Eric Papalini from control of Springs Medical Associates after discovering that Papalini had seized control of the practice's finances and placed it in financial jeopardy. His actions—opening a separate business account, securing COVID-19 relief funding, and reasserting financial control—were necessary to comply with CPOM. However, federal prosecutors characterized these state-mandated actions as fraudulent, and the trial court categorically excluded any evidence relating to CPOM compliance, preventing Dr. Joseph from presenting a complete defense.

The question presented is:

Whether a criminal defendant's Sixth Amendment right to present a complete defense is violated when a federal court excludes evidence that a physician's financial transactions were undertaken to comply with state-mandated medical regulatory requirements.

PARTIES TO THE PROCEEDING

Petitioner is Dr. Francis Joseph. Mr. Joseph was the Defendant-Appellant below.

Respondent is the United States of America. They were the Plaintiff-Appellees below.

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APPENDIX A

- A. United States v. Joseph, No. 23-1192, ECF No. 116, order denying rehearing on Nov. 25, 2024
- B. United States v. Joseph, 108 F.4th 1273 (10th Cir. 2024)
- C. United States v. Joseph, No. 1:21-CR-00083, ECF No. 149, criminal judgment entered June 5, 2023

APPENDIX B

- A. Colorado Revised Statute 12-240-138

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OPINIONS BELOW

The opinion of the Court of Appeals for the Tenth Circuit, whose judgment is herein sought to be reviewed, was entered on July 29, 2024, in a published decision in *United States v. Joseph*, 108 F.4th 1273 (10th Cir. 2024), rehearing denied (Nov. 25, 2024). Rehearing was denied November 25, 2024. These opinion are reproduced in Appendix A.

The decision of the United States District Court for the District of Colorado, whose relevant judgments are herein sought to be reviewed, is *United States v. Joseph*, No. 1:21-CR-00083, ECF No. 149, criminal judgment entered June 5, 2023. This filing is reproduced in Appendix A.

STATEMENT OF JURISDICTION

The Judgment of the Court of Appeals was entered on July 29, 2024, and rehearing was denied on November 25, 2024. The Jurisdiction of this Court is invoked under Title 28 U.S.C. § 1654(a) and 28 U.S.C. § 1254(1).

STATUTORY PROVISIONS AND RULES INVOLVED

Colorado Corporate Practice of Medicine Statute, C.R.S. 12-240-138, is reproduced in Appendix B.

STATEMENT OF THE CASE AND FACTS

Dr. Francis F. Joseph built his career on providing medical care to the Colorado community, founding Springs Medical Associates in 2014 with the goal of expanding access to quality healthcare. His practice focused on bridging the gap in

healthcare equity for marginalized and disenfranchised patients, including those on Medicare, Medicaid, VA benefits, the uninsured, and the underinsured. Springs Medical Associates specialized in geriatrics, chronic disease management, hospice care, nursing home care, dementia treatment, pain management, and addressing the narcotic crisis, ensuring that vulnerable populations received comprehensive and compassionate medical care.

Over time, he grew his practice into a multi-location operation, taking on increasing financial and managerial responsibilities while also remaining the primary treating physician. However, like many independent medical practitioners, Dr. Joseph lacked expertise in the business aspects of running a practice and relied on consultants and administrative personnel to oversee financial matters. His trust in these individuals ultimately led to the unraveling of his professional life.

In an effort to stabilize the growing practice, Dr. Joseph entered into an agreement that gave significant control over the business to Eric Papalini, a non-physician and real estate developer who presented himself as an expert in medical practice management. Over time, Papalini assumed unchecked authority over the clinic's financial operations, making unauthorized expenditures and usurping control of bank accounts by providing false documents to the bank that misrepresented him as the practice owner. He engaged in financial transactions that further destabilized the practice, placing it in a precarious financial position and threatening its ability to continue providing care. His mismanagement caused

payroll disruptions, led to missed payments to creditors, and imperiled the future of the clinic itself.

Colorado's Corporate Practice of Medicine (CPOM) laws, which prohibit non-physicians from exercising control over a medical practice, placed a duty on Dr. Joseph to intervene. Recognizing that the financial and operational control exerted by Papalini was unlawful under state law, Dr. Joseph sought to remove him and restore compliance with Colorado's strict regulatory framework. In doing so, he took actions that were later misconstrued by federal prosecutors as criminal conduct.

Instead of recognizing that Dr. Joseph's actions were undertaken to preserve his practice and comply with state law, the federal government charged him with fraud and theft of government funds. The case was built on a fundamental misrepresentation of his intent and an outright refusal to acknowledge the regulatory requirements that governed his profession. At trial, the court compounded this injustice by excluding any evidence related to CPOM, depriving Dr. Joseph of his ability to explain why he acted as he did. The jury never heard that his decisions were not only justified but legally required.

After a deeply flawed trial in which he was unable to present his full defense, Dr. Joseph was convicted and sentenced to federal prison. His appeal to the Tenth Circuit was denied, with the appellate court dismissing the significance of the trial court's evidentiary exclusions. Now, he seeks review from the Supreme Court to address the constitutional violations that led to his conviction and to ensure that

professionals acting in accordance with state regulatory mandates are not criminally prosecuted for fulfilling their legal and ethical obligations.

