

UNITED STATES DEPARTMENT OF AGRICULTURE

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BEFORE THE SECRETARY OF AGRICULTURE

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In re:)	
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Johnson County Cattle Auction, LLP,)	P&S Docket No. 15-0134
d/b/a Johnson County Cattle Auction,)	
)	
and)	
)	
R.A. Cantrell, a/k/a Bo Cantrell,)	P&S Docket No. 15-0135
Patsy Cantrell,)	P&S Docket No. 15-0136
Leah Davis, and)	P&S Docket No. 15-0137
George Davis, Jr.,)	P&S Docket No. 15-0138
jointly f/d/b/a)	
Johnson County Cattle Auction)	
)	
)	
Respondents)	Complaint

There is reason to believe that Johnson County Cattle Auction, LLP, d/b/a Johnson County Cattle Auction, and R.A. Cantrell, a/k/a Bo Cantrell, Patsy Cantrell, Leah Davis, and George Davis, Jr., jointly f/d/b/a Johnson County Cattle Auction (Respondents), willfully violated the Packers and Stockyards Act, 1921, as amended and supplemented (7 U.S.C. § 181 et seq.) and the regulations promulgated thereunder by the Secretary of Agriculture (9 C.F.R. § 201.1 et seq.) and, therefore, this Complaint is issued alleging the following:

I.

(a) Johnson County Cattle Auction, LLP, d/b/a Johnson County Cattle Auction (Respondent Johnson) is a limited liability partnership organized and existing under the laws of the State of Texas. Respondent Johnson registered with the Texas Secretary of State as a limited liability partnership on September 29, 2010. Its registration as a limited liability partnership expired on September 29, 2011 due to its failure to file the required annual renewal. Respondent Johnson re-registered as a limited liability partnership on June 3, 2013, but its registration

expired again on June 3, 2014 due to its failure to file the required annual renewal. Respondent Johnson re-registered as a limited liability partnership on August 28, 2014 and its registration is currently active. Respondent Johnson's business mailing address is PO Box 2573, Cleburne, Texas, 76033-2573.

(b) Currently, Respondent Johnson is:

(1) The successor-in-interest to the general partnership of R.A. Cantrell, Patsy Cantrell, Leah Davis, and George Davis, Jr., jointly f/d/b/a Johnson County Cattle Auction;

(2) Engaged in the business of conducting and operating Johnson County Cattle Auction, a stockyard posted under and subject to the provisions of the Act;

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

(4) Registered with the Secretary of Agriculture as a market agency selling livestock in commerce on a commission basis.

(c) R.A. Cantrell, a/k/a Bo Cantrell, is an individual whose business mailing address is PO Box 2573, Cleburne, Texas, 76033-2573.

(d) Currently, Respondent R.A. Cantrell is:

(1) A 25% partner of Respondent Johnson; and

(2) Responsible, as a partner with Patsy Cantrell, Leah Davis, and George Davis, Jr., for the operations of Respondent Johnson.

(e) At all times material herein, Respondent R.A. Cantrell was:

(1) A partner, with Patsy Cantrell, Leah Davis, and George Davis, Jr., in a general partnership doing business as Johnson County Cattle

Auction;

(2) Responsible, with Patsy Cantrell, Leah Davis, and George Davis, Jr., for conducting and operating Johnson County Cattle Auction, a stockyard posted under and subject to the provisions of the Act; and

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

(f) Patsy Cantrell is an individual whose business mailing address is PO Box 2573, Cleburne, Texas, 76033-2573.

(g) Currently, Respondent Patsy Cantrell is:

(1) A 25% partner of Respondent Johnson; and

(2) Responsible, as a partner with R.A. Cantrell, Leah Davis, and George Davis, Jr., for the operations of Respondent Johnson.

(h) At all times material herein, Respondent Patsy Cantrell was:

(1) A partner, with R.A. Cantrell, Leah Davis, and George Davis, Jr., in a general partnership doing business as Johnson County Cattle Auction;

(2) Responsible, with R.A. Cantrell, Leah Davis, and George Davis, Jr., for conducting and operating Johnson County Cattle Auction, a stockyard posted under and subject to the provisions of the Act; and

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

(i) Leah Davis is an individual whose business mailing address is PO Box 2573, Cleburne, Texas, 76033-2573.

(j) Currently, Respondent Leah Davis is:

- (1) A 25% partner of Respondent Johnson; and
- (2) Responsible, as a partner with R.A. Cantrell, Patsy Cantrell, and George Davis, Jr., for the operations of Respondent Johnson.

(k) At all times material herein, Respondent Leah Davis was:

- (1) A partner, with R.A. Cantrell, Patsy Cantrell, and George Davis, Jr., in a general partnership doing business as Johnson County Cattle Auction;
- (2) Responsible, with R.A. Cantrell, Patsy Cantrell, and George Davis, Jr., for conducting and operating Johnson County Cattle Auction, a stockyard posted under and subject to the provisions of the Act; and
- (3) Engaged in the business of a market agency selling livestock in commerce on a commission basis.

(l) George Davis, Jr. is an individual whose business mailing address is PO Box 2573, Cleburne, Texas, 76033-2573.

(m) Currently, Respondent George Davis, Jr. is:

- (1) A 25% partner of Respondent Johnson; and
- (2) Responsible, as a partner with R.A. Cantrell, Patsy Cantrell, and Leah Davis, for the operations of Respondent Johnson.

