

B1040 (FORM 1040) (12/24)

ADVERSARY PROCEEDING COVER SHEET (Instructions on Reverse)		ADVERSARY PROCEEDING NUMBER (Court Use Only) <i>26-90003-CL7</i>
PLAINTIFFS Ashkan Rajae	DEFENDANTS Christopher Barclay, Jesse Finlayson, Finlayson Toffer Roosevelt & Lilly LLP	
ATTORNEYS (Firm Name, Address, and Telephone No.) Daryoush (Darius) Shahrouzi / NDM Law 901 W Civic Center Dr Ste #4028 Santa Ana, CA 92703 (714) 200-2288	ATTORNEYS (If Known)	
PARTY (Check One Box Only) <input checked="" type="checkbox"/> Debtor <input type="checkbox"/> U.S. Trustee/Bankruptcy Admin <input type="checkbox"/> Creditor <input type="checkbox"/> Other <input type="checkbox"/> Trustee	PARTY (Check One Box Only) <input type="checkbox"/> Debtor <input type="checkbox"/> U.S. Trustee/Bankruptcy Admin <input type="checkbox"/> Creditor <input type="checkbox"/> Other <input checked="" type="checkbox"/> Trustee	
CAUSE OF ACTION (WRITE A BRIEF STATEMENT OF CAUSE OF ACTION, INCLUDING ALL U.S. STATUTES INVOLVED) (1) Fraud on the Court, (2) Ultra Vires Acts; Acts Outside the Scope of Trustee Authority; Loss of Immunity (3) Breach of Fiduciary Duty — Duty of Loyalty, Disinterestedness, and Candor, (4) Breach of Fiduciary Duty — Duty of Care, Investigation, and Reasonable Administration, (5) Aiding and Abetting Breach of Fiduciary Duty, (6) Civil Conspiracy, (7) Abuse of Process; Retaliation and Misuse of Court Procedures, (8) Declaratory Relief (Voidness of Orders; Lack of Authority), (9) Disgorgement / Restitution / Unjust Enrichment		
NATURE OF SUIT (Number up to five (5) boxes starting with lead cause of action as 1, first alternative cause as 2, second alternative cause as 3, etc.)		
<p>FRBP 7001(a) – Recovery of Money/Property</p> <input type="checkbox"/> 11-Recovery of money/property - §542 turnover of property <input type="checkbox"/> 12-Recovery of money/property - §547 preference <input type="checkbox"/> 13-Recovery of money/property - §548 fraudulent transfer <input checked="" type="checkbox"/> 14-Recovery of money/property - other <p>FRBP 7001(b) – Validity, Priority or Extent of Lien</p> <input type="checkbox"/> 21-Validity, priority or extent of lien or other interest in property <p>FRBP 7001(c) – Approval of Sale of Property</p> <input type="checkbox"/> 31-Approval of sale of property of estate and of a co-owner - §363(h) <p>FRBP 7001(d) – Objection/Revocation of Discharge</p> <input type="checkbox"/> 41-Objection / revocation of discharge - §727(c),(d),(e) <p>FRBP 7001(e) – Revocation of Confirmation</p> <input type="checkbox"/> 51-Revocation of confirmation <p>FRBP 7001(f) – Dischargeability</p> <input type="checkbox"/> 66-Dischargeability - §523(a)(1),(14),(14A) priority tax claims <input type="checkbox"/> 62-Dischargeability - §523(a)(2), false pretenses, false representation, actual fraud <input type="checkbox"/> 67-Dischargeability - §523(a)(4), fraud as fiduciary, embezzlement, larceny <p style="text-align: center;">(continued next column)</p>	<p>FRBP 7001(f) – Dischargeability (continued)</p> <input type="checkbox"/> 61-Dischargeability - §523(a)(5), domestic support <input type="checkbox"/> 68-Dischargeability - §523(a)(6), willful and malicious injury <input type="checkbox"/> 63-Dischargeability - §523(a)(8), student loan <input type="checkbox"/> 64-Dischargeability - §523(a)(15), divorce or separation obligation (other than domestic support) <input type="checkbox"/> 65-Dischargeability - other <p>FRBP 7001(g) – Injunctive Relief</p> <input type="checkbox"/> 71-Injunctive relief – imposition of stay <input type="checkbox"/> 72-Injunctive relief – other <p>FRBP 7001(h) Subordination of Claim or Interest</p> <input type="checkbox"/> 81-Subordination of claim or interest <p>FRBP 7001(i) Declaratory Judgment</p> <input checked="" type="checkbox"/> 91-Declaratory judgment <p>FRBP 7001(j) Determination of Removed Action</p> <input type="checkbox"/> 01-Determination of removed claim or cause <p>Other</p> <input type="checkbox"/> SS-SIPA Case – 15 U.S.C. §§78aaa <i>et seq.</i> <input type="checkbox"/> 02-Other (e.g. other actions that would have been brought in state court if unrelated to bankruptcy case)	
<input type="checkbox"/> Check if this case involves a substantive issue of state law	<input type="checkbox"/> Check if this is asserted to be a class action under FRCP 23	
<input checked="" type="checkbox"/> Check if a jury trial is demanded in complaint	Demand \$ 50,000,000	
Other Relief Sought		

#302874

B1040 (FORM 1040) (12/24)

BANKRUPTCY CASE IN WHICH THIS ADVERSARY PROCEEDING ARISES		
NAME OF DEBTOR Ashkan Rajaei and Nassim Rajaei		BANKRUPTCY CASE NO. 24-00617-CL7
DISTRICT IN WHICH CASE IS PENDING Southern District of California	DIVISION OFFICE San Diego	NAME OF JUDGE Christopher B. Latham
RELATED ADVERSARY PROCEEDING (IF ANY)		
PLAINTIFF	DEFENDANT	ADVERSARY PROCEEDING NO.
DISTRICT IN WHICH ADVERSARY IS PENDING	DIVISION OFFICE	NAME OF JUDGE
SIGNATURE OF ATTORNEY (OR PLAINTIFF) 		
DATE January 6, 2026	PRINT NAME OF ATTORNEY (OR PLAINTIFF) Darius Shahrouzi	

INSTRUCTIONS

The filing of a bankruptcy case creates an "estate" under the jurisdiction of the bankruptcy court which consists of all of the property of the debtor, wherever that property is located. Because the bankruptcy estate is so extensive and the jurisdiction of the court so broad, there may be lawsuits over the property or property rights of the estate. There also may be lawsuits concerning the debtor's discharge. If such a lawsuit is filed in a bankruptcy court, it is called an adversary proceeding.

