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IN THE SUPERIOR COURT OF THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

ROBERTO O. MENDOZA,) CIVIL CASE NO. 11-0491
Petitioner,)
VS.	ORDER SETTING ASIDE ENTRY OF DEFAULT
MA. TERESA MARCELO,)
Respondent.)
)

I. <u>INTRODUCTION</u>

THIS MATTER was heard on January 23, 2012 in Courtroom 217A on a motion for relief from entry of default. Roberto O. Mendoza ("Mendoza" or "Petitioner") was represented by Ramon Quichocho, Esq. Ma. Teresa Marcelo ("Marcelo" or "Respondent") was represented by Collin Thompson, Esq. The Court, having had the benefit of written briefs, and oral argument from counsel, now enters this written Order.

II. PROCEDURAL BACKGROUND

On October 17, 2011, Mendoza filed a Petition for Divorce from Marcelo with this Court. On October 27, 2011, Mendoza filed a Plaintiff's Ex Parte Motion for an Order to Appear or Plead and for an Order Allowing Service by Publication that "[u]pon Petitioner's best knowledge and belief,

Respondent Ma Teresa Marcelo cannot be found or served within the Commonwealth of the Northern Mariana Islands." That same day, this Court granted the motion and issued an Order to Appear or Plead and for Service by Publication.

The next day, on October 28, 2011, the Summons was posted on the Superior Court's bulletin board. Also, on November 1, 2011, the Summons was published in the Marianas Variety. On November 22, 2011, Mendoza filed a Request for an Entry of Default. That same day, this Court granted the motion and the default of Marcelo was entered according to law. Thereafter, on December 28, 2011, Marcelo filed a Motion for Relief from Entry of Default.

III. **DISCUSSION**

A. Entry of Default

Default is governed by Commonwealth Rule of Civil Procedure 55. Rule 55(a) provides, in relevant part, as follows: "When a party against whom a judgment for affirmative relief is sought has failed to plead or otherwise defend, and that failure is shown by affidavit or otherwise, the clerk must enter the party's default." NMI R. Civ. P. 55(a); *Roberto v. De Leon Guerrero*, 4 NMI 295 (1995). The Rule does not limit the ability of the Court to consider a request for entry of default. Wright, Miller, & Kane, Federal Practice and Procedure (Civil 3d) § 2682 ("The fact that Rule 55(a) gives the clerk authority to enter a default is not a limitation on the power of the court to do so."). Nevertheless, the court may set aside an entry of default for "good cause." NMI R. Civ. P. 55(c).

In general, an entry of default is disfavored and is to be avoided because such a remedy is inconsistent with the policy that claims and defenses be disposed of on their merits. *See Enron Oil Corp. v. Diakuhara*, 10 F.3d 90, 95-96 (2d Cir. 1993); *United States on Behalf of and for Use of Time Equip. Rental & Sales, Inc. v. Harre*, 983 F.2d 128, 130 (8th Cir. 1993); *Tazco, Inc. v. Director, Office of Workers Compensation Program, U.S. Dep't of Labor*, 895 F.2d 949, 950 (4th Cir. 1990) ("The law disfavors default judgments as a general matter."); *Hritz v. Woma Corp.*, 732 F.2d 1178, 1181 (3d Cir. 1984)). After a review of the facts and arguments in this case and taking into consideration the strong preference that claims be decided on their merits, the Court finds that the entry of default issued by the Clerk on November 22, 2011 be set aside.

B. Service of Process

The central issue before the Court in this matter is whether Marcelo received adequate notice of the Petition for Divorce. The Court cannot exercise jurisdiction over a party that has not been properly served. *See Gold Kist, Inc. v. Laurinburg Oil Co.*, 756 F.2d 14, 19 (3d Cir. 1985) ("A default judgment entered when there has been no proper service of the complaint is, *a fortiori*, void, and should be set aside."). Therefore, in determining whether to set aside the entry of default, the Court must first consider whether the Court has personal-jurisdiction in the case.

For personal-jurisdiction, the Court must address the adequacy of service on Marcelo. Personal service requirements are set forth in Commonwealth Rule of Civil Procedure 4(e)(1). Rule 4(e)(1) provides, in relevant part, that service may be effected "in any manner prescribed or authorized by any law of the Commonwealth." NMI R. Civ. P. 4(e)(1). Under Commonwealth law, an individual may be served, *inter alia*, by personal delivery, or service by mail coupled with acknowledgment of receipt. *See* 7 CMC § 1104(a).

