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8 **UNITED STATES BANKRUPTCY COURT**
9 **CENTRAL DISTRICT OF CALIFORNIA**
10 **SAN FERNANDO VALLEY DIVISION**
11

12
13 In re:

14 LUSINE HAKHVERDYAN,

15
16
17 Debtor.

Case No.: 1:25-bk-11049-VK

Chapter 7

**MEMORANDUM OF DECISION
DENYING DEBTOR'S (1) "MOTION TO
VACATE EXTENSION ORDER,
DECLARATION THAT STIPULATIONS
ARE VOID AB INITIO, REQUEST TO
RESTORE RULE 4007(C) DEADLINE,
AND REQUEST FOR SANCTIONS"; (2)
"MOTION TO VACATE VOID
EXTENSION ORDERS"; (3) "MOTION TO
STRIKE ALL UNAUTHORIZED
STIPULATIONS"; (4) "MOTION TO
SANCTION ATTORNEY MISCONDUCT";
AND (5) "MOTION TO BAR ANY
FURTHER § 523 ACTIONS AS TIME-
BARRED"**

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25 Hearing:

Date: February 26, 2026

Time: 2:00 p.m.

Place: Courtroom 301

21041 Burbank Blvd.

Woodland Hills, CA 91347
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1 For the reasons discussed below, the Court will deny the following motions filed by
2 debtor Lusine Hakhverdyan (“Debtor”): “Motion to Vacate Extension Order, Declaration that
3 Stipulations Are Void Ab Initio, Request to Restore Rule 4007(c) Deadline, and Request for
4 Sanctions” (the “First Relief Motion”) [doc. 34]; “Motion to Vacate Void Extension Orders”
5 [doc. 37]; “Motion to Strike All Unauthorized Stipulations” [doc. 38]; “Motion to Sanction
6 Attorney Misconduct” [doc. 39] and “Motion to Bar Any Further § 523 Actions as Time-Barred”
7 [doc. 40] (collectively, “Debtor’s FRCP 60 Motions”).¹

9 **I. BACKGROUND**

10 **A. Debtor’s Prepetition Dispute with Swift Financial LLC**

11
12 In October 2019, Revved Financial Group d/b/a Insurance Intellect Solutions (“Revved”)
13 entered into a loan agreement with WebBank to borrow \$100,000 (the “Loan”). Declaration of
14 Daren M. Schlecter, Esq. (“Schlecter Decl.”), ¶ 5 [doc. 57]. Lusine Hakhverdyan (“Debtor”),
15 who is the 100% owner of Revved, personally guaranteed the Loan. Schedules A/B and H [doc.
16 1]. Swift Financial LLC (“Swift”) is the servicing agent for WebBank. Schlecter Decl., Ex. 1-4.

17
18 Following defaults on the Loan, Swift initiated an arbitration proceeding against Revved
19 and Debtor and eventually received an arbitration award for \$104,906.44. *Id.*, ¶ 7. In October
20 2021, the state court confirmed the arbitration award and entered a judgment against Debtor in
21 the amount of \$113,845.05 (the “Judgment”). *Id.*, ¶ 8.

22
23 In a post-judgment enforcement action in state court, Swift requested the production of
24 documents from Debtor. *Id.*, ¶ 10. On April 9, 2025, the state court ordered Debtor to appear on
25 June 18, 2025 and to produce the requested documents to Swift. *Id.*, Ex. 4.

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¹ On February 26, 2026, the Court held an evidentiary hearing at which Debtor testified, under oath, about Debtor’s
FRCP 60 Motions. Also at that hearing, Debtor’s former bankruptcy counsel, Sevan Gorginian, discussed his
conduct and his decisions while he was representing Debtor. Unless another citation is identified, the facts stated in
this decision are based on Debtor’s testimony and Mr. Gorginian’s statements made at that hearing.

1 **B. Debtor’s Chapter 7 Petition and Bankruptcy Counsel**

2 On June 13, 2025, with the legal representation of Sevan Gorginian, Esq., Debtor filed a
3 chapter 7 petition. In schedule D/E, Debtor included her debt to Swift, and Swift was included in
4 Debtor’s master mailing list. The notice of Debtor’s chapter 7 case stated that Debtor’s meeting
5 of creditors would take place on July 16, 2025 and that the deadline for a creditor to file a
6 complaint to except a debt from discharge under 11 U.S.C. § 523(a)(2), (4) or (6) was September
7 15, 2025 (the “September 15 Deadline”). This notice was sent to Swift by first class mail [doc.
8 8].
9

10 Debtor’s chapter 7 petition disclosed Mr. Gorginian’s representation of Debtor. In
11 addition, Mr. Gorginian filed a “Disclosure of Compensation of Attorney For Debtor” (the
12 "Section 329 Disclosure") [doc. 1]. The Section 329 Disclosure states that Mr. Gorginian
13 received a \$2,000 flat fee for “services rendered or to be rendered on behalf of the debtor(s) in
14 contemplation of or in connection with the bankruptcy case.”
15

16 As set forth in the Section 329 Disclosure, Mr. Gorginian agreed to render the following
17 legal services to Debtor:
18

- 19 (a) Analysis of the debtor’s financial situation, and rendering advice to the debtor
20 in determining whether to file a petition in bankruptcy;
21 (b) Preparation and filing of any petition, schedules, statements of affairs and plan
22 which may be required;
23 (c) Representation of the debtor at the meeting of creditors and confirmation
24 hearing, and any adjourned hearings thereof; [and]
25 (d) Two consultations prior to filing the bankruptcy case, attorney present with
26 client at the 341(a) meeting of creditors, review proof of claims and advise
27 accordingly, drafting all necessary petitions and schedules but not amendments,
28 coordinate with trustee's and court's requirements, give notice to creditors of
29 relevant documents filed, and obtain the discharge order.

