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UNITED STATES DEPARTMENT OF AGRICULTURE

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BEFORE THE SECRETARY OF AGRICULTURE

In re:) P & S Docket No. D-12-0213
Clausen Meat Packing, Inc.,)
Michelle Tsao, and)
Kenneth Khoo)
Respondents) Complaint and Notice of Hearing

There is reason to believe that the Respondents named herein have willfully violated the Packers and Stockyards Act, 1921, as amended and supplemented (7 U.S.C. § 181 et seq.)(Act), and, therefore, this complaint and notice of hearing is issued alleging the following:

I

(a) Clausen Meat Packing, Inc., (Respondent Clausen) is a corporation whose business mailing address is P.O. Box 1826, Turlock, California 95381.

(b) Respondent Clausen was, at all times material herein:

(1) Engaged in the business of buying livestock in commerce for the purpose of slaughter; and

(2) A packer within the meaning of and subject to the provisions of the Act.

(c) Michelle Tsao (Respondent Tsao) is an individual whose current mailing address is in the State of California. The address will not be stated in the complaint to protect the privacy of Respondent Tsao, but will be provided to the Hearing Clerk's Office, United States Department of Agriculture, for the purposes of service of this complaint and notice of hearing.

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(d) Respondent Tsao was, at all times material herein:

- (1) President of Respondent Clausen;
- (2) Treasurer of Respondent Clausen;
- (3) Owner of 50% of the stock of Respondent Clausen;
- (4) Registered agent of Respondent Clausen; and
- (5) Responsible, along with Respondent Kenneth Khoo, for the

direction, management, and control of Respondent Clausen.

(e) Kenneth Khoo (Respondent Khoo) is an individual whose current mailing address is in the State of California. The address will be provided to the Hearing Clerk as stated in subparagraph (c) above.

(f) Respondent Khoo was, at all times material herein:

- (1) Vice-President of Respondent Clausen;
- (2) Secretary of Respondent Clausen;
- (3) Owner of 50% of the stock of Respondent Clausen; and
- (4) Responsible, along with Respondent Tsao, for the direction,

management, and control of Respondent Clausen.

II

On or about July 29, 2010, the Western Regional Office of Complainant sent Respondents a Notice of Violation, via certified mail, informing them that checks issued by Respondent Clausen for livestock were not being mailed in a timely manner.

Respondents were notified that failure to pay when due for livestock is a violation of section 409 of the Act (7 U.S.C. § 228b) and is considered an unfair practice in violation

of section 202 (7 U.S.C. § 192) of the Act. The Notice of Violation was served on August 5, 2010.

III

Respondent Clausen, under the direction, management, and control of Respondent Tsao and Respondent Khoo, in connection with its operations subject to the Act, on or about the dates and in the transactions set forth in Appendix A 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.

IV

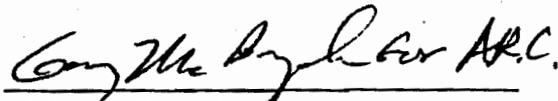
By reason of the facts alleged in paragraph III, Respondents have willfully violated sections 202(a) and 409 of the Act (7 U.S.C. §§ 192(a), 228b).

WHEREFORE, it is hereby ordered that for the purpose of determining whether Respondents have, in fact, willfully violated the Act, this complaint and notice of hearing shall be served upon Respondents. Respondents shall have twenty (20) days after receipt of this Complaint and Notice of Hearing in which to file an answer with the Hearing Clerk, United States Department of Agriculture, Washington, DC 20250, 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 shall constitute an admission of all the material allegations of this complaint and notice of hearing unless the parties have agreed to a consent decision pursuant to section 1.138 of the Rules of Practice (7 C.F.R. § 1.138). Respondents are hereby notified that unless hearing is waived, either expressly or by

failure to answer and request a hearing, a hearing will be held in accordance with the Rules of Practice, at a time and place to be designated later. At the hearing, Respondents will have the right to appear and show cause why an appropriate order should not be issued in accordance with the provisions of the Act requiring that Respondents cease and desist from violating the Act with respect to matters alleged herein and assessing such civil penalties as are authorized by the Act and warranted under the circumstances.

Done at Washington, D.C.

this 27 day of January, 2012.



Alan R. Christian
Deputy Administrator
Packers and Stockyards Program

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Appendix A

**Clausen Meat Packing, Inc.,
Michelle Tsao, and Kenneth Khoo**

Schedule of Failure to Pay within time period required by the Act for Livestock

Seller's Name	Purchase Date	No. of Head	Livestock Amount ¹	Net Invoice Amount ²	Due Date	Check Payment Date	Post Mark Date	Check Number	Days Late ³
Bruce Hild	9/15/10	458	\$36,861.51	\$36,419.98	9/16/2010	9/16/2010	10/4/2010	92579	18
	10/20/10	451	\$31,481.45	\$30,801.89	10/21/2010	10/21/2010	10/22/2010	92792	1
Weichman Pig Co., Inc.	9/21/10	226	\$32,323.80	\$32,151.00	9/22/2010	9/22/2010	10/6/2010	92603	14
	9/27/10	264	\$32,871.61	\$32,488.84	9/28/2010	9/28/2010	10/8/2010	92640	10
	9/28/10	226	\$31,438.08	\$31,378.08	9/29/2010	9/29/2010	10/8/2010	92642	9
	10/4/10	265	\$31,955.18	\$31,701.67	10/5/2010	10/5/2010	10/13/2010	92685	8
	10/12/10	206	\$28,874.25	\$28,734.03	10/13/2010	10/13/2010	10/18/2010	92744	5
	10/18/10	257	\$27,796.79	\$27,410.79	10/19/2010	10/19/2010	10/22/2010	92789	3
	10/19/10	219	\$26,230.38	\$26,200.38	10/20/2010	10/20/2010	10/22/2010	92791	2
	Totals	2,572	\$279,833.05	\$277,286.66	Average Number of Days Late				8

¹ Livestock amount figure taken from sellers invoice.

² The net invoice adjustments were taken from Clausen Meat Packing, Inc. settlement document(s). Livestock were sold on a live weight basis subject to adjustments made for dead on arrival and damaged pigs. Respondent Clausen paid on an adjusted net invoice.

³ Per Post Mark Date