

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re:

Hanson and Morgan Livestock, Inc., d/b/a)	P. & S. Docket No. D-08-0067
Greenbrier Valley Livestock Market, and)	
W. Dean Hanson,)	
Respondents)	Decision

This proceeding was instituted under the Packers and Stockyards Act (7 U.S.C. § 181 et seq.), hereinafter "the Act", by a Complaint filed by the Deputy Administrator, Packers and Stockyards Program, alleging that the Respondents wilfully violated the Act and the regulations promulgated thereunder by the Secretary of Agriculture. 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).

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 decision.

Complainant agrees to the entry of this decision.

Findings of Fact

1. Hanson and Morgan Livestock, Inc., d/b/a Greenbrier Valley Livestock Market, hereinafter referred to as the Corporate Respondent, is a West Virginia corporation whose business mailing address is P.O. Box 1602, Lewisburg, West Virginia 24901.
2. The Corporate Respondent is and at all times material herein was:
 - (a) Engaged in the business of selling livestock in commerce on a commission basis under the name Greenbrier Valley Livestock Market, in Lewisburg, West Virginia; and

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

3. W. Dean Hanson, hereinafter referred to as the Individual Respondent, is an individual whose business mailing address is P.O. Box 1602, Lewisburg, West Virginia 24901..

4. The Individual Respondent at all times material herein was:

- (a) President and 100 percent owner of the Corporate Respondent;
- (b) The individual who managed, directed, and controlled the daily operations of the Corporate Respondent;
- (c) A market agency selling livestock in commerce on a commission basis;
- (d) Not individually registered with the Secretary of Agriculture in any capacity under the Act; and
- (e) The alter ego of the Corporate Respondent.

Conclusions

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

Order

Respondent Hanson and Morgan Livestock, Inc., d/b/a Greenbrier Valley Livestock Market, its officers, directors, agents and employees, successors and assigns, and Respondent W. Dean Hanson, directly or through any corporate or other device, in connection with their operations as a market agency selling on commission, shall cease and desist from:

1. Failing to fully reimburse the custodial account within the times prescribed in section 201.42 of the regulations (9 C.F.R. § 201.42);

2. Failing to otherwise maintain the custodial account in strict conformity with the provisions of section 201.42 of the regulations (9 C.F.R. §201.42);
3. Using funds received from the sale of consigned livestock for the payment of loans, bank fees, general operating expenses or for any purpose other than payment to consignors of the amount due from the sale of their livestock, payment of lawful marketing charges, and payment of sums due the Corporate Respondent as compensation for its services;
4. Maintaining a line of credit connection to the custodial account that permits the bank in which the custodial account is located to withdraw funds required to be held in trust for the payment of shippers proceeds for payments against a line of credit loan balance or to pay accrued interest charges or other bank fees; and
5. Filing required reports with a custodial account analysis that contains false or inaccurate entries.

Respondents shall keep and maintain such accounts, records, and memoranda as fully and correctly disclose their transactions subject to the Act and the regulations, including the actual balance of their custodial account pursuant to a monthly custodial account analysis.

Respondent Hanson and Morgan Livestock, Inc., d/b/a Greenbrier Valley Livestock Market, and Respondent W. Dean Hanson as its *alter ego*, are suspended as registrants under the Act for a period of 19 days, which will har Respondents from holding two of their regular weekly sales, and one special cow sale.

In accordance with section 312(b) of the Act (7 U.S.C. § 213(b)), Respondents are assessed, jointly and severally, a civil penalty in the amount of \$12,000.00.


The provisions of this Order, with the exception of the suspension provision, shall

become effective on the sixth day after service of this order on the Respondents. The 19-day suspension of Respondents shall become effective on Saturday, November 22, 2008, and run through December 10, 2008.

Copies of this decision shall be served upon the parties.

HANSON AND MORGAN LIVESTOCK, INC.
Respondent

By 
W. DEAN HANSON
President


W. DEAN HANSON
Respondent


ERNEST H. VAN HOOSER
Attorney for Respondents


ERIC PAUL
Attorney for Complainant

Issued this 20 day of October, 2008



for PETER M. DAVENPORT
Administrative Law Judge