Section 329 Disclosure [doc. 1].

1 As set forth in the Section 329 Disclosure, the following services are not included in the
2 \$2,000 flat fee: “all adversary proceedings within the bankruptcy case (i.e. 727 or 523 action),
3 amendments to schedules, additional appearance at 341 meeting of creditors, objections to
4 claims, and other pertinent information disclosed in the retainer agreement between the debtor
5 client and the firm.” *Id.*

7 **C. Debtor’s Consensual Document Production to Swift Financial LLC**

8 On June 13, 2025, the law office of Mr. Gorginian sent an email to Swift’s counsel, i.e.,
9 Mr. Schlecter, stating that Debtor had filed a chapter 7 case. Schlecter Decl., ¶ 28 and Ex. 5
10 thereto. On June 26, 2025, Mr. Schlecter sent an email to Mr. Gorginian, requesting that Debtor
11 provide the following documents to Swift, by July 18, 2025, “to avoid the cost and delay of
12 [Swift] conducting a full 2004 examination:”
13

- 14 (1) All business bank statements for Revved from October 1, 2019 to close of the
15 business;
- 16 (2) All documents from 2019 for Revved evidencing that Debtor was opening a
17 new location, including any emails/communications to that effect;
- 18 (3) All documents, including electronic files, showing what Debtor did with the
19 loan funds (this could include bank statements);
- 20 (4) All documents evidencing the cause of Debtor’s default on the loan; and
- 21 (5) Any and all Cryptocurrency/Bitcoin Statements from January 1, 2019 to
22 present, including Robinhood.

23 Schlecter Decl., ¶¶ 27 and 28 and Ex. 5 thereto. This email from Mr. Schlecter states: “Nothing
24 in this email shall act as a waiver of my clients [sic] rights to seek other documents consensually
25 from the Debtor, by 2004 examination or to seek an extension of the deadlines set forth under 11
26 U.S.C. 523 [sic], all of which are expressly and impliedly reserved.” Ex. 5 to Schecter Decl. On
27 July 2, 2025, via email, Mr. Gorginian provided documents and explanations concerning
28 Debtor’s actions to Swift. *See id.*

1 On July 16, 2025, Debtor’s first meeting of creditors took place. Mr. Schlecter appeared
2 at the meeting of creditors and questioned Debtor at that meeting. Schlecter Decl., ¶¶ 23-26.
3 Following that first meeting of creditors, on July 16, 2025, Mr. Schlecter again requested that
4 Debtor provide Swift with certain documents. Ex. 5 to Schlecter Decl.; “Declaration of Sevan
5 Gorginian in Response to Debtor’s Motions” (“Gorginian Decl.”), ¶ 13 [doc. 53].
6

7 **D. The First Extension Stipulation and Order as to Swift Financial LLC**

8 On July 21, 2025, Mr. Schlecter sent an email to Mr. Gorginian, asking him if Debtor
9 would consent to an extension of time for Swift to file a nondischargeability complaint. In this
10 email, Mr. Schlecter stated that he could “simply subpoena [the documents sought by Swift]
11 through the bankruptcy case.” Ex. 6 to Schlecter Decl.
12

13 In an email sent to Mr. Schlecter that day, Mr. Gorginian stated: “Yes she will stipulate.”
14 Mr. Gorginian further wrote: “Let me know if you need her to sign off on any subpoena to
15 expedite the process. She’s an open book and was truthful in her disclosures to your client, at her
16 341(a) and documents supplied. She can testify more and give more to the best extent possible.”
17 *Id.*
18

19 In an email sent to Mr. Gorginian on July 24, 2025, Mr. Schlecter stated: “May make
20 sense to stipulate to 60 days on the 523/727 deadline.” That day, without obtaining Debtor’s
21 consent in advance (or subsequently), Mr. Gorginian returned a signed stipulation to an
22 extension of time for Swift to file a complaint against Debtor under 11 U.S.C. § 523(a)(2), (a)(4)
23 and/or (a)(6) and/or § 727 (the “First Swift Extension Stipulation”). Gorginian Decl., ¶ 9. Before
24 Mr. Gorginian signed the First Swift Extension Stipulation and returned it to Mr. Schlecter, Mr.
25 Gorginian did not send Debtor a draft of the stipulation, nor did Mr. Gorginian disclose to Debtor
26 his decision to provide an extension of time to Swift.
27
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1 The First Swift Extension Stipulation states that it is “entered into by and between Swift
2 Financial, LLC (‘Swift’) and Lusin Hakhverdyan (‘Debtor’), by and through their respective
3 counsel *after the opportunity for counsel to review and advise the party . . .*” Ex. 7 to Schlecter
4 Decl. [doc. 57]; *see also* doc. 10 (emphasis added). It also states:

5
6 1. Tolling Period. Swift is hereby granted an extension of time through and
7 including **November 17, 2025** to: a) timely file a Complaint in this case under 11
8 U.S.C. § 523(a)(2), (a)(4) and/or (a)(6); b) timely file a Complaint in this case under
9 11 U.S.C. § 727; c) timely take such other steps which may be needed to preserve
or enforce its rights to pursue the Dischargeability Complaint (the ‘Tolling
Period’)[.]

10 2. Document Preservation. The Parties agree that, during the Tolling Period,
11 they shall comply with their obligations to preserve and maintain evidence in light
12 of the claims raised and defenses thereto.

13 *Id.* (emphasis in original). This stipulation is signed by Mr. Schlecter and Mr. Gorginian. *Id.*; *see*
14 *also* Gorginian Decl., ¶¶ 9, 13-15, 17.

