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UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

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| In re: | ) | P & S Docket No. D-12-0210 |
| | ) | |
| Brian Morris and Ronald Morris | ) | |
| | ) | |
| | ) | |
| Respondents | ) | Consent Decision |

This proceeding was instituted under the Packers and Stockyards Act, 1921, as amended and supplemented (7 U.S.C. § 181 et seq.) (the 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, alleging that the Respondents willfully violated the Act and the regulations promulgated thereunder (9 C.F.R. § 201.1 et seq.) (regulations). This consent decision is entered pursuant to the consent decision provision of the Rules of Practice Governing Formal Adjudicatory Proceedings Instituted by the Secretary Under Various Statues (7 C.F.R. § 1.138) (Rules of Practice).

The Respondents admit the jurisdictional allegations in paragraph I of the Complaint and specifically admit that the Secretary has jurisdiction in this matter, neither admit nor deny the remaining allegations, waive oral hearing and further procedure, and consent and agree, for the purpose of settling this proceeding and for such purpose only, to the entry of this consent decision.

Complainant agrees to the entry of this consent decision.

## Findings of Fact

1. Karnes City Auction, Inc. is a corporation organized and existing under the laws of the State of Texas. The corporation, at all times material herein, was owned by Respondents Ronald and Brian Morris. Respondents Ronald and Brian Morris sold Karnes City Auction, Inc. in 2011.

2. At all times material herein, Karnes City Auction, Inc. was:

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

(b) Registered with the Secretary of Agriculture as a market agency to sell livestock in commerce on a commission basis.

3. Respondents Brian and Ronald Morris are individuals whose mailing address is P.O. Box 3098, Victoria, TX 77903.

4. At all times material herein, Respondent Brian Morris was:

(a) Director of Karnes City Auction, Inc.;

(b) President of Karnes City Auction, Inc.;

(c) Fifty five percent owner of Karnes City Auction, Inc.; and

(d) In conjunction with Respondent Ronald Morris, responsible for the direction, management, and control of Karnes City Auction, Inc.;

(e) Not individually registered with the Secretary of Agriculture as a market agency to sell livestock on a commission basis.

5. At all times material herein, Respondent Ronald Morris was:

(a) Director of Karnes City Auction, Inc.;

(b) Secretary and Treasurer of Karnes City Auction, Inc.;

(c) Forty five percent owner of Karnes City Auction, Inc.;

(d) In conjunction with Respondent Brian Morris, responsible for the direction, management, and control of Karnes City Auction, Inc.; and

(e) Not individually registered with the Secretary of Agriculture as a market agency to sell livestock on a commission basis.

## Conclusion

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

## Order

Respondent Brian Morris and Respondent Ronald Morris, their agents or employees, directly or through any corporate device, in connection with their operations subject to the Act, shall cease and desist from:

1. Failing to properly maintain their Custodial Account for Shippers' Proceeds in strict conformity with the Act and section 201.42 of the regulations (9 C.F.R. § 201.42); and

2. Using funds received from the sale of consigned livestock for any purpose other than payment to consignors of the amount due from the sale of their livestock and the payment of lawful marketing charges.

Respondents shall not be registered to engage in any business subject to the Act for a period of three (3) years. Pursuant to Section 303 of the Act (7 U.S.C. § 203), Respondents are prohibited from operating as a market agency or dealer without being registered with the Secretary of Agriculture and without maintaining an adequate bond or bond equivalent.

This Order shall have the same force and effect as if entered after full hearing. The

provisions of this Order shall become final and effective upon issuance (7 C.F.R. § 1.138).

Copies of this decision shall be served upon the parties.

Done at Washington, D.C.
this 18th day of April, 2012

[redacted]

Administrative Law Judge
for Judge Janice K. Bullard

[redacted]

Ronald Morris
Respondent

[redacted]

Brian Morris
Respondent

[redacted]

Ciarra A. Toomey
Attorney for Complainant