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CLERK U.S. BANKRUPTCY COURT
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UNITED STATES BANKRUPTCY COURT

CENTRAL DISTRICT OF CALIFORNIA

LOS ANGELES DIVISION

In re:

Mike Davidyan,

Debtor(s).

Case No.: 2:26-bk-12003-BB

CHAPTER 7

MEMORANDUM DECISION AND ORDER DENYING DEBTOR'S MOTION FOR RECONSIDERATION OF JUNE 25, 2026 ORDER EXTENDING DEADLINE FOR CHAPTER 7 TRUSTEE AND UNITED STATES TRUSTEE TO OBJECT TO DEBTOR'S DISCHARGE

(No hearing required)

Before the Court is debtor Mike Davidyan's Motion for Reconsideration of Order Approving Motion Extending the Deadline for the Chapter 7 Trustee and the United States Trustee to Object to the Debtor's Discharge (the "Motion for Reconsideration"), filed July 6, 2026 [Docket No. 99]. The Motion seeks reconsideration of the Court's June 25, 2026, Order (the "Order") [Docket No. 95] granting chapter 7 trustee Sam S. Leslie's Motion for Order Extending the Deadline for the Chapter 7 Trustee and the United

States Trustee to Object to the Debtor's Discharge (the "Extension Motion") [Docket No. 71]. The Order extended the deadline for filing a complaint objecting to the debtor’s discharge under 11 U.S.C. § 727 from June 1, 2026 to August 31, 2026.

Having considered the Motion for Reconsideration, the Debtor's declaration, the Extension Motion and supporting declaration, the Debtor's opposition to the Extension Motion and supporting declaration, the Trustee's reply, the arguments presented at the June 24, 2026 hearing on the Extension Motion, and the Court’s records and files in this chapter 7 case, the Court hereby **DENIES** the Motion for Reconsideration for the reasons set forth below.

I

PROCEDURAL HISTORY

On March 3, 2026, Debtor filed a voluntary petition for relief under Chapter 7 of the Bankruptcy Code. The initial Section 341(a) meeting of creditors was scheduled for April 2, 2026. Debtor appeared at the initial meeting and at the continued meeting held on April 28, 2026.

On June 1, 2026, the Trustee filed the Extension Motion seeking a ninety-day extension of the deadline to object to Debtor's discharge, from June 1, 2026, to August 31, 2026. The Extension Motion was supported by the Declaration of Brooke S. Thompson, counsel for the Trustee. On June 15, 2026, Debtor filed an opposition to the Extension Motion. On June 19, 2026, the Trustee filed a reply.

A hearing on the Extension Motion was held on June 24, 2026, at which Brooke S. Thompson appeared on behalf of the Trustee and the Debtor appeared in propria persona. On June 25, 2026, the Court entered the Order granting the Extension Motion and extending the deadline to August 31, 2026. On July 6, 2026, Debtor timely filed the instant Motion for Reconsideration.

II

LEGAL STANDARD

Debtor brings the Motion for Reconsideration pursuant to Federal Rule of Bankruptcy Procedure 9023, which incorporates Federal Rule of Civil Procedure 59(e). Pursuant to Fed. R. Bankr. Proc. 9023, a motion to alter or amend a judgment under Rule 59(e) must be filed within 14 days of the entry of judgment. Debtor filed the Motion for Reconsideration on July 6, 2026, within fourteen days of the June 25, 2026 Order, and it is therefore timely.

To prevail on a Rule 59(e) motion, the moving party must establish a manifest error of law or present newly discovered evidence. A motion for reconsideration cannot be used to cure procedural defects or to offer new evidence or raise arguments that could and should have been presented originally to the court. And it cannot be used to revisit arguments that were in fact raised at the original hearing. Botelho v. Buscone (In re Buscone), 634 B.R. 152 (B.A.P. 1st Cir. 2021) (citing Rosado v. Banco Popular de P.R. (In re Rosado), 561 B.R. 598 (B.A.P. 1st Cir. 2017)). The burden of demonstrating the existence of a manifest error of fact or law rests with the party seeking reconsideration.

III

DISCUSSION

A. **The Debtor Has Not Demonstrated Manifest Error of Law**.

The Debtor contends that the Order was entered "without adequate evidentiary support for 'cause' under Federal Rule of Bankruptcy Procedure 4004(b), and without addressing the specific, sworn factual disputes Debtor raised in his written opposition and at the June 24, 2026 hearing." The Court disagrees. Federal Rule of Bankruptcy Procedure 4004(a) provides that, in a chapter 7 case, “a complaint objecting to the debtor's discharge under § 727(a) of the Code shall be filed no later than 60 days after the first date set for the meeting of creditors under § 341(a)." Rule 4004(b)(1) permits the court to extend this deadline "for cause" if a motion is filed before the time has expired. Neither the Bankruptcy Code nor the Bankruptcy Rules define "cause," and the determination is committed to the bankruptcy court's discretion. Banco Cooperativo de P.R. v. Herrera (In re Herrera), 589 B.R. 444 (Bankr. 1st Cir. 2018).