15 On July 25, 2025, Swift filed the First Swift Extension Stipulation [doc. 13]. Later that
16 day, the Court entered an order approving this stipulation (the “First Swift Extension Order”);
17 the First Swift Extension Order extended the deadline for Swift to file a complaint against
18 Debtor through November 17, 2025 (the “November 17 Deadline”) [doc. 15]. On July 27, 2025,
19 the Bankruptcy Noticing Center sent a copy of the First Swift Extension Order to Debtor by first
20 class mail [doc. 16].

21
22 When Debtor received the First Swift Extension Order from the Court, Debtor did not
23 understand that Mr. Gorginian had agreed to provide this extension of time to Swift. Rather,
24 Debtor believed that Swift had obtained the extension of time by requesting it directly from the
25 Court. Mr. Gorginian did not inform Debtor, until months later, that he had agreed to give Swift
26 this extension of time.
27
28

1 Following the entry of the First Swift Extension Order, Mr. Schlecter and Mr. Gorginian
2 continued to confer regarding Swift's document requests. Schlecter Decl., ¶ 39 and Ex. 10
3 thereto.

4
5 **E. The Stipulation to Extend the Deadline for the Chapter 7 Trustee and United
6 States Trustee to Object to Debtor's Discharge**

7 On September 15, 2025, counsel to the chapter 7 trustee (the "Trustee") filed a stipulation
8 between the Trustee and Debtor to extend the time for the Trustee to file an action against Debtor
9 pursuant to 11 U.S.C. § 727. This stipulation is signed by counsel to the Trustee and by Mr.
10 Gorginian.

11 On September 16, 2025, the Court entered an order approving this stipulation. This order
12 extended the deadline for the Trustee or the United States Trustee to file a complaint against
13 Debtor pursuant to 11 U.S.C. § 727 until October 24, 2025 (the "Trustee Extension Order") [doc.
14 23]. A copy of the Trustee Extension Order was sent to Debtor by United States mail and served
15 electronically on Mr. Schlecter and other counsel [doc. 24].
16

17 Mr. Gorginian has represented that, at the request of the Trustee, he unilaterally granted
18 this extension. Mr. Gorginian states that he granted this extension in order to avoid the Trustee's
19 filing of a complaint to deny Debtor's discharge. Gorginian Decl., ¶¶ 25-28.
20

21 **F. Continued Discussions Between Mr. Schlecter and Mr. Gorginian**

22 On September 5, 2025, before the September 15 Deadline and the extended November 17
23 Deadline, Swift filed a motion to authorize a Fed. R. Bankr. P. ("Rule") 2004 examination and
24 production from Wells Fargo Bank regarding Debtor and Debtor's businesses' bank accounts
25 and banking records (the "Swift Rule 2004 Motion") [doc. 20].
26

27 Attached as Ex. A to the Swift Rule 2004 Motion is a "Stipulation By and Between
28 Creditor Swift Financial LLC and Lusine Hakhverdyan for FRBP 2004 Production of

1 Documents From Wells Fargo by Subpoena.” Among other things, this stipulation states that
2 “Debtor consents to Swift’s subpoena to Wells Fargo (‘WF’) for any and all bank statements,
3 applications, communications and other documents requested in the attached Schedule ‘A’
4 pursuant to FRBP 2004 and Local Bankruptcy Rule 2004-1.” [doc. 20]. This stipulation
5 apparently is signed by Mr. Schlecter and Mr. Gorginian. *See also* Gorginian Decl., ¶ 13.
6

7 On September 29, 2025, the Court entered an order granting the Swift Rule 2004 Motion.
8 In accordance with that order, Wells Fargo Bank was required to produce documents related to
9 Debtor’s personal bank accounts and bank accounts of her businesses by October 23, 2025 [doc.
10 28].
11

12 On October 23, 2025, Mr. Schlecter’s law office received Debtor’s personal bank account
13 statements from Wells Fargo Bank. Schlecter Decl., ¶ 47. Subsequently, Mr. Schlecter and Mr.
14 Gorginian continued to discuss, via email, the merits of an action to determine that Debtor’s
15 indebtedness to Swift was not eligible for discharge. Schlecter Decl., ¶¶ 48-50 and Ex. 10
16 thereto.
17

18 In an email sent on November 5, 2025, Mr. Gorginian states:

19 Hi Darren – I reviewed your letter and spoke to my client. Attached please find my
20 correspondence addressing the allegations in your letter and further documentary
21 support as to how the funds were spent. . . . I ask you to review the attached letter
22 and transactions outlined by my client. I am hopeful you will agree with my
assessment that there is no claim for 523(a) but in the event you are not convinced,
please call me by phone before filing a complaint.

23 Ex. 10 to Schlecter Decl. In an email sent to Mr. Gorginian on November 6, 2025, Mr. Schlecter
24 requested additional supporting documents. *Id.* In response, in an email sent to Mr. Schlecter on
25 November 7, 2025, Mr. Gorginian offered to provide "more documents, to set up a Zoom 2004
26 examination, or chat on the phone.” In this email, Mr. Gorginian represented that Debtor “is
27 ready to explain and testify further in support of her position." *Id.*
28

1 **G. The Second Extension Stipulation and Order as to Swift Financial LLC**

2 On November 14, 2025, Swift filed a second stipulation regarding the deadline to file a
3 complaint against Debtor (the "Second Swift Extension Stipulation," and together with the First
4 Swift Extension Stipulation, the "Swift Extension Stipulations") [doc. 31]. Like the First Swift
5 Extension Stipulation, the Second Swift Extension Stipulation states that it is “entered into by
6 and between Swift Financial, LLC (‘Swift’) and Lusine Hakhverdyan (‘Debtor’), by and through
7 their respective counsel *after the opportunity for counsel to review and advise the party . . .*” Ex.
8 11 to Schlecter Decl. [doc. 57]; *see also* doc. 31 (emphasis added). This stipulation contains the
9 same provisions as the First Swift Extension Stipulation, except that the extension provided to
10 Swift is through December 16, 2025. *Id.* Like the First Swift Extension Stipulation, this
11 stipulation is signed by Mr. Schlecter and Mr. Gorginian. *Id.*; *see also* Gorginian Decl., ¶¶ 17-21
12 and 23.

