

GIPSA Alleges The New Gainesville Livestock Auction, LLC and James Peyrot, Jr. violated the Packers and Stockyards Act

WASHINGTON, Mar. 24, 2011- The U.S. Department of Agriculture's Grain Inspection, Packers and Stockyards Administration's (GIPSA) has found evidence that The New Gainesville Livestock Auction, LLC (Gainesville LLC) and James Peyrot, Jr. (Peyrot), Gainesville, Texas:

- failed to maintain their custodial account resulting in shortages;
- failed to reimburse the custodial account by the close of the next business day after the sale for amounts due from the market agency and its owner using the name of Red Bone Livestock, Inc.; and
- failed to timely reimburse the custodial account in full for receivables that exceeded seven days in aging for deposit items returned unpaid and for bank fees.

GIPSA filed a [complaint](#) against Gainesville LLC and Peyrot on March 14, 2011. If the allegations are admitted, or proven in an oral hearing, Gainesville LLC and Peyrot may be ordered to cease and desist from violating the Packers and Stockyards (P&S) Act, suspended and assessed a civil penalty.

Peyrot is managing member and 100% owner of The New Gainesville Livestock Auction, LLC and is responsible for the day-to-day management, direction, and control of The New Gainesville Livestock Auction, LLC. Peyrot is the managing partner and 100% owner of Redbone Livestock II, L.P. (Redbone Livestock) and is responsible for the day-to-day management, direction, and control of Redbone Livestock.

Gainesville LLC owned and operated The New Gaines Livestock Auction in Gainesville, Texas, and also owned and operated The New Gainesville Livestock Auction, LLC, doing business as Muenster Livestock Auction. Gainesville LLC is registered with the Secretary as a market agency to sell livestock in commerce on a commission basis.

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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GIPSA Release 21-11

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