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

12 In the Matter of the Accusation Against:

Case No. AC 2026-2086

13 **MICHAEL ARAGHI**  
**9100 South Sepulveda Boulevard, 104**  
**Los Angeles, CA 90045**

**ACCUSATION**

14 **Chiropractic License No. DC 24271**

15 Respondent.

16 **PARTIES**

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

20 2. On or about September 6, 1996, the Board issued Chiropractic License  
21 Number DC 24271 to Michael Araghi (Respondent). The Chiropractic License was in full force  
22 and effect at all times relevant to the charges brought herein and will expire on December 31,  
23 2026, unless renewed.

24 **JURISDICTION**

25 3. This Accusation is brought before the Board under the authority of the following  
26 sections of the Chiropractic Act (Act).<sup>1</sup>,

27 <sup>1</sup> The 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  
(continued...)

4. Section 10 of the Act states, in pertinent part, that the Board may suspend or revoke a license to practice chiropractic or may place the license on probation for violations of the rules and regulations adopted by the Board or for any cause specified in the Chiropractic Initiative Act.

5. Business and Professions Code section 1005 states:

The provisions of Section 12.5, 23.9, 29.5, 30, 31, 35, 104, 114, 115, 119, 121, 1215, 125, 125.6, 136, 137, 140, 141, 143, 163.5, 461, 462, 475, 480, 484, 487, 489, 490, 490.5, 491, 494, 495, 496, 498, 499, 510, 511, 512, 701, 702, 703, 704, 410, 716, 730.5, 731, and 851, are all applicable to persons licensed by the State Board of the Chiropractic Examiners under the Chiropractic Act.

6. California Code of Regulations, title 16, section 372 states:

The suspension, expiration, or forfeiture by operation of law of a license issued by the board, or its suspension, or forfeiture by order of the board or by order of a court of law, or its surrender without the written consent of the board shall not, during any period in which it may be renewed, restored, reissued, or reinstated, deprive the 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.

## STATUTORY PROVISIONS

7. Business and Professions Code section 490 provides that a board may suspend or revoke a license on the ground that the licensee has been convicted of a crime substantially related to the qualifications, functions, or duties of the business or profession for which the license was issued.

8. Business and Professions Code section 810 states:

• • • •

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

(c) (1) It shall constitute cause for automatic suspension of a license or certificate issued pursuant to Chapter 4 (commencing with Section 1600), Chapter 5 (commencing with Section 2000), Chapter 6.6 (commencing with Section 2900), Chapter 7 (commencing with Section 3000), or Chapter 9 (commencing with Section 4000), or pursuant to the Chiropractic Act or the Osteopathic Act, if a licensee or certificate holder has been convicted of any felony involving fraud committed by the licensee or certificate holder in conjunction with providing benefits covered by worker's compensation insurance, or has been convicted of any felony involving

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.

Medi-Cal fraud committed by the licensee or certificate holder in conjunction with the Medi-Cal program, including the Denti-Cal element of the Medi-Cal program, pursuant to Chapter 7 (commencing with Section 14000), or Chapter 8 (commencing with Section 14200), of Part 3 of Division 9 of the Welfare and Institutions Code. The board shall convene a disciplinary hearing to determine whether or not the license or certificate shall be suspended, revoked, or some other disposition shall be considered, including, but not limited to, revocation with the opportunity to petition for reinstatement, suspension, or other limitations on the license or certificate as the board deems appropriate.

....

(4) Nothing in this subdivision shall preclude a board from suspending or revoking a license or certificate pursuant to any other provision of law.

....

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

9. Business and Professions Code section 1003 states:

(a) Except as otherwise allowed by law, the employment of runners, cappers, steerers, or other persons to procure patients constitutes unprofessional conduct.

(b) A licensee of the State Board of Chiropractic Examiners shall have his or her license to practice revoked for a period of 10 years upon a second conviction for violating any of the following provisions or upon being convicted of more than one count of violating any of the following provisions in a single case: Section 650 of this code, Section 750 or 1871.4 of the Insurance Code, or Section 549 or 550 of the Penal Code. After the expiration of this 10-year period, an application for license reinstatement may be made pursuant to subdivision (c) of Section 10 of the Chiropractic Act.

