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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-06-0024
)
Madison Livestock Sales, LLC)
)
Respondent) Decision Without Hearing by Reason of
) Consent

This proceeding was instituted under the Packers and Stockyards Act, 1921, as amended and supplemented (7 U.S.C. § 181 et seq.; hereinafter "Act"), by a Complaint filed by the Deputy Administrator, Packers and Stockyards Program, Grain Inspection, Packers and Stockyards Administration (GIPSA), United States Department of Agriculture (hereinafter "Complainant"), alleging that Respondent has willfully violated the Act. This decision is entered pursuant to the consent decision provisions of the Rules of Practice Governing Formal Adjudicatory Proceedings Instituted by the Secretary Under Various Statutes (7 C.F.R. § 1.138; hereinafter "Rules of Practice") applicable to this proceeding.

Madison Livestock Sales, LLC, admits the jurisdictional allegations in paragraph I of the Complaint and specifically admits that the Secretary has jurisdiction in this matter, neither admits nor denies the remaining allegations, waives oral hearing and further procedure, and consents and agrees, for the purpose of settling this proceeding and for such purpose only, to the entry of this decision.

Complainant agrees to the entry of this decision.

Findings of Fact

1. Madison Livestock Sales, LLC (hereinafter "Respondent") is a limited liability company formed under the laws of the Commonwealth of Kentucky. Its mailing address is 340 K Street, Richmond, Kentucky 40475.

2. At all times material herein, Respondent was:
 - (a) Engaged in the business of conducting and operating Madison Livestock Sales, LLC, a posted stockyard, subject to the provisions of the Act;
 - (b) Engaged in the business of a market agency selling livestock on a commission basis;
 - (c) Engaged in the business of a dealer buying and selling livestock in commerce for its own account or the accounts of others; and
 - (d) Registered with the Secretary of Agriculture as a market agency to sell livestock on a commission basis and as a dealer to buy and sell livestock in commerce for its own account or the accounts of others.

Conclusion

Respondent having admitted the jurisdictional facts and the parties having agreed to the entry of this decision, the decision will be entered.

Order

Respondent, Madison Livestock Sales, LLC, its agents and employees, directly or through any corporate or other device, in connection with its activities subject to the Act, shall cease and desist from:

1. Engaging in business subject to the Act while insolvent, i.e., while current liabilities exceed current assets;
2. Failing to properly maintain a Custodial Account for Shippers' Proceeds, as required by section 201.42 of the regulations (9 C.F.R. § 201.42), while operating as a market agency selling livestock on a commission basis; and
3. Misusing its Custodial Account for Shippers' Proceeds by withdrawing funds for

a purpose other than for (1) payment of the net proceeds to the consignor or shipper, or to any person that the market agency knows is entitled to payment, (2) to pay lawful charges against the consignment of livestock which the market agency shall, in its capacity as agent, be required to pay, or (3) to obtain any sums due the market agency as compensation for its services.

In accordance with section 312(b) of the Act (7 U.S.C. § 213(b)), Respondent, Madison Livestock Sales, LLC, is assessed a civil penalty in the amount of Fourteen Thousand and Four Hundred Dollars (\$14,400.00).

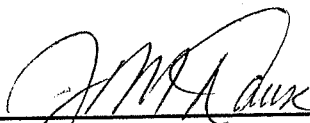
The provisions of this Order shall become final and effective on the sixth (6th) day after service upon Respondent.


Copies of this decision and Order shall be served upon the parties.

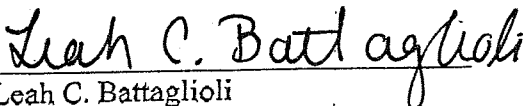
Issued in Washington, D.C.

this 12th day of June, 2007


Administrative Law Judge


James M. Dause
For Madison Livestock Sales, LLC
Respondent


Ernest H. Van Hooser
Attorney for Respondent


Leah C. Battaglioli
Attorney for Complainant