13 After Debtor learned about the second extension of time received by Swift, Debtor sent
14 an email to Mr. Gorginian “questioning why he was not rejecting Swift’s extension request and
15 why he was not communicating with me about extensions.” “Debtor’s Reply to Swift’s Omnibus
16 Opposition” [doc. 58]. As stated by Debtor,
17

18 At that time, I believed any extension was something the Court granted based on
19 creditor request, and I did not understand that my attorney was stipulating to extend
20 the § 523 deadline without my consent.

21 *Id.* In response to Debtor’s questioning, Mr. Gorginian informed her that he had granted the
22 extensions of time to Swift, without getting Debtor’s consent.
23

24 Mr. Gorginian has acknowledged that he acted unilaterally in agreeing to both of the
25 requested extensions of time to Swift. Mr. Gorginian contends that granting each of these
26 extensions, first from September 15, 2025 to November 17, 2025 and then to December 16,
27
28

1 2025, was Mr. Gorginian’s decision to make, as Debtor’s counsel. Gorginian Decl., ¶¶ 3, 5, 9,
2 11, 15, 17, 18, 20, 21, 23. As stated by Mr. Gorginian: “Unfortunately, Debtor believes I should
3 have [denied Mr. Schlechter’s request for an extension] and not grant the extension, cross our
4 fingers, and pray that Mr. Schlechter would have missed the deadline and not file a
5 nondischargeability complaint by the deadline. This is speculative and false.” *Id.*, ¶¶ 19 and 21.
6 “Granting stipulations to extend time to file a complaint is within my discretion and in her best
7 interest.” *Id.*, ¶ 11.
8

9 On November 18, 2025, the Court entered an Order approving the Second Swift
10 Extension Stipulation (the "Second Swift Extension Order," and together with the First
11 Extension Order, the "Swift Extension Orders"); the Second Swift Extension Order further
12 extended the deadline for Swift to file a complaint against Debtor until December 16, 2025 [doc.
13 33].
14

15 **H. Debtor’s FRCP 60 Motions**

16 On November 19, 2025, Debtor, acting in pro per, filed the First Relief Motion [doc. 34].
17 After Debtor filed the First Relief Motion, on November 24, 2025, Swift filed a complaint
18 against Debtor, asserting nondischargeability of the Judgment pursuant to 11 U.S.C. § 523(a)(2),
19 (4) and (6) [doc. 1 in Adv. Proceeding No. 1:25-ap-01077]. On November 25, 2025, Debtor filed
20 four more of Debtor’s FRCP 60 Motions [docs. 37, 38, 39 and 40].
21

22 On January 29, 2026, Swift filed an “Omnibus Opposition to the Motions to Vacate”
23 (“Omnibus Opposition”) [doc. 57]. Swift argues that, when Mr. Gorginian agreed to the Swift
24 Extension Stipulations, he acted pursuant to apparent and implied authority. As a result, Swift
25 contends that Debtor is personally bound to the Swift Extension Stipulations. Omnibus
26 Opposition, pp. 10-11.
27
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1 On February 3, 2026, Debtor filed a reply to the Omnibus Opposition [doc. 58], and on
2 February 17, 2026, Debtor filed a supplemental brief [doc. 59].

3 **II. LEGAL AUTHORITY**

4 **A. The Deadlines to File Objections to Discharge and Ability to Extend the** 5 **Deadlines**

6 With respect to the deadline to object to a chapter 7 debtor's discharge pursuant to 11
7 U.S.C. § 727, Rule 4004 states:

8 (a) Time to Object to Discharge; Notice.

9 (1) *Chapter 7.* In a chapter 7 case, a complaint, or a motion under §
10 727(a)(8) or (9) – objecting to a discharge must be filed within 60 days after the
11 first date set for the § 341(a) meeting of creditors.

12 ...
13 (b) Extension the Time to File an Objection.

14 (1) *Motion Before the Time Expires.* On a party in interest's motion and after
15 notice and hearing, the court may, for cause, extend the time to object to a
16 discharge. The motion must be filed before the time has expired...

17 As concerns the deadline to object to the dischargeability of debts pursuant to 11 U.S.C. §
18 523, Rule 4007(c) states:

19 Chapter 7, 11, 12, or 13-Time to File a Complaint Under § 523(c); Notice of Time;
20 Extension. ...[A] complaint to determine whether a debt is dischargeable under §
21 523(c) must be filed within 60 days after the first date set for the § 341(a) meeting
22 of creditors.... On a party in interest's motion filed before the time expires, the
23 court may, after notice and a hearing and for cause, extend the time to file.

24 "The power to extend the 60-day deadlines prescribed in the Rules rests entirely within
25 the discretion of the bankruptcy judge and should not be granted without a showing of good
26 cause, and without proof that the creditor acted diligently to obtain facts within the bar date...but
27 was unable to do so." *In re Bomarito*, 448 B.R. 242, 248 (Bankr. E.D. Cal. 2011) (internal
28 citations and quotations omitted). "The movant seeking an extension of time for cause must
establish at least a reasonable degree of due diligence to be accorded the requested extension."

1 *Id.* at 248 (internal citations and quotations omitted).

2 **B. Express, Apparent and Implied Authority to Act on Client's Behalf**

3 When a case is in federal court pursuant to federal question jurisdiction, federal common
4 law controls an attorney's authority to enter into stipulations and settlements. *Hamilton v.*
5 *Willms*, No. 1:02-cv-6583 AWI SMS, 2007 WL 2558615, at *7 (E.D. Cal. Sept. 4, 2007); *see*
6 *also Kelley v. Euromarket Designs, Inc.*, No. CIVS07-0232 RRB EFB, 2008 WL 109332, at *3
7 (E.D. Cal. Jan. 8, 2008).

