

## **PM Beef Holdings, LLC to Pay \$24,000 Fine**

WASHINGTON, July 18, 2007 - On July 10, 2007, USDA's Grain Inspection, Packers and Stockyards Administration (GIPSA) and PM Beef Holdings, LLC (PM Beef), Richmond, Virginia, agreed to a consent decision settling charges stemming from a complaint issued on October 23, 2006. In the complaint, GIPSA alleged PM Beef, a packer operating subject to the Packers and Stockyards (P&S) Act, among other violations, was insolvent during the period December 31, 2003 through February 28, 2006.

Under the P&S Act, the principal test for insolvency is to determine whether a person's current liabilities exceed his current assets. A packer found to be insolvent may be ordered to cease and desist from purchasing livestock. PM Beef has demonstrated to GIPSA that as of December 30, 2006, it was solvent.

Under the terms of the consent decision, PM Beef is ordered to cease and desist from:

- Failing to pay for livestock within the time required by the P&S Act;
- Issuing insufficient funds checks for livestock;
- Purchasing livestock on credit without written acknowledgement from sellers that they waived their trust protection; and
- Purchasing livestock while insolvent.

PM Beef has agreed to pay a civil penalty of \$24,000.

PM Beef operates a packing plant, PM Windom, in Windom, Minnesota.

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.

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