

and paid by it to the department, agency, or association performing such service.

**(d) Revocation of authorization or registration**

The Secretary may, if he deems it to be in the public interest, suspend, and after hearing, revoke any authorization and registration issued under the provisions of this section or any similar authorization and registration issued under any other provision of law. The order of the Secretary suspending or revoking any such authorization and registration shall not be subject to review.

(Aug. 15, 1921, ch. 64, title III, §317, as added June 19, 1942, ch. 421, 56 Stat. 372.)

**Editorial Notes**

**PRIOR PROVISIONS**

Former provisions relating to fees for inspection of brands appearing upon livestock were contained in section 231 of this title.

**Statutory Notes and Related Subsidiaries**

**ADMINISTRATIVE ORDERS REVIEW ACT**

Court of appeals exclusive jurisdiction respecting final orders of Secretary of Agriculture under this chapter, except orders issued under section 210(e) of this title and this section, see section 2342 of Title 28, Judiciary and Judicial Procedure.

**§ 217b. Statutory trust established; dealer**

**(a) Establishment**

**(1) In general**

All livestock purchased by a dealer in cash sales and all inventories of, or receivables or proceeds from, such livestock shall be held by such dealer in trust for the benefit of all unpaid cash sellers of such livestock until full payment has been received by such unpaid cash sellers.

**(2) Exemption**

Any dealer whose average annual purchases of livestock do not exceed \$100,000 shall be exempt from the provisions of this section.

**(3) Effect of dishonored instruments**

For purposes of determining full payment under paragraph (1), a payment to an unpaid cash seller shall not be considered to have been made if the unpaid cash seller receives a payment instrument that is dishonored.

**(b) Preservation of trust**

An unpaid cash seller shall lose the benefit of a trust under subsection (a) if the unpaid cash seller has not preserved the trust by giving written notice to the dealer involved and filing such notice with the Secretary—

(1) within 30 days of the final date for making a payment under section 228b of this title in the event that a payment instrument has not been received; or

(2) within 15 business days after the date on which the seller receives notice that the payment instrument promptly presented for payment has been dishonored.

**(c) Notice to lien holders**

When a dealer receives notice under subsection (b) of the unpaid cash seller's intent to

preserve the benefits of the trust, the dealer shall, within 15 business days, give notice to all persons who have recorded a security interest in, or lien on, the livestock held in such trust.

**(d) Cash sales defined**

For the purpose of this section, a cash sale means a sale in which the seller does not expressly extend credit to the buyer.

**(e) Purchase of livestock subject to trust**

**(1) In general**

A person purchasing livestock subject to a dealer trust shall receive good title to the livestock if the person receives the livestock—

(A) in exchange for payment of new value; and

(B) in good faith without notice that the transfer is a breach of trust.

**(2) Dishonored payment instrument**

Payment shall not be considered to have been made if a payment instrument given in exchange for the livestock is dishonored.

**(3) Transfer in satisfaction of antecedent debt**

A transfer of livestock subject to a dealer trust is not for value if the transfer is in satisfaction of an antecedent debt or to a secured party pursuant to a security agreement.

**(f) Enforcement**

Whenever the Secretary has reason to believe that a dealer subject to this section has failed to perform the duties required by this section or whenever the Secretary has reason to believe that it will be in the best interest of unpaid cash sellers, the Secretary shall do one or more of the following—

(1) appoint an independent trustee to carry out the duties required by this section, preserve trust assets, and enforce the trust;

(2) serve as independent trustee, preserve trust assets, and enforce the trust; or

(3) file suit in the United States district court for the district in which the dealer resides to enjoin the dealer's failure to perform the duties required by this section, preserve trust assets, and to enforce the trust. Attorneys employed by the Secretary may, with the approval of the Attorney General, represent the Secretary in any such suit. Nothing herein shall preclude unpaid sellers from filing suit to preserve or enforce the trust.

(Aug. 15, 1921, ch. 64, title III, §318, as added Pub. L. 116-260, div. N, title VII, §763, Dec. 27, 2020, 134 Stat. 2114.)

**SUBCHAPTER IV—LIVE POULTRY DEALERS AND HANDLERS**

**§§ 218 to 218d. Repealed. Pub. L. 100-173, § 10, Nov. 23, 1987, 101 Stat. 922**

Section 218, act Aug. 15, 1921, ch. 64, title V, §501, as added Aug. 14, 1935, ch. 532, 49 Stat. 648, stated necessity to curb unfair, deceptive, and fraudulent practices relating to live poultry.

Section 218a, act Aug. 15, 1921, ch. 64, title V, §502, as added Aug. 14, 1935, ch. 532, 49 Stat. 648, authorized Secretary to designate cities and markets where unfair practices exist, to require licensing, and to prescribe information to be contained in application license, and authorized penalty for dealing without license.