

## **N.A.S.D. AWARD**

**NATIONAL ASSOCIATION OF SECURITIES DEALERS, INC.**

---

**In the Matter of the Arbitration Between**

**Name of Claimants**

**Scott Shriver, IRA and  
Paula A. Shriver, IRA**

**93-04868**

**Name of Respondents**

**A.G. Edwards, & Sons, Inc.  
and Daniel Wayne Roepke**

---

### **REPRESENTATION OF PARTIES**

Claimants Scott Shriver, IRA and Paula Shriver, IRA ("Claimants") were represented at the hearing by Larry E. Meyer, Esq. of Pohl, Bennet & Matthews, L.L.P., Houston, Texas.

Respondent, A.G. Edwards & Sons, Inc. ("A.G. Edwards") was represented at the hearing by Jeff Jamieson, Esq. of A.G. Edwards, St. Louis, Missouri.

Respondent Daniel Wayne Roepke ("Roepke") was represented by Dan Connell, Esq., of Connell & Duffy, Storm Lake, Iowa. Roepke or Connell did not appear at the hearing.

### **CASE INFORMATION**

Statement of Claim filed by Claimants on November 22, 1993. Submission Agreements signed by Scott Shriver and Paula Shriver on November 15, 1993.

Statement of Answer filed by Respondent, A.G. Edwards, on February 24, 1994. Submission Agreement signed by Stephen Sneeringer on behalf of A.G. Edwards on February 23, 1994.

Statement of Answer filed by Respondent Daniel Roepke on May 27, 1994. Submission Agreement signed on May 25, 1994.

### **HEARING INFORMATION**

The hearing was conducted on August 23, 1994 in Houston, Texas for a total of two (2) hearing sessions.

### **CASE SUMMARY**

Claimants, Scott and Paula Shriver alleged that Respondent Roepke, while acting as broker for A.G. Edwards, forged distribution requests for both of their IRA accounts, and withdrew \$5,300.00 from Scott Shriver's IRA account and \$6,400.00 from the Paula Shriver IRA account. Claimants alleged that they had no knowledge of the transactions, that the withdrawals were unauthorized, and that Roepke invested the funds in his personal account. Claimants alleged this fraud was perpetrated upon them by Roepke as part of a long-running course of fraudulent activity during his employment at A.G. Edwards.

Claimants further alleged that A.G. Edwards was negligent and grossly negligent in wholly failing to supervise its broker. Claimants alleged that in failing to supervise, A.G. Edwards violated the NASD Rules of Fair Practice.

Respondent, A.G. Edwards, in its Answer, stated that both disbursements were disclosed to the Shrivers in their respective monthly account statements. A.G. Edwards stated that they are unaware of what, if anything, Claimants did upon receipt of the statements to dispute them. A.G. