



portions thereof due the owners and consignors of livestock, in that:

1. As of January 24, 2005, the Respondents had outstanding checks drawn on their custodial account in the amount of \$58,865.72, and had to offset those checks a balance in their custodial account in the amount of \$0.00, and proceeds receivable in the amount of \$15,778.96, resulting in a deficiency of \$43,086.76 in funds available to pay shippers their proceeds;
  2. As of February 28, 2005, Respondents had outstanding checks drawn on their custodial account in the amount of \$60,168.74, and had to offset those checks a balance in their custodial account in the amount of \$3,665.67, and proceeds receivable in the amount of \$13,880.76, resulting in a deficiency of \$42,622.31 in funds available to pay shippers their proceeds;
  3. As of March 27, 2005, the Respondents had outstanding checks drawn on their custodial account in the amount of \$93,354.41, and had to offset those checks a balance in their custodial account in the amount of \$5,223.64, proceeds receivable in the amount of \$41,816.53, resulting in a deficiency of \$ 46,314.24 in funds available to pay shippers their proceeds;
- (b) Such deficiencies were due, in part, to withdrawals of funds from their custodial account for the payment of banking fees and transferring funds to Respondents' general account and not to pay consignors their proceeds or pay other legitimate expenses and charges from the account.

### III.

By reason of the facts alleged in paragraph II, Respondents willfully violated sections 307 and 312(a) of the Act (7 U.S.C. §§ 208, 213(a)) and section 201.42 of the regulations (9 C.F.R. § 201.42).

WHEREFORE, it is hereby ordered that for the purpose of determining whether Respondents have, in fact, wilfully violated the Act, this complaint shall be served upon Respondents. Respondents

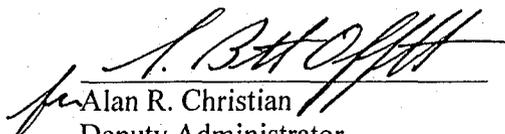
shall file an answer with the Hearing Clerk, United States Department of Agriculture, Washington, D.C. 20250, in accordance with the Rules of Practice governing proceedings under the Act (7 C.F.R. §1.130 *et seq.*). Failure to file an answer shall constitute an admission of all material allegations of this complaint.

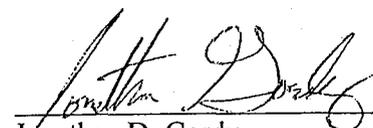
Packers and Stockyards Program, Grain Inspection, Packers and Stockyards Administration requests:

1. That unless Respondents fail to file an answer within the time allowed therefor, or file an answer admitting all material allegations of this complaint, this proceeding be set for oral hearing in accordance with the Rules of Practice governing proceedings under the Act; and
2. That such order or orders be issued, including an order requiring Respondents to cease and desist from the violations found to exist, suspending Respondents as registrants under the Act, and assessing such civil penalties, jointly and severally, as are authorized by the Act and warranted in the premises:

Done at Washington, D.C.

this 27<sup>th</sup> day of July, 2007

  
for Alan R. Christian  
Deputy Administrator  
Packers and Stockyards Program

  
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