A party filing an adversary proceeding must also complete and file Form 1040, the Adversary Proceeding Cover Sheet, unless the party files the adversary proceeding electronically through the court's Case Management/Electronic Case Filing system (CM/ECF). (CM/ECF captures the information on Form 1040 as part of the filing process.) When completed, the cover sheet summarizes basic information on the adversary proceeding. The clerk of court needs the information to process the adversary proceeding and prepare required statistical reports on court activity.

The cover sheet and the information contained on it do not replace or supplement the filing and service of pleadings or other papers as required by law, the Bankruptcy Rules, or the local rules of court. The cover sheet, which is largely self-explanatory, must be completed by the plaintiff's attorney (or by the plaintiff if the plaintiff is not represented by an attorney). A separate cover sheet must be submitted to the clerk for each complaint filed.

Plaintiffs and Defendants. Give the names of the plaintiffs and defendants exactly as they appear on the complaint.

Attorneys. Give the names and addresses of the attorneys, if known.

Party. Check the most appropriate box in the first column for the plaintiffs and the second column for the defendants.

Demand. Enter the dollar amount being demanded in the complaint.

Signature. This cover sheet must be signed by the attorney of record in the box on the second page of the form. If the plaintiff is represented by a law firm, a member of the firm must sign. If the plaintiff is pro se, that is, not represented by an attorney, the plaintiff must sign.

FILED
2026 JAN -6 PM 12:28
CLERK
U.S. BANKRUPTCY CT.
SOUTHERN DISTRICT OF CALIF.

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8 **UNITED STATES BANKRUPTCY COURT**
9 **SOUTHERN DISTRICT OF CALIFORNIA**

10
11 In Re:
12 Ashkan Rajae

13 Debtor.

Chapter 7 Case: 24-00617-CL7
Adv. Case No.:

14
15 ASHKAN RAJAE, an Individual,
16 Plaintiff/Debtor

**COMPLAINT FOR DAMAGES
AND DECLARATORY RELIEF**

[DEMAND FOR JURY TRIAL]

17 v.

18 CHRISTOPHER R. BARCLAY, an
19 Individual; JESSE S. FINLAYSON, an
20 Individual; and FINLAYSON TOFFER
21 ROOSEVELT & LILLY LLP, a
California Limited Liability Partnership.

22 Defendants
23

1 **I. NATURE OF THE ACTION**

2 1. This is an action arising from the administration of a bankruptcy estate in
3 which a chapter 7 trustee and his counsel exercised court-delegated authority over
4 disputed property, non-debtor rights, and estate causes of action based on representations
5 that were legally impossible, materially misleading, and fabricated as a matter of law.

6 2. Plaintiff **Ashkan Rajae** (“Plaintiff” or “Rajae”) does not seek to relitigate
7 settled disputes, re-argue the merits of prior rulings, or pursue an appeal disguised as a
8 collateral attack. Rather, Plaintiff challenges independent misconduct that corrupted the
9 judicial process itself, including the knowing submission of false or legally impossible
10 authority, concealment of dispositive facts, and misuse of the Court’s coercive power.

11 3. The gravamen of this action is fraud on the Court and ultra vires conduct,
12 not discretionary case administration. Plaintiff alleges that Defendants knowingly relied
13 upon and advanced a fabricated corporate-governance document to create the false
14 appearance of authority that did not and could not exist under governing law, and that
15 this fabricated authority was indispensable to the orders subsequently entered.

16 4. Plaintiff seeks declaratory, equitable and monetary relief against Defendant
17 **Christopher Barclay** (“Trustee” or “Barclay”) in his individual capacity for acts alleged
18 herein that were undertaken outside the scope of lawful trustee authority, including ultra
19 vires acts, fraud on the Court, knowing misrepresentations and concealment of material
20 facts. Such acts are not protected by trustee immunity and give rise to personal liability.

21 5. Plaintiff further seeks monetary damages, including compensatory and
22 consequential damages, disgorgement of fees, and such other relief as may be proven at
23 trial, against Defendants **Jesse S. Finlayson** (“Finlayson”) and **Finlayson Toffer**
24 **Roosevelt & Lilly LLP** (“FTRL”), **not merely as agents or counsel to the Trustee**, but
25 **for their own independent and affirmative tortious conduct as officers of the Court**,
26 including the drafting, filing and advocacy of representations they knew or were charged

1 with knowing were **legally impossible, materially misleading, and indispensable to**
2 **the Court's exercise of authority.**

3 6. As to Defendant Barclay, Plaintiff seeks declaratory and equitable relief,
4 including declarations that orders procured through fraud on the Court and fabricated
5 authority are void and unenforceable, and such further relief as is necessary to restore the
6 integrity of the judicial process.

7 7. As to Defendants Finlayson and FTRL, Plaintiff seeks monetary damages,
8 including compensatory damages, consequential damages, disgorgement of fees, and all
9 other relief available at law, based on their independent tortious conduct as officers of the
10 Court, including fraud on the Court, aiding and abetting breaches of fiduciary duty, civil
11 conspiracy, and abuse of process.

12 8. Trustee immunity does not extend to fraud on the Court, knowing
13 submission of false evidence, fabrication of authority, or intentional concealment of
14 material facts. Derivative or quasi-judicial immunity likewise does not shield a trustee's
15 counsel who personally drafts, files, and advocates false or legally impossible
16 representations to the Court.