A. Background: The Growth and Financial Collapse of Springs Medical Associates

Dr. Joseph's medical practice, Springs Medical Associates, was established in 2014 as a way to expand access to medical care in underserved areas of Colorado. His practice focused on bridging the gap in healthcare equity for marginalized and disenfranchised patients, including those on Medicare, Medicaid, VA benefits, the uninsured, and the underinsured. Through this mission, Springs Medical Associates provided critical medical services to vulnerable populations who often faced barriers to receiving adequate care. By 2019, the practice had experienced significant growth, including the acquisition of Senior Care of Colorado, a well-established medical practice that expanded Springs Medical's reach and patient base.¹ This expansion required additional financial resources, leading Dr. Joseph to seek outside investment and loans to support the practice's operations and future development.

In an effort to improve patient care and increase revenue streams, Springs Medical also began developing an in-house laboratory that would allow for faster and more comprehensive diagnostic testing. However, this initiative further strained the practice's financial stability, as the costs of expansion outpaced available revenue. As a physician, Dr. Joseph lacked the financial expertise

¹ <https://www.denver7.com/news/local-news/colorado-physician-steps-forward-plans-to-purchase-senior-care-of-colorado-keep-clinic-open> (last accessed March 19, 2025).

necessary to navigate these challenges, and he placed increasing reliance on business consultants to manage the practice's financial affairs.

During this period, Eric Papalini entered the picture, positioning himself as a seasoned healthcare business expert capable of managing Springs Medical's financial difficulties. He initially served as a consultant, advising on financial restructuring and administrative management. However, in early 2020, under a corporate governance agreement known as the Joint Action Document, Papalini was installed as the Chief Operating Officer of Springs Medical. Dr. Joseph appointed Papalini as an employee in this role, but there was no transfer of shares, and Dr. Joseph remained the sole shareholder of the practice. Papalini was assigned to handle payroll, accounting, and other administrative duties, with no authority over medical decision-making. However, despite these limitations, he began usurping control over the medical practice, overstepping his assigned responsibilities. This agreement granted Papalini permission to manage the practice's finances, including access to bank accounts, authority over hiring and firing decisions, and the ability to enter into contractual agreements on behalf of the practice. However, there was no transfer of shares, and Dr. Joseph remained the sole shareholder. Papalini's role was limited to administrative and financial management, with no authority over medical decision-making or ownership of the practice.

Almost immediately after assuming control, Papalini began engaging in financial transactions that raised serious concerns. He made unauthorized withdrawals from company accounts, diverted millions of dollars meant for payroll

and operational expenses, and used the practice's financial resources for personal luxuries, including the purchase of a yacht and an airplane. In addition, he ordered doctors to engage in unnecessary patient visits to generate additional billing, further exploiting the practice's financial resources for personal gain. While Springs Medical struggled to meet its financial obligations, Papalini continued to funnel money toward his own interests, creating a crisis that placed the entire practice at risk of collapse.

As the situation deteriorated, Dr. Joseph recognized that he had a legal obligation to intervene. Under Colorado's CPOM laws, which strictly prohibit non-physicians from owning or controlling a medical practice, he was required to remove Papalini from his position of authority and reassert control over the clinic's finances. Failure to do so could have resulted in regulatory sanctions, the loss of his medical license, and the complete dissolution of the practice.

B. The Corporate Practice of Medicine and Dr. Joseph's Legal Duty to Act

Colorado, like many states, enforces Corporate Practice of Medicine (CPOM) laws to prevent non-physicians from exerting control over medical practices. These laws are designed to ensure that medical decisions are made by licensed professionals who are bound by ethical obligations to prioritize patient care over financial considerations. The principle behind CPOM is that the integrity of medical practice should not be compromised by business interests, and that physicians must retain control over all aspects of patient care and medical decision-making.

By early 2020, it had become evident that Springs Medical was operating in direct violation of CPOM laws due to Papalini's unchecked control over the practice's finances. He exceeded the scope of his employment as Chief Operating Officer by directing patient medical care and making decisions beyond his administrative role. Papalini also ordered doctors to conduct unnecessary genetic testing, resulting in patients and insurance companies being charged thousands of dollars for services that were not medically necessary. As a non-physician, Papalini had no legal right to make financial, administrative, or operational decisions on behalf of the practice.

Dr. Joseph was faced with a professional and legal imperative: he had to remove Papalini from his position, restore physician control over the practice, and ensure compliance with state regulations. The alternative was to allow a non-physician to continue exercising illegal authority over a medical practice, a scenario that could have led to severe regulatory penalties, including the revocation of Dr. Joseph's medical license.

Recognizing the urgency of the situation, Dr. Joseph took decisive steps to reclaim control of Springs Medical. He opened a new business bank account in the practice's name, ensuring that funds meant for patient care and payroll were no longer accessible to Papalini. Dr. Joseph further formally terminated Papalini as an officer of the practice. He also applied for COVID-19 relief loans to stabilize the clinic's finances, ensuring that it could continue operations during a period of unprecedented economic uncertainty. Finally, he attempted to officially remove

Papalini from the practice with the help of his lawyers, a move that resulted in police intervention but was necessary to reestablish legal compliance.