When a defendant cannot be served as specified by 7 CMC § 1104(a), 7 CMC § 1104(b) authorizes service by publication:

[I]f the defendant cannot be personally served by mail the summons and complaint, and if by affidavit or otherwise the court is satisfied that with reasonable diligence the defendant cannot be served, and that a cause of action arises against the party upon whom service is to be made, or he is a necessary and property party to the action, the court may order that service be made by publication of the summons in at least one newspaper published and having a general circulation in the Commonwealth. Publication shall be made once each week for four successive weeks, and the last publication shall be not less than 21 days prior to the return date stated herein.

7 CMC § 1104(b) (emphasis added). Service by publication is only permissible "where it is not reasonably possible or practicable to give more adequate warning," because "in the case of persons missing or unknown, employment of an indirect and even a probably futile means of notification is all that the situation permits and creates no constitutional bar to a final decree foreclosing their rights."

Mullane v. Cent. Hanover Bank & Trust Co., 339 U.S. 306, 317 (1950).

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At oral argument, Mendoza contended that "there is no legal requirement" to use reasonable diligence or attempt service by mail before resorting to service by publication. In light of the clear requirements of 7 CMC § 1104(b), Mendoza's contention is without merit.

In this matter, service has not been a straightforward process. It is also telling that the Petition for Divorce was filed by Mendoza on the day that Marcelo left Saipan to travel to New Jersey. It is not clear from the record what "reasonable diligence" Mendoza used to locate and serve Marcelo before requesting service through publication. Indeed, at oral argument, Mendoza could not state any reasonable diligence. Moreover, 7 CMC § 1104(b) requires an attempted service by mail, where practicable, before the court can allow service by publication. Here, even though Mendoza had the means to contact Marcelo and obtain her address in New Jersey, he took no efforts to contact her or serve her by mail. The Order allowing service by publication should not have been granted.

Assuming, arguendo, that the Order allowing service by publication was properly granted, the publication requirements were still not met. Section 1104(b) requires that the publication "be made once each week for four successive weeks, and the last publication shall be not less than 21 days prior to the return date stated herein." 7 CMC § 1104(b). Here, the record indicates that the summons was published for only one day and not "once each week for four successive weeks." The proper procedure under § 1104(b) would have been to publish the Summons in a newspaper of general circulation once for the weeks of November 1st, 8th, 11th, 15th, and 22nd. Thereafter, the Answer would have been due December 13, 2011, and the earliest possible date for entry of default would have been December 14, 2011. In this case, entry of default occurred on November 22, 2011.

The party seeking entry of default has the burden of proving the defendant was properly served. See e.g., Stubbs v. Wyndham Nassau Resort & Crystal Palace Casino, 447 F.3d 1357, 1360 (11th Cir. 2006). In this case, there is inadequate evidence that Marcelo was properly served. She was not served personally or by mail, and the one-day publication falls far short of compliance with the Commonwealth's service by publication statute. Accordingly, Mendoza has failed to meet his burden of proving that this Court has personal-jurisdiction over Marcelo. This Court lacked personaljurisdiction over Marcelo when the entry of default was issued; therefore, the entry of default is null and void and must be set aside.

C. Waiver

Even though the Court lacked personal-jurisdiction over Marcelo when the entry of default was issued, she has since waived this defense going forward. "Because the requirement of personal jurisdiction represents first of all an individual right, it can, like other such rights, be waived." *Ins. Corp. of Ireland v. Compagnie des Bauxites de Guinee*, 456 U.S. 694, 703 (1982); *see also id.* at 706 (cautioning that there is nothing "unique about the requirement of personal jurisdiction, which prevents if from being established or waived like other rights"). Marcelo waived any further personal-jurisdiction objections at oral argument. Waiver is the intentional relinquishment or abandonment of a known right. *United States v. Olando*, 507 U.S. 725, 733 (1993). In this case, by virtue of her attorney, Marcelo stated in open court that she concedes this Court has personal-jurisdiction over her and she merely wants the entry of default to be set aside so she may participate in the matter before judgment. Therefore, Mendoza need not effect further service for this matter to proceed on the merits before the Court.

IV. <u>CONCLUSION</u>

Based on the foregoing reasons the Court hereby **GRANTS** Respondent's Motion to Set Aside Entry of Default.

SO ORDERED this 6th day of February, 2012.