The Trustee's Extension Motion demonstrated cause through the Declaration of Brooke S. Thompson, which established the following: (1) a search of public records revealed that Debtor may hold interests in several parcels of real property and vacant land throughout southern California not disclosed in Debtor's schedules; (2) Debtor gave contradictory sworn testimony regarding his interest in World Wide Real Estate ("World Wide"), first testifying that he had transferred his interest and all associated properties, then denying any such interest or transfer; (3) Debtor refused to answer certain questions at the continued meeting of creditors and was combative and noncooperative; (4) Debtor failed to produce documents he promised to produce; and (5) Debtor declined to stipulate to an extension of the deadline. These circumstances constituted compelling cause for the extension.

The Trustee demonstrated specific obstacles to completing his investigation that arose from Debtor's failure to disclose assets, contradictory sworn testimony, refusal to cooperate, and failure to produce promised documents. These deficiencies prevented the Trustee from completing the investigation necessary to determine whether grounds exist to object to the Debtor’s discharge under 11 U.S.C. § 727 within the original 60-day period. The Debtor argues that the Trustee "identified no property addresses, no assessor's parcel numbers, and no recorded instrument connecting Debtor to any specific parcel." However, Rule 4004(b) does not require the Trustee to provide such specificity before obtaining an extension. The Trustee need only show cause—that is, compelling reasons why additional time is necessary to complete the investigation. The existence of potentially undisclosed property interests that require further investigation constitutes such cause.[1]

Moreover, the Court did consider factual disputes raised by Debtor. At the June 24, 2026, hearing, the Court heard from both the Trustee's counsel and the Debtor. The Court need not conduct a full-blown evidentiary hearing to *resolve* these factual disputes in order to rule on a motion for an extension of time to bring an objection to discharge. The existence of these disputes – and the Trustee's business judgment that these disputes warrant further investigation – are sufficient to demonstrate that cause exists for the requested extension. The Debtor has not demonstrated any manifest error of law in the Court's application of Rule 4004(b)(1) or its determination that cause existed for the extension.

B. **<u>The Debtor's Factual Assertions Do Not Establish Manifest Error</u>**

The Debtor raises several factual disputes in the Motion for Reconsideration, but none establishes manifest error or provides grounds for reconsideration. First, the Debtor contends that his testimony regarding World Wide was not contradictory because his reference to a prior "interest" referred to stock that he "lost years ago." This explanation does not demonstrate error in the Court's Order. Whether Debtor's contradictory statements can be harmonized through this explanation does not eliminate the Trustee's need for additional time to investigate the circumstances of Debtor's former interest in World Wide, including the timing and nature of the purported transfer or loss of that interest. The Trustee is entitled to investigate transfers of interests in businesses, particularly where the debtor cannot or will not document those transfers.

Second, the Debtor asserts that he cannot produce documents concerning World Wide because he is bound by a confidentiality agreement. Even accepting this assertion as true, it does not negate the need for an extension. To the contrary, Debtor's reliance

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[1] The point that the Debtor may be missing is that the Trustee does not need to establish cause to object to the Debtor's discharge at this juncture. He need only establish cause for the Court to give him more time to investigate *whether* there are grounds upon which to object to the Debtor's discharge.

on an alleged confidentiality agreement to withhold financial information from the estate underscores the need for additional time to investigate. As the Trustee correctly notes, upon filing of the petition, the Trustee succeeded to Debtor's interests in property of the estate, and a confidentiality obligation that runs to Debtor runs equally to the Trustee. The Trustee is entitled to time to determine whether such an agreement exists, whether it is valid and enforceable, and whether it actually precludes production of the requested documents.

Third, the Debtor challenges the authenticity of the email exhibit (Exhibit 2) attached to the Extension Motion, asserting that the sender field displays "new email" rather than Debtor's name or email address. The Trustee's reply explained that the email was sent from the address mr8188359818@gmail.com, the same email address that Debtor shows in the upper left-hand corner of his opposition. The Debtor does not deny sending the email declining to stipulate to the extension; he merely questions the manner in which the email address is displayed on the printout. A dispute regarding Microsoft Outlook's display format does not establish manifest error in the Court's finding that cause exists for the extension.

