

USDA  
OALJ/OHC

301 APR -7 PM 3: 59

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

RECEIVED

In re: ) P. & S. Docket No. D-10-0 0206  
)  
) Tallgrass Beef Company LLC, )  
)  
) Respondent ) Complaint and Notice of Hearing

There is reason to believe that the Respondent named herein does not meet the financial requirements of the Packers and Stockyards Act, 1921, as amended and supplemented (7 U.S.C. §181 *et seq.*), hereinafter referred to as "the Act", and has willfully violated provisions of the Act, and therefore, this Complaint and Notice of Hearing is issued alleging the following:

I

(a) Tallgrass Beef Company LLC , hereinafter referred to as "Respondent", is a limited liability company organized and existing under the laws of the State of Delaware. Its business mailing address is 103 E. Main St., Sedan, KS 67361.

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

(1) Engaged in the business of buying livestock in commerce for the purposes of slaughter and, after the custom slaughter and processing of the livestock, of marketing meats, meat food products, or livestock products in an unmanufactured form acting as a wholesale distributor in commerce; and

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

II

(a) On or about the dates and in the transactions listed below, Respondent contracted with livestock producers for the purchase of livestock on a dressed weight basis after grass feeding by the

seller or an agent, with the payment of the balance of the full purchase amount to be made following the custom slaughter of the livestock after deductions for any deposits made at the time of contract execution, and for any freight, grassing expenses, and check-off obligations of the seller. Respondent failed to pay, and failed to pay, within the time period required by the Act, the full purchase price owed for such livestock after such deductions.

Date of Dressed Weight Purchase / Harvest	Livestock Seller	No. of Hd	Net Livestock Purchase Amount Owed	Date Payment Due per §409a	Due Date per Non-Valid Credit Agreement (No Trust Waiver)	Payment Amount	Pmt Inst. No.	Payment Date	Unpaid Balance per 409a (as of 11/30/09)
7/16/09	Allen Schaffer	1	\$844.70	7/17/09	N/A				
7/31/09		1	\$900.80	8/3/09	N/A				
9/3/09		4	\$3,706.90	9/4/09	N/A	\$0.00			
Subtotal:		6	\$5,452.40			\$0.00			\$5,452.40
6/18/09	Allen Waddell	1	\$1,050.22	6/19/09	7/10/09				
6/25/09		3	\$3,511.12	6/26/09	7/17/09				
7/2/09		4	\$4,606.24	7/3/09	7/24/09				
7/9/09		9	\$9,562.50	7/10/09	7/31/09				
10/1/09		17	\$19,137.05	10/2/09	10/23/09				
10/16/09		5	\$5,634.54	10/19/09	11/9/09	\$0.00			
Subtotal:	39	\$43,501.67			\$0.00			\$43,501.67	
7/2/09	Bates Creek Cattle Co.	16	\$26,043.85	7/3/09	N/A	\$0.00			\$26,043.85
3/27/09	Brad Reese / Twin Buttes Ranch	3	\$4,959.55	3/30/09	4/29/09	\$4,959.55	4697	7/24/09	
4/3/09		8	\$11,889.15	4/6/09	5/6/09	\$40.45	4697	7/24/09	
				4/6/09	5/6/09	\$3,500.00	4824	10/8/09	
Subtotal:	11	\$16,848.70			\$8,500.00			\$8,348.70	