17 9. Defendants Finlayson and FTRL are not sued merely as agents of the
18 Trustee, but for their own affirmative acts, undertaken for compensation, that caused
19 direct financial harm to Plaintiff and proximately resulted in void orders, lost rights,
20 increased litigation costs and substantial monetary damages.

21 10. Orders procured through fraud on the Court or ultra vires conduct are void
22 and subject to challenge notwithstanding principles of finality, and Defendants who
23 knowingly participated in procuring such orders are liable in damages.

24 11. Plaintiff therefore seeks declaratory, equitable and monetary relief,
25 including damages against Defendants Finlayson and FTRL, to remedy injuries caused
26 by conduct that fell outside the bounds of lawful bankruptcy administration and protected
27 advocacy.

28

1 **II. JURISDICTION AND CORE NATURE OF PROCEEDING**

2 12. This Court has jurisdiction over this adversary proceeding pursuant to 28
3 U.S.C. §§ 1334 and 157.

4 13. This action arises in, and relates to, a case under title 7 and concerns acts
5 taken by a Chapter 7 Trustee and his counsel in connection with the administration of the
6 bankruptcy estate.

7 14. The matters alleged herein constitute core proceedings within the meaning
8 of 28 U.S.C. § 157(b), including, but not limited to:

- 9 a. the administration of the estate;
- 10 b. the allowance or disallowance of claims;
- 11 c. the approval of compromises and settlements under Federal Rule of
12 Bankruptcy Procedure 9019;
- 13 d. the exercise of trustee authority over property and asserted causes of
14 action; and
- 15 e. the integrity and validity of orders entered by the Bankruptcy Court.

16 15. Venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409
17 because the underlying bankruptcy case was filed and administered in this District and
18 the acts complained of occurred in connection with proceedings before this Court.

19 16. This Court has jurisdiction to determine whether acts taken by a trustee and
20 officers of the Court were within the scope of lawful authority or constituted ultra vires
21 conduct, fraud on the Court, or knowing misrepresentations affecting the integrity of
22 judicial proceedings.

23 17. Plaintiff does not seek appellate review of prior orders, nor does Plaintiff
24 request this Court to reconsider discretionary rulings on the merits. Rather, Plaintiff seeks
25 relief based on allegations that material orders were procured through fabricated
26 authority, intentional misrepresentation, and concealment of dispositive facts, rendering
27 such orders void and outside the protection of immunity or finality doctrines.

28

1 18. To the extent any Defendant asserts that the acts alleged herein fall outside
2 the scope of core jurisdiction, this Court retains authority to hear and determine such
3 matters, or alternatively to submit proposed findings of fact and conclusions of law,
4 pursuant to 28 U.S.C. § 157(c).

5 19. This Court further has authority to award declaratory, equitable, and
6 monetary relief against defendants sued in their individual capacities for acts taken under
7 color of federal authority that exceeded lawful jurisdiction or violated duties owed to the
8 Court and to parties in interest.

9 **III. PARTIES AND ROLES**

10 **A. Plaintiff**

11 20. Plaintiff ASHKAN RAJAEI (“Plaintiff” or “Debtor”) is the debtor in the
12 underlying bankruptcy case pending before the United States Bankruptcy Court for the
13 Southern District of California.

14 21. Plaintiff is a citizen of Canada and a party in interest subject to the
15 jurisdiction and coercive authority of the Bankruptcy Court.

16 22. Plaintiff possesses direct pecuniary, statutory, and constitutional interests in
17 the lawful administration of the bankruptcy estate, including the validity of orders
18 entered, the accuracy and completeness of representations made to the Court, and the
19 protection of non-debtor property and rights.

20 **B. Defendant Christopher R. Barclay (Chapter 7 Trustee)**

21 23. Defendant CHRISTOPHER R. BARCLAY (“Barclay” or “Trustee”) was
22 appointed as Chapter 7 Trustee in Plaintiff’s bankruptcy case.

23 24. At all relevant times, Barclay acted under color of federal authority and
24 exercised powers delegated by statute and by orders of the Bankruptcy Court.

25 25. As Chapter 7 Trustee, Barclay owed fiduciary duties to the bankruptcy estate
26 and to parties in interest, including duties of loyalty, care, candor, investigation, and
27 good-faith administration.
28

1 26. Barclay is sued in his individual capacity for acts alleged herein that were
2 undertaken outside the scope of lawful trustee authority, including ultra vires acts, fraud
3 on the Court, knowing misrepresentations, and concealment of material facts.

4 **C. Defendant Jesse S. Finlayson (Trustee’s Counsel)**

5 27. Defendant JESSE S. FINLAYSON (“Finlayson”) is an attorney licensed to
6 practice law in the State of California.

7 28. At all relevant times, Finlayson acted as legal counsel to the Chapter 7
8 Trustee in connection with the administration of Plaintiff’s bankruptcy case.

9 29. Finlayson personally drafted, reviewed, signed, filed, and advocated
10 pleadings, declarations, settlement motions, and other submissions presented to the
11 Bankruptcy Court in connection with estate administration and proceedings under
12 Federal Rule of Bankruptcy Procedure 9019.

13 30. Finlayson is sued in his individual capacity for his own acts and omissions,
14 including knowing participation in the submission of false or legally impossible
15 representations to the Court, concealment of material facts, and coordination with adverse
16 parties to procure court orders through fabricated or nonexistent authority.

17 31. Finlayson’s alleged conduct was not limited to protected legal advocacy, but
18 included affirmative acts undertaken as an officer of the Court that fall outside any
19 derivative or quasi-judicial immunity.

20 **D. Defendant Finlayson Toffer Roosevelt & Lilly LLP**

21 32. Defendant FINLAYSON TOFFER ROOSEVELT & LILLY LLP (“FTRL”)
22 is a California limited liability partnership and is the law firm through which Finlayson
23 rendered legal services to the Trustee.

24 33. FTRL received compensation from the bankruptcy estate for the services
25 rendered by Finlayson in connection with the conduct alleged herein.