(n) At all times material herein, Respondent George Davis, Jr. was:

- (1) A partner, with R.A. Cantrell, Patsy Cantrell, and Leah Davis, in a general partnership doing business as Johnson County Cattle Auction;

(2) Responsible, with R.A. Cantrell, Patsy Cantrell, and Leah Davis, for conducting and operating Johnson County Cattle Auction, a stockyard posted under and subject to the provisions of the Act; and

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

II.

(a) In a Notice of Violation letter dated September 18, 2012 and served on Respondents on September 24, 2012, the Aurora, Colorado Regional Office of the P&S Program informed Respondents that an investigation of Johnson County Cattle Auction had found, among other things, that as of June 29, 2012, Johnson County Cattle Auction had a shortage in the Custodial Account for Shippers' Proceeds (custodial account) in the amount of \$371,093.24. Respondents were further informed that the shortage was caused, in part, by failing to timely reimburse the custodial account. Respondents were also informed that operating with a custodial account shortage was a violation of sections 307(a) and 312(a) of the Act (7 U.S.C. §§ 208(a), 213(a)) and 201.42 of the Regulations (9 C.F.R. § 201.42) and that they must take immediate steps to correct the shortage. Respondents were requested to file a special report showing the status of Johnson County Cattle Auction's custodial account as of September 30, 2012 and further informed that continued violations may result in formal action charging Respondents with violations of the Act.

(b) Respondents did not file the requested special report.

III.

(a) Respondents, during the period November 23, 2012 through January 11, 2013, failed to properly use and maintain Johnson County Cattle Auction's custodial account, thereby endangering the faithful and prompt accounting of shippers' proceeds and the payments due the owners or consignors of livestock in that:

(1) As of November 23, 2012, Respondents had outstanding checks drawn on Johnson County Cattle Auction's custodial account in the amount of \$216,687.85 and had, to offset such checks, a bank balance in the custodial account of \$88,526.28, current proceeds receivable in the amount of \$104,072.68, with no deposits in transit, no CDs or savings accounts designated as custodial funds, and no proceeds on hand, resulting in a custodial account shortage of \$24,088.89.

(2) As of January 11, 2013, Respondents had outstanding checks drawn on Johnson County Cattle Auction's custodial account in the amount of \$119,278.53 and had, to offset such checks, a bank balance in the custodial account of \$50,982.06, current proceeds receivable of \$45,062.92, with no deposits in transit, no CDs or savings accounts designated as custodial funds, and no proceeds on hand, resulting in a custodial account shortage of \$23,233.55.

(3) The custodial account shortages in Johnson County Cattle Auction's custodial account described above, were due, in part, to Respondents' failure to timely reimburse the custodial account for uncollected receivables as required by section 201.42 of the Regulations (9 C.F.R. § 201.42).

(b) On September 17, 2013, Respondents filed a Status of Custodial Bank Account for Shippers' Proceeds Special Report self-reporting the status of Johnson County Cattle Auction's custodial account as of July 31, 2013.¹ As of July 31, 2013, Respondents had outstanding checks drawn on Johnson County Cattle Auction's custodial account in the amount of \$140,661.88 and had, to offset such checks, a bank balance in the custodial account of \$55,904.82, deposits in transit of \$24,754.18, current proceeds receivable of \$58,153.63, with no CDs or savings accounts designated as custodial funds, and no proceeds on hand, resulting in a custodial account shortage of \$1,849.25.

IV.

Respondents, on or about the dates and in the transactions set forth below, failed to maintain properly Johnson County Cattle Auction's custodial account in violation of section 201.42 of the Regulations (9 C.F.R. § 201.42) by failing to timely reimburse the custodial account for purchases made by buyers who had not paid by the close of the seventh business day following the sale of the livestock thereby creating or contributing to a shortage in Johnson County Cattle Auction's custodial account.

Sale Date	Buyer	Purchase Amount	Due Date to Reimburse Custodial Account	Date Paid/Date Reimbursed	Days Late	Remarks
7/7/12	David Shaw	\$21,243.41	7/14/12	Partial reimbursement on 1/23/13	193 days as of 1/23/13	On 12/19/12, deposited \$21,243.41 into general account in error; reimbursed \$15,272.83 on 1/23/13; \$5,970.58 still due as of 1/23/13
11/10/12	Wade Riddle	\$11,321.75	11/17/12	11/26/12	9	Riddle made payment on 11/26/12; no reimbursement made prior to 11/26/12

¹ On the analysis date of July 31, 2013, Respondent Johnson's registration as a limited liability partnership was active.

V.

By reason of the facts alleged in paragraphs II through IV herein, 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).

WHEREFORE, it is hereby ordered that this Complaint shall be served upon Respondents for the purpose of determining whether Respondents 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, Room 1031-South Building, United States Department of Agriculture, 1400 Independence Avenue, SW., Washington, DC 20250-9200, 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.) (Rules of Practice). 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.

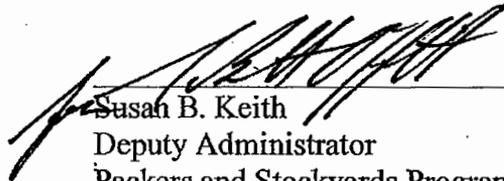
The Packers and Stockyards Program, Grain Inspection, Packers and Stockyards Administration requests:

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, suspending Respondent Johnson as a registrant under the Act for a specified period of time, and assessing

such civil penalties against Respondents, jointly and severally, as are authorized by the Act and warranted under the circumstances.

Done at Washington, D.C.

this 23rd day of June, 2015



Susan B. Keith
Deputy Administrator
Packers and Stockyards Program

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