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UNITED STATES DEPARTMENT OF AGRICULTURE  
BEFORE THE SECRETARY OF AGRICULTURE

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| In re:                             | ) |                             |
|                                    | ) |                             |
|                                    | ) |                             |
| High Plains Livestock, LLC,        | ) | P. & S. Docket Nos. 16-0126 |
| d/b/a Producers Livestock Auction, | ) | 16-0127                     |
| Michael Flen, Calvin Pareo, and    | ) | 16-0128                     |
| Darcie Pareo                       | ) | 16-0129                     |
|                                    | ) |                             |
| Respondents                        | ) | Consent Decision            |

This is a disciplinary proceeding under the Packers and Stockyards Act, 1921, as amended and supplemented (7 U.S.C. § 181 et seq.) (Act) instituted by a Complaint filed on July 11, 2016, by the Deputy Administrator, Packers and Stockyards Program, Grain Inspection, Packers and Stockyards Administration (GIPSA), United States Department of Agriculture, charging that High Plains Livestock, LLC, Michael Flen, Calvin Pareo, and Darcie Pareo, willfully violated the Act. This decision is entered pursuant to the consent decision provisions of the Rules of Practice Governing Formal Adjudicatory Administrative Proceedings Instituted by the Secretary Under Various Statutes (Rules of Practice) applicable to this proceeding (7 C.F.R. § 1.138).

The Respondents admit the jurisdictional allegations in paragraph I of the Complaint and specifically admit that the Secretary has jurisdiction in this matter, deny the remaining allegations, waive oral hearing and further procedure, and consent and agree, for the purpose of settling this proceeding and to avoid the expense of future litigation, to the entry of this decision. The parties agree to the entry of this Consent and Understanding to resolve all matters related to the Complaint filed in this matter and Complainant hereby forever releases, acquits, and discharges Respondents of and from any and all claims of whatever kind or nature which Complainant had or might have to date against Respondents, which

arose out of, result from, occurred in connection to, or are in any way attributable in whole or in part to any incident(s) or act(s) (other than a violation of this Consent Decision) related to or based on the events that gave rise to the Complaint filed by Complainant on July 11, 2016. Moreover, Complainant hereby forever releases, acquits, and discharges Respondents of and from any and all claims under the Packers and Stockyards Act of whatever kind or nature which Complainant had or might have to date against Respondents which were known to the Department or could have reasonably been discovered by the Department, which occurred before the filing of this Consent Decision.

Respondents waive any action against the United States Department of Agriculture under the Equal Access to Justice Act of 1980 (5 U.S.C. § 504 *et. seq.*) for fees and other expenses incurred by Respondents in connection with P. & S. Docket Nos. 16-0126, 16-0127, 16-0128, and 16-0129.

#### Findings of Fact

1. High Plains Livestock, LLC d/b/a Producers Livestock Auction (Respondent High Plains) is a limited liability company organized and existing under the laws of the State of Texas, with its principal place of business located at 375 NM 202, Portales, New Mexico 88130. Respondent High Plain's mailing address is P.O. Box 1297, Portales, New Mexico 88130. The registered agent for service of process on Respondent High Plains is Michael Flen, whose address is 196 NM 267, Portales, New Mexico 88130.
2. At all times material herein, Respondent High Plains was:
  - a. Engaged in the business of a market agency selling on commission as that term is defined and used in the Act and the regulations promulgated thereunder;
  - b. Engaged in the business of a dealer buying and selling as that term is defined and used in the Act and the regulations promulgated thereunder;

- c. Registered with the Secretary of Agriculture as a market agency selling on commission and as a dealer buying and selling.
3. Michael Flen (Respondent Flen) is an individual.
4. At all times material herein, Respondent Flen was:
  - a. Engaged in the business of a market agency selling on commission as that term is defined and used in the Act and the regulations promulgated thereunder;
  - b. Engaged in the business of a dealer buying and selling as that term is defined and used in the Act and the regulations promulgated thereunder;
  - c. Together with the other individual Respondents, responsible for the direction, management, and control of Respondent High Plains; and
  - d. An owner of Respondent High Plains.
5. Calvin Pareo (Respondent Calvin Pareo) is an individual.
6. At all times material herein, Respondent Calvin Pareo was:
  - a. Engaged in the business of a market agency buying and selling as that term is defined and used in the Act and the regulations promulgated thereunder;
  - b. Engaged in the business of a dealer buying and selling as that term is defined and used in the Act and the regulations promulgated thereunder;
  - c. Together with the other individual Respondents, responsible for the direction, management, and control of Respondent High Plains.
7. Darcie Pareo (Respondent Darcie Pareo) is an individual.
8. At all times material herein, Respondent Darcie Pareo was:
  - a. Engaged in the business of a market agency buying and selling as that term is defined and used in the Act and the regulations promulgated thereunder;
  - b. Engaged in the business of a dealer buying and selling as that term is defined and used in the Act and the regulations promulgated thereunder;

- c. Together with the other individual Respondents, responsible for the direction, management, and control of Respondent High Plains.
9. Respondent High Plains, Respondent Calvin Pareo, Michael Flen, and Respondent Darcie Pareo shall, where applicable and appropriate, collectively be referred to herein as "Respondents".

#### Conclusions

10. Based on the representations made by the Complainant, Administrative Law Judge Strother finds that Complainant has voluntarily agreed to forever release, acquit, and discharge Respondents of and from any and all claims under the Packers and Stockyards Act of whatever kind or nature which Complainant had or might have to date against Respondents which were known to the Department or could have reasonably been discovered by the Department, which occurred before the filing of this Consent Decision.