1 34. FTRL is named as a defendant based on principles of agency, respondeat
2 superior, and its receipt of fees arising from acts alleged to have been ultra vires and in
3 violation of fiduciary, statutory, and constitutional duties.

4 **E. Acting in Concert and Under Color of Authority**

5 35. At all relevant times, Defendants Barclay and Finlayson acted in concert and
6 under color of federal authority in connection with the administration of the bankruptcy
7 estate.

8 36. The acts alleged herein include coordinated conduct between the Trustee
9 and his counsel in drafting, submitting, and advocating representations to the Court
10 concerning corporate authority, settlement approval, and control over disputed and non-
11 debtor property.

12 37. Each Defendant is liable for his own acts and for acts taken in knowing
13 participation with others as part of a unified course of conduct directed at procuring court
14 approval through misrepresentation, omission, and fabricated authority.

15 **IV. FACTUAL BACKGROUND AND CHRONOLOGY**

16 **A. The San Diego Judgment as the Sole Predicate for Conversion and**
17 **Estate Authority**

18 38. The underlying bankruptcy case was converted to Chapter 7 based primarily,
19 if not exclusively, on a judgment entered in San Diego Superior Court confirming an
20 arbitration ruling (the “San Diego Judgment”).

21 39. From the outset of the Chapter 7 case, the San Diego Judgment was treated
22 as the dispositive predicate for standing, conversion of the case, recognition of claims,
23 and the Chapter 7 Trustee’s asserted authority to administer assets and pursue causes of
24 action.

25 40. Plaintiff consistently advised the Trustee that the San Diego Judgment was
26 void and unenforceable due to jurisdictional defects, statutory defects, and defects
27 inherent in the arbitration process itself.
28

1 41. Plaintiff further advised the Trustee that the validity of the San Diego
2 Judgment presented a threshold and dispositive legal issue that had to be adjudicated
3 before any lawful exercise of trustee authority could occur.

4 42. Plaintiff warned that administering the estate, recognizing claims, and
5 compromising causes of action without first determining the legal validity of the San
6 Diego Judgment risked the exercise of authority that did not exist as a matter of law.

7 43. Despite repeated notice, the Trustee did not file a motion to vacate the San
8 Diego Judgment, seek declaratory relief concerning its validity, or otherwise request
9 judicial determination of whether the judgment could lawfully serve as the basis for estate
10 authority.

11 44. Instead, the Trustee proceeded to administer the estate, recognize claims
12 derived from the San Diego Judgment, and pursue derivative actions that presupposed
13 the judgment's validity.

14 45. In doing so, the Trustee treated the San Diego Judgment as immune from
15 scrutiny while affirmatively relying on it as the source of authority, thereby avoiding
16 adjudication of whether that authority existed as a matter of law.

17 46. As set forth below, the Trustee's avoidance of adjudicating this threshold
18 defect was not inadvertent but was necessary to preserve the appearance of authority
19 required to administer disputed property, compromise claims, and bind non-debtor rights.

20 **B. Conversion to Chapter 7 and Distortion of Estate Authority**

21
22 47. Following conversion of the case to Chapter 7, the Trustee assumed control
23 over estate administration based on the continued, unadjudicated assumption that the San
24 Diego Judgment was valid and enforceable.

25 48. The conversion to Chapter 7 materially altered the posture of the case by
26 vesting the Trustee with control over asserted causes of action and disputed property
27
28

1 interests that depended entirely on the validity of the San Diego Judgment as the predicate
2 for authority.

3 49. Plaintiff objected to the conversion and thereafter continued to notify the
4 Trustee that, absent adjudication of the threshold defects in the San Diego Judgment, the
5 Trustee lacked lawful authority to administer disputed claims and property derived from
6 that judgment.

7 50. Despite this notice, the Trustee proceeded to recognize claims, assert
8 standing, and exercise control over asserted estate interests without first seeking judicial
9 determination of whether the foundational judgment conferring such authority was void.

10 51. As a result, the conversion process distorted estate administration by
11 transforming a disputed and legally defective judgment into an unexamined source of
12 authority, thereby insulating it from scrutiny and foreclosing adjudication of dispositive
13 issues.

14 52. The Trustee's reliance on the untested San Diego Judgment during and after
15 conversion permitted the administration of claims and property interests that would not
16 have been subject to estate control had the threshold validity issues been adjudicated.

17 53. This distortion of estate authority was not a neutral consequence of
18 conversion, but the direct result of the Trustee's decision to proceed while avoiding
19 adjudication of defects that would have defeated standing, authority, and control at the
20 outset.

21 54. The conversion to Chapter 7 thus operated, in practice, to entrench the San
22 Diego Judgment as an unchallengeable predicate, rather than as a judgment subject to
23 examination for jurisdictional and statutory validity.

24 **C. Rule 9019 Settlements and the Extinguishment of Claims Without**
25 **Adjudication**

26 55. After conversion to Chapter 7, the Trustee pursued approval of multiple
27 settlement agreements pursuant to Federal Rule of Bankruptcy Procedure 9019 that
28

1 purported to resolve substantial asserted claims and disputes without first adjudicating
2 the threshold defects underlying the Trustee's asserted authority.

3 56. The settlements proposed by the Trustee sought to extinguish approximately
4 seventy-five million dollars (\$75,000,000) in asserted claims and causes of action through
5 compromises reached without judicial determination of whether the San Diego
6 Judgment—upon which standing, authority, and claim recognition depended—was valid
7 and enforceable.

8 57. The Trustee represented to the Bankruptcy Court that the proposed
9 settlements were the product of reasonable business judgment and months of
10 investigation and negotiation.

11 58. In support of the Rule 9019 motions, the Trustee asserted that the
12 settlements were fair, equitable, and in the best interests of the estate, notwithstanding
13 Plaintiff's repeated objections that dispositive legal defects had not been adjudicated.

14 59. Plaintiff objected to the proposed settlements on the ground that the Trustee
15 lacked lawful authority to compromise claims derived from or dependent upon a
16 judgment that was void or unenforceable as a matter of law.

