

DEC 28 2011

MOLLY C. DWYER, CLERK
U.S. COURT OF APPEALS

NOT FOR PUBLICATION

UNITED STATES COURT OF APPEALS

FOR THE NINTH CIRCUIT

DIVERSIFIED PRODUCT
INDUSTRIES, LTD.,

Plaintiff - Appellee,

v.

SKYLINE STEEL, LLC, a Corporation,

Defendant - Appellant.

No. 10-55520

D.C. No. 2:08-cv-03288-GAF-
MAN

MEMORANDUM*

Appeal from the United States District Court
for the Central District of California
Gary A. Feess, District Judge, Presiding

Argued and Submitted November 17, 2011
Pasadena, California

Before: GOODWIN, W. FLETCHER, and RAWLINSON, Circuit Judges.

Appellant Skyline Steel, LLC, (Skyline) challenges the district court's denial of Skyline's motion to set aside entry of default and default judgment. Our recent precedent noted the importance of deciding cases on the merits and established that

* This disposition is not appropriate for publication and is not precedent except as provided by 9th Cir. R. 36-3.

denial of relief from a default judgment is appropriate only in “extreme circumstances.” *United States v. Signed Personal Check No. 730 of Yubran S. Mesle (Mesle)*, 615 F.3d 1085, 1091 (9th Cir. 2010) (describing default judgment as “a drastic step appropriate only in extreme circumstances . . .” and noting that “[d]ue to the policy of favoring judgments on the merits, a glaring abuse of discretion is not required for reversal of a court’s refusal to relieve a party of the harsh sanction of default”) (citation omitted). *Mesle* was decided after the district court’s decision in this case, and the district court did not have the benefit of our reasoning as expressed in *Mesle*.

Because we are persuaded that *Mesle* compels a different outcome, we reverse the district court’s denial of Skyline’s motion to set aside entry of default and default judgment and remand for further proceedings.

REVERSED AND REMANDED.