8 Pursuant to federal common law, an attorney's ability to bind a client to the consequences
9 of the attorney's actions is governed by the principals of agency.

10 The Restatement of Agency defines agency as "the fiduciary relationship that arises
11 when one person (a 'principal') manifests assent to another person (an 'agent') that
12 the agent shall act on the principal's behalf and subject to the principal's control,
13 and the agent manifests assent or otherwise consents so to act." Restatement (Third)
14 of Agency § 1.01 (2006). The legal consequences of an agent's actions may be
15 attributed to a principal when the agent is acting within its authority. Restatement
16 (Third) of Agency § 2 intro. note (2006).

17 *Salyers v. Metro. Life Ins. Co.*, 871 F.3d 934, 939–40 (9th Cir. 2017).

18 The legal consequences of an agent's actions may be attributed to a principal when the
19 agent has actual authority (express or implied) or apparent authority. Restatement (Third) of
20 Agency § 2 intro. note (A.L.I. 2006).

21 **1. Express Authority**

22 An agent acts with express authority when a principal directly states that the agent may
23 perform a particular act on the principal's behalf. *See Salyers v. Metro. Life Ins. Co.*, 871 F.3d at
24 940 ("Express actual authority derives from an act specifically mentioned to be done in a written
25 or oral communication.").
26
27
28

1 **2. Apparent Authority**

2 As stated in the Restatement (Third) Of Agency § 2.03 (A.L.I. 2006):

3 Apparent authority is the power held by an agent or other actor to affect a principal's
4 legal relations with third parties when a third party reasonably believes the actor
5 has authority to act on behalf of the principal *and that belief is traceable to the*
6 *principal's manifestations.*

7 Emphasis added. "[I]n order to create apparent authority, the principal must manifest to the third
8 party that he 'consents to have the act done on his behalf by the person purporting to act for
9 him.'" *Fennell v. TLB Kent Co.*, 865 F.2d 498, 502 (2d Cir. 1989) (quoting Restatement (Second)
10 of Agency § 27 (A.L.I. 1958)). Explicit statements made by a principal directly to a third party
11 and statements made by other parties concerning an agent's authority that reach the third party
12 and are traceable to the principal are examples of a "principal's manifestations" which can
13 credibly result in the third party believing a purported agent has authority to act on the
14 principal's behalf. Restatement (Third) Of Agency § 2.03 cmt. c (A.L.I. 2006). In some
15 circumstances, the conduct of a principal can be a non-verbal manifestation, such as when a
16 "principal's acts speak so loudly that explicit verbal communication is unnecessary." *Id.* § 3.03
17 cmt. b.

18
19
20 **3. Implied Authority**

21 Restatement (Third) Of Agency § 2.01 cmt. b (A.L.I. 2006) states:

22 "Implied authority" is often used to mean actual authority either (1) to do what is
23 necessary, usual, and proper to accomplish or perform an agent's express
24 responsibilities or (2) to act in a manner in which an agent believes the principal
25 wishes the agent to act based on the agent's reasonable interpretation of the
26 principal's manifestation in light of the principal's objectives and other facts known
27 to the agent. These meanings are not mutually exclusive. Both fall within the
28 definition of actual authority.

29 In *England v. Doyle*, 281 F.2d 304 (9th Cir. 1960), the Ninth Circuit Court of Appeals
30 noted that "an attorney has implied authority to make agreements and stipulations with respect to

1 purely procedural matters during the regular course of litigation.” The Court of Appeals further
2 explained that an attorney “has no such authority to enter into agreements which involve a
3 waiver of any of his client's substantial rights or the imposition upon him of new liabilities or
4 burdens.” *Id.* at 308-309 (internal citations omitted); *see also Lerner Master Fund, LLC v. Page*
5 (*In re Paige*), 476 B.R. 867, 870 (Bankr. M.D. Pa. 2012) (“In matters concerning the
6 management of the litigation, implied authority is initially presumed for the sake of judicial
7 efficiency; an attorney may typically enter into procedural stipulations and agreements.”).

8
9 In *Paige*, the debtors disputed that they had provided their attorney with the authority to
10 make a stipulation to extend the deadline to file a complaint challenging the dischargeability of
11 their debt; consequently, the debtors contended that a stipulated extension of time between the
12 parties’ counsel was not binding on them.

13
14 The court held that the extension of the objection to discharge deadline “involved mere
15 procedural issues.” *Id.*, 476 B.R. at 871. As explained by the court:

16
17 [I]t is initially presumed that [the debtors’ counsel] had the implied authority to
18 agree to the stipulation. The joint stipulation did not deny the Paiges any substantive
19 rights; it merely dealt with a filing deadline, set, not by statute, but by Federal Rule
20 of Bankruptcy Procedure 4007. The joint stipulation did not burden the Paiges in
21 any way, nor did it deprive the Paiges of the dischargeability of their debt.

22 *Id.* When the totality of circumstances was weighed, the *Paige* court held there was not enough
23 evidence to rebut the presumption of implied authority that generally attaches to procedural
24 matters, such as the stipulation to an extension of time by the debtors’ counsel.

