

UNITED STATES DEPARTMENT OF AGRICULTURE USDA  
OALJ/OHC  
 BEFORE THE SECRETARY OF AGRICULTURE 2019 MAY -8 PM 12:35

In re:	)	P. & S. Docket No. D-09-
	)	<b>RECEIVED</b>
Warren Hudspeth	)	
	)	
Respondent	)	
	)	Complaint

There is reason to believe that the Respondent named herein has willfully violated the Packers and Stockyards Act, 1921, as amended and supplemented (7 U.S.C. § 181 et seq.; hereinafter "Act"), and, therefore, this complaint is issued alleging the following:

I.

- (a) Warren Hudspeth (hereinafter "Respondent"), is an individual whose mailing address is P.O. Box 1089, Pilot Point, Texas 76258.
- (b) At all times material herein, Respondent was:
  - (1) Engaged in the business of buying and selling livestock in commerce as a dealer for his own account and for the account of others; and
  - (2) Registered with the Secretary of Agriculture as a dealer to buy and sell livestock in commerce for his own account and for the account of others.

II.

(a) On or about the dates and in the transactions set forth below, Respondent 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 the checks were drawn to pay the checks when presented.

Seller	Purchase Date	Date Payment Due	No. of Head	Livestock Amount	Check No.	NSF Check Amount	Date Check Returned	Date Paid
Red River Livestock Market, Inc.	05/14/08	05/15/08	41	\$19,138.73	4422	\$19,138.73	05/23/08	05/23/08 <sup>1</sup>
Cattleman's Livestock Commission Co.	06/07/08	06/09/08	92	\$44,628.70	4502	\$44,628.70	06/24/09	Not fully paid <sup>2</sup>

<sup>1</sup> Check was redeposited on May 23, 2008, and cleared the bank on May 27, 2008.

<sup>2</sup> Respondent still owes \$11,666.03 for this purchase as of April 17, 2009.

(b) 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, failed to pay the full amount of the purchase price for livestock within the time period required by the Act, with the total amount remaining unpaid of \$11,666.03 as of April 17, 2009.

### III.

By reason of the facts alleged in paragraph II, 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 Respondent for the purpose of determining whether Respondent has 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, S.W., Washington, D.C. 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.*; hereinafter "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 (GIPSA), 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 and the Regulations found to exist, suspending Respondent as a registrant under the Act, and assessing such civil penalties against Respondent as are authorized by the Act and warranted in the circumstances.

Done at Washington, D.C.

this 8 day of May, 2009

*Alan R. Christian*  
for Alan R. Christian, Acting  
Deputy Administrator  
Packers and Stockyards Program

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Appendix A  
Warren Hudspeth - Schedule of Failure to Make Timely Payment for Livestock

Seller	Purchase Date	Date Payment Due Per 409(a)	Number of Head	Livestock Amount	Check Number	Check Date	Check Amount	Date Seller Notified of Returned Check	Reason for Returned Check	Date of Redeposit	Payment Method	Date Paid <sup>a</sup>	Amount Paid By Other Means	Balance Owed for Livestock Amount	Days Late	
Jerry Stokes Cattle	04/17/08	04/18/08	34	\$8,504.18	4491	05/15/08	\$8,504.18					05/15/08			27	
Garrison, Texas Cattlemen's Livestock Commission Co.																
Paris, Texas Cattlemen's Livestock Commission Co.	04/17/08	04/18/08	56	\$38,469.64	4399	04/19/08	\$38,469.64					04/19/08			1	
Paris, Texas Red River Livestock Market, Inc.	04/29/08	04/30/08	10	\$7,640.00	4452	05/02/08	\$7,640.00					05/02/08			2	
Overbrook, Oklahoma Red River Livestock Market, Inc.	05/07/08	05/08/08	1	\$260.00	4421	05/14/08	\$260.00					05/14/08			6	
Overbrook, Oklahoma Jerry Stokes Cattle	05/14/08	05/15/08	41	\$19,138.73	4422	05/15/08	\$19,138.73	05/23/08	NSF	05/23/08		05/23/08 <sup>b</sup>			8	
Garrison, Texas Cattlemen's Livestock Commission Co.	05/20/08	05/21/08	28	\$6,785.65	4505	06/10/08	\$6,785.65					06/10/08			20	
Paris, Texas Red River Livestock Market, Inc.	06/07/08	06/09/08	92	\$44,628.70	4502	06/09/08	\$44,628.70	06/24/08	NSF			06/19/08 <sup>c</sup> 09/23/08	\$2,962.67 <sup>d</sup> \$30,000.00	\$11,666.03	Not fully paid	
Paris, Texas Red River Livestock Market, Inc.	06/11/08	06/12/08	69	\$31,029.38	500057	06/17/08	\$20,983.20					06/18/08 <sup>e</sup>	\$9,588.95 <sup>f</sup>		6	
Overbrook, Oklahoma Cattlemen's Livestock Commission Co.																
Paris, Texas Cattlemen's Livestock Commission Co.	06/12/08	06/13/08	15	\$8,392.65	500061	06/19/08	\$11,823.10					06/19/08			6	
Paris, Texas	06/14/08	06/16/08	7	\$3,430.45											3	
				\$168,279.38			\$158,233.20							\$42,551.62	\$11,666.03	

<sup>a</sup> Date paid is the check date unless otherwise noted.

<sup>b</sup> Date of redeposit.

<sup>c</sup> Receipt date of payments.

<sup>d</sup> Amount consisted of two partial payments.

<sup>e</sup> Cattlemen's Livestock Commission Co., made a claim against Respondent's bond on June 30, 2008. The full amount of the bond was paid with a check dated September 23, 2008.

<sup>f</sup> Date Respondent paid in full per Red River Livestock Market, Inc.

<sup>g</sup> On June 18, 2008, Respondent sold at Red River Livestock Market, Inc., 22 head of the cattle that he had previously purchased there on June 11, 2008. The net proceeds totaled \$9,588.95. Respondent endorsed the check back to Red River Livestock Market, Inc. There was a resulting underpayment of \$457.23. Red River Livestock Market, Inc., did not create an accounts receivable for the underpayment; it deposited \$457.23 into its custodial account on June 18, 2008, and incurred a loss.