Date of Dressed Weight Purchase / Harvest	Livestock Seller	No. of Hd	Net Livestock Purchase Amount Owed	Date Payment Due per §409a	Due Date per Non-Valid Credit Agreement (No Trust Waiver)	Payment Amount	Pmt Inst. No.	Payment Date	Unpaid Balance per 409a (as of 11/30/09)	
12/9/08	Brock Livestock	27	\$33,890.16	12/10/08	N/A	\$10,000.00	4386	2/10/09		
				12/10/08	N/A	\$10,000.00	4516	4/6/09		
				12/10/08	N/A	\$12,000.00	4538	4/23/09		
				12/10/08	N/A	\$1,890.16	4553	4/29/09		
12/27/08		18	\$21,712.71	12/29/08	N/A	\$6,109.84	4553	4/29/09		
				12/29/08	N/A	\$6,910.05	1509			
				12/29/08	N/A	\$5,000.00	4825	10/8/09		
2/17/09		1	\$1,307.18	2/18/09	N/A					
	Subtotal:	46	\$56,910.05			\$51,910.05				\$5,000.00
10/23/09	Charles Thomas	21	\$25,596.97	10/26/09	12/28/09	\$0.00				\$25,596.97
7/9/09	Charlie Bowers	44	\$49,521.20	7/10/09	8/9/09	\$5,000.00	4802	9/25/09		
				7/10/09	8/9/09	\$5,000.00	4812	10/2/09		
				7/10/09	8/9/09	\$5,000.00	4826	10/8/09		
				7/10/09	8/9/09	\$5,000.00	4853	10/16/09		
				7/10/09	8/9/09	\$5,000.00	4861	10/24/09		
				7/10/09	8/9/09	\$5,000.00	4867	11/12/09		
				7/10/09	8/9/09	\$5,000.00	4880	11/20/09		
7/23/09		12	\$12,244.25	7/24/09	8/23/09					
	Subtotal:	56	\$61,765.45			\$35,000.00				\$26,765.45
7/31/09	Charles Haak / Rocking Diamond Livestock	1	\$1,123.50	8/3/09	N/A					\$2,082.70
9/3/09		1	\$959.20	9/4/09	N/A	\$0.00				
		Subtotal:	2	\$2,082.70			\$0.00			
6/25/09	Clay Nash	1	\$1,223.80	6/26/09	N/A				\$2,391.55	
10/16/09		1	\$1,167.75	10/19/09	N/A	\$0.00				
	Subtotal:	2	\$2,391.55			\$0.00				
10/23/09	Dale Wilson	4	\$4,470.25	10/26/09	12/28/09	\$0.00			\$4,470.25	

Date of Dressed Weight Purchase / Harvest	Livestock Seller	No. of Hd	Net Livestock Purchase Amount Owed	Date Payment Due per §409a	Due Date per Non-Valid Credit Agreement (No Trust Waiver)	Payment Amount	Pmt Inst. No.	Payment Date	Unpaid Balance per 409a (as of 11/30/09)
10/23/09	Dallas Schleining / Schleining Genetics, LLC	11	\$13,002.82	10/26/09	11/25/09	\$0.00			\$13,002.82
8/20/09	Delton Judd	40	\$53,182.70	8/21/09	N/A	\$5,000.00	4874	11/12/09	\$150,656.45
9/17/09		38	\$53,576.40	9/18/09	N/A				
10/8/09		37	\$48,897.35	10/9/09	N/A				
		Subtotal:	115	\$155,656.45			\$5,000.00		
8/11/09	Donati Ranch	90	\$84,306.35	8/12/09	9/10/09	\$0.00			\$84,306.35
10/23/09	Doug Carlson / Sand Mountain Cattle Co.	4	\$4,787.78	10/26/09	12/28/09	\$0.00			\$4,787.78
7/16/09	Douglas Schmit / Schmit Farms	1	\$1,035.46	7/17/09	N/A	\$0.00			\$20,904.96
9/3/09		20	\$19,869.50	9/4/09	N/A				
		Subtotal:	21	\$20,904.96					
7/23/09	E H Cattle / Hooks	7	\$8,642.72	7/24/09	N/A	\$0.00			\$8,642.72
7/2/09	Eagle Ridge Ranch Co.	18	\$27,419.50	7/3/09	N/A	\$0.00			\$44,195.25
7/31/09		10	\$16,775.75	8/3/09	N/A				
		Subtotal:	28	\$44,195.25					
8/7/09	Fidler Farms	18	\$22,955.45	8/10/09	N/A	\$0.00			\$22,955.45
1/6/09	Funk Farms Trust	10	\$13,072.50	1/7/09	1/28/09	\$5,000.00	4803	9/25/09	\$10,315.80
2/17/09		5	\$6,315.80	1/7/09	1/28/09	\$4,072.50	4828	10/8/09	
			Subtotal:	15	\$19,388.30	2/18/09	3/11/09	\$9,072.50	

