

DEC 17 2015

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U.S. COURT OF APPEALS

NOT FOR PUBLICATION

UNITED STATES COURT OF APPEALS

FOR THE NINTH CIRCUIT

AMERICAN PACIFIC TEXTILE, INC.;  
et al.,

Plaintiffs - Appellants,

v.

UNITED STATES OF AMERICA,

Defendant - Appellee.

No. 13-16348

D.C. No. 1:10-cv-00018

MEMORANDUM\*

HONG KONG ENTERTAINMENT  
(OVERSEAS) INVESTMENT, LTD. and  
RIFU APPAREL CORPORATION,

Plaintiffs - Appellants,

v.

UNITED STATES OF AMERICA,

Defendant - Appellee.

No. 13-16355

D.C. No. 1:10-cv-00019

Appeal from the United States District Court  
for the District of the Northern Mariana Islands  
Ramona V. Manglona, Chief District Judge, Presiding

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

Argued and Submitted June 10, 2015  
Honolulu, Hawaii

Before: WARDLAW, BERZON, and OWENS, Circuit Judges.

1. Plaintiffs-Appellants, thirteen corporate employers of thousands of foreign nonresident temporary garment factory workers between 2004 and 2008 in the Commonwealth of the Northern Mariana Islands (“CNMI”), appeal the entry of judgment on the pleadings in favor of the United States in these consolidated cases. The district court held that temporary foreign workers in the CNMI and their employers are required to pay Federal Insurance Contributions Act (“FICA”) taxes, which fund Social Security and Medicare. For the reasons stated in our opinion in *Ai v. United States*, appeal No. 13-17491, published today, we affirm the district court.

2. The district court may have abused its discretion in staying discovery pending the government’s motion for judgment on the pleadings as the discovery related to the question of statutory interpretation at issue in the government’s motion. However, any error was harmless as the district court considered the congressional record in construing Covenant § 606(b) to the extent that any consideration of legislative history was necessary or relevant. *Laub v. U.S. Dep’t of Interior*, 342 F.3d 1080, 1093 (9th Cir. 2003) (“A district court is vested with

broad discretion to permit or deny discovery, and a decision ‘to deny discovery will not be disturbed except upon the clearest showing that the denial of discovery results in actual and substantial prejudice to the complaining litigant.’” (citation omitted)); *Alaska Cargo Transp., Inc. v. Alaska R.R.*, 5 F.3d 378, 383 (9th Cir. 1993) (decision to stay discovery reviewed for an abuse of discretion).

3. Nor did the district court abuse its discretion in denying Plaintiffs-Appellants the “extraordinary remedy” of amending the judgment, *Allstate Ins. Co. v. Herron*, 634 F.3d 1101, 1111 (9th Cir. 2011), because they had notice of the constitutional claims they sought to add to their complaint well before the district court granted the government’s motion for judgment on the pleadings. Plaintiffs-Appellants thus were not entitled to Federal Rule of Civil Procedure 59(e) relief as such a motion should not be used “to raise arguments or present evidence that could have been raised prior to the entry of judgment.” *Exxon Shipping Co. v. Baker*, 554 U.S. 471, 485 n.5 (2008) (internal quotation marks and citation omitted).

**AFFIRMED.**