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UNITED STATES DEPARTMENT OF AGRICULTURE
BEFORE THE SECRETARY OF AGRICULTURE

In re:) P. & S. Docket No. D-12-0439
)
)
EROB, Inc.,)
)
doing business as Eel River Organic Beef, Inc.,)
)
doing business as Eel River Organic Beef)
)
and)
)
Clinton J. Victorine)
)
)
Respondents) Complaint and Notice of Hearing
)

There is reason to believe that the respondents named herein have willfully violated provisions of the Packers and Stockyards Act, 1921, as amended and supplemented (7 U.S.C. §181 et seq.), and the regulations promulgated thereunder by the Secretary of Agriculture (9 C.F.R. § 201.1 et seq.) and therefore, this Complaint and Notice of Hearing is issued alleging the following:

I

(a) Respondent EROB, Inc. is a corporation organized under the laws of the State of California. Respondent EROB, Inc. does business as Eel River Organic Beef, Inc. and as Eel River Organic Beef. Respondent EROB, Inc. maintains a place

of business at 1725 Main Street, Fortuna, CA, 95540.

(b) Respondent Clinton J. Victorine is an individual whose business mailing address is P.O. Box 146, Hydesville, CA, 95547.

(c) Respondent EROB, Inc., under the direction, management, and control of respondent Clinton J. Victorine, is, and at all times material herein was:

(1) Engaged in the business of buying livestock in commerce for the purposes of slaughter and manufacturing or preparing meats or meat products for sale or shipment in commerce;

(2) Had average annual purchases of livestock exceeding \$500,000; and

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

(d) Respondent Clinton J. Victorine is, and at all times material herein was:

(1) President, Chief Executive Officer, Chief Financial Officer, and Secretary of respondent EROB, Inc.;

(2) Owner of 65% of the stock issued by respondent EROB, Inc.;

(3) Responsible for the direction, management and control of respondent EROB, Inc.; and

(4) The *alter ego* of respondent EROB, Inc.

II

As of January 31, 2011, respondent EROB, Inc. had current assets of approximately \$597,177 and current liabilities of approximately \$717,926, resulting in an excess of current liabilities over current assets in the approximate amount of \$120,749.

III

(a) On or about the dates and in the transactions set forth in Appendix A, respondents purchased livestock and failed to pay, when due, the full purchase price of such livestock.

(b) Although respondents purchased livestock in some of the transactions described in Appendix A pursuant to written contracts with credit terms, payment for all purchases was due by the close of the next business day pursuant to section 409(a) of the Act (7 U.S.C. § 228b(a)) because the written contracts lacked the packer trust waiver required under section 201.200 of the regulations (9 C.F.R. § 201.200) in order to be valid credit agreements under section 409(b) of the Act (7 U.S.C. § 228b(b)).

IV

By reason of the facts alleged in paragraphs I and II herein, the financial condition of respondent EROB, Inc. did not meet the requirements of the Act (7 U.S.C. § 204) and respondents have wilfully violated section 202(a) of the Act (7 U.S.C. § 192(a)).

By reason of the facts alleged in paragraphs I and III herein, respondents have

willfully violated sections 202(a) and 409 of the Act (7 U.S.C. §§ 192(a) and 228b), and sections 201.43 and 201.200 of the regulations (9 C.F.R. §§ 201.43, 201.200).

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, USDA, 1400 Independence Avenue, S.W., South Building, Room 1031, Washington, DC 20250-9200, 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 the material allegations of this Complaint and Notice of Hearing.

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 place and time 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 which requires that respondents cease and desist from violating the Act with respect to matters alleged herein and assesses such civil penalties as are authorized by the Act and warranted under the circumstances.

Done at Washington, D.C.

this 15 day of May, 2012



Alan R. Christian
Deputy Administrator
Packers and Stockyards Program
Grain Inspection, Packers and Stockyards
Administration

Krishna G. Ramaraju
Attorney for Complainant
United States Department of Agriculture
Office of the General Counsel
Marketing, Regulatory and Food Safety Programs Division
Room 2319, South Building
1400 Independence Avenue, S.W.
Washington, D.C. 20250-1400
Phone: (202) 690-0672
Fax: (202) 690-4322
kris.ramaraju@ogc.usda.gov

