

Complaint Issued Against Monte Vista Livestock Auction, Inc. And Jody L. Peterson

Washington, DC (June 19, 2001) - On June 11, 2001, the Grain Inspection, Packers and Stockyards Administration (GIPSA) issued an administrative complaint against Monte Vista Livestock Auction, Inc. (Monte Vista) of Monte Vista, Colorado, and its Secretary, Treasurer, and principal owner Jody L. Peterson. Monte Vista is registered under the Packers and Stockyards Act (P&S Act) as a market agency selling livestock on a commission basis, and as a dealer buying and selling livestock in commerce for its own account.

The complaint alleges that Monte Vista, under the direction, management and control of Peterson, violated the P&S Act by failing to maintain and use properly its Custodial Account for Shippers' Proceeds (custodial account) that was used for livestock sales, endangering full and prompt payments due to owners and consignors of livestock. Monte Vista is alleged to have violated the P&S Act by issuing custodial account checks to consignors of livestock that were returned to the consignors unpaid due to insufficient funds in the account when presented for payment. Shortages in the custodial account were due, in part, from Monte Vista's alleged failure to deposit into the account the amount due from the sale of consigned livestock within the time limits prescribed by the regulations issued under the P&S Act. Monte Vista is further alleged to have misused its custodial account by regularly allowing bank fees to be charged to the account, committing unlawful withdrawals, and withdrawing market commissions and fees while the account was in a negative posture.

The complaint also alleges that Monte Vista operated while its current liabilities exceeded its current assets, in violation of the P&S Act's financial requirements.

Monte Vista and Peterson have 20 days after receipt of the complaint to file an answer to the allegations stated in it. Failure to file an answer will constitute an admission of the allegations. If an answer is received denying the allegations, a date will be set for oral hearing. If allegations are proven, Monte Vista and Peterson may be ordered to stop violations of the Act and be assessed a civil penalty. Monte Vista may be suspended as a registrant under the Act, and Peterson may be prohibited from registering to operate subject to the Act.

The Packers and Stockyards Act is a fair trade practice and payment protection law that promotes fair and competitive marketing environments for the livestock, meat, and poultry industries.

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Leah Akbar (202) 720-4998
Leah_L.Akbar@usda.gov