At no point did Dr. Joseph act with fraudulent intent. His actions were guided by a genuine effort to protect his practice, comply with state law, and preserve his ability to provide medical care. Yet, rather than recognizing the legitimacy of his actions, federal prosecutors painted them as part of a scheme to defraud the government, leading to his indictment and prosecution.

C. Federal Charges and Criminal Proceedings

Dr. Joseph's indictment was issued on March 17, 2021, following a federal investigation into his financial activities related to Springs Medical Associates (SMA). The indictment charged him with theft or embezzlement in connection with health care (18 U.S.C. § 669), wire fraud (18 U.S.C. § 1343), theft of government money (18 U.S.C. § 641), and false statements in a bankruptcy proceeding (18 U.S.C. § 152(3)).

The government's case centered on the claim that Dr. Joseph had illegally taken control of SMA's finances and misappropriated federal COVID-19 relief funds intended to support struggling businesses during the pandemic. Prosecutors argued that he falsified documents, diverted funds for personal use, and engaged in financial transactions that amounted to fraud against both the federal government and the practice itself. However, this narrative ignored the broader legal and regulatory context in which Dr. Joseph was operating.

The case against Dr. Joseph was initiated amid the financial collapse of Springs Medical, which had been under the financial control of Eric Papalini, a non-physician who had fraudulently taken over not only the clinic's administrative and financial operations but also its medical decision-making, exceeding his authority and violating CPOM laws. Under Colorado's Corporate Practice of Medicine (CPOM) laws, non-physicians are strictly prohibited from owning or controlling medical practices to ensure that business interests do not override medical decision-making. By early 2020, it had become clear that Papalini's actions—fraudulently controlling bank accounts, making unauthorized transactions, and misappropriating clinic funds—placed the practice in direct violation of these regulations.

Dr. Joseph's defense throughout the proceedings was that he was legally obligated to remove Papalini from financial control of the practice and restore compliance with CPOM laws. His actions—applying for federal relief funds, opening a new business account in SMA's name, and transferring money away from Papalini's reach—were all taken to fulfill his legal duty as the practice's licensed physician and sole shareholder, a fact that was validated by the government's own witnesses at trial. Despite the clear relevance of CPOM compliance to the case, the trial court categorically excluded any evidence or testimony relating to these legal obligations, ruling that it was irrelevant to the fraud charges. This decision left the jury with an incomplete and misleading picture of Dr. Joseph's actions, preventing him from fully explaining why he had taken control of the practice's finances.

At trial, the government presented misleading financial evidence to portray Dr. Joseph as a physician who had exploited federal relief programs for personal gain. The prosecution focused heavily on financial transactions that, in isolation, appeared suspicious—such as the movement of funds between accounts, payments made to personal accounts, and the rapid application for relief loans. However, the government failed to present the full context:

- Papalini had already drained SMA's accounts for personal expenditures, including purchasing a yacht and an airplane with clinic funds, and transferring clinic funds to his daughter's accounts, as validated by the bankruptcy trustees and bankruptcy lawyers.
- The practice was in financial crisis due to mismanagement, requiring immediate intervention.
- The loans and fund transfers were part of a broader effort to restore financial stability and legal compliance.

Without the ability to present CPOM-related evidence, Dr. Joseph's legal team was unable to counter the prosecution's argument that he had acted deceptively or unlawfully. The jury never heard that Colorado law required Dr. Joseph to remove Papalini and reassert control over SMA's finances, and that failing to do so could have resulted in professional disciplinary action, including the loss of his medical license.

This evidentiary exclusion had a devastating impact on the case, as it left the jury with only the government's interpretation of events. The prosecution's framing of Dr. Joseph's actions as fraudulent, rather than legally necessary, resulted in a conviction that was fundamentally unfair and legally unsound. The jury convicted him of theft of healthcare funds and wire fraud but acquitted him of theft of

government money, suggesting that even with the prosecution's limited framing, they had doubts about the government's case. The charge of false statements in bankruptcy proceedings was dismissed before trial because of lack of evidence.

Had the jury been presented with the full picture—including the state law mandates that governed Dr. Joseph's actions—it is highly likely that the outcome would have been different. However, the court's exclusion of exculpatory evidence created a one-sided narrative, allowing prosecutors to cast routine compliance measures as criminal acts and leading to a conviction that was both legally flawed and unjust.

D. The Appellate Process and the Tenth Circuit's Ruling

Dr. Joseph's appeal to the Tenth Circuit raised fundamental constitutional issues concerning his Sixth Amendment right to present a complete defense. His primary argument was that the trial court had wrongfully excluded evidence related to Colorado's Corporate Practice of Medicine (CPOM) laws, which was central to explaining his intent and the lawfulness of his actions. The district court's decision to exclude this evidence had deprived him of the ability to provide jurors with crucial context, leading to a fundamentally unfair trial. The Tenth Circuit, however, dismissed these concerns, affirming his conviction without properly addressing the profound legal errors at trial.

