

II.

(a) On January 26, 2009, a representative of the Packers and Stockyards Program (P&S Program) of the Grain Inspection, Packers and Stockyards Administration personally served on Respondent a Notice of Default Registration/Bonding letter, dated January 22, 2009, informing Respondent that the P&S Program had information that Respondent was operating subject to the Act. The letter further informed Respondent that he must complete an Application for Registration and obtain a clause 2 bond or bond equivalent in an amount of at least \$10,000. Respondent was also informed that if he continued to operate subject to the Act without registering and obtaining a bond or bond equivalent, he could be subjected to civil or administrative action.

(b) Respondent, on or about the dates and in the transactions set forth in Appendices A and B and incorporated herein by reference and in the additional transactions set forth below, engaged in the business of a dealer buying and selling livestock in commerce without being registered with the Secretary of Agriculture and without filing and maintaining an adequate bond or bond equivalent. Respondent bought and sold livestock at the following auction markets, all posted stockyards: (1) Mallicote, Inc., d/b/a Cattleman's Livestock Commission Co., Paris, Texas; (2) Decatur Livestock Market, Decatur, Texas; (3) The New Gainesville Livestock Auction, LLC, Gainesville, Texas;¹ (4) Coleman Livestock Auction Comm. Co., Inc., Coleman, Texas; and (5) Big Springs Livestock Auction, Big Spring, Texas.

¹ Respondent also purchased livestock from The New Gainesville Livestock Auction, LLC at the facility in Muenster, Texas that The New Gainesville Livestock Auction, LLC had purchased from Muenster Livestock. At the time of the transactions in the complaint, The New Gainesville Livestock Auction, LLC conducted business at the Muenster, Texas facility as "Muenster Livestock." The Muenster, Texas facility has since closed.

Sale Date	Location of Sale	No. of Head	Livestock Amount	Net Proceeds ^a
06/22/09	Decatur Livestock Market	7	\$3,454.35	\$2,856.68
11/09/09	Decatur, Texas	53	\$24,830.28	\$8,002.03
11/16/09		49	\$22,112.78	\$0.00

^aDecatur Livestock Market deducted from the net proceeds due to Respondent amounts for cattle purchases Respondent made that day and for fees including trucking, feed, hay, and testing charges.

III.

(a) Respondent, in connection with his operations subject to the Act, on or about the dates and in the transactions set forth in Appendix A and incorporated herein by reference, issued checks in payment for livestock purchases, which checks were returned unpaid by the bank upon which they were drawn because Respondent did not have and maintain sufficient funds on deposit and available in the account upon which such checks were drawn to pay such checks when presented.

(b) Respondent, in connection with his operations subject to the Act, in the transactions set forth in Appendices A and B and incorporated herein by reference, purchased livestock and failed to pay the full amount of the purchase price for such livestock within the time period required by the Act. As of the date of filing of this complaint, approximately \$59,362.22 remains unpaid.

(c) In a sworn affidavit signed by Respondent on January 19, 2010, Respondent admitted that he bought and sold livestock at the auction markets listed in paragraph II(b) above. Respondent further admitted in the affidavit that on October 31, 2009, he purchased 175 head of livestock for \$73,193.89 at Cattleman's Livestock Commission Co. under the designation JT Mohon and that Respondent was responsible for paying for this purchase. Respondent also admitted that on November 7 and 14, 2009, he purchased cattle under the designation J&R Cattle Company, Jackie Reeves and that the part of the cattle that he wrote checks for was Respondent's cattle. Respondent further admitted that as of January 18, 2010, he owed

Cattleman's Livestock Commission Co. \$86,156.22 and Decatur Livestock Market \$16,018.75 for livestock purchases. A copy of the affidavit is attached hereto as Appendix C and incorporated herein by reference.

IV.

By reason of the facts alleged in paragraph II, Respondent has willfully violated section 312(a) of the Act (7 U.S.C. § 213(a)) and sections 201.29 and 201.30 of the Regulations (9 C.F.R. §§ 201.29, 201.30).

By reason of the facts alleged in paragraph III, Respondent has willfully violated sections 312(a) and 409 of the Act (7 U.S.C. §§ 213(a), 228b).