17 60. Plaintiff further objected that the settlements improperly foreclosed
18 adjudication of threshold jurisdictional and statutory issues that, if resolved, would have
19 defeated or materially altered the Trustee's asserted control over disputed claims and
20 property.

21 61. Rather than seek adjudication of these threshold issues, the Trustee
22 proceeded to present the settlements to the Court as *fait accompli*, effectively using Rule
23 9019 as a mechanism to bypass judicial determination of authority.

24 62. The proposed settlements relied upon representations that the Trustee
25 possessed authority to bind disputed interests and resolve claims notwithstanding the
26 absence of any judicial determination validating the predicate judgment or the Trustee's
27 asserted standing.

28

1 63. Approval of the settlements thus depended on the Court accepting, without
2 adjudication, the continued validity of the San Diego Judgment and the Trustee's
3 derivative authority flowing from it.

4 64. The Rule 9019 process was thereby distorted from its intended purpose of
5 approving compromises within lawful estate authority into a procedural vehicle for
6 extinguishing claims and insulating dispositive defects from judicial review.

7 65. Plaintiff expressly warned that approval of the settlements without
8 adjudicating threshold defects would result in the permanent extinguishment of rights and
9 claims based on authority that did not exist as a matter of law.

10 66. Notwithstanding these warnings, the Trustee advanced the settlements for
11 approval without disclosing or litigating the dispositive authority defects identified by
12 Plaintiff.

13 67. The Court approved the Rule 9019 settlements based on the representations
14 presented, including the Trustee's assertions of authority and standing that had not been
15 subjected to threshold adjudication.

16 68. As a result, the settlements extinguished substantial claims and foreclosed
17 adjudication of dispositive legal issues, not through reasoned judicial determination, but
18 through reliance on unexamined and legally defective predicates.

19 69. The use of Rule 9019 in this manner caused direct and substantial injury by
20 converting disputed and legally defective authority into binding settlement outcomes
21 without lawful foundation.

22 70. The Trustee's pursuit and presentation of the Rule 9019 settlements under
23 these circumstances constituted conduct outside the scope of lawful estate administration
24 and was integral to the broader pattern of avoiding adjudication of dispositive defects set
25 forth herein.

1 **D. The “Unanimous Written Consent” and the Fabrication of Corporate**
2 **Authority**

3 71. In order to obtain approval of the Rule 9019 settlements and to bind disputed
4 interests, the Trustee and his counsel relied upon a document titled “Unanimous Written
5 Consent of the Members of TopDevz, LLC” (the “Unanimous Written Consent” or
6 “UWC”).

7 72. The Unanimous Written Consent was presented to the Bankruptcy Court as
8 proof that the Trustee and a third party possessed collective authority to bind TopDevz,
9 LLC and to extinguish claims purportedly belonging to or affecting that entity.

10 73. The settlement agreements were expressly conditioned on the existence and
11 validity of the Unanimous Written Consent, and the Trustee’s motions represented that
12 the document established the requisite corporate authority necessary for approval.

13 74. The Unanimous Written Consent purported to establish that the Trustee was
14 a member of TopDevz, LLC and that the signatories collectively possessed authority to
15 authorize settlements, releases, and related transactions on behalf of the company.

16 75. As a matter of governing law and under the operative TopDevz, LLC
17 operating agreement, the authority asserted in the Unanimous Written Consent could not
18 and did not exist.

19 76. At no time was the Trustee admitted as a member of TopDevz, LLC.

20 77. No unanimous vote of the members of TopDevz, LLC occurred admitting
21 the Trustee as a member or conferring governance rights.

22 78. No amendment to the operating agreement was executed or approved
23 authorizing the Trustee to act as a member or manager.

24 79. No filing or amendment reflecting a change in membership or governance
25 was made with the California Secretary of State.

26 80. Under applicable law, possession of an economic interest alone does not
27 confer voting, management, or governance authority in a limited liability company.
28

1 81. Accordingly, the Unanimous Written Consent was legally impossible, void
2 ab initio, and incapable of conferring authority to bind TopDevz, LLC or extinguish its
3 rights.

4 82. Notwithstanding its legal impossibility, the Unanimous Written Consent
5 was submitted to the Bankruptcy Court and relied upon as a material predicate for
6 settlement approval.

7 83. The Trustee and his counsel represented, expressly and by implication, that
8 valid corporate authority existed when, in fact, it did not and could not exist as a matter
9 of law.

10 84. The Trustee and his counsel further failed to disclose to the Court the
11 absence of any lawful vote, amendment, or admission conferring such authority.

12 85. The Bankruptcy Court's approval of the settlements depended on the
13 existence of lawful authority to bind TopDevz, LLC, as represented through the
14 Unanimous Written Consent.

15 86. But for the representations made regarding the Unanimous Written Consent,
16 the settlements could not have been approved.

17 87. The submission and reliance upon the Unanimous Written Consent therefore
18 constituted the use of fabricated authority to procure judicial approval.

19 88. The use of a legally impossible governance document to obtain court
20 approval corrupted the judicial process and deprived the Court of the ability to adjudicate
21 the true legal status of authority, standing, and control.

22 89. The Trustee's reliance on the Unanimous Written Consent was not the result
23 of mistake or inadvertence, but part of a broader course of conduct designed to avoid
24 adjudication of dispositive issues that would have defeated asserted authority.

25 90. The presentation of the Unanimous Written Consent as valid authority
26 constituted fraud on the Court and an ultra vires act undertaken outside the scope of lawful
27 trustee authority.
28

1 91. As a direct and proximate result, the Court entered orders based on
2 representations of authority that were false as a matter of law, causing substantial injury
3 and extinguishment of rights without lawful foundation.

4 **E. Counsel's Role, Coordination, and Knowing Participation**

5 92. Defendant Jesse S. Finlayson served as legal counsel to the Trustee
6 throughout the period in which the Rule 9019 settlements were negotiated, drafted, and
7 presented to the Bankruptcy Court.