Dr. Joseph's defense at trial had centered on the fact that his financial transactions and control over Springs Medical Associates (SMA) were not fraudulent but were necessary steps taken to comply with state law. He argued that

CPOM laws required him to remove non-physician Eric Papalini from managing a medical practice and directing patient care, and that his efforts to regain authority over SMA's operations—including opening a new business account, applying for COVID-19 relief loans, and redirecting funds—were all necessary to fulfill his legal obligations as a licensed physician. However, the district court refused to allow him to present evidence regarding CPOM, ruling that it was irrelevant to the fraud charges.

This exclusion proved devastating to Dr. Joseph's case. The prosecution painted a one-sided picture, portraying his financial maneuvers as deliberate fraud rather than state-mandated regulatory compliance. The jury never heard that his actions were not only justified under Colorado law but legally required. Instead, without this crucial context, jurors were led to believe that Dr. Joseph had unilaterally and unlawfully seized control of SMA's finances for personal gain.

On appeal, Dr. Joseph argued that the exclusion of CPOM evidence violated his constitutional rights under the Sixth Amendment, which guarantees a defendant the right to present a complete defense. The U.S. Supreme Court has long recognized that defendants must be permitted to introduce evidence that is "critical to their defense" (*Chambers v. Mississippi*, 410 U.S. 284, 302 (1973)) and that "evidentiary rules cannot be applied mechanistically to bar the admission of exculpatory evidence" (*Holmes v. South Carolina*, 547 U.S. 319, 324 (2006)).

Despite the clear legal precedent supporting Dr. Joseph's claim, the Tenth Circuit rejected his appeal and upheld his conviction. The appellate court's ruling

ignored the fact that the trial court's evidentiary rulings had prevented the jury from understanding the true nature of Dr. Joseph's actions. Instead, the Tenth Circuit accepted the government's narrative wholesale, concluding that any errors made by the trial court were harmless and did not impact the jury's verdict. This conclusion was deeply flawed, as it failed to acknowledge the extent to which the exclusion of CPOM evidence distorted the prosecution's case and deprived Dr. Joseph of a meaningful opportunity to defend himself.

Furthermore, the Tenth Circuit disregarded compelling arguments that Dr. Joseph had been denied the right to cross-examine witnesses about financial transactions and administrative disputes that were essential to his state of mind at the time of the alleged offenses. The defense sought to introduce evidence about the ongoing conflicts with Papalini, the fraudulent actions Papalini had taken with SMA's finances, and the financial pressures Dr. Joseph was facing due to Papalini's mismanagement. This evidence would have directly contradicted the prosecution's theory that Dr. Joseph acted with fraudulent intent, yet the district court repeatedly prevented him from presenting this information to the jury.

Dr. Joseph's appeal also raised serious concerns about the sufficiency of the evidence used to convict him. The prosecution had failed to demonstrate that he had the requisite intent to defraud the government, particularly with regard to the Paycheck Protection Program (PPP) loans. Dr. Joseph had testified that he believed he was using the funds lawfully and that any misallocated funds could simply be repaid with interest.

The evidence showed that he had checked the “other” category on the PPP loan application because he believed the funds could be used for general business expenses, including legal fees to regain control of SMA. The government’s own witness testified that the loan was funded based on this category, demonstrating that the PPP agency was aware of how the funds were designated. Dr. Joseph also did not seek PPP loan forgiveness and explicitly informed the government that he intended to repay the loan. Amid the pandemic, he set aside funds for personal expenses with the intent to repay them and even expressed a desire to hire a forensic accountant to trace those funds. Additionally, the loan was not yet due when the government-initiated action against him. There was no direct evidence proving that he knowingly and intentionally sought to defraud the government.

Despite these clear constitutional violations and evidentiary shortcomings, the Tenth Circuit refused to overturn Dr. Joseph’s conviction. The appellate court’s decision ignored the fundamental issue at stake: whether a physician can be convicted of fraud for taking actions that were mandated by state law. The ruling not only undermined Dr. Joseph’s individual rights but also set a dangerous precedent for medical professionals nationwide, who are closely watching this case to understand their own legal exposure under CPOM laws. If left uncorrected, the decision will have a chilling effect on physicians who seek to comply with CPOM laws, as they may now face federal prosecution for taking regulatory-mandated actions to control their medical practices.

Dr. Joseph now seeks review from the Supreme Court to rectify this miscarriage of justice. The Court's intervention is necessary to ensure that state regulatory compliance is recognized as a valid defense in federal criminal proceedings and that defendants are not deprived of their right to present a complete defense. The exclusion of CPOM evidence in Dr. Joseph's trial represents a constitutional violation with far-reaching implications for professional regulation, federalism, and the criminal justice system as a whole.

REASONS FOR GRANTING THE WRIT

This petition presents crucial questions of federal and state law integration, particularly how federal courts respect state regulations that govern professional conduct. The exclusion of CPOM evidence underlines a broader issue of constitutional rights violations in criminal proceedings, making this an ideal vehicle for this Court to set a significant precedent.

I. VIOLATION OF THE CONSTITUTIONAL RIGHT PRESENT A COMPLETE DEFENSE

Dr. Francis Joseph's conviction was predicated on a fundamental deprivation of his Sixth Amendment right to present a complete defense. This right, enshrined in the Due Process Clause, is essential to a fair trial. Yet, the trial court's categorical exclusion of evidence relating to Colorado's Corporate Practice of Medicine (CPOM) laws prevented the jury from considering the legal justification for Dr. Joseph's actions. The court's ruling transformed a case of regulatory compliance into one of criminal fraud by stripping the defense of the ability to explain how state law mandated the very steps Dr. Joseph took to preserve the integrity of his medical practice. The consequences of this exclusion extend beyond Dr. Joseph's case, raising pressing constitutional, federalism, and policy concerns that necessitate this Court's review.