### **REGULATORY PROVISIONS**

10. California Code of Regulations, title 16, section 316.5 states, in pertinent part:

(a) For the purposes of the denial, suspension or revocation of a license pursuant to Section 141 of the Business and Professions Code, Division 1.5 (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.

11. California Code of Regulations, title 16, section 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:

1 . . . .  
2 (e) Any conduct which has endangered or is likely to endanger the health,  
3 welfare, or safety of the public;

4 . . . .  
5 (g) Conviction of a crime which is substantially related to the qualifications,  
6 functions or duties of a chiropractor;

7 (h) Conviction of any offense, whether felony or misdemeanor, involving moral  
8 turpitude, dishonesty, physical violence or corruption. The board may inquire into  
9 the circumstances surrounding the commission of the crime in order to fix the degree  
10 of discipline or to determine if such conviction was of an offense involving moral  
11 turpitude, dishonesty, physical violence or corruption. A plea or verdict of guilty, or  
12 a plea of nolo contendere is deemed to be a conviction within the meaning of the  
13 board's disciplinary provisions, irrespective of a subsequent order under the  
14 provisions of Section 1203.4 of the Penal Code. The board may order a license to be  
15 suspended or revoked, or may decline to issue a license upon the entering of a  
16 conviction or judgement in a criminal matter.

17 . . . .  
18 (k) The commission of any act involving moral turpitude, dishonesty, or  
19 corruption, whether the act is committed in the course of the individual's activities as  
20 a license holder, or otherwise;

21 . . . .  
22 (m) Violating or attempting to violate, directly or indirectly, or assisting in or  
23 abetting in the violation of, or conspiring to violate any provision or term of the Act  
24 or the regulations adopted by the board thereunder;

25 . . . .  
26 (q) The participation in any act of fraud or misrepresentation;

27 . . . .  
28 (t) The offering, delivering, receiving or accepting of any rebate, refund,  
commission, preference, patronage, dividend, discount or other consideration as  
compensation or inducement for referring patients to any person;

(u) Participation in information or referral bureaus which do not comply with  
section 317.1 of the regulations; . . .

12. California Code of Regulations, title 16, section 327, states:

(a) When considering the suspension or revocation of a license under Section  
490 of the Business and Professions Code on the ground that the person holding the  
license has been convicted of a crime, the Board shall consider whether the licensee  
has made a showing of rehabilitation if the licensee completed the criminal sentence  
at issue without a violation of parole or probation. In making this determination, the

Board shall consider the following criteria:

- (1) Nature and gravity of the crime(s).
  - (2) The length(s) of the applicable parole or probation period(s).
  - (3) The extent to which the applicable parole or probation period was shortened or lengthened, and the reason(s) the period was modified.
  - (4) The terms or conditions of parole or probation and the extent to which they bear on the licensee's rehabilitation.
  - (5) The extent to which the terms or conditions of parole or probation were modified, and the reason(s) for modification.
- (b) If the licensee has not completed the criminal sentence without a violation of parole or probation, or the Board determines that the licensee did not make a showing of rehabilitation based on the criteria in subdivision (a), or the suspension or revocation is based upon a disciplinary action as described in Section 141 of the Business and Professions Code, or the suspension or revocation is based upon one or more of the grounds specified in Section 10(b) of the Chiropractic Initiative Act of California, the Board shall apply the following criteria in evaluating the licensee's rehabilitation:
- (1) Nature and gravity of the act(s), disciplinary action(s), or crime(s);
  - (2) Total criminal record.
  - (3) The time that has elapsed since commission of the act(s), disciplinary action(s), or crime(s).
  - (4) Whether the licensee has complied with any terms of parole, probation, restitution or any other sanctions lawfully imposed against the licensee.
  - (5) If applicable, evidence of dismissal proceedings pursuant to Section 1203.4 of the Penal Code.
  - (6) The criteria in subdivision (a)(1) through (5), as applicable.
  - (7) Evidence, if any, of rehabilitation submitted by the licensee.

### **COST RECOVERY**

13. California Code of Regulations, title 16, section 317.5, subdivision (a), states, in pertinent part:

In any order in resolution of a disciplinary proceeding before the Board of 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 Initiative Act to pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case.

