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UNITED STATES DEPARTMENT OF AGRICULTURE  
BEFORE THE SECRETARY OF AGRICULTURE

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In re:	)	P&S Docket No. D-	11-0441
	)		
Stephen Conley and	)		
Larry Conley d.b.a.	)		
Conley & Conley Trading	)		
	)		
Respondents	)	Complaint	

There is reason to believe that respondents have willfully violated the Packers and Stockyards Act, 1921, as amended and supplemented (7 U.S.C. §§ 181-229) (Act) and the regulations promulgated thereunder by the Secretary of Agriculture (9 C.F.R. §§ 201.1-.200) (regulations), and therefore this complaint is issued alleging:

I.

- (a) Stephen Conley is an individual whose business mailing address is P.O. Box 333, Cooper, Texas 75432.
- (b) Stephen Conley, at all times material to this complaint, is:
  - (1) Engaged in the business of a dealer, buying and selling livestock in commerce for his own account;
  - (2) With Larry Conley, is responsible for the day-to-day direction, management, and control of the partnership of Conley & Conley Trading.
  - (3) Registered with the Secretary of Agriculture as a dealer to buy and sell livestock in commerce.
- (c) Larry Conley is an individual whose business mailing address is P.O. Box 453, Cooper, Texas 75432.
- (d) Larry Conley, at all times material to this complaint, is:

(1) Engaged in the business of a dealer, buying and selling livestock in commerce for his own account or the account of others;

(2) With Stephen Conley, was responsible for day-to-day direction, management, and control of the partnership of Conley & Conley Trading.

(3) Registered with the Secretary of Agriculture as a dealer to buy and sell livestock in commerce.

(e) Larry Conley is no longer registered with the Secretary of Agriculture, his registration having expired on June 1, 2011, due to his failure to file an annual report.

(f) Conley & Conley Trading is a partnership made up of Respondents Larry Conley and Stephen Conley.

## II.

(a) Respondents, on or about the dates and in the transactions described in Attachment A and incorporated herein by reference, failed to pay, when due, the full purchase price of livestock in the total amount of \$386,921.95.

(b) As of December 2010, Respondents had failed to pay \$350,382.00 of the amount listed in Attachment A.

(c) During the period of April 2010 through August 2010, Respondents issued nineteen checks, in the total amount of \$120,393.80 to three livestock sellers as more specifically described in Attachment B and incorporated herein by reference, in purported payment for livestock purchases, that were returned unpaid by the bank upon which they were drawn. These checks were returned because

Respondents did not have and maintain sufficient funds on deposit and available in the account upon which the checks were drawn to pay such checks when presented.

III.

(a) By letter dated August 23, 2010, Respondent Stephen Conley was notified that his bond equivalent, which included a trust agreement and an irrevocable letter credit, would terminate effective September 18, 2010. Respondent Stephen Conley notified the Packers and Stockyards Program, through a "Statement of Operations", that he had discontinued his operations as a dealer under the Packers and Stockyards Act.

(b) After the effective date of the termination of his bond equivalent, during the period of September 23, 2010 through October 28, 2010, Respondent Stephen Conley continued to buy and sell livestock for his own account or the account of others, buying livestock in the approximate amount of \$58,539.89 on six days at Sulphur Springs Dairy Auction, Inc., and selling livestock in the approximate amount of \$56,816.96 on six days at Mammoth Cave Dairy Auction.

IV.

Respondents have failed to keep records of load make-up records, purchases, sales, bank records, and receipts that fully and completely disclose all the transactions involved in Respondents' business.

V.

(a) By reason of the facts alleged in paragraph II, Respondents have willfully violated sections 312(a) and 409 of the Act (7 U.S.C. §§ 213(a), 228b).

(b) By reason of the facts alleged in paragraph III, Respondent Stephen Conley has willfully violated section 312(a) of the Act (7 U.S.C. § 213(a)), and sections 201.29 and 201.30 of the regulations (9 C.F.R. §§ 201.29, 201.30).

(c) By reason of the facts alleged in paragraph IV, Respondents have failed to keep records that fully and correctly disclose all the transactions involved in their business, as required by section 401 of the Act (7 U.S.C. § 221) by failing to keep load make-up records, purchases, sales, bank records, and receipts.

WHEREFORE, it is hereby ordered that this complaint shall be served upon Respondents for the purpose of determining whether Respondents has willfully violated the Act and the regulations. Respondents shall have twenty (20) days after receipt of this complaint 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.)(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.