The crux of the government's case rested on the assertion that Dr. Joseph's financial maneuvers were fraudulent attempts to conceal unlawful activity. The reality, however, is that these transactions were designed to protect his practice from the undue influence of Eric Papalini, a non-physician whose control over

Springs Medical Associates directly contravened CPOM laws. Colorado, like many states, has enacted CPOM statutes to ensure that only licensed medical professionals have authority over clinical decision-making and the financial structures of medical practices. These laws exist to safeguard patient care from commercial exploitation, preventing business interests from overriding medical judgment. Dr. Joseph's efforts to reclaim control of his practice were not fraudulent—they were legally required under the regulatory framework governing his profession.

By excluding evidence of CPOM laws, the trial court deprived the jury of essential context necessary to assess Dr. Joseph's intent and the lawfulness of his actions. This exclusion was not a procedural technicality but a profound error that violated his constitutional right to present a defense. This Court has long held that defendants must be allowed to introduce evidence that is "critical to their defense" (*Chambers v. Mississippi*, 410 U.S. 284, 302 (1973)) and that evidentiary rules cannot be applied mechanistically to bar the admission of exculpatory evidence (*Holmes v. South Carolina*, 547 U.S. 319, 324 (2006)). The trial court's decision to foreclose Dr. Joseph's ability to present CPOM compliance as a defense conflicts with these fundamental principles, warranting intervention by this Court to correct an egregious miscarriage of justice.

Beyond the constitutional implications, the exclusion of CPOM-related evidence has significant consequences for the medical profession nationwide. If medical practitioners can be prosecuted under federal fraud statutes despite

adhering to state-mandated regulations, the legal uncertainty surrounding professional compliance will have a chilling effect on the practice of medicine. Physicians will be forced to navigate a precarious landscape where actions taken to comply with state regulatory mandates could later be recharacterized as criminal conduct in federal court. This uncertainty will discourage physicians from taking necessary steps to assert control over their practices, increasing the risk that medical decisions will be dictated by commercial rather than clinical considerations.

The Tenth Circuit's affirmation of the trial court's exclusionary ruling exacerbates this problem by signaling a judicial disregard for state regulatory frameworks in federal criminal proceedings. The implications of this approach are alarming. If courts refuse to consider state compliance as a legitimate defense in cases of alleged fraud, medical professionals across the country will be left vulnerable to prosecution for conduct expressly permitted—and in some cases, required—by state law. The erosion of this legal safeguard jeopardizes the integrity of state medical regulations and upends the balance between federal and state authority in the regulation of professional conduct.

This case presents an opportunity for this Court to reaffirm the principle that state regulatory compliance cannot be disregarded in federal prosecutions. The broader issues at stake—the chilling effect on medical professionals, the disruption of state-federal regulatory harmony, and the need for clear legal standards—will be further examined in the subsequent sections of this petition. However, at its core, this case is about the fundamental fairness of the criminal justice process. No

defendant should be convicted without being given the opportunity to present a full and robust defense. This Court's intervention is essential to ensuring that federal prosecutions do not trample constitutional rights, override state regulatory structures, or create an untenable landscape of legal uncertainty for professionals who must balance their obligations under both state and federal law.

II. IMPLICATIONS OF EXCLUDING STATE LAW COMPLIANCE IN FEDERAL PROCEEDINGS

The exclusion of CPOM compliance as a defense in Dr. Francis Joseph's trial is not merely a procedural oversight; it represents a significant threat to the integrity and autonomy of medical practice across the United States. The inability to use state regulatory compliance as a defense in federal court risks creating a chilling effect among medical professionals, who may find themselves ensnared in federal legal battles simply for adhering to their state's laws. This case vividly illustrates the potential consequences when federal prosecutions overlook the relevance of state-specific medical regulations designed to safeguard public health.

The CPOM laws, such as those in Colorado, are crafted to ensure that medical practices are led and managed by qualified medical practitioners rather than by entities or individuals without medical expertise. These laws protect patients by ensuring that medical decisions are made based on medical knowledge and ethical standards, not corporate profit. Dr. Joseph's actions, aimed at preventing a non-physician from controlling a medical practice, were in strict adherence to these principles. However, the trial court's decision to exclude this

vital evidence prevented the jury from understanding the legal and professional context of his actions, casting them instead as fraudulent.

The implications of this judicial approach are profound. If medical professionals cannot defend their compliance with state laws in federal court, it could deter physicians from engaging in necessary actions to protect their practices from unsuitable external control, potentially compromising patient care. Furthermore, this could dissuade talented practitioners from entering or continuing in the medical field, fearing legal repercussions for making decisions that are in line with state regulations but misconstrued as fraudulent at the federal level.