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1 **FIRST CAUSE FOR DISCIPLINE**

2 **(Conviction of a Substantially Related Crime – July 11, 2025, Conspiracy)**

3 14. Respondent's license is subject to disciplinary action pursuant to section 10 of the  
4 Act, Business and Professions Code section 490, and California Code of Regulations, title 16,  
5 section 317, subdivision (g), in that Respondent was convicted of a crime substantially related to  
6 the qualifications, functions or duties of a chiropractor, as follows:

7 a. On or about July 11, 2025, Respondent was convicted of one felony count of  
8 violating U.S.C., title 18, section 371 [conspiracy] in the criminal proceeding entitled *USA v.*  
9 *Michael Araghi* (C.D. Cal., 2025, No. 2:24-CR-00758-WLH-2). The Court placed Respondent on  
10 three years of probation with certain terms and conditions, including, but not limited to 12 months  
11 of in-home detention, not be employed in any position that requires licensing or certification by  
12 any local, state, or federal agency without the prior written approval of the Probation Officer and  
13 pay Court-ordered financial obligation of \$262,400.00, Money Judgment of Forfeiture, dated  
14 July 11, 2025.

15 b. The circumstances of the arrest leading to the conviction are that in or before March  
16 2015, and continuing through in or about November 2019, Respondent, in conspiracy with his  
17 brother, co-owner of LAX Physical Medicine in Los Angeles, committed honest services mail  
18 and wire fraud in an illegal health care kickback scheme. Respondent referred patients to an out-  
19 of-network (out-of-network facilities are free to set their own prices for services and are generally  
20 reimbursed by insurance plans at substantially higher rates than an insurance plan's in-network  
21 providers) surgical facility health care provider located in Culver City for medical and surgical  
22 consultations in exchange for \$524,800 in illegal kickbacks.

23 **SECOND CAUSE FOR DISCIPLINE**

24 **(Conviction Involving Moral Turpitude, Dishonesty, Physical Violence or Corruption)**

25 15. Respondent's license is subject to disciplinary action pursuant to section 10 of the Act  
26 and California Code of Regulations, title 16, section 317, subdivision (h), on the grounds of  
27 unprofessional conduct, in that Respondent was convicted of a felony involving moral turpitude,  
28 dishonesty, physical violence or corruption, to wit, conspiracy to commit honest services wire

1 fraud and participation in an illegal health care kickback scheme. Complainant refers to and by  
2 this reference incorporates the allegations set forth above in paragraph 14, as though set forth  
3 fully.

4 **THIRD CAUSE FOR DISCIPLINE**

5 **(Acts Involving Moral Turpitude, Dishonesty or Corruption)**

6 16. Respondent's license is subject to disciplinary action pursuant to section 10 of the Act  
7 and California Code of Regulations, title 16, section 317, subdivision (k), on the grounds of  
8 unprofessional conduct, in that Respondent committed acts of moral turpitude, dishonesty or  
9 corruption, to wit, conspiracy. Complainant refers to and by this reference incorporates the  
10 allegations set forth above in paragraph 14, as though set forth fully.

11 **FOURTH CAUSE FOR DISCIPLINE**

12 **(Participation in Fraud or Misrepresentation)**

13 17. Respondent's license is subject to disciplinary action pursuant to section 10 of the Act  
14 and California Code of Regulations, title 16, section 317, subdivision (q), on the grounds of  
15 unprofessional conduct, in that Respondent participated in acts of fraud or misrepresentation.  
16 Complainant refers to and by this reference incorporates the allegations set forth above in  
17 paragraph 14, as though set forth fully.

18 **PRAYER**

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

21 1. Revoking or suspending Chiropractic License Number DC 24271, issued to Michael  
22 Araghi;

23 2. Ordering Michael Araghi to pay the Board of Chiropractic Examiners the reasonable  
24 costs of the investigation and enforcement of this case, pursuant to Title 16, California Code of  
25 Regulations, section 317.5 and if placed on probation, the costs of probation monitoring;

26 and,

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3. Taking such other and further action as deemed necessary and proper.

DATED: 6.9.2026

Signature on File

KRISTIN WALKER  
Executive Officer  
Board of Chiropractic Examiners  
Department of Consumer Affairs  
State of California  
*Complainant*

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