8 93. Finlayson personally participated in drafting, reviewing, and filing
9 pleadings and declarations submitted to the Court in support of the Trustee's asserted
10 authority and the proposed settlements.

11 94. Finlayson's involvement was not ministerial or passive; rather, he actively
12 advised, coordinated, and participated in the presentation of the Unanimous Written
13 Consent as valid corporate authority.

14 95. Finlayson jointly participated in the preparation of the Unanimous Written
15 Consent with counsel for adverse parties and received executed signature pages
16 transmitted by opposing counsel.

17 96. Finlayson knew, or was willfully blind to the fact, that no lawful vote,
18 amendment, or admission had occurred that could confer the authority asserted in the
19 Unanimous Written Consent.

20 97. Notwithstanding this knowledge, Finlayson proceeded to submit and
21 advocate the Unanimous Written Consent to the Court as a valid and operative
22 governance document.

23 98. Finlayson further advanced representations that the Trustee and third parties
24 collectively possessed authority to bind TopDevz, LLC, despite the absence of any lawful
25 basis for such authority.

26 99. Finlayson did not disclose to the Court that the asserted authority depended
27 on assumptions that had never been adjudicated and could not exist under governing law.
28

1 100. During the pendency of the settlement proceedings, Finlayson engaged in
2 communications and coordination with counsel for parties whose interests were adverse
3 to the estate regarding settlement structure, authority representations, and approval
4 strategy.

5 101. Such coordination included discussions concerning how authority would be
6 presented to the Court in order to obtain approval without adjudication of threshold
7 defects.

8 102. Finlayson also participated in efforts to shield these communications and
9 coordination from disclosure, including seeking protective orders and resisting inquiry
10 into the basis for asserted authority.

11 103. After Plaintiff objected that the proposed settlements and authority
12 representations constituted fraud on the Court, Finlayson did not withdraw the challenged
13 submissions or seek clarification from the Court.

14 104. Instead, Finlayson continued to advocate approval of the settlements while
15 disregarding Plaintiff's express objections that the authority relied upon was fabricated
16 and legally impossible.

17 105. Finlayson's conduct was undertaken for compensation and directly
18 contributed to the procurement of court orders that extinguished substantial rights based
19 on false representations of authority.

20 106. Finlayson's actions were independent of the Trustee's discretionary
21 authority and constituted knowing participation in ultra vires acts and fraud on the Court.

22 107. Defendant FTRL received fees from the bankruptcy estate for services
23 rendered in connection with the conduct alleged herein.

24 108. The law firm is liable for the acts of Finlayson under principles of agency
25 and respondeat superior and as a recipient of fees generated through conduct that
26 exceeded lawful authority.

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1 109. As a direct and proximate result of counsel's knowing participation, the
2 Court was deprived of accurate information necessary to adjudicate authority, standing,
3 and control, and Plaintiff suffered substantial monetary and legal harm.

4 110. Counsel's conduct, taken together with the Trustee's actions, formed a
5 unified course of conduct designed to procure court approval through fabricated authority
6 while avoiding adjudication of dispositive legal defects.

7 **F. Damages, Harm, and Resulting Injury**

8 111. As a direct and proximate result of the acts and omissions described above,
9 Plaintiff suffered substantial and concrete injury.

10 112. The Trustee's and counsel's reliance on fabricated and legally impossible
11 authority resulted in the extinguishment of substantial claims and rights without lawful
12 adjudication.

13 113. Plaintiff incurred significant legal fees and costs in objecting to the Rule
14 9019 settlements, opposing the use of fabricated authority, and attempting to compel
15 adjudication of threshold defects that were deliberately avoided.

16 114. Plaintiff further suffered economic harm arising from the loss of potential
17 recoveries and legal positions that would have remained available had authority and
18 standing been properly adjudicated.

19 115. The entry of orders based on false representations of authority caused
20 Plaintiff to incur ongoing litigation expenses, procedural disadvantage, and loss of
21 leverage in related proceedings.

22 116. Defendant Barclay's conduct, undertaken outside the scope of lawful trustee
23 authority, exposed Plaintiff to direct monetary harm, including costs, fees, and financial
24 consequences flowing from ultra vires acts and fraud on the Court.

25 117. Defendant Finlayson's knowing participation in the submission and
26 advocacy of fabricated authority caused Plaintiff additional monetary harm, including
27 increased litigation expenses and the loss of rights extinguished through invalid orders.
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1 118. Defendant FTRL benefited financially from the conduct alleged herein by
2 receiving fees paid from the bankruptcy estate in connection with acts that exceeded
3 lawful authority.

4 119. The injuries suffered by Plaintiff were foreseeable and the natural
5 consequence of Defendants' conduct in presenting false authority to the Court and
6 suppressing adjudication of dispositive issues.

7 120. Plaintiff's damages are continuing in nature and include past, present, and
8 future losses that will be proven at trial.

9 121. Plaintiff is entitled to recover compensatory damages, consequential
10 damages, disgorgement of fees, and such other monetary relief as is permitted by law
11 against Defendants sued in their individual capacities.

12 122. Plaintiff is further entitled to declaratory and equitable relief to remedy the
13 effects of orders procured through fraud on the Court and ultra vires conduct.

14 **V. THRESHOLD JURISDICTIONAL, IMMUNITY, AND AUTHORITY**
15 **LIMITATIONS**

16 123. Plaintiff realleges and incorporates by reference paragraphs 1 through 122
17 as though fully set forth herein.

18 124. This adversary proceeding does not seek appellate review of prior rulings,
19 reconsideration of discretionary case-management decisions, or a collateral attack on the
20 merits of any order. Rather, Plaintiff challenges whether the Bankruptcy Court was
21 induced to enter material orders through fabricated authority, knowing
22 misrepresentations, and concealment of dispositive facts that prevented the Court from
23 performing its neutral adjudicative function.