Moreover, the precedent set by this case could lead to an inconsistent application of the law, where similar defenses based on state compliance may be accepted in some jurisdictions but not in others. This inconsistency can undermine the uniformity of medical standards across states, leading to a fragmented healthcare system where the quality and integrity of care vary significantly based on geographic and judicial idiosyncrasies. The Supreme Court's review is crucial to clarify these issues, ensuring that medical professionals can rely on state laws to guide their practices without fear of unjust federal prosecution.

This case also raises significant federalism concerns, highlighting the tension between state sovereignty in regulating professions and federal authority to prosecute alleged fraud. The exclusion of evidence regarding CPOM compliance has broader implications for the balance of power between state and federal

jurisdictions, particularly in areas traditionally governed by state law, such as the licensing and regulation of professional practices.

The principle of federalism is foundational to the United States' constitutional structure, allowing states to act as laboratories for democracy and to tailor regulations according to the specific needs and circumstances of their populations. State laws like CPOM are enacted to address specific local concerns—in this case, maintaining the quality and independence of medical care. When federal courts disregard these laws in the course of prosecuting federal crimes, it can lead to a diminishment of state regulatory authority, blurring the lines of jurisdiction and potentially leading to regulatory gaps that could harm the public.

The Supreme Court's guidance is needed to delineate clearly the boundaries of federal prosecutorial reach, especially in cases where state regulatory compliance is at issue. By reviewing Dr. Joseph's case, the Court has the opportunity to reaffirm the importance of respecting state regulations within the federalist system, ensuring that federal actions do not inadvertently override state laws designed to protect the public. This is not only a matter of legal principle but also of practical importance, as it affects how professionals are regulated and protected under the law across the nation.

In conclusion, the trial court's exclusion of CPOM compliance evidence in Dr. Joseph's case presents a critical opportunity for the Supreme Court to address issues at the heart of federalism and professional regulation. The Court's intervention will help clarify the extent to which state regulations should influence

federal criminal proceedings and ensure that state sovereignty is respected in the balance of federalist governance. This will uphold the integrity of both state and federal legal systems, ensuring they work collaboratively to serve the best interests of the public and the professionals who serve them.

III. JUSTIFICATION UNDER SUPREME COURT RULE 10

A. Resolution of Important Questions of Federal Law

The case of Dr. Francis Joseph raises crucial questions about the interaction between state regulatory authority and federal criminal law, specifically concerning the extent to which compliance with state-mandated medical regulations can be considered in the defense against federal fraud allegations. This is a pivotal issue of federal law that directly affects the balance of power between state and federal jurisdictions and has broad implications for how professionals across various fields might navigate conflicts between state compliance and federal legal standards.

At the core of Dr. Joseph's legal battle was his attempt to align his professional actions with Colorado's Corporate Practice of Medicine (CPOM) laws, which strictly regulate who may own and manage medical practices to ensure that medical decisions are made by qualified healthcare professionals. These laws are designed to protect patient care by preventing non-medical professionals from exerting control over medical practices. Dr. Joseph's financial transactions, which were indicted as fraudulent under federal law, were performed as measures to comply with CPOM regulations. However, when he sought to present this compliance as a defense in his trial, the district court denied him the opportunity, a

decision later upheld by the appellate court. This exclusion of a critical defense underlines a significant legal confrontation: Dr. Joseph was following state laws designed to uphold public health and medical ethics, yet he was barred from using this adherence as a defense against federal fraud charges.

This judicial exclusion not only prevented Dr. Joseph from presenting a full defense but also raised significant concerns about the overreach of federal law into areas traditionally governed by state regulation. The implications are particularly troubling in professional fields heavily regulated by state laws, such as healthcare. By disallowing the consideration of state law compliance in federal court, the decision undermines the state's authority to enforce its own laws and regulate professions within its borders. This sets a concerning precedent that state-compliant behavior could lead to federal criminal charges without the opportunity for the accused to argue their legal compliance as a valid defense.

The need for Supreme Court intervention is clear, as this case presents an opportunity to address and clarify the boundaries of federal authority over state-regulated activities. The Court's review would ensure that federal prosecutions respect state regulatory frameworks designed to protect specific public interests, such as patient safety in the medical field. Furthermore, a ruling from the Supreme Court would help establish guidelines for how federal courts should handle cases where state law compliance is cited as a defense in federal criminal proceedings.

In essence, Dr. Joseph's case challenges the Court to define how deeply federal law can intrude into state-regulated territories without negating the state's

ability to govern and protect professions according to its laws. This resolution is crucial not only for reaffirming the balance of federalism but also for ensuring that professionals are not penalized for actions that are lawful and mandated under state law. A definitive ruling from the Supreme Court would provide much-needed clarity and consistency in the application of federal criminal law in contexts where it intersects with state regulatory mandates, promoting a harmonious coexistence of state and federal legal systems while respecting the autonomy of state governance.

B. Protecting State Sovereignty and Upholding Federalism

The case of Dr. Francis Joseph exemplifies critical federalism concerns, particularly highlighting the tension between state sovereignty and federal judicial oversight. The trial court's decision to exclude evidence of Dr. Joseph's compliance with Colorado's Corporate Practice of Medicine (CPOM) laws is a stark demonstration of how federal courts can potentially undermine state sovereignty. This exclusion not only prevented a robust defense based on state law compliance but also signaled a troubling readiness to allow federal fraud statutes to supersede well-established state regulations that govern professional practices.