25 **C. Deadlines Imposed by the Federal Rules of Bankruptcy Procedure Are
26 Procedural**

27 In *In re Hill*, 811 F.2d 484 (9th Cir. 1987), the Ninth Circuit Court of Appeals considered
28 whether Rules 4007(c) and 9006(d) abridge affected parties’ substantive rights, as codified in 11
U.S.C. § 523. In *Hill*, more than 60 days after a debtor’s first meeting of creditors, a creditor

1 filed a complaint pursuant to § 523(a)(6). On appeal, the creditor argued that the deadline
2 imposed in Rule 4007(c) is functionally a statute of limitations to bring a complaint to determine
3 the nondischargeability of debts under § 523(a)(2), (4) and (6). By imposing a non-statutory
4 deadline to bring a complaint for nondischargeability, the creditor contended that Rule 4007(c)
5 improperly amended the creditor's substantive rights.
6

7 The Court of Appeals rejected the creditor's argument:

8 Although rule 4007(c) in some respects resembles a statute of limitations, its effects
9 are quite different. Statutes of limitations affect primary conduct—behavior apart
10 from any litigation—by providing repose to potential defendants. Such statutes are
11 not designed to manage ongoing litigation. In contrast, rule 4007(c) is triggered
12 only by certain events within bankruptcy litigation. The rule does not grant repose
13 to the debtor or anyone else. Instead, it avoids delay by requiring a party to file
14 promptly rather than just prior to the final settlement of the bankruptcy case. *See*
15 *Bankr. R. 9006 advisory committee's note* (such rules serve the "interest of prompt
16 administration of bankruptcy cases"). Therefore, it affects procedural not
17 substantive rights.

18 *Id.* at 486–87.

19 **D. Federal Rule of Civil Procedure 60(b)**

20 Federal Rule of Civil Procedure ("FRCP") 60(b) provides:

21 On motion and just terms, the court may relieve a party or its legal representative
22 from a final judgment, order, or proceeding for the following reasons:

- 23 (1) mistake, inadvertence, surprise, or excusable neglect;
- 24 (2) newly discovered evidence that, with reasonable diligence, could not have been
25 discovered in time to move for a new trial under Rule 59(b);
- 26 (3) fraud (whether previously called intrinsic or extrinsic), misrepresentation, or
27 misconduct by an opposing party;
- 28 (4) the judgment is void;
- (5) the judgment has been satisfied, released, or discharged; it is based on an earlier
judgment that has been reversed or vacated; or applying it prospectively is no longer
equitable; or
- (6) any other reason that justifies relief.

FRCP 60(b)(1)-(6).

1 **1. FRCP 60(b)(1) – Relief from Orders Based on Mistake, Inadvertence,**
2 **Surprise, or Excusable Neglect**

3 FRCP 60(b)(1) provides, "[o]n motion and just terms, the court may relieve a party or a
4 party's legal representative from a final judgment, order, or proceeding for ... mistake,
5 inadvertence, surprise, or excusable neglect."

6 For purposes of subsection (b)(1), parties should be bound by and accountable for
7 the deliberate actions of themselves and their chosen counsel. This includes not
8 only an innocent, albeit careless or negligent, attorney mistake, but also intentional
9 attorney misconduct. Such mistakes are more appropriately addressed through
malpractice claims.

10 *Latshaw v. Trainer Wortham & Co.*, 452 F.3d 1097, 1101 (9th Cir. 2006).²

11 **2. FRCP 60(b)(3) – Relief from Orders Based on Fraud, Misrepresentation**
12 **or Misconduct by an Opposing Party**

13 FRCP 60(b)(3) provides: "[o]n motion and just terms, the court may relieve a party or a
14 party's legal representative from a final judgment, order, or proceeding for ... fraud ("whether
15 previously called intrinsic or extrinsic) misrepresentation, or misconduct by an opposing party."
16 Subsection (b)(3) permits relief only when the fraud, misrepresentation or misconduct was
17 committed by "an opposing party." *Latshaw v. Trainer Wortham & Co.*, 452 F.3d at 1102; *Valley*
18 *National Bank v. Needler (In re Grantham Bros.)*, 922 F.2d 1438, 1442–43 (9th Cir.1991)
19 (declining to apply FRCP 60(b)(3) when alleged fraud was not committed by opposing party).

20 **3. FRCP 60(b)(4) – Orders Void for Lack of Jurisdiction**

21 Under FRCP 60(b)(4), a judgement or order may be set aside as void for lack of
22

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25 ² In these motions, Debtor occasionally refers to inaccurate or nonexistent case citations. For example, in the First
26 Relief Motion, Debtor cites "*Whittaker v. Otto*, 2014 WL 37845 (9th Cir.)," with the description "Counsel lacks
27 authority to alter rights without direct permission." This Westlaw citation leads to *Harmer v. Pennsylvania Board of*
28 *Probation and Parole*, 83 A.3d 293 (Commonwealth Court of Pennsylvania 2014), which does not discuss the
authority of counsel. Also in the First Relief Motion, Debtor cites to "*In re Chionis*, 531 B.R. 52 (coercive litigation
threats violate bankruptcy protection.)" *Chionis* is not in 531 B.R. 52; it is an unpublished decision of the Ninth
Circuit Bankruptcy Appellate Panel which can be found at *In re Chionis*, 2013 WL 6840485 (9th Cir. BAP
December 27, 2013) (concerning action for violation of discharge injunction; this decision is inapposite to Debtor's
FRCP 60 Motions).

