

## **Decision Reached in GIPSA's Case Against Washington Livestock Market Center, Inc., d/b/a Quincy Livestock Market and John Rodrick Nuckolls**

WASHINGTON, March 16, 2006 - On October 28, 2005, the U.S. Department of Agriculture's Grain Inspection, Packers and Stockyards Administration reached a decision without hearing by reason of consent agreement with Washington Livestock Market Center, Inc., d/b/a Quincy Livestock Market and John Rodrick Nuckolls, Quincy, Washington. Washington Livestock is a posted stockyard subject to the provisions of the Packers and Stockyards (P&S) Act; engaged in the business of a market agency, selling livestock on a commission basis; and is registered as a market agency to sell livestock on a commission basis. Nuckolls is President and owner of 51% of the stock and is responsible for the direction, management and control of Washington Livestock. Both Washington Livestock and Nuckolls filed for Chapter 11 Bankruptcy on October 6, 2003.

The decision follows a complaint issued on October 8, 2004, in which GIPSA alleged that Washington Livestock under the direction, management and control of Nuckolls failed to maintain and use properly its custodial account for shippers' proceeds. As of May 27, 2003, Washington Livestock had a deficiency in its custodial account of \$132,298.81. As of June 30, 2003, Washington Livestock had a deficiency in its custodial account of \$116,902.92.

Additionally, Washington Livestock under the direction, management and control of Nuckolls sold livestock on a commission basis and in purported payment to the consignors for such livestock, issued checks which were returned unpaid by the bank upon which they were drawn; failed to remit the full amount of the net proceeds for livestock; failed to keep records that fully and correctly disclosed all transactions involved in its business in that it failed to maintain an accounts receivable ledger and a cash receipts journal; and Washington Livestock's check register was inaccurate and it failed to maintain all of its deposit slips.

Under the terms of the decision, Washington Livestock and Nuckolls shall cease and desist failing to maintain and use properly its custodial account for shippers' proceeds; using funds received as proceeds from the sale of livestock sold on a commission basis for its own purposes or for any purpose other than the payment of lawful marketing charges and the remittance of net proceeds to the consignors and shippers of livestock; issuing checks in payment for net proceeds from the sale of consigned livestock without having sufficient funds on deposit and available in the custodial account upon which such checks are drawn to pay such checks when presented; and failing to remit the full amount of the net proceeds for livestock within the time period required by the regulations. Washington Livestock shall keep accounts, records and memoranda which fully and correctly disclose all transactions conducted subject to the P&S Act.

Washington Livestock is suspended as a registrant under the P&S Act, and Nuckolls may not register under the P&S Act, for a period of 5 years. Upon application to Packers and Stockyards Program, a supplemental order may be issued terminating the suspension of Washington Livestock at any time after 90 days, upon demonstration to the satisfaction of Packers and Stockyards Program of circumstances warranting modification of the order. The order may be modified upon application to Packers and Stockyards Program to permit Nuckolls' salaried employment by another registrant or packer after the expiration of 90 days of this suspension term and upon demonstration of circumstances warranting modification of the order.

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

GIPSA Release #28-06

Catherine M. Grasso 202-720-7201  
[Catherine.M.Grasso@usda.gov](mailto:Catherine.M.Grasso@usda.gov)