State sovereignty is a cornerstone of the United States' federal system, allowing states the autonomy to regulate matters within their borders according to the specific needs and contexts of their populations. This is particularly true in areas like healthcare, where states have historically exercised broad powers to ensure that medical practices operate in ways that prioritize patient safety and ethical standards. Colorado's CPOM laws, for instance, are designed to ensure that

medical practices are led by qualified professionals, safeguarding public health from potentially harmful business practices.

When federal courts dismiss the applicability of such state laws in criminal proceedings, they not only challenge the state's regulatory framework but also encroach upon the broader principle of state rights. In Dr. Joseph's case, the trial court effectively negated Colorado's authority to dictate standards for medical practice management within its territory. This approach risks creating a precedent where federal interpretations of criminal law can invalidate state regulations, potentially leading to a homogenization of legal standards that ignores the diverse needs and conditions across states.

The federalist balance is essential for maintaining a functional and equitable governance system where both state and federal governments can operate effectively within their respective domains. The Supreme Court's review in this case is crucial to reaffirm the principles of federalism by ensuring that state laws are not overridden by federal authorities without compelling justification. This is particularly vital in cases like Dr. Joseph's, where the state law in question directly pertains to public health and professional ethics.

The Supreme Court's intervention would serve not only to address the specific injustices faced by Dr. Joseph but also to signal to lower federal courts the importance of respecting state regulatory frameworks, especially when these laws are designed to protect public welfare. By upholding the validity of Dr. Joseph's compliance with CPOM as a defense, the Supreme Court would reinforce the

doctrine that federal criminal law should not be applied in a way that disregards or diminishes state authority in areas where it has traditionally held sway.

In summary, the exclusion of evidence regarding Dr. Joseph's compliance with state regulations highlights a broader issue of how federal courts interact with and respect state laws. This issue is fundamental to maintaining the balance of power between state and federal systems—a principle that is essential to the United States' constitutional structure. A ruling from the Supreme Court reaffirming state sovereignty in the face of federal criminal charges would not only correct the course in Dr. Joseph's case but also strengthen the federalist framework by ensuring that states retain effective control over professional standards and practices within their borders. This would preserve the diversity and responsiveness of state governance, essential for addressing the unique needs of different populations across the nation.

C. Impact on Medical Professionals Nationwide

The exclusion of evidence related to compliance with Colorado's Corporate Practice of Medicine (CPOM) laws in Dr. Francis Joseph's trial carries significant ramifications for medical professionals across the United States. This judicial decision highlights a critical issue: the potential for federal legal proceedings to unduly influence the practice of medicine, a field traditionally regulated extensively at the state level. The lack of clarity and the resulting ambiguity from such judicial decisions pose a substantial risk to the operational stability of medical practices nationwide.

Medical professionals operate within a complex regulatory environment where state-specific laws frequently dictate the standards for medical practice, licensing, and patient care. These professionals make daily decisions based on a detailed understanding of both state and federal regulations. When federal courts dismiss the relevance of state law compliance as a defense in criminal proceedings, it introduces a significant level of uncertainty into this already complex landscape.

This uncertainty can have chilling effects on the willingness of medical professionals to engage in innovative or necessary practices that are compliant with state law but may be perceived as risky under broadly interpreted federal statutes. For example, decisions about structuring practices, managing finances, and even engaging in certain patient care activities could be influenced by fears of federal repercussions, despite adherence to state laws. The ruling in Dr. Joseph's case exacerbates this issue, potentially deterring medical professionals from making decisions that are in the best interests of patient care and public health.

D. National Implications and the Need for Supreme Court Intervention

The implications of this case are not confined to Colorado or to Dr. Joseph alone; they extend to medical professionals throughout the country who are observing this case as a barometer for their own legal risks and responsibilities. The Supreme Court's intervention is crucial to address these nationwide concerns. By clarifying the extent to which compliance with state regulations can shield medical professionals from federal criminal charges, the Court can restore a sense of legal clarity and predictability.

A definitive ruling would help ensure that medical professionals can continue to provide high-quality healthcare without the overhanging threat of unjust federal prosecution. It would affirm that the federal criminal justice system recognizes and respects the nuances of state-specific regulations intended to govern the professional conduct of healthcare providers.

Supreme Court clarification would also serve to strengthen the legal frameworks that support the practice of medicine across the United States. It would provide much-needed guidance on navigating the intersection of state compliance and federal law, ensuring that medical professionals can rely on their understanding of state laws to inform their practices without fearing contradictory federal enforcement.

In sum, the exclusion of CPOM compliance as a defense in Dr. Joseph's case presents an opportunity for the Supreme Court to make a significant impact on the medical profession nationwide. By addressing this issue, the Court can enhance the legal stability and clarity necessary for medical professionals to operate effectively within the dual frameworks of state and federal regulation. This is not merely a matter of legal technicality but a profound issue of national importance that affects the quality and integrity of healthcare across the country. The Court's review would not only resolve the ambiguity resulting from the lower court's decision but also reinforce the confidence of medical professionals in their ability to adhere to state laws without the looming threat of federal criminal implications.