24 125. Fraud on the Court, lack of lawful authority, and ultra vires conduct
25 constitute threshold defects that are not cured by finality, waiver, res judicata, or
26 prudential abstention doctrines where the judicial process itself was corrupted and the
27 Court's ability to adjudicate threshold defects was suppressed through material deception.
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1 126. Trustee immunity and any derivative or quasi-judicial immunity apply only
2 to acts taken within the scope of lawful authority and good-faith administration. Such
3 immunity does not extend to: (a) fraud on the Court; (b) knowing submission of false or
4 legally impossible authority; (c) intentional concealment of material facts; (d) misuse of
5 court process to suppress inquiry; or (e) ultra vires acts undertaken without statutory or
6 legal authorization.

7 127. Defendant Christopher R. Barclay is sued in his individual capacity for
8 conduct alleged herein that was undertaken outside the scope of lawful trustee authority,
9 including ultra vires acts and fraud on the Court, giving rise to personal liability for
10 damages, disgorgement, and equitable relief.

11 128. Defendants Finlayson and FTRL are not shielded by trustee immunity or
12 litigation privilege. They are sued for their own independent and affirmative acts as
13 officers of the Court—including drafting, submitting, and advocating fabricated or
14 legally impossible authority, and coordinating conduct designed to procure judicial
15 approval while avoiding adjudication of dispositive defects.

16 129. Plaintiff does not seek to impose liability based on protected legal advocacy,
17 good-faith legal argument, or strategic judgment. Counsel Defendants are sued solely for
18 extra-advocacy conduct that falls outside any immunity or privilege, including the
19 knowing promotion of a governance document that was legally impossible as a matter of
20 law.

21 130. Defendants' misconduct was knowing, intentional, and undertaken with
22 actual knowledge of the absence of lawful authority, or, at minimum, with willful
23 blindness to legal impossibility. The conduct alleged herein was not the product of
24 mistake, negligence, or reasonable legal interpretation.

25 131. To the extent Defendants invoke the Barton doctrine or related gatekeeping
26 principles, such defenses are fact-dependent and cannot defeat this pleading, which
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1 alleges ultra vires conduct, fraud on the Court, and knowing participation in the
2 fabrication of authority and suppression of adjudication.

3 132. Based on the foregoing, Plaintiff asserts the following causes of action, each
4 pleaded in the alternative and to the extent applicable against the Defendants identified
5 therein.

6 **VI. CAUSES OF ACTION**

7 **FIRST CAUSE OF ACTION**

8 **Fraud on the Court (Fabricated Authority; Material Omissions; Void Orders)**

9 **(Against All Defendants)**

10 133. Plaintiff realleges and incorporates by reference paragraphs 1 through 132
11 as though fully set forth herein.

12 134. Fraud on the Court occurs where officers of the Court knowingly submit
13 false evidence, fabricate authority, or conceal material facts in a manner that corrupts the
14 judicial process and prevents the Court from performing its neutral adjudicative function.

15 135. Defendants submitted, relied upon, and affirmatively advocated a fabricated
16 and legally impossible corporate-governance document—the “Unanimous Written
17 Consent”—to create the false appearance of authority that did not exist and could not
18 exist as a matter of law.

19 136. Defendants represented, expressly and by implication, that valid corporate
20 authority existed to bind TopDevz, LLC and extinguish rights and claims, while
21 concealing that no lawful vote, admission, amendment, or state-law compliance had
22 occurred.

23 137. The absence of lawful corporate authority was not a disputed factual issue
24 subject to weighing by the Court, but a threshold legal impossibility that Defendants were
25 obligated to disclose and could not lawfully bypass through inference, assumption, or
26 settlement expediency.

1 138. The fabricated authority and material omissions were indispensable to the
2 Rule 9019 settlement approvals and related orders, and were material to the Court's
3 findings of authority, fairness, and propriety of compromise.

4 139. As a direct and proximate result, the Court entered orders based on false
5 representations of authority, extinguishing rights and claims without lawful foundation
6 and corrupting the integrity of judicial proceedings.

7 140. Defendants' conduct constitutes fraud on the Court, rendering the affected
8 orders void to the extent predicated on fabricated authority, and giving rise to liability,
9 including monetary damages against Defendants sued in their individual capacities.

10 **SECOND CAUSE OF ACTION**

11 **Ultra Vires Acts; Acts Outside the Scope of Trustee Authority; Loss of Immunity**

12 **(Against Defendant Barclay)**

13 141. Plaintiff realleges and incorporates by reference paragraphs 1 through 140.

14 142. A Chapter 7 Trustee acts ultra vires when he exercises power not conferred
15 by statute or court order, or when he acts in the absence of lawful authority, including by
16 fabricating authority and binding non-debtor rights without legal foundation.

17 143. Defendant Barclay exercised control over disputed claims and sought Court
18 approval of settlements predicated on fabricated authority that did not exist as a matter of
19 law.

20 144. Defendant Barclay's conduct, including reliance on legally impossible
21 corporate authority and deliberate avoidance of adjudication of threshold defects,
22 constituted ultra vires conduct outside the scope of lawful trustee authority.

23 145. At no time did the Bankruptcy Court authorize Defendant Barclay to
24 fabricate, assume, or retroactively construct corporate governance authority where none
25 existed under governing state law.

26 146. Barclay is personally liable for damages proximately caused by his ultra
27 vires acts.
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1 **THIRD CAUSE OF ACTION**

2 **Breach of Fiduciary Duty — Duty of Loyalty, Disinterestedness, and Candor**
3 **(Against Defendant Barclay)**

4 147. Plaintiff realleges and incorporates by reference paragraphs 1 through 146.

5 148. As Chapter 7 Trustee, Barclay owed fiduciary duties of loyalty,
6 disinterestedness, impartiality, and candor to the estate and parties in interest.

7 149. Barclay breached these duties by advancing fabricated authority to procure
8 settlement approvals, prioritizing expediency and fee certainty over lawful adjudication,
9 failing to make full and candid disclosures of material facts, and suppressing adjudication
10 of dispositive authority defects.

11 150. A reasonably prudent trustee exercising independent judgment would have
12 sought threshold adjudication of authority before compromising claims or binding non-
13 debtor interests.

