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UNITED STATES DEPARTMENT OF AGRICULTURE

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BEFORE THE SECRETARY OF AGRICULTURE

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In re:)	P & S Docket No. D-12-0400
)	
Stony Pike Livestock Commission, Inc.,)	
)	
Ronald R. Bullard, Jr.,)	
)	
and)	
)	
Kevin R. Bullard)	
)	
)	
Respondents)	Complaint

There is reason to believe that the respondents named herein have willfully violated the Packers and Stockyards Act, 1921, as amended and supplemented (7 U.S.C. § 181 *et seq.*) (Act), and the regulations promulgated thereunder by the Secretary of Agriculture (9 C.F.R. § 201.1 *et seq.*) (regulations), and, therefore, this Complaint is issued alleging the following:

I.

(a) Respondent Stony Pike Livestock Commission, Inc. is a corporation organized and existing under the laws of the State of Indiana. Its business mailing address is P.O. Box 49, Logansport, Indiana 46947. The corporation's registered agent for service of process is Brad Rozzi, 200 Fourth Street, Logansport, IN 46947.

(b) Respondent Ronald R. Bullard, Jr., is an individual whose home address is in the State of Indiana. In order to protect the personal privacy of Respondent Ronald R. Bullard, Jr., his address is not included in this Complaint but has been provided to the Hearing Clerk for purpose of effectuating service of process.

(c) Respondent Kevin R. Bullard is an individual whose home address is in the State of Indiana. In order to protect the personal privacy of Respondent Kevin R. Bullard his address is not included in this Complaint but has been provided to the Hearing Clerk for purpose of effectuating service of process.

(d) Respondent Stony Pike Livestock Commission, Inc., under the direction, management, and control of respondents Ronald R. Bullard, Jr., and Kevin R. Bullard, at all times material herein was:

(1) Engaged in the business of conducting and operating Stony Pike Livestock Commission, Inc., a stockyard posted under and subject to the provisions of the Act;

(2) Engaged in the business of a livestock dealer buying and selling livestock in commerce and as a market agency selling livestock in commerce on a commission basis; and

(3) Registered with the Secretary of Agriculture as a dealer to buy and sell livestock in commerce, and as a market agency to sell livestock in commerce on a commission basis.

(e) Respondent Ronald R. Bullard, Jr. at all times material herein was:

(1) President of Respondent Stony Pike Livestock Commission, Inc.;

(2) Owner of 50% of the stock issued by respondent Stony Pike Livestock Commission, Inc.; and

(3) Responsible, along with respondent Kevin R. Bullard, for the direction, management, and control of Respondent Stony Pike Livestock Commission, Inc.

- (f) Respondent Kevin R. Bullard at all times material herein was:
- (1) Secretary and Treasurer of Respondent Stony Pike Livestock Commission, Inc.;
 - (2) Owner of 50% of the stock of Respondent Stony Pike Livestock Commission, Inc.; and
 - (3) Responsible, along with respondent Ronald R. Bullard, Jr., for the direction, management, and control of respondent Stony Pike Livestock Commission, Inc.

II.

Section 201.42 of the regulations (9 C.F.R. § 201.42), issued by the Secretary of Agriculture under the Packers and Stockyards Act, requires market agencies selling livestock on commission to maintain a custodial account for shippers' proceeds (custodial account). A custodial account is a trust account that protects funds that are owed to livestock producers and owners who consign livestock for sale at an auction market. The proceeds from livestock sales at regulated auction markets must be deposited into custodial accounts. If the proceeds receivable from livestock sales cannot be collected and deposited into a market's custodial account by the close of the seventh day after the sale, then the market must make up the shortfall and reimburse the custodial account for the unpaid receivables.

Respondents, during the period of November 30, 2010 through January 31, 2011, failed to properly maintain their custodial account, thereby endangering the faithful and prompt accounting of shippers' proceeds and the payment due the owners or consignors of livestock in that:

(1) As of November 30, 2010, respondents had outstanding checks drawn on its custodial account in the approximate amount of \$321,725.08 and had to offset such checks, a balance in its custodial account of \$171,509.96 and proceeds receivable of \$107,406.00, resulting in a deficiency of approximately \$42,809.12.

(2) As of January 31, 2011, respondents had outstanding checks drawn on its custodial account in the approximate amount of \$332,315.25 and had to offset such checks, a balance in the custodial account of \$240,472.11 and proceeds receivable of \$71,009.88, resulting in a deficiency of approximately \$20,833.26.

The custodial account shortages described herein were due in part to respondents' failure to deposit into the custodial account, within the time prescribed by section 201.42 of the regulations (9 C.F.R. § 201.42), an amount equal to the proceeds receivable from the sale of consigned livestock, and due to the failure of respondents to timely reimburse the custodial account for purchases made by the owners and employees of respondent Stony Pike Livestock Commission, Inc.

III.

Respondent Stony Pike Livestock Commission, Inc., under the direction, management, and control of respondents Ronald R. Bullard, Jr., and Kevin R. Bullard, in connection with its operations subject to the Act, failed to keep and maintain records which fully and correctly disclosed all the transactions involved in its business as a dealer and market agency as required by section 401 of the Act (7 U.S.C. § 221). Specifically, respondent Stony Pike Livestock Commission, Inc., failed to keep and maintain records showing the true ownership of livestock purchasers.

IV.

By reason of the facts alleged in paragraph I, respondents Ronald R. Bullard, Jr., and Kevin R. Bullard are the *alter egos* of respondent Stony Pike Livestock Commission, Inc.

By reason of the facts alleged in paragraph II, respondents willfully violated sections 307 and 312(a) of the Act (7 U.S.C. §§ 208, 213(a)), and section 201.42 of the regulations (9 C.F.R. § 201.42).

By reason of the facts alleged in paragraph III, respondents willfully violated section 401 of the Act (7 U.S.C. § 221), by failing to keep and maintain records that fully and correctly disclosed all transactions involved in their business.

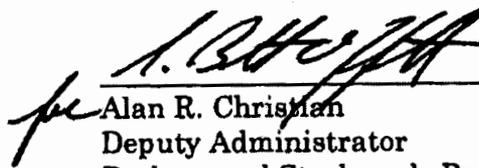
WHEREFORE, it is hereby ordered that this Complaint shall be served upon respondents for the purpose of determining whether respondents have willfully violated the Act and the regulations. Respondents shall have twenty (20) days after receipt of this Complaint in which to file an answer with the Hearing Clerk, United States Department of Agriculture, Washington, DC 20250, in accordance with the Rules of Practice Governing Formal Adjudicatory Proceedings Instituted by the Secretary Under Various Statutes (7 C.F.R. § 1.130 *et seq.*). Allegations not answered shall be deemed admitted for the purpose of this proceeding. Failure to file an answer will constitute an admission of all the material allegations of this Complaint.

The Packers and Stockyards Program, Grain Inspection, Packers and Stockyards Administration (GIPSA), requests:

1. That unless respondents fail to file an answer within the time allowed, or file an answer admitting all the material allegations of this complaint, this proceeding be set for oral hearing in accordance with the Rules of Practice; and
2. That such order or orders be issued, including an order requiring respondents to cease and desist from the violations of the Act and the regulations found to exist, an order requiring respondents to keep and maintain all accounts, records, and memoranda that fully and accurately disclose all transactions involved in their business, as required by section 401 of the Act, and assessing such civil penalties against respondents, jointly and severally, as are authorized by the Act and warranted in the circumstances.

Done at Washington, D.C.

this 27th day of April, 2012



Alan R. Chrisman
Deputy Administrator
Packers and Stockyards Program

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