E. The National Ramifications of Excluding State Law Compliance in Federal Prosecutions of Medical Professionals

The exclusion of evidence regarding compliance with Colorado's Corporate Practice of Medicine (CPOM) laws in Dr. Francis Joseph's trial has profound implications for medical professionals nationwide. This judicial decision underscores a pressing concern: the extent to which federal legal proceedings can overshadow state-regulated medical practices, creating uncertainty that threatens the operational stability of healthcare providers across the country.

Medical professionals navigate an intricate regulatory landscape where state laws set the standards for medical practice, licensing, and patient care. These professionals rely on a detailed understanding of both state and federal regulations when making crucial decisions about structuring their practices, financial management, and patient treatment. However, when federal courts disregard compliance with state laws as a relevant defense in criminal proceedings, they introduce a dangerous level of unpredictability into the healthcare sector. This uncertainty can deter medical professionals from engaging in lawful, state-compliant practices for fear that federal authorities may interpret their actions differently, exposing them to prosecution despite adherence to state regulations.

This chilling effect on medical decision-making extends beyond administrative concerns; it directly impacts patient care. If medical professionals hesitate to adopt innovative or necessary practices due to fears of federal scrutiny, the quality and accessibility of healthcare may suffer. The ruling in Dr. Joseph's

case exemplifies this risk, signaling to medical professionals nationwide that even full compliance with state laws may not shield them from federal prosecution.

The national implications of this case demand the attention of the Supreme Court. Medical professionals across the country are closely watching this case as a precedent for their own legal exposure. The Supreme Court's intervention is necessary to clarify the extent to which state law compliance should factor into federal prosecutions, ensuring that medical professionals can rely on state regulations without the looming threat of federal criminal liability. A definitive ruling would reinforce the principle that state-specific laws governing professional conduct in medicine are not mere formalities but essential legal frameworks that deserve recognition in federal courtrooms.

Beyond resolving the ambiguity created by the lower court's decision, Supreme Court clarification would provide essential guidance for navigating the intersection of state and federal law. This would restore legal predictability and stability, allowing medical professionals to practice with confidence that adherence to state laws will not be arbitrarily overridden by federal authorities. Such a ruling would uphold the integrity of the dual regulatory framework that governs the medical profession and safeguard the ability of healthcare providers to make patient-centered decisions without undue legal risk.

In sum, the exclusion of CPOM compliance as a defense in Dr. Joseph's case is not merely a legal technicality; it is a matter of national significance with far-reaching consequences for the medical profession. The Supreme Court has an

opportunity to address this critical issue, reinforcing the legal safeguards that allow medical professionals to operate effectively within state and federal regulatory frameworks. By doing so, the Court can help ensure that medical professionals continue to provide high-quality care without the paralyzing fear of unjust federal prosecution.

F. Consistency and Uniformity in Legal Standards

Dr. Francis Joseph's case underscores a pressing need for the Supreme Court to establish uniform legal standards regarding how compliance with state regulations intersects with federal criminal law. This need arises from disparate interpretations by lower courts, which have resulted in a patchwork of legal precedents across different jurisdictions. These inconsistencies complicate the legal landscape for professionals who must navigate between adhering to state-specific regulations and avoiding federal criminal liability.

The lack of uniformity in how state compliance is treated as a defense in federal fraud cases creates an environment of legal uncertainty that can lead to unfair treatment of defendants. This is particularly problematic in fields like healthcare, where professionals must make decisions that comply with intricate state laws designed to protect public health. The varying court interpretations can lead to situations where similar actions are judged differently based on the jurisdiction, undermining the principle of equal justice under the law.

The Supreme Court's review in this matter would provide a much-needed clarification, ensuring that legal standards are applied consistently across federal

courts. This clarification is crucial not just for the fairness in the treatment of current and future defendants but also for maintaining a coherent legal framework that respects the autonomy of state regulations within the broader scope of federal enforcement.

By setting a uniform standard, the Supreme Court would help ensure that all federal jurisdictions respect and recognize state law compliance when assessing federal criminal charges. This would not only streamline legal processes but also provide clear guidelines for professionals across various fields, enhancing their ability to operate within secure legal boundaries. Uniform standards would reinforce the balance between federal oversight and state regulatory authority, promoting a harmonious interaction between different levels of government.

In conclusion, the Supreme Court's intervention is essential to resolve the current discrepancies in legal interpretations and to establish a uniform standard that respects both state and federal jurisdictions. This action would ensure fair and consistent application of the law, thereby upholding the integrity of the legal system and reinforcing the federal structure that defines the United States.

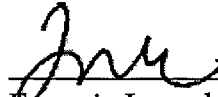
Dr. Joseph's case presents the Supreme Court with an opportunity to address fundamental issues regarding the interplay of state regulatory compliance and federal criminal law, the balance of federalism, and the implications of legal interpretations for medical professionals nationwide. Given the significant legal principles at stake and the potential for widespread impact, this case undoubtedly

merits the Court's review to settle these crucial legal questions and to guide future judicial proceedings in this complex area of law.

CONCLUSION

Based on the foregoing, this Court should grant this request for a Writ of Certiorari and remand to the Court of Appeals for the Tenth Circuit.

Done this 19th day of March 2025.



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