1 jurisdiction generally "only for the exceptional case in which the court that rendered judgment
2 lacked even an 'arguable basis' for jurisdiction." *United Student Aid Funds, Inc. v. Espinosa*, 130
3 S.Ct. 1367, 559 U.S. 260, 271, 176 L.Ed.2d 158 (2010) (for purposes of FRCP 60(b)(4), order
4 that confirms discharge of student loan debt, in absence of undue hardship finding or adversary
5 proceeding, is not a void judgment).
6

7 "A final judgment is 'void' for purposes of Rule 60(b)(4) only if the court that considered
8 it lacked jurisdiction, either as to the subject matter of the dispute or over the parties to be bound,
9 or acted in a manner inconsistent with due process of law." *United States v. Berke*, 170 F.3d 882,
10 883 (9th Cir. 1999).
11

12 A bankruptcy court's jurisdiction includes all matters arising under, arising in, or related
13 to a case under the Bankruptcy Code. Certain matters arising directly under the Bankruptcy Code
14 are "core proceedings." Included in core proceedings are "matters concerning the administration
15 of the estate," "objections to discharge," and "determinations as to the dischargeability of
16 particular debts." 28 U.S.C. § 157(b)(2)(A), (I) and (J).
17

18 As explained by the Supreme Court in *United Student Aid Funds*, the Federal Rules of
19 Bankruptcy Procedure are "procedural rules adopted by the Court for the orderly transaction of
20 its business" and "are not jurisdictional." *Id.*, 559 U.S. at 272 (internal citation and quotation
21 marks omitted). *See also Schunck v. Santos (In re Santos)*, 112 B.R. 1001, 1006 (9th Cir. BAP
22 1990) ("deadlines for filing dischargeability complaints and objections to discharge set forth in
23 Rules 4007(c) and 4004(a) are not jurisdictional time limits").
24

25 **4. FRCP 60(b)(6) – Relief from Orders Due to Extraordinary**
26 **Circumstances and to Prevent Manifest Injustice**

27 FRCP 60(b)(6) provides that, on motion, "the court may relieve a party or a party's legal
28 representative from a final judgment, order, or proceeding for ... any other reason justifying relief

1 from the operation of the judgment."

2 "Judgments are not often set aside under Rule 60(b)(6). Rather, the Rule is to used
3 sparingly as an equitable remedy to prevent manifest injustice . . ." *Latshaw v. Trainer*
4 *Wortham & Co.*, 452 F.3d at 1103 (internal citations and quotations omitted). "The burden is on
5 the moving party to bring himself within the purviews of Rule 60(b)(6)." *In re Hammer*, 112
6 B.R. 341, 345 (9th Cir. BAP 1990).

8 **III. ANALYSIS**

9 **A. Whether the Swift Extension Stipulations Are Binding on Debtor**

10 **1. Actual Express Authority**

11 Mr. Gorginian has acknowledged that he acted unilaterally in agreeing to provide Swift
12 with the extensions of time to file a complaint against Debtor. Debtor did not explicitly assent
13 nor instruct Mr. Gorginian to enter into the Swift Extension Stipulations. As a result, Mr.
14 Gorginian did not possess express authority.

15 **2. Apparent Authority**

16 Swift argues that, although Mr. Gorginian may not have express authority, he had
17 apparent authority from Debtor, which is sufficient to bind Debtor to the Swift Extension
18 Stipulations. Mr. Schlechter understood that Mr. Gorginian was acting expressly on Debtor's
19 behalf. Consequently, Swift relied on Mr. Gorginian's consent to the Swift Extension
20 Stipulations. Schlechter Decl., ¶ 31-32, 49 and 52.

21 Mr. Schlechter's reliance on Mr. Gorginian's acts and representations is not sufficient to
22 establish *apparent* authority for Mr. Gorginian, acting as an agent, to bind Debtor as a principal.
23 In order to establish "apparent authority," Swift must show that Swift relied upon a statement or
24 other manifestations of *Debtor*. Swift has not shown that Debtor, or anyone other than Mr.
25
26
27
28

1 Gorginian, directly communicated with Swift or its attorney, or that *Debtor* directly manifested
2 to Swift that she assented to the Swift Extension Stipulations.

3 **3. Implied Authority**

4 With respect to the First Swift Extension Stipulation, Mr. Gorginian anticipated that
5 granting Swift's requested extension of time would enable Debtor to provide Swift with
6 responsive documents and convince Swift not to file a complaint against Debtor. Gorginian
7 Decl., ¶¶ 15, 17 and 19.

8 As concerns the Second Swift Extension Stipulation, in light of the extended November
9 17 Deadline to file a nondischargeability action, which Mr. Gorginian had agreed to provide, and
10 Swift's ability to file a complaint before obtaining a second extension of time, Mr. Gorginian
11 agreed to execute the Second Swift Extension Stipulation. Gorginian Decl., ¶¶ 16-17, 21, 23. Mr.
12 Gorginian has represented that his intent was to have additional time in order to dissuade Swift
13 from filing a complaint against Debtor.

14 Regarding procedural matters during the regular course of litigation, an attorney acts with
15 implied authority and may bind their client through words and actions. *See England v. Doyle*,
16 281 F.2d at 309. The extensions of the time for Swift to file a complaint to determine the
17 nondischargeability of its debt are procedural. The Swift Extension Stipulations do not deny
18 Debtor any substantive rights, i.e., they did not eliminate Debtor's ability to obtain a discharge or
19 determine the dischargeability of any debt. Rather, they impacted Swift's deadline under Rule
20 4007 to file a complaint against Debtor, in order to assert that its debt is not subject to discharge.
21 Because the Swift Extension Stipulations involve procedural matters, Mr. Gorginian had implied
22 authority to agree to the Swift Extension Stipulations.

1 **B. Debtor's Request to Vacate the Swift Extension Orders Pursuant to FRCP**
2 **60(b)(1)**

3 Debtor asserts that FRCP 60(b)(1) is a basis to void the Swift Extension Orders.

4 However, Mr. Gorginian's consent to the Swift Extension Stipulations is not an issue of mistake,
5 inadvertence, surprise or excusable neglect. Instead, it was an intentional procedural tactic used
6 by Mr. Gorginian with the intention of providing Debtor with additional time to convince Swift
7 not to file a complaint against Debtor under 11 U.S.C. §§ 523(a)(2), (a)(4), (a)(6) and/or 727.
8

9 The Court will not set aside the Swift Extension Orders due to mistake, inadvertence,
10 surprise, or excusable neglect pursuant to FRCP 60(b)(1).