Date of Dressed Weight Purchase / Harvest	Livestock Seller	No. of Hd	Net Livestock Purchase Amount Owed	Date Payment Due per §409a	Due Date per Non-Valid Credit Agreement (No Trust Waiver)	Payment Amount	Pmt Inst. No.	Payment Date	Unpaid Balance per 409a (as of 11/30/09)
4/3/09	Grassroots Cattle Company, LLC	10	\$12,015.45	4/6/09	4/13/09	\$10,000.00	4634	6/5/09	
				4/6/09	4/13/09	\$2,015.45	Unkn own	Unknown	
5/1/09		13	\$13,451.25	5/4/09	5/11/09	\$2,984.55	Unkn own	Unknown	
				5/4/09	5/11/09	\$10,466.70	Unkn own	Unknown	
5/28/09		15	\$18,242.65	5/29/09	6/5/09	\$5,000.00	4699	7/24/09	
				5/29/09	6/5/09	\$3,242.65	4829	10/8/09	
	Subtotal:	38	\$43,709.35			\$33,709.35			\$10,000.00
3/13/09	Harry Bryant	16	\$18,880.23	3/16/09	4/6/09	\$5,000.00	4684	7/15/09	
					3/16/09	4/6/09	\$5,000.00	4805	
	Subtotal:	16	\$18,880.23			\$10,000.00			\$8,880.23
8/7/09	J Bar L Ranches LLC	40	\$51,829.70	8/10/09	9/9/09				
9/3/09		40	\$48,939.55	9/4/09	10/4/09	\$0.00			
		Subtotal:	80	\$100,769.25			\$0.00		
8/25/09	Jay Russ	43	\$47,541.70	8/26/09	N/A	\$0.00			\$47,541.70
7/2/09	Jeff Henry	10	\$10,835.80	7/3/09	N/A				
7/16/09		4	\$3,895.20	7/17/09	N/A	\$0.00			
		Subtotal:	14	\$14,731.00			\$0.00		
4/24/09	Jerry Glaser, Inc.	17	\$21,525.29	4/27/09	5/27/09	\$10,000.00	4665	6/24/09	
				4/27/09	7/26/09	\$5,000.00	4714	8/5/09	
				4/27/09	8/9/09	\$5,000.00	4747	8/13/09	
6/25/09		5	\$6,202.2	6/26/09	7/26/09	-			
7/9/09		1	\$1,221.52	7/10/09	8/9/09	-			
7/2/09		7	\$9,038.17	7/3/09	8/2/09				
10/1/09		2	\$2,435.97	10/2/09	11/1/09				
	Subtotal:	32	\$40,423.22			\$20,000.00			\$20,423.22

Date of Dressed Weight Purchase / Harvest	Livestock Seller	No. of Hd	Net Livestock Purchase Amount Owed	Date Payment Due per §409a	Due Date per Non-Valid Credit Agreement (No Trust Waiver)	Payment Amount	Pmt Inst. No.	Payment Date	Unpaid Balance per 409a (as of 11/30/09)
5/1/09	John Lancaster	35	\$53,646.45	5/4/09	6/3/09	\$20,000.00	4668	6/25/09	\$103,732.40
				5/4/09	6/3/09	\$12,500.00	4672	7/2/09	
				5/4/09	6/3/09	\$12,500.00	4675	7/10/09	
				5/4/09	6/3/09	\$8,646.45	4687	7/17/09	
5/14/09		29	\$43,540.35	5/15/09	6/14/09	\$3,853.55	4687	7/17/09	
				5/15/09	6/14/09	\$12,500.00	4703	7/28/09	
				5/15/09	6/14/09	\$12,500.00	4712	8/3/09	
				5/15/09	6/14/09	\$12,500.00	4719	8/7/09	
5/28/09		30	\$46,257.00	5/29/09	6/28/09	\$10,313.20	4744	8/13/09	
				5/29/09	6/28/09	\$12,500.00	4753	8/21/09	
				5/29/09	6/28/09	\$12,500.00	4760	8/29/09	
				5/29/09	6/28/09	\$10,943.80	4765	9/4/09	
6/11/09		33	\$44,944.20	6/12/09	7/12/09	\$1,556.20	4765	9/4/09	
				6/12/09	7/12/09	\$12,500.00	1510	9/24/09	
				6/12/09	7/12/09	\$12,500.00	4813	10/3/09	
				6/12/09	7/12/09	\$12,500.00	4830	10/8/09	
6/25/09		30	\$48,643.50	6/26/09	7/26/09	\$6,612.00	4852	10/16/09	
				6/26/09	7/26/09	\$12,500.00	4869	11/12/09	
7/16/09		26	\$40,489.00	7/17/09	8/16/09				
7/31/09		21	\$33,711.90	8/3/09	9/2/09				
Subtotal:		204	\$311,232.40			\$207,500.00			
7/31/09	Justin Staver	12	\$12,034.20	8/3/09	N/A				\$24,747.80
8/7/09		13	\$12,713.60	8/10/09	N/A	\$0.00			
Subtotal:		25	\$24,747.80			\$0.00			
5/28/09	Ken Cassens	5	\$4,590.10	5/29/09	N/A				\$27,092.74
6/11/09		5	\$5,017.54	6/12/09	N/A				
6/25/09		3	\$3,139.60	6/26/09	N/A				
7/16/09		4	\$4,056.50	7/17/09	N/A				
9/3/09		10	\$10,289.00	9/4/09	N/A				
Subtotal:		27	\$27,092.74			\$0.00			

