

UNITED STATES DEPARTMENT OF AGRICULTURE  
BEFORE THE SECRETARY OF AGRICULTURE



In re:	)	
	)	
El Paso Cattle II, LP,	)	Docket No. <u>15</u> (P & S) <u>15-0035</u>
	)	
John K. Hudgens,	)	Docket No. _____ (P & S) <u>15-0036</u>
	)	
and	)	
	)	
James D. Hudgens,	)	Docket No. _____ (P & S) <u>15-0037</u>
	)	
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). Therefore the Deputy Administrator, Packers and Stockyards Program, Grain Inspection, Packers and Stockyards Administration, (Complainant), pursuant to Rules of Practice Governing Formal Adjudicatory Proceedings Instituted by the Secretary Under Various Statutes (7 C.F.R. § 1.130 *et seq.*) issues this complaint alleging the following:

I

(a) Respondent, El Paso Cattle II, LP is a domestic limited partnership organized and existing under the laws of the State of Texas, with a principal place of business mailing address of P.O. Box 1530, Canutillo, Texas 79835. The registered agent for service of process on Respondent El Paso Cattle II, LP is A. Douglas Brock, 7350 Remcon Circle, El Paso, Texas 79912.

(b) At all times material herein, Respondent El Paso Cattle II, LP was:

(1) Engaged in the business of a dealer, as that term is defined and used in the Act and the regulations promulgated thereunder.

(2) Registered with the Secretary of Agriculture as a dealer, as that term is defined and used in the Act and the regulations promulgated thereunder. Respondent's registration expired on June 1, 2012.

(3) Respondent also does business under the name of El Paso Cattle I, LLC and El Paso Cattle Company, Inc.

(c) Respondent John K. Hudgens is an individual. The Respondent's business mailing is P. O. Box 1530, Canutillo, Texas 79835.

(d) At all times material herein, Respondent John K. Hudgens was:

(1) Engaged in the business of a dealer, as that term is defined and used in the Act and the regulations promulgated thereunder;

(2) President, Partner, Member of Respondent El Paso Cattle II, LP;

(3) Forty-nine and half percent (49.5) owner of Respondent El Paso Cattle II, LP; and

(4) Responsible for the day to day direction, management, and control of Respondent El Paso Cattle II, LP, including the acts and practices referred to in this complaint.

(e) Respondent James D. Hudgens is an individual. The Respondent's business mailing is P. O. Box 1530, Canutillo, Texas 79835.

(f) At all times material herein, Respondent James D. Hudgens was:

(1) Engaged in the business of a dealer, as that term is defined and used in the Act and the regulations promulgated thereunder;

(2) Vice President, Partner, Member of Respondent El Paso Cattle II, LP;

(3) Forty-nine and half percent (49.5) owner of Respondent El Paso Cattle II, LP; and

(4) Responsible for the day to day direction, management, and control of Respondent El Paso Cattle II, LP, including the acts and practices referred to in this complaint.

(g) Respondent El Paso Cattle II, LP, Respondent John K. Hudgens and Respondent James D. Hudgens shall collectively be referred to herein as "Respondents".

## II

(a) By written notice dated November 03, 2011 and received on November 21, 2011, Respondents were advised by the Packers and Stockyards Program, Grain Inspection, Packers and Stockyards Administration, inter alia, that failure to pay for livestock when due was a violation of section 409 (7 U.S.C. §228b) of the Act. The Notice of Violation stated that the failure to take immediate steps to correct their business practices and bring the respondents' operation into compliance with the provisions of the Act may result in the assessment of sanctions under the Act.

(b) From December 22, 2011 through March 15, 2012 the respondents again failed to pay within the time period required by the Act for livestock. On February 13, 2013, the respondents agreed to pay a civil penalty in settlement of the matter. The civil penalty has been paid in full.

## III

On or about the dates and in the transactions set forth below, respondents purchased livestock and failed to pay, when due, the full purchase price of such livestock within the time period required by the Act and the regulations promulgated thereunder.