Fourth, the Debtor contends that the Trustee's May 19 and May 20, 2026, correspondence was sent to "nageshshettymd@gmail.com," which is not Debtor's email address of record. Whether Debtor received certain pre-motion correspondence does not bear on whether cause existed for the requested extension. As the Court explained at the hearing on the Extension Motion, even if the Trustee had sent document requests to an incorrect email address for the Debtor, there is no reason to believe that the Trustee did so intentionally. If the Trustee's original document requests were inadvertently misdirected, that would in fact weigh in favor of giving the Trustee additional time to direct his document production requests to the correct email address.

Finally, the Debtor makes serious but conclusory allegations that Trustee's counsel "committed [f]raud by [t]ampering with [e]vidence." These allegations are unsupported and meritless.[2] Debtor has offered no competent evidence of tampering, fabrication, or fraud. Bare allegations of evidence tampering, without evidentiary support, do not establish manifest error warranting reconsideration.

C. **The Debtor Has Not Presented Newly Discovered Evidence**

Reconsideration may be warranted if the moving party presents newly discovered evidence that could not have been presented at the original hearing, but the Debtor has not done so here. All of the factual matters raised in the Motion for Reconsideration—the explanation regarding World Wide, the alleged confidentiality agreement, the dispute over email correspondence—were known to Debtor at the time he filed his opposition to the Extension Motion. Indeed, many of these matters were addressed in Debtor's opposition and discussed at the hearing on the Extension Motion. The Motion for Reconsideration simply reargues the same factual disputes and offers the same explanations that were presented to the Court before entry of the Order.

The moving party cannot use a motion for reconsideration to offer evidence or raise arguments that could and therefore should have been presented to the court at the time of the original hearing and may not simply repeat arguments previously made before the original order was entered. The Debtor's Motion for Reconsideration does not identify any newly discovered evidence and instead rehashes arguments previously made. Thus, it contains no support for the conclusion that the Court should reconsider the Order.

D. **No Manifest Injustice Warrants Reconsideration**

The Debtor contends that "[r]econsideration is warranted to correct clear error and prevent manifest injustice." The Court disagrees. There is no manifest injustice in granting the Trustee a reasonable extension of time to complete his investigation where the Debtor has failed to disclose potentially significant assets, has given contradictory sworn testimony, and has failed to produce promised documents. The extension of the

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[2] In addition, a substantial portion of this argument in the Motion for Reconsideration is unintelligible or illegible. See Motion for Reconsideration, p. 6 at lines 11 through 22.

deadline does not deprive Debtor of any substantive rights. It merely allows the Trustee additional time to fulfill his duty to investigate whether objecting to discharge is advisable. If, after completing his investigation, the Trustee determines that grounds to object do not exist, no complaint will be filed, and Debtor will receive his discharge. If grounds do exist, Debtor will have the opportunity to defend against the objection. The extension affects only the timing of these proceedings, not Debtor's substantive rights. The Court has discretion to extend the deadline for cause, and the exercise of that discretion does not constitute manifest injustice.

E. **The Court's Discretionary Determination Was Not an Abuse of Discretion**

Although not framed in these terms, the Debtor's Motion effectively challenges the Court's exercise of discretion in finding cause for the extension. A bankruptcy court does not abuse its discretion in denying reconsideration where the movant has not established manifest error of law or fact or newly discovered evidence. Here, the Court's determination that cause existed for the extension was well within the bounds of the Court's discretion.

The Trustee presented specific, compelling reasons for the extension based on Debtor's failure to disclose assets, contradictory testimony, and failure to produce documents. These circumstances fall squarely within the types of "special circumstances" that justify an extension under Rule 4004(b). The Debtor has not shown that the Court's ruling was an abuse of discretion, which has been defined as "an arbitrary, capricious, whimsical, or manifestly unreasonable judgment." Lovelace v. Higgins (In re Higgins), 220 B.R. 1022, 1025 (10th Cir. BAP 1998) (quoting FDIC v. Oldenburg, 34 F.3d 1529, 1555 (10th Cir. 1994) (further citations omitted)). To the contrary, the ruling was a reasonable exercise of the Court's discretion based on the record before it. Therefore, the Debtor has not established grounds for reconsideration of that ruling.

IV

CONCLUSION

The Debtor's Motion for Reconsideration presents neither manifest error nor newly discovered evidence. It is an attempt to relitigate issues that were fully presented to the Court before entry of the Order. The Debtor has not met his burden of demonstrating manifest error of law or fact, has not presented newly discovered evidence, and has not established that reconsideration is necessary to prevent manifest injustice. Accordingly, the Motion for Reconsideration is **DENIED**.

IT IS SO ORDERED.

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Date: July 8, 2026

Sheri Bluebond
United States Bankruptcy Judge