Date of Dressed Weight Purchase / Harvest	Livestock Seller	No. of Hd	Net Livestock Purchase Amount Owed	Date Payment Due per §409a	Due Date per Non-Valid Credit Agreement (No Trust Waiver)	Payment Amount	Pmt Inst. No.	Payment Date	Unpaid Balance per 409a (as of 11/30/09)	
5/1/09	Kevin Ritter	9	\$10,115.60	5/4/09	N/A	\$5,000.00	4745	8/13/09		
6/11/09		8	\$8,852.90	6/12/09	N/A					
Subtotal:		17	\$18,968.50			\$5,000.00				\$13,968.50
1/6/09	Kevin Uhing	8	\$9,551.85	1/7/09	N/A					
2/17/09		4	\$4,218.34	2/18/09	N/A					
4/10/09		10	\$11,607.22	4/13/09	N/A					
4/24/09		4	\$4,995.70	4/27/09	N/A					
10/1/09		5	\$4,904.05	10/2/09	N/A					
10/16/09		7	\$6,579.98	10/19/09	N/A					\$0.00
Subtotal:		38	\$41,857.14							\$0.00
6/25/09	Kirk Bruns	3	\$3,382.09	6/26/09	N/A	\$3,382.09		11/16/09		
7/2/09		9	\$9,531.71	7/3/09	N/A	\$6,617.91		11/16/09		
7/9/09		9	\$9,042.06	7/10/09	N/A					
10/16/09		1	\$1,230.81	10/19/09	N/A					
Subtotal:	22	\$23,186.67			\$10,000.00	\$13,186.67				
10/16/09	Larry Anthony /Anthony Cattle Farms, LLC	14	\$16,161.88	10/19/09	11/18/09					
11/12/09		8	\$8,637.59	11/13/09	12/13/09					
Subtotal:		22	\$24,799.47							\$0.00
6/18/09	Ben Dudley /Lazy D Farms	3	\$3,650.70	6/19/09	8/18/09					
6/25/09		6	\$7,095.46	6/26/09	8/25/09					
7/2/09		3	\$3,664.23	7/3/09	9/1/09					
7/9/09		1	\$1,118.25	7/10/09	9/8/09					
10/1/09		2	\$2,399.19	10/2/09	12/1/09					
10/16/09		8	\$9,046.23	10/19/09	12/18/09					
11/12/09		2	\$2,145.54	11/13/09	1/12/2010					
Subtotal:	25	\$29,119.60			\$0.00	\$29,119.60				

Date of Dressed Weight Purchase / Harvest	Livestock Seller	No. of Hd	Net Livestock Purchase Amount Owed	Date Payment Due per §409a	Due Date per Non-Valid Credit Agreement (No Trust Waiver)	Payment Amount	Pmt Inst. No.	Payment Date	Unpaid Balance per 409a (as of 11/30/09)
8/20/09	Meadows Ranch (Lee)	40	\$48,741.75	8/21/09	N/A				
9/3/09		9	\$11,358.50	9/4/09	N/A	\$0.00			
Subtotal:		49	\$60,100.25			\$0.00			\$60,100.25
9/24/09	Perry County Land & Cattle	41	\$48,947.40	9/25/09	N/A				\$48,947.40
10/27/09	Bussman / H&B	39	\$49,890.70	10/28/09	N/A	\$20,000.00		11/18/09	
				10/28/09	N/A	\$13,000.00		11/24/09	
11/19/09		40	\$50,138.55	11/20/09	N/A				
Subtotal:	79	\$100,029.25			\$33,000.00			\$67,029.25	
6/11/09	Reginald Cummins	5	\$5,089.04	6/12/09	N/A				
6/25/09		2	\$2,138.40	6/26/09	N/A				
7/16/09		4	\$3,731.80	7/17/09	N/A				
7/31/09		3	\$3,448.70	8/3/09	N/A				
9/3/09		2	\$1,855.60	9/4/09	N/A				
Subtotal:	16	\$16,263.54			\$0.00			\$16,263.54	
10/1/09	Ron Ladner / Ladner Livestock	1	\$1,133.00	10/2/09	N/A	\$0.00			\$1,133.00
11/12/09	Sprenger Farms Inc.	46	\$44,078.75	11/13/09	12/4/09	\$0.00			\$44,078.75
6/25/09	Stanley Summers	2	\$2,206.77	6/26/09	7/26/09				
7/2/09		6	\$6,621.03	7/3/09	8/2/09				
7/9/09		1	\$1,149.42	7/10/09	8/9/09	\$0.00			
Subtotal:	9	\$9,977.22			\$0.00			\$9,977.22	

Date of Dressed Weight Purchase / Harvest	Livestock Seller	No. of Hd	Net Livestock Purchase Amount Owed	Date Payment Due per §409a	Due Date per Non-Valid Credit Agreement (No Trust Waiver)	Payment Amount	Pmt Inst. No.	Payment Date	Unpaid Balance per 409a (as of 11/30/09)
4/3/09	Terrell Todd	15	\$20,524.30	4/6/09	4/27/09	\$10,000.00	4636	6/5/09	
				4/6/09	4/27/09	\$10,524.30	4662	6/22/09	
4/17/09		35	\$48,109.80	4/20/09	5/11/09	\$9,475.70	4662	6/22/09	
				4/20/09	5/11/09	\$5,000.00	4701	7/24/09	
				4/20/09	5/11/09	\$5,000.00	4806	9/25/09	
	Subtotal:	50	\$68,634.10			\$40,000.00			\$28,634.10
7/9/09	Terry Gompert	1	\$1,038.83	7/10/09	8/9/09	\$0.00			\$1,038.83
9/3/09	War Eagle Creek Ranch	6	\$6,623.75	9/4/09	N/A	\$0.00			\$6,623.75
6/11/09	Watson Farm	44	\$54,934.35	6/12/09	6/26/09				
6/18/09		30	\$43,717.90	6/19/09	7/3/09				
6/25/09		7	\$8,564.55	6/26/09	7/10/09				
7/9/09		35	\$52,652.25	7/10/09	7/24/09				
7/23/09		31	\$47,561.38	7/24/09	8/7/09	\$0.00			
	Subtotal:	147	\$207,430.43			\$0.00			\$207,430.43
1/27/09	GIOP (Wayne Rasmussen)	38	\$57,682.19	1/28/09	N/A	\$10,000.00	4518	4/6/09	
				1/28/09	N/A	\$47,682.19	4572	4/29/09	
3/3/09		38	\$61,968.29	3/4/09	N/A	\$52,317.81	4572	4/29/09	
				3/4/09	N/A	\$9,650.48	wire	8/18/09	
4/10/09		40	\$58,520.16	4/13/09	N/A	\$15,349.52	wire	8/18/09	
				4/13/09	N/A	\$25,000.00		8/25/09	
				4/13/09	N/A	\$18,170.64		9/1/09	
4/24/09		38	\$59,994.70	4/27/09	N/A	\$6,829.36		9/1/09	
				4/27/09	N/A	\$25,000.00	wire	9/10/09	
				4/27/09	N/A	\$12,500.00		9/17/09	
				4/27/09	N/A	\$12,500.00		9/22/09	
5/14/09		34	\$54,173.05	4/27/09	N/A	\$3,165.34		9/29/09	
				5/15/09	N/A	\$9,334.66			
				5/15/09	N/A	\$12,500.00		10/6/09	
				5/15/09	N/A	\$12,500.00		10/13/09	
	(Continued on next page)			5/15/09	N/A	\$12,500.00		10/20/09	

Date of Dressed Weight Purchase / Harvest	Livestock Seller	No. of Hd	Net Livestock Purchase Amount Owed	Date Payment Due per §409a	Due Date per Non-Valid Credit Agreement (No Trust Waiver)	Payment Amount	Pmt Inst. No.	Payment Date	Unpaid Balance per 409a (as of 11/30/09)
5/28/09	GIOP (Wayne Rasmussen) (Continued from preceding page)	36	\$59,161.50	5/15/09	N/A	\$7,338.39		10/27/09	
				5/29/09	N/A	\$5,161.61			
				5/29/09	N/A	\$12,500.00		11/5/09	
				5/29/09	N/A	\$12,500.00		11/10/09	
				5/29/09	N/A	\$12,500.00		11/18/09	
				5/29/09	N/A	\$12,500.00		11/24/09	
6/18/09		36	\$59,484.06	6/19/09	N/A				
	Subtotal:	260	\$410,983.95			\$347,500.00			\$63,483.95
11/5/09	Winkler Ranch	41	\$50,028.50	11/6/09	1/5/2010				\$50,028.50
<b>TOTALS</b>		<b>1,861</b>	<b>\$2,411,231.71</b>			<b>\$816,191.90</b>			<b>\$1,595,039.81</b>

(b) Although Respondent purchased livestock in some of the above transactions under written contracts with credit terms, payment was due by the close of the next business day pursuant to subsection 409(a) of the Act (7 U.S.C. § 228b(a)) because the written contracts all 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 subsection 409(b) of the Act (7 U.S.C. § 228b(b)).

(c) Respondent has failed to pay, as of November 30, 2009, a total of \$1,595,039.81 for livestock which Respondent purchased in the above transactions.

### III

(a) Respondent reported in its Balance Sheet as of November 30, 2009, having current liabilities totaling \$4,503,697.51, and current assets totaling \$1,294,369.04, an excess of current liabilities over current assets of \$3,209,328.47.

(b) Complainant requested supporting records from Respondent in order to conduct a complete audit of Respondent's Balance Sheet as of November 30, 2009. Respondent provided Complainant with an incomplete set of the requested records. Complainant conducted an audit in which its auditor accepted, as represented by Respondent, the dollar amounts of any asset or liability for which supporting records were not provided, and verified or adjusted the dollar amounts of all current assets and current liabilities for which supporting records were made available. Complainant determined that as of November 30, 2009, Respondent had current liabilities totaling \$4,566,155.25, and had current assets totaling \$1,119,708.03, an excess of current liabilities over current assets of \$3,446,447.22.

#### IV

(a) Respondent was orally notified during Complainant's on site investigation, that as it was purchasing livestock for purposes of slaughter in an average annual amount in excess of \$500,000.00, it was required to file a bond or approved bond equivalent to secure its livestock payment obligations. Respondent was provided with a packer inquiry form to complete and return, a form on which Respondent was required to report the annual amount of its livestock purchases for slaughter. As of the date of this Complaint and Notice of Hearing, Respondent has failed to file a reasonable bond or approved bond equivalent, and has also failed to report its annual livestock purchase volume for a full year of its operation as a packer.

(b) Complainant's audit of Respondent's records shows that Respondent purchased livestock on a dressed weight basis during an eleven month period ending November 30, 2009, which had a total purchase amount of \$2,774,293.85. As Respondent had this livestock custom killed on a total of 31 dates at three packing plants during this eleven month period, instead of the 260 business

days on which a packer operating its own packing plant will normally slaughter livestock in the period of a year, Respondent has a reasonable bond requirement, pursuant to section 201.30 of the regulations (9 C.F.R. § 201.30), of \$180,000.00.

V

By reason of the facts alleged in paragraph II herein, Respondent has willfully violated Section 409 of the Act (7 U.S.C. §228b).

By reason of the facts alleged in paragraph III herein, Respondent's financial condition does not meet the requirements of 7 U.S.C. § 204, and section 203.10 of the regulations.

By reason of the facts alleged in paragraph IV herein, Respondent has not filed the bond or bond equivalent required under 7 U.S.C. § 204, and sections 201.27 - 201.34 of the regulations (9 C.F.R. §§ 201.27-201.34).

WHEREFORE, it is hereby ordered that for the purpose of determining whether Respondent has in fact willfully violated the Act, this Complaint and Notice of Hearing shall be served upon Respondent. Respondent 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, 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 the material allegations of this Complaint and Notice of Hearing.

Respondent is 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, Respondent 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 Respondent cease and desist from violating the Act with respect to matters alleged herein; requires Respondent, while insolvent and without the required bond, to pay for all livestock purchases by cashier's check, wire transfer, or cash on the same date that the livestock is delivered for slaughter and the purchase price is determined, and assesses such civil penalties as are authorized by the Act and warranted under the circumstances.

Done at Washington, D.C.

this 7 day of April, 2010



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



Charles L. Kendall  
Attorney for Complainant  
Telephone: (202) 720-9405