<u>Purchase Date</u>	<u>Seller's Name</u>	<u>No. of Head</u>	<u>Livestock Amount</u>	<u>Due Date</u>	<u>Settlement Date</u>	<u>Days Late</u>
11/27/2012	Ganadera Santa Ximena	113	\$87,936.69	11/28/2012	7/3/2014	582
12/3/2012	Anselmo Parra Castillo	46	\$32,547.80	12/4/2012	7/3/2014	576
12/3/2012	Arturo Cervantes Hernandez	109	\$78,256.82	12/4/2012	7/3/2014	576
12/3/2012	Jesus Manuel Parra Chavez	117	\$86,665.37	12/4/2012	7/3/2014	576
12/4/2012	Rancho Blanco Los Chavez	773	\$609,306.75	12/5/2012	7/3/2014	575

12/4/2012	Cornelio Rivera	104	\$58,288.81	12/5/2012	7/3/2014	575
12/5/2012	Hector Hugo Vargas Vazquez	155	\$114,497.40	12/6/2012	7/3/2014	574
12/5/2012	Oscar Chacon Herrera	200	\$127,066.71	12/6/2012	7/3/2014	574
12/5/2012	Gelacio Lechuga Valdez	110	\$82,444.57	12/6/2012	7/3/2014	574
12/7/2012	Eugenio Rivera Tena	33	\$22,935.92	12/10/2012	7/3/2014	570
12/10/2012	Agricola Y Ganadera Zazueta	123	\$70,910.95	12/11/2012	7/3/2014	569
12/11/2012	Cesar Quintana Martinez	55	\$32,938.06	12/12/2012	7/3/2014	568
12/11/2012	Corrales Santa Monica	113	\$85,479.38	12/12/2012	7/3/2014	568
12/11/2012	Ganadera Santa Ximena	111	\$81,956.66	12/12/2012	7/3/2014	568
12/12/2012	Leonardo Caro Terraza	33	\$19,265.51	12/13/2012	7/3/2014	567
12/10/2012	Antonio Bojorquez	60	\$44,156.62	12/11/2012	7/3/2014	569
12/12/2012	Bernardino Caro Monge	49	\$33,476.61	12/13/2012	7/3/2014	567
12/12/2012	Nicolas Caro Terrazas	43	\$26,973.50	12/13/2012	7/3/2014	567
12/12/2012	Jose Miguel Nevarez	14	\$8,977.88	12/13/2012	7/3/2014	567
12/12/2012	Juan Manuel Mendoza	57	\$38,872.13	12/13/2012	7/3/2014	567
12/12/2012	Juan Manuel Mendoza	51	\$31,546.72	12/13/2012	7/3/2014	567
12/18/2012	Ganadera Santa Sophia	309	\$215,718.33	12/19/2012	7/3/2014	561
12/19/2012	Jesus Ignacio Armendariz	105	\$74,311.98	12/20/2012	7/3/2014	560
12/19/2012	Jesus Manuel Mendoza	160	\$119,764.06	12/20/2012	7/3/2014	560
12/19/2012	Manuel A Gonzalez Carmona	97	\$61,002.69	12/20/2012	7/3/2014	560
12/19/2012	Oscar Tena Licano	86	\$51,870.42	12/20/2012	7/3/2014	560
12/19/2012	Rancho Los Tatoleros	196	\$130,738.02	12/20/2012	7/3/2014	560
12/19/2012	Rogelio Camacho Armendariz	66	\$42,324.55	12/20/2012	7/3/2014	560
12/19/2012	Socorro Montes Vargas	135	\$93,612.54	12/20/2012	7/3/2014	560
12/19/2012	Candelario Molina Retana	250	\$150,544.45	12/20/2012	7/3/2014	560
12/19/2012	Carlos Duarte Villa	105	\$60,754.85	12/20/2012	7/3/2014	560
12/19/2012	Jesus Pesqueira Gastelum	195	\$125,679.51	12/20/2012	7/3/2014	560
12/20/2012	Interganadera Famflo	527	\$412,109.69	12/21/2012	7/3/2014	559
12/21/2012	Jose G Villalobos Villalobos	106	\$75,392.94	12/24/2012	7/3/2014	556
12/21/2012	Rafael Ruiz Hernandez	89	\$63,425.21	12/24/2012	7/3/2014	556

IV

By reason of the facts alleged in paragraphs II and III there is reason to believe that the Respondents have willfully violated section 312(a) of the Act (7 U.S.C. § 213(a)) and sections 201.29 and 201.30 of the regulations promulgated thereunder (9 C.F.R. §§ 201.29 and 201.30).

WHEREFORE, this complaint shall be served upon the Respondents for the purpose of determining whether the 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, 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 the proceedings under the Act (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 in this complaint.

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

1. That unless the 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 as are authorized by the Act and warranted under the circumstances including an order:

(a) Requiring the Respondents to cease and desist from violating the Act and the regulations promulgated thereunder:

(b) Assessing civil penalties against the Respondents in accordance with the Act; and

(c) Suspending the Respondents' registration for an appropriate period of time; and

such other and further relief as warranted under the Act and the surrounding circumstances.

Done at Washington, D.C.  
this 20<sup>th</sup> day of November, 2014

  
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Susan B. Keith  
Deputy Administrator  
Packers and Stockyards Program

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