11 **C. Debtor's Request to Vacate the Swift Extension Orders Pursuant to FRCP**
12 **60(b)(3)**

13 Debtor asserts that FRCP 60(b)(3) is a basis to void the Swift Extension Orders. FRCP
14 60(b)(3) permits relief only when the fraud was committed by an opposing party. In this case,
15 Debtor has not established that Swift or Mr. Schlecter engaged in fraud or misconduct. The
16 communications between Mr. Schlecter and Mr. Gorginian regarding the nondischargeability of
17 the Judgment, and Swift's related document production or settlement demands, do not constitute
18 fraud or misconduct.
19

20 The Court will not set aside the Swift Extension Orders on the basis of fraud,
21 misrepresentation, or misconduct by Swift or its counsel pursuant to FRCP 60(b)(3).
22

23 **D. Debtor's Request to Vacate the Second Extension Order Pursuant to FRCP**
24 **60(b)(4)**

25 Debtor asserts that the Court lacked jurisdiction to enter the Second Extension Order on
26 November 18, 2025. Although Debtor did not consent to Mr. Gorginian's decision to provide
27 either extension of time to Swift, the Court had subject matter jurisdiction to enter both Swift
28 Extension Orders.

1 The Court will not set aside the Swift Extension Orders on the basis that the orders are
2 void for lack of jurisdiction.

3 **E. Debtor's Request to Vacate the Swift Extension Orders Pursuant to FRCP**
4 **60(b)(6)**

5 Debtor asserts that the Swift Extension Orders should be vacated pursuant to FRCP
6 60(b)(6) because her attorney took actions contrary to her wishes, and she would have objected
7 to the Swift Extension Stipulations if she had known her attorney was consenting to them.
8 Because Mr. Gorginian had implied authority to provide the extensions, Swift relied on the Swift
9 Extension Stipulations and the related orders. If Swift had known that Debtor disagreed with Mr.
10 Gorginian's decision to provide these extensions, before the September 15 Deadline, Swift could
11 have timely filed a motion to continue that deadline under Rules 4004 and 4007 or filed a
12 complaint against Debtor to assert its claims that the Judgment is nondischargeable.
13
14

15 From the beginning of Debtor's case, Swift acted diligently to obtain facts and evaluate
16 whether it had claims that the Judgment is a nondischargeable debt. On July 16, 2025, Mr.
17 Schlecter appeared at Debtor's initial meeting of creditors and questioned Debtor. Schlecter
18 Decl., ¶¶ 23-26. Later that day, Mr. Schlecter sent an email to Mr. Gorginian requesting
19 documents from Debtor. Ex. 5 to Schlecter Decl. On July 21, 2025, approximately one week
20 after the initial meeting of creditors, Mr. Schlecter contacted Mr. Gorginian, expressed his
21 intention to subpoena documents from Debtor's bank and requested an extension of the
22 September 15 Deadline, in case the bank was delayed in its response. See Ex. 6 to Schlecter
23 Decl.
24
25

26 On September 5, 2025, well before the November 17 Deadline, Swift filed the Swift Rule
27 2004 Motion. Following receipt of Debtor's records from Wells Fargo Bank, Mr. Schlecter sent
28 Mr. Gorginian an email regarding the merits of a nondischargeability action. Schlecter Decl., ¶

1 48 and Ex. 10 thereto. Mr. Gorginian and Mr. Schlecter continued to correspond via email, and
2 on November 7, 2025, Mr. Gorginian offered to provide “more documents, to set up a Zoom
3 2004 examination, or chat on the phone[,]” representing that Debtor “is ready to explain and
4 testify further in support of her position.” Ex. 10 to the Schlecter Decl.
5

6 If Swift had timely filed a motion to obtain an extension of time, which Swift apparently
7 was prepared to do, Swift’s efforts to complete its investigation before filing the Swift Complaint
8 would have constituted cause to extend the September 15 Deadline. Swift was unaware that
9 Debtor did not consent to Mr. Gorginian’s execution of the Swift Extension Stipulations.
10 Because Mr. Gorginian agreed to the requested extensions on Debtor’s behalf, Swift did not file
11 motions to obtain extensions of time, nor file the Swift Complaint, before the September 15
12 Deadline or the November 17 Deadline.
13

14 Finally, the Swift Extension Stipulations did not deprive Debtor of her discharge or
15 determine the dischargeability of any debt. Accordingly, the Swift Extension Orders are not
16 manifestly unjust.
17

18 Because Debtor has not met her burden to establish sufficient grounds to vacate the Swift
19 Extension Orders pursuant to FRCP 60(b)(6), the Court will deny Debtor’s FRCP 60 Motions on
20 that ground.
21

22 **F. Debtor’s Request for Sanctions**

23 Debtor requests that the Court sanction Mr. Schlecter for the positions which he asserted
24 in his communications with Mr. Gorginian about the production of documents, Swift’s intentions
25 to file the Complaint and Swift’s settlement demand. These communications do not constitute
26 cause to sanction Mr. Schlecter.
27
28

1 With respect to Mr. Gorginian's unilateral decision to enter into each of the Swift
2 Extension Stipulations, and his failure to reasonably consult with Debtor before he did so, the
3 Court is ordering that Mr. Gorginian disgorge fees which he received from Debtor in connection
4 with her bankruptcy case. If Debtor seeks further relief directly from Mr. Gorginian or
5 concerning his conduct as her attorney, Debtor may do so before the State Bar of California or in
6 another nonbankruptcy forum.
7

8 **IV. CONCLUSION**

9 The Court will deny Debtor's FRCP 60 Motions.
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24 Date: March 3, 2026


Victoria S. Kaufman
United States Bankruptcy Judge