

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF
INDIANA, LAFAYETTE DIVISION

Aaron Rigsby v. All Seasons Restoration, LLC

Rigsby · No. 4:24-cv-23-PPS-AZ · Decided April 9, 2026

SUMMARY

The magistrate judge recommends vacating the clerk's entry of default against All Seasons Restoration, LLC, under Federal Rule of Civil Procedure 55(c). The recommendation relies on good cause, the parties' participation in litigation and settlement proceedings, and the absence of prejudice, while advising the parties of their 14-day objection period.

CASE DETAILS

COURT	United States District Court for the Northern District of Indiana, Lafayette Division
WRITING FOR THE COURT	Abizer Zanzi
JURISDICTION	United States District Court for the Northern District of Indiana, Lafayette Division
DECIDED	April 9, 2026
DOCKET	4:24-cv-23-PPS-AZ
DISPOSITION	other
PROCEDURAL POSTURE	The magistrate judge issued findings, a report, and a recommendation pursuant to 28 U.S.C. § 636(b)(1)(B) and (C), recommending that the district court vacate the clerk's entry of default against All Seasons Restoration, LLC.
STANDARD OF REVIEW	An entry of default may be set aside for good cause under Federal Rule of Civil Procedure 55(c). A lower court's decision to set aside a default is reviewed for abuse of discretion and receives great deference.
PRECEDENTIAL VALUE	nonprecedential

TOPICS

- default
- civil procedure

PRACTICE AREAS

QUESTIONS PRESENTED

1. Whether the clerk's entry of default should be vacated under Federal Rule of Civil Procedure 55(c) when the defendant answered before default judgment, the parties proceeded with the litigation on the merits, and the parties were pursuing settlement.
2. Whether the circumstances established good cause and an absence of prejudice sufficient to set aside the entry of default.

HOLDINGS

1. The circumstances provided good cause to vacate the clerk's entry of default, including the parties' active participation in the litigation and their commitment to resolving the case through settlement, with no prejudice to either party.
2. The magistrate judge recommended that the district court vacate the entry of default.

KEY QUOTATIONS

“This standard is more lenient than the standard for setting aside a default judgment, and courts must be mindful of the preference to resolve cases on their merits rather than by default judgment.”

“Here, because the parties are fully committed to resolving the case through settlement, and they have proceeded through the judicial process as if the default was already vacated, there is clearly good cause to set it aside and an absence of any prejudice to either party.”

FACTUAL BACKGROUND

The clerk entered default against All Seasons Restoration, LLC, but the defendant filed an answer before any default judgment was entered. The parties subsequently participated in case-management proceedings, commenced discovery, and scheduled a judicial settlement conference, all while the entry of default remained formally outstanding.

PROCEDURAL HISTORY

A clerk's entry of default was entered against All Seasons Restoration, LLC on August 9, 2025. Before default judgment was entered, the defendant filed an answer; the parties then participated in a Rule 16 preliminary conference, commenced discovery, proceeded toward settlement, and litigated as though the default had been vacated. Because the entry of default had not formally been vacated, the magistrate judge recommended that the district court vacate it.

DISPOSITION

other

CASES CITED

- *Cracco v. Vitran Express, Inc.*, 559 F.3d 625, 630-31 (7th Cir. 2009)
- *Arwa Chiropractic, P.C. v. Med-Care Diabetic & Med. Supplies, Inc.*, 961 F.3d 942, 948-49 (7th Cir. 2020)
- *Swaim v. Moltan Co.*, 73 F.3d 711, 722 (7th Cir. 1996)
- *Sun v. Bd. of Trs. of the Univ. of Ill.*, 473 F.3d 799, 810 (7th Cir. 2007)
- *Willis v. Caterpillar, Inc.*, 199 F.3d 902, 904 (7th Cir. 1999)
- *Hunger v. Leininger*, 15 F.3d 664, 668 (7th Cir. 1994)
- *The Provident Bank v. Manor Steel Corp.*, 882 F.2d 258, 260-61 (7th Cir. 1989)
- *Lebovitz v. Miller*, 856 F.2d 902, 905 n.2 (7th Cir. 1988)

OPINION

Rigsby

PER CURIAM.

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF INDIANA

LAFAYETTE DIVISION at Hammond

AARON RIGSBY,)

) Plaintiff,)) v.) Case No. 4:24-cv-23-PPS-AZ)

ALL SEASONS RESTORATION, LLC,)

) Defendants.)

FINDINGS, REPORT, AND RECOMMENDATION OF

UNITED STATES MAGISTRATE JUDGE PURSUANT TO

28 U.S.C. ' 636(b)(1)(B) & (C) and Local Rule 72-1 This matter is before the Court sua sponte. On August 9, 2025, a Clerk's Entry of Default was entered against defendant All Seasons Restoration, LLC. DE 9. Before a default judgment was granted, the defendant filed an answer. DE 13. Thereafter, the parties appeared for a Rule 16 Preliminary Conference and indicated their intent to cooperate and proceed through resolving the case on the merits. DE 18. Deadlines were set, discovery was commenced, and the case is now set for a judicial settlement conference on June 10, 2026. DE 23. However, the entry of default was never vacated. Under Rule 55 of the Federal Rules of Civil Procedure, a court may set aside an entry of default for good cause. Fed. R. Civ. P. 55(c). The Seventh Circuit has established a three-element test that the moving party must establish to set aside a default: (1) good cause for setting aside the default; (2) quick action to correct the entry of default and (3) a meritorious defense to the complaint or claim. *Cracco v. Vitran Express, Inc.*, 559 F.3d 625, 630-631 (7th Cir. 2009). This standard is more lenient than the standard for setting aside a default judgment, and courts must be mindful of the preference to resolve cases on their merits rather than by default judgment. See *Arwa Chiropractic, P.C. v. Med-Care Diabetic & Med. Supplies, Inc.*, 961 F.3d 942, 948-49 (7th Cir. 2020); *Cracco*, 559 F.3d at 631. A lower court's decision to set aside a default is given "great deference" and will only be reversed if the court abused its discretion. *Swaim v. Moltan Co.*, 73 F.3d 711, 722 (7th Cir. 1996);

Sun v. Bd. of Trs. of the Univ. of Ill., 473 F.3d 799, 810 (7th Cir. 2007). Here, because the parties are fully committed to resolving the case through settlement, and they have proceeded through the judicial process as if the default was already vacated, there is clearly good cause to set it aside and an absence of any prejudice to either party. Accordingly, the Court RECOMMENDS that the District Court VACATE the entry of default [DE 8]. This Report and Recommendation is submitted pursuant to 28 U.S.C. § 636(b)(1)(C). Pursuant to 28 U.S.C. § 636(b)(1), the parties shall have fourteen days after being served with a copy of this Recommendation to file written objections thereto with the Clerk of Court. The failure to file a timely objection will result in waiver of the right to challenge this Recommendation before either the District Court or the Court of Appeals. Willis v. Caterpillar, Inc., 199 F.3d 902, 904 (7th Cir. 1999); Hunger v. Leininger, 15 F.3d 664, 668 (7th Cir. 1994); The Provident Bank v. Manor Steel Corp., 882 F.2d 258, 260-261 (7th Cir. 1989); Lebovitz v. Miller, 856 F.2d 902, 905 n.2 (7th Cir. 1988). SO ORDERED this 9th day of August 2025. /s/ Abizer Zanzi

MAGISTRATE JUDGE ABIZER ZANZI

UNITED STATES DISTRICT COURT