WHEREFORE, it is hereby ordered that this complaint shall be served upon the Respondent for the purpose of determining whether Respondent willfully violated the Act and the Regulations. Respondent shall have twenty (20) days after receipt of this complaint in which to file an answer with the Hearing Clerk, Room 1031-South Building, United States Department of Agriculture, 1400 Independence Avenue, SW., Washington, DC 20250-9200, in accordance with the Rules of Practice Governing Formal Adjudicatory Proceedings Instituted by the Secretary Under Various Statutes (7 C.F.R. §§ 1.130 et seq.) (Rules of Practice). Allegations not answered shall be deemed admitted for the purpose of this proceeding. Failure to file an answer will constitute an admission of all the material allegations of this complaint.

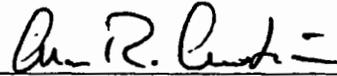
The Packers and Stockyards Program, Grain Inspection, Packers and Stockyards Administration requests:

1. That unless Respondent fails to file an answer within the time allowed, or files an answer admitting all the material allegations of this complaint, this proceeding be set for oral hearing in accordance with the Rules of Practice; and

2. That such order or orders be issued, including an order requiring Respondent to cease and desist from the violations of the Act found to exist, prohibiting Respondent from engaging in business in any capacity for which registration and bonding are required under the Act and Regulations without properly registering and providing such bond, and assessing such civil penalties against Respondent as are authorized by the Act and warranted under the circumstances.

Done at Washington, D.C.

this 20 day of November, 2012



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Deputy Administrator
Packers and Stockyards Program

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APPENDIX A

Seller's Name	Purchase Date	Number of Head	Livestock Amount	Net Invoice Adjustments	Total Amount	Due Date	Check/Payment Date	Payment Type	Check Number	Payment Amount*	Deposit Date	Date Check Returned	Reason Check Returned	Livestock Balance Owed	Days Payment Late	Remarks	
Mallicote Inc., d/b/a Cattlemen's Livestock Commission Co. Paris, Texas	10/31/09	175	\$71,890.89	\$1,303.00	\$73,193.89	11/02/09	11/05/09	Check	1469	\$73,193.89	11/05/09	11/12/09	NSF	\$59,362.22	819	The invoices designate the purchaser as Jim Mohon. However, in an affidavit (Appendix C), Respondent admits that he purchased the cattle and that he is responsible for paying for the cattle. Check No. 1469 was run through the bank 3 times and returned NSF each time. Cattlemen's made a bond claim against Jim Mohon for payment for this purchase. Cattlemen's received a bond payout of \$10,000.00. Per conversations with Cattlemen's personnel, Jim Mohon also made a payment of \$15,500.00 towards this purchase on 01/30/12. Wire payment of \$67,000.00 was made by Herbert Sicking, Respondent's father. After applying the wire payment from 12/01/09, the bond payout, and the payment by Jim Mohon, \$21,390.89 of the \$67,000.00 was applied to this purchase.	
							11/13/09				11/19/09	NSF					
							11/19/09				11/25/09	NSF					
							12/01/09	Wire		\$25,000.00	12/01/09						
							12/11/09	Wire		\$67,000.00	12/11/09						
							05/06/10	Bond Payout from Mohon's Bond		\$10,000.00							
	01/30/12	Payment by Mohon		\$15,500.00													
	11/07/09			\$14,031.07		\$14,031.07	11/09/09	11/14/09	Check	1480	\$14,031.07	11/13/09	11/19/09	NSF		32	Respondent purchased 477 head of livestock with a livestock amount of \$190,857.17 and a total invoice amount of \$192,982.17. One head was returned for \$754.29. The invoices designate the purchaser as J & R Cattle Co., Bowie, Texas. However, in an affidavit (Appendix C), Respondent admits that he is responsible for the part of the purchase he wrote a check for, namely, \$14,031.07. J & R Cattle Co. paid for \$178,196.81 worth of the livestock. It is unknown which specific head of the 477 went to Respondent. Check No. 1480 was run through the bank 2 times and returned NSF each time. \$14,031.07 of the \$67,000.00 wire payment was applied to this purchase.
								11/19/09				11/25/09	NSF				
								12/11/09	Wire		\$67,000.00	12/11/09					
11/14/09			\$90,940.26		\$90,940.26	11/16/09	11/19/09	Check	1499	\$92,021.82	11/19/09	11/25/09	NSF	\$59,362.22		Respondent purchased 429 head of livestock with a livestock amount of \$172,093.59 and a total invoice amount of \$174,218.59. The invoices designate the purchaser as J & R Cattle Co., Bowie, Texas. However, in an affidavit (Appendix C), Respondent admits that he is responsible for the part of the purchase he wrote a check for, namely \$90,940.26. J & R Cattle Co. paid for \$83,278.33 worth of the livestock. It is unknown which specific head of the 429 went to Respondent. Check No. 1499 exceeded the amount owed by Respondent by \$1,081.56. The check was run through the bank 3 times and returned NSF each time. The remaining \$31,578.04 of the \$67,000.00 payment was applied to this purchase. A livestock balance of \$59,362.22 remains.	
							11/25/09				12/02/09	NSF					
							12/03/09				12/08/09	NSF					
							12/11/09	Wire		\$67,000.00	12/11/09						
11/16/09	91	\$39,073.94	50.00	\$39,073.94	11/17/09	11/21/09	Third Party Check	38507	\$8,409.91	11/23/09				34	Check No. 6965 was drawn on Hebert Sicking's account. Respondent paid with 3 custodial checks totaling \$13,036.58 on 11/25/09. Copies of the checks are unavailable. \$1,590.75 of the \$7,000.00 cash payment was applied to this purchase.		
						11/23/09	Check	6965	\$7,320.00								
						11/23/09	Cash		\$8,250.00								
						11/24/09	Check	1506	\$1,590.75	11/24/09	11/25/09	NSF					
						11/25/09	Custodial Checks		\$13,036.58	11/25/09							
						12/21/09	Cash		\$7,000.00	12/22/09							
11/23/09	41	\$21,428.00	50.00	\$21,428.00	11/24/09	12/21/09	Cash		\$7,000.00	12/22/09				391	\$5,409.25 of the \$7,000.00 cash payment was applied to this purchase. Decatur called Respondent's bank three times a week upon receipt of Check No. 1529 to see if sufficient funds were available to permit the check to clear. Decatur did not deposit the check until 1/5/10, but it returned NSF. Per conversations with Decatur personnel, Respondent fully paid for the livestock shortly before Christmas in 2010. The exact date of full payment is unknown. Decatur has sales every Monday and the Monday sale prior to Christmas was December 20, 2010. Therefore, we will use this date as the approximate date of full payment for this purchase.		
						11/15/09	Check	1529	\$14,500.00	01/05/10	01/05/10	NSF					
			\$237,364.16	\$1,303.00	\$238,667.16											\$59,362.22	