Appendix A

Purchase/Harvest Date	Seller's Name	Number of Head of Livestock Purchased	Net Invoice Amount	Payment Due Date	Date Payment Made by Respondents
1/10/2011	Northern Arapaho Ranch	25	\$22,898.63	1/11/2011	3/1/2011
1/11/2011	Northern Arapaho Ranch	25	\$21,100.76	1/12/2011	3/1/2011
1/12/2011	Northern Arapaho Ranch	26	\$23,629.71	1/13/2011	3/1/2011
1/17/2011	Northern Arapaho Ranch	25	\$27,645.25	1/18/2011	3/22/2011
1/18/2011	Northern Arapaho Ranch	25	\$22,099.60	1/19/2011	3/22/2011
1/19/2011	Northern Arapaho Ranch	25	\$21,761.75	1/20/2011	3/22/2011
1/24/2011	Northern Arapaho Ranch	25	\$22,514.85	1/25/2011	3/22/2011
1/25/2011	Northern Arapaho Ranch	26	\$24,764.93	1/26/2011	3/22/2011
1/26/2011	Northern Arapaho Ranch	24	\$21,053.90	1/27/2011	3/22/2011
2/2/2011	Northern Arapaho Ranch	26	\$24,105.66	2/3/2011	3/22/2011
2/7/2011	Northern Arapaho Ranch	25	\$22,883.89	2/8/2011	3/28/2011
2/8/2011	Northern Arapaho Ranch	23	\$18,886.93	2/9/2011	3/28/2011
2/9/2011	Northern Arapaho Ranch	25	\$21,038.09	2/10/2011	3/28/2011
11/17/2010	Bill Branstetter	2	\$2,763.44	11/18/2010	12/20/2010
12/27/2010	Carli-Vic	3	\$2,806.29	12/28/2010	2/4/2011
10/13/2010	Chris Donati	21	\$24,856.97	10/14/2010	12/6/2010
10/18/2010	Chris Donati	25	\$28,183.69	10/19/2010	12/27/2010
10/19/2010	Chris Donati	25	\$28,908.37	10/20/2010	12/27/2010
10/20/2010	Chris Donati	27	\$30,996.62	10/21/2010	12/27/2010
11/29/2010	Chris Donati	24	\$33,624.65	11/30/2010	1/31/2011
11/30/2010	Chris Donati	18	\$24,811.59	12/1/2010	1/31/2011
12/1/2010	Chris Donati	26	\$35,238.11	12/2/2010	1/31/2011
12/6/2010	Chris Donati	24	\$31,272.41	12/7/2010	2/14/2011
12/7/2010	Chris Donati	24	\$31,726.22	12/8/2010	2/14/2011
12/8/2010	Chris Donati	22	\$29,730.23	12/9/2010	2/14/2011

12/13/2010	Chris Donati	24	\$30,531.10	12/14/2010	2/18/2011
12/14/2010	Chris Donati	9	\$10,994.45	12/15/2010	2/18/2011
11/1/2010	Knoll Ranch, LLC	12	\$16,392.96	11/2/2010	1/17/2011
11/2/2010	Knoll Ranch, LLC	25	\$34,016.76	11/3/2010	1/17/2011
11/3/2010	Knoll Ranch, LLC	9	\$12,353.53	11/4/2010	1/17/2011
11/8/2010	Knoll Ranch, LLC	26	\$34,154.65	11/9/2010	1/17/2011
11/9/2010	Knoll Ranch, LLC	21	\$28,095.46	11/10/2010	1/17/2011
11/22/2010	Knoll Ranch, LLC	31	\$37,935.26	11/23/2010	2/4/2011
11/23/2010	Knoll Ranch, LLC	13	\$15,613.71	11/24/2010	2/4/2011
12/20/2010	Knoll Ranch, LLC	26	\$30,542.94	12/21/2010	3/21/2011
12/21/2010	Knoll Ranch, LLC	21	\$25,048.04	12/22/2010	3/21/2011
1/31/2011	Knoll Ranch, LLC	25	\$28,375.35	2/1/2011	3/22/2011
2/1/2011	Knoll Ranch, LLC	22	\$26,592.22	2/2/2011	3/22/2011
2/2/2011	Knoll Ranch, LLC	2	\$2,245.58	2/3/2011	3/22/2011
2/8/2011	Knoll Ranch, LLC	1	\$1,060.17	2/9/2011	3/22/2011
11/10/2010	Llano Seco Rancho	8	\$9,250.39	11/12/2010	12/20/2010
11/15/2010	Llano Seco Rancho	26	\$29,970.51	11/16/2010	1/3/2011
11/16/2010	Llano Seco Rancho	26	\$29,184.06	11/17/2010	1/3/2011
11/17/2010	Llano Seco Rancho	13	\$14,366.76	11/18/2010	1/3/2011