14 151. Plaintiff suffered damages as a direct and proximate result of these breaches.

15 **FOURTH CAUSE OF ACTION**

16 **Breach of Fiduciary Duty — Duty of Care, Investigation, and Reasonable**
17 **Administration**
18 **(Against Defendant Barclay)**

19 152. Plaintiff realleges and incorporates by reference paragraphs 1 through 151.

20 153. Barclay owed a duty to administer the estate with reasonable care, diligence,
21 investigation, and independent judgment.

22 154. Barclay breached this duty by failing to investigate and litigate threshold
23 authority defects, relying on legally impossible documents, and proceeding under Rule
24 9019 without lawful authority.

25 155. A minimally competent fiduciary would not have proceeded under such
26 circumstances.

27 156. Plaintiff suffered damages as a direct and proximate result.
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1 **FIFTH CAUSE OF ACTION**

2 **Aiding and Abetting Breach of Fiduciary Duty**

3 **(Against Defendants Finlayson and FTRL)**

4 157. Plaintiff realleges and incorporates by reference paragraphs 1 through 156.

5 158. Defendant Barclay breached fiduciary duties as alleged herein.

6 159. Defendants Finlayson and FTRL had actual knowledge of the authority
7 defects or were willfully blind to the legal impossibility of the Unanimous Written
8 Consent.

9 160. They substantially assisted the breaches by drafting, submitting, and
10 advocating fabricated authority that was indispensable to securing Court approval.

11 161. Plaintiff suffered damages as a direct and proximate result.

12 **SIXTH CAUSE OF ACTION**

13 **Civil Conspiracy**

14 **(Against All Defendants)**

15 162. Plaintiff realleges and incorporates by reference paragraphs 1 through 161.

16 163. Defendants agreed and acted in concert to procure court approval through
17 fabricated authority while avoiding adjudication of dispositive defects.

18 164. The conspiracy included express and implied coordination regarding how
19 authority would be presented to the Court so as to entrench void predicates through
20 procedural finality.

21 165. Defendants committed overt acts in furtherance of the conspiracy, causing
22 Plaintiff harm.

23 **SEVENTH CAUSE OF ACTION**

24 **Abuse of Process; Retaliation and Misuse of Court Procedures**

25 **(Against All Defendants)**

26 166. Plaintiff realleges and incorporates by reference paragraphs 1 through 165.
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1 167. Defendants used court process for improper purposes, including suppressing
2 inquiry into authority defects and entrenching fabricated authority.

3 168. Such misuse included invoking protective, coercive, and procedural
4 mechanisms not to advance adjudication on the merits, but to obstruct inquiry and chill
5 Plaintiff's right to petition the Court.

6 169. Plaintiff suffered damages as a direct and proximate result.

7 **EIGHTH CAUSE OF ACTION**

8 **Declaratory Relief (Voidness of Orders; Lack of Authority)**

9 **(Against All Defendants)**

10 170. Plaintiff realleges and incorporates by reference paragraphs 1 through 169.

11 171. An actual and continuing controversy exists regarding the validity and
12 enforceability of orders procured through fabricated authority.

13 172. Declaratory relief is necessary to resolve ongoing adverse legal
14 consequences, including enforcement, preclusive effects, and third-party reliance.

15 **NINTH CAUSE OF ACTION**

16 **Disgorgement / Restitution / Unjust Enrichment**

17 **(Against Finlayson and FTRL; and as Applicable to Barclay)**

18 173. Plaintiff realleges and incorporates by reference paragraphs 1 through 172.

19 174. Defendants received fees and benefits arising from conduct that constituted
20 fraud on the Court and ultra vires acts.

21 175. Disgorgement is sought not as a penalty, but to restore the parties to the
22 position they would have occupied absent the misconduct.

23 176. Equity requires restitution and disgorgement of such fees.

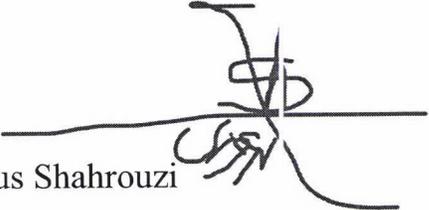
24 **PRAYER FOR RELIEF**

25 **WHEREFORE**, Plaintiff prays for judgment against Defendants, and each of
26 them, as follows:
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- 1 1. For declaratory relief that orders procured through fabricated authority, fraud
2 on the Court, and ultra vires conduct are void and unenforceable to the extent
3 predicated on such misconduct;
- 4 2. For monetary damages against Defendant Barclay in his individual capacity,
5 including compensatory and consequential damages in an amount to be proven
6 at trial;
- 7 3. For monetary damages against Defendants Finlayson and FTRL, including
8 compensatory and consequential damages in an amount to be proven at trial;
- 9 4. For disgorgement/restitution of trustee and professional fees to the extent
10 proven at trial and as equity requires, including disgorgement against Finlayson
11 and FTRL;
- 12 5. For costs of suit and allowable litigation expenses;
- 13 6. For pre-judgment and post-judgment interest as permitted by law;
- 14 7. For such other and further relief as the Court deems just and proper.

15
16 Dated: January 6, 2026

NDM Law

17
18 By: /s/ Darius Shahrouzi 

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20 Darius Shahrouzi (SBN 321876)
21 Attorney for Plaintiff.
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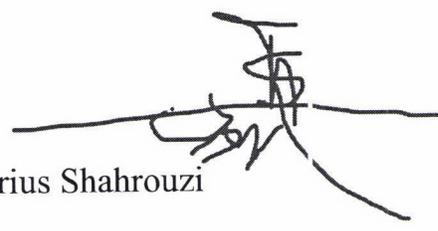
DEMAND FOR JURY TRIAL

Plaintiff Ashkan Rajaei hereby demands a trial by jury on causes of action that qualify for jury trial.

Dated: January 6, 2026

NDM Law

By: /s/ Darius Shahrouzi



Darius Shahrouzi (SBN 321876)
Attorney for Plaintiff.

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