

UNITED STATES DEPARTMENT OF AGRICULTURE
BEFORE THE SECRETARY OF AGRICULTURE

In re:) P. & S. Docket No. D-08-0001
)
Allen County Livestock Auction, L.L.C.)
a/k/a Adams & Peterson, L.L.C. and)
John Adams and)
Dale Peterson)
)
Respondents) Decision Without Hearing
) By Reason of Consent

This proceeding was instituted under the Packers and Stockyards Act (7 U.S.C. § 181 *et seq.*), by a Complaint filed by the Deputy Administrator, Packers and Stockyards Program, Grain Inspection, Packers and Stockyards Administration, United States Department of Agriculture, alleging that the Respondents willfully violated the Act and the regulations promulgated thereunder by the Secretary of Agriculture (9 C.F.R. § 201.1 *et seq.*). This decision is entered pursuant to the consent decision provision of the Rules of Practice applicable to this proceeding (7 C.F.R. § 1.138).

Respondents admit the jurisdictional allegations in paragraph I of the Complaint and specifically admit that the Secretary has jurisdiction in this matter, neither admit nor deny the remaining allegations, waive oral hearing and further procedure, and consent and agree, for the purpose of settling this proceeding and for such purpose only, to the entry of this decision.

The Complainant agrees to the entry of this decision.

Findings of Fact

1. Allen County Livestock Auction, L.L.C. (hereinafter "Respondent L.L.C.") is a limited liability company organized and existing under the laws of the State of Kansas, with a

mailing address of P.O. Box 130, 315 S. Main, Gas, Kansas 66742. Respondent L.L.C. was initially registered with the Secretary of State of Kansas under the name “Adams & Peterson, L.L.C.”, but engaged in business and registered with the Secretary of Agriculture as Allen County Livestock Auction, L.L.C. Its name was changed to Allen County Livestock Auction, L.L.C. with the Secretary of State of Kansas as of August 18, 2004.

2. Respondent L.L.C., at all times material herein, was:

(a) Engaged in the business of conducting and operating a posted stockyard subject to the provisions of the Act;

(b) Engaged in the business of a market agency selling livestock in commerce on a commission basis;

(c) Registered with the Secretary of Agriculture as a market agency to sell livestock in commerce on a commission basis.

3. John Adams is an individual with a mailing address of 1291 2200 St., Iola, Kansas 66749. Adams, at all times material herein, was:

(a) Partner in Respondent L.L.C.;

(b) 50 per cent owner of Respondent L.L.C.; and

(c) Manager of Respondent L.L.C.

4. Dale Peterson is an individual with a mailing address of 1655 Yarrow, Marion, Kansas 66861. Peterson, at all times material herein, was:

(a) Partner in Respondent L.L.C.;

(b) 50 per cent owner of Respondent L.L.C.

Conclusions

Respondents having admitted the jurisdictional facts and the parties having agreed to the entry of this decision, such decision will be entered.

Order

Respondents Allen County Livestock Auction, L.L.C., John Adams and Dale Peterson, their agents and employees, directly or through any corporate or other device, in connection with operations subject to the Packers and Stockyards Act, shall cease and desist from:

1. Failing to deposit in their Custodial Account for Shippers' Proceeds, within the time prescribed by section 201.42(c) of the regulations (9 C.F.R. § 201.42(c)), amounts equal to the proceeds receivable from the sale of consigned livestock due from one of Respondent L.L.C.'s owners or officers;
2. Failing to otherwise maintain their Custodial Account for Shippers' Proceeds in strict conformity with the provisions of Section 201.42 of the regulations (9 C.F.R. § 201.42).
3. Entering into any agreement with a dealer or other party which would impede or avoid the maintenance of the Custodial Account in strict conformity with the regulations, or avoid the requirement to deposit amounts equal to the proceeds of sales into the Custodial Account on a timely basis, and thus have a tendency to impair the quality of the market agency's selling services.
4. Selling consigned livestock to a market owner and failing to disclose the name of the buyer and the nature of the relationship existing between the market agency and the buyer.

Respondent Allen County Livestock Auction, L.L.C., in connection with its operations as a market agency selling livestock in commerce on a commission basis, shall keep and maintain such accounts, records, and memoranda as fully and correctly disclose its transactions subject to the Act and the regulations, including check-in slips, checks, and other records reflecting the true identities of sellers and buyers for all purchases.

In accordance with section 312(b) of the Act (7 U.S.C. § 213(b)), Respondents Allen County Livestock Auction, L.L.C., John Adams, and Dale Peterson are jointly and severally assessed a civil penalty in the amount of Six Thousand and Five Hundred Dollars (\$6,500.00).

(Intentionally left blank) EPN

The provisions of this order shall become effective on the sixth day after service of this order on the Respondents.

Copies of this decision shall be served upon the parties.



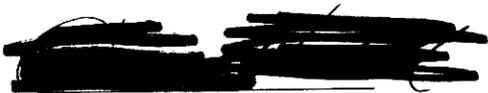
John Adams



Dale Peterson



Ernest H. Van Hooser
Attorney for Respondents



Charles L. Kendall
Attorney for Complainant

Issued this 9 day of January 2008



Jill S. Clifton

Administrative Law Judge