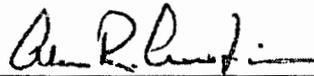
Packers and Stockyards Program, GIPSA, requests:

1. That unless Respondents fail 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 Respondents to cease and desist from the violations of the Act found to exist, suspending Respondents as registrants under the Act, and assessing such penalties as

are authorized by the Act and warranted in the premises.

Done at Washington, D.C.

this 28 day of September 2011



ALAN R. CHRISTIAN  
Deputy Administrator,  
Packers and Stockyards Program

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## Attachment A

Purchase Date	Payee	No. of Head	Amount
6/18/2010	Stilwell Livestock Auction, Inc.	21	\$10,847.55
4/1/2010	Sulphur Springs Dairy Auction, Inc.	39	\$14,415.00
4/1/2010	Sulphur Springs Dairy Auction, Inc.	2	\$1,090.00
4/8/2010	Sulphur Springs Dairy Auction, Inc.	35	\$15,330.00
4/8/2010	Sulphur Springs Dairy Auction, Inc.	6	\$2,850.00
4/15/2010	Sulphur Springs Dairy Auction, Inc.	45	\$19,652.50
4/22/2010	Sulphur Springs Dairy Auction, Inc.	36	\$16,305.00
4/22/2010	Sulphur Springs Dairy Auction, Inc.	2	\$1,120.00
4/29/2010	Sulphur Springs Dairy Auction, Inc.	63	\$17,330.00
5/6/2010	Sulphur Springs Dairy Auction, Inc.	39	\$12,390.00
5/6/2010	Sulphur Springs Dairy Auction, Inc.	13	\$9,040.00
5/13/2010	Sulphur Springs Dairy Auction, Inc.	41	\$17,507.50
5/20/2010	Sulphur Springs Dairy Auction, Inc.	11	\$4,910.00
5/20/2010	Sulphur Springs Dairy Auction, Inc.	1	\$460.00
5/27/2010	Sulphur Springs Dairy Auction, Inc.	69	\$31,670.00
5/27/2010	Sulphur Springs Dairy Auction, Inc.	16	\$9,380.00
6/3/2010	Sulphur Springs Dairy Auction, Inc.	46	\$21,005.00
6/3/2010	Sulphur Springs Dairy Auction, Inc.	13	\$8,510.00
6/10/2010	Sulphur Springs Dairy Auction, Inc.	20	\$9,265.00
6/10/2010	Sulphur Springs Dairy Auction, Inc.	4	\$2,250.00
6/17/2010	Sulphur Springs Dairy Auction, Inc.	26	\$15,310.00
6/24/2010	Sulphur Springs Dairy Auction, Inc.	4	\$1,890.00
7/8/2010	Sulphur Springs Dairy Auction, Inc.	25	\$8,240.00
7/22/2010	Sulphur Springs Dairy Auction, Inc.	2	\$1,620.00
7/29/2010	Sulphur Springs Dairy Auction, Inc.	20	\$5,985.00
8/5/2010	Sulphur Springs Dairy Auction, Inc.	4	\$2,000.00
8/12/2010	Sulphur Springs Dairy Auction, Inc.	1	\$540.00
4/5/2010	Sulphur Springs Livestock Commission Co.	34	\$19,795.68
4/13/2010	Sulphur Springs Livestock Commission Co.	4	\$1,641.20
5/24/2010	Sulphur Springs Livestock Commission Co.	24	\$8,740.38
6/14/2010	Sulphur Springs Livestock Commission Co.	19	\$7,825.78
6/21/2010	Sulphur Springs Livestock Commission Co.	18	\$5,725.26
7/5/2010	Sulphur Springs Livestock Commission Co.	23	\$5,071.20
7/12/2010	Sulphur Springs Livestock Commission Co.	20	\$6,170.13
7/19/2010	Sulphur Springs Livestock Commission Co.	13	\$4,729.66
7/26/2010	Sulphur Springs Livestock Commission Co.	16	\$6,296.95
8/2/2010	Sulphur Springs Livestock Commission Co.	27	\$9,883.16
6/2/2010	Winnsboro Livestock & Dairy Auction	75	\$29,465.00
7/7/2010	Winnsboro Livestock & Dairy Auction	40	\$14,330.00
8/4/2010	Winnsboro Livestock & Dairy Auction	12	\$6,335.00
Totals			\$386,921.95