* Payments that are known to apply to a particular purchase were applied to that purchase. Any other payments were applied to the oldest purchase at each market first until paid in full.

APPENDIX B

Seller's Name	Purchase Date	Number of Head	Livestock Amount	Net Invoice Adjustments	Total Amount	Due Date	Payment Date*	Payment Type	Check Number	Payment Amount	Days Payment Late	Remarks
Decatur Livestock Market Decatur, Texas	04/20/09	38	\$21,785.35	\$0.00	\$21,785.35	04/21/09	04/22/09	Check	1201	\$21,785.35	1	
The New Gainesville Livestock Auction, LLC d/b/a Muenster Livestock Muenster, Texas	05/07/09	1	\$716.85	\$0.00	\$716.85	05/08/09	05/14/09	Check	1228	\$716.85	6	
Mallicote Inc., d/b/a Cattleman's Livestock Commission Co. Paris, Texas	06/20/09	187	\$85,708.85	\$425.00	\$86,133.85	06/22/09	06/22/09	Check	1296	\$44,550.00	4	Respondent issued 3 checks to pay for this purchase.
							06/26/09	Check	1302	\$25,600.00		
	07/02/09	99	\$44,990.31	\$0.00	\$44,990.31	07/06/09	06/26/09	Check	1303	\$15,983.85	2	Respondent issued 2 checks to pay for this purchase.
							07/06/09	Check	1317	\$19,500.00		
07/08/09	Check	1318	\$25,490.31									
The New Gainesville Livestock Auction, LLC Gainesville, Texas	07/17/09	1	\$588.20	\$0.00	\$588.20	07/20/09	07/21/09	Check	1340	\$588.20	1	
Coleman Livestock Auction Comm. Co., Inc. Coleman, Texas	08/12/09	102	\$60,629.98	\$2,217.71	\$62,847.69	08/13/09	08/16/09	Check	1373	\$62,847.69	3	
Big Springs Livestock Auction Big Spring, Texas	08/14/09	70	\$45,836.92	\$1,307.33	\$47,144.25	08/17/09	08/18/09	Check	1381	\$47,144.25	1	
			\$260,256.46	\$3,950.04	\$264,206.50					\$264,206.50		

* Check date is used for the payment date.