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

#### Order

- A. With exceptions set forth below in paragraphs A through G of this Order, Administrative Law Judge Strother dismisses any and all claims under the Packers and Stockyards Act of whatever kind or nature which Complainant had or might have to date against Respondents which were known to the Department or could have reasonably been discovered by the Department, which occurred before the filing of this Consent Decision with prejudice.
- B. Respondent High Plains' registration as a market agency selling on commission is suspended for 4 years. Respondent Michael Flen, Respondent Calvin Pareo, and Respondent Darcie Pareo, as individuals, or through any corporate or other device,

are prohibited from operating or registering as a market agency selling on commission within the meaning of the Act for a period of 4 years. This Consent Decision and Order does not prevent or prohibit Respondents registering as a dealer buying and selling livestock as defined by the Act.

C. Respondents, their agents and employees, directly or through any corporate or other device, in connection with their activities subject to the Act, shall cease and desist<sup>1</sup> from:

1. When auctioning livestock, failing to sell livestock, to the highest bidder at the price announced in the ring;
2. Recording, or altering information, on scale tickets to inaccurately show purchase price;
3. Delivering accountings or invoices that fail to accurately reflect the cost of livestock, or the true purchaser of livestock;
4. Failing to remit, when due, the full purchase price of livestock in strict conformity with section 201.43 of the Regulations (9 C.F.R. § 201.43);
5. Failing to properly maintain its 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
6. Using funds received from the sale of consigned livestock for any purpose other than those specifically permitted by section 201.42(d) of the Regulations (9 C.F.R. § 201.42(d)).

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<sup>1</sup> The Respondents have denied the material allegations of the Complaint as stated, *supra*, on page 1; nevertheless, Respondents agree to the terms of this Consent Decision and the duties and proscriptions set forth herein

D. Pursuant to section 401 of the Act (7 U.S.C. § 221), Respondents shall keep and maintain all scale tickets, purchase and sale invoices, balance sheets, income statements, monthly reconciliations and documents necessary to show purchases and payments for livestock and sales of livestock as fully and correctly disclose all transactions involved in the business.

E. Pursuant to section 203(b) of the Act (7 U.S.C. § 193(b)), Respondents are assessed, jointly and severally, a civil penalty in the amount of one-hundred thousand dollars (\$100,000), with ninety-thousand dollars (\$90,000) held in abeyance. The ten thousand dollar (\$10,000) civil penalty not held in abeyance is due immediately upon execution of this Consent Decision. Respondents shall send a certified check or money order in the amount of ten thousand dollars (\$10,000.00), payable to the Treasurer of the United States to: attn., Jonathan Gordy, Room 2343-S, 1400 Independence Ave. SW, Washington, DC 20250-1400. The certified check or money order shall include the docket number of this proceeding. The remaining \$90,000 of the civil penalty shall be held in abeyance pending satisfaction of the all of the terms stated in the Order. If, upon a petition to the Administrative Law Judge by Complainant, the Administrative Law Judge determines by written record submitted by the parties that Respondents failed to comply with any of the terms of this Consent Decision during the period of abeyance, the full civil penalty shall be reinstated, and any remaining balance of the civil penalty will become immediately due and payable. If at the end of 4 years suspension as stated above, Respondents have complied with the terms of this Consent Decision; the remaining civil penalty shall be automatically permanently abated. Respondent expressly waives any further oral hearing procedure with respect to this Consent Decision. Complainant agrees that this Consent Decision

constitutes a final order to cease and desist made by the Secretary pursuant to 7 U.S.C. §228a.

F. This Consent Decision shall become final and effective without further proceedings upon issuance:

G. Copies of this Order shall be served on the parties.

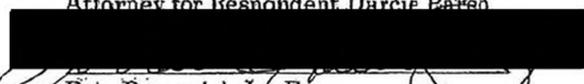
Done at Washington, D.C., on this 8<sup>th</sup> day of September, 2017

Submitted By:

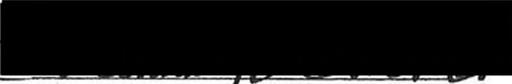
  
Jonathan Gordy, Esq.  
Attorney for Complainant

Approved:

  
Luis Robles, Esq.  
Nick Autio, Esq.  
Attorney for Respondent Darcie Pareo

  
Pete Domenici, Jr., Esq.  
Attorney for Respondent Calvin Pareo  
Approved by:

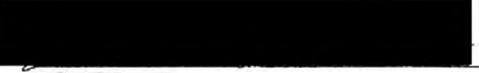
  
Michael Flen, Individually and as  
Managing Member of High Plains  
Livestock, LLC, Respondents

  
Administrative Law Judge

*Channing D. Strother*

  
Wesley Pool, Esq.  
Attorney for Respondent High Plains  
Livestock, LLC and Michael Flen

  
Darcie Pareo  
Respondent

  
Calvin Pareo  
Respondent

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**Calvin Pareo  
 (Personal Identifiable  
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Total Postage

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16-0128

City, State, ZIP+4®

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- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**Calvin Pareo  
 (Personal Identifiable  
 Information)**

2. Article Number (Transfer from service label)

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature

X

- Agent
- Addressee

B. Received by (Printed Name)

I

C. Date of Delivery

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

Consent Decision

16-0128

3. Service Type

- Adult Signature
- Adult Signature Restricted Delivery
- Certified Mail®
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- Collect on Delivery Restricted Delivery
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- Registered Mail Restricted Delivery
- Return Receipt for Merchandise
- Signature Confirmation™
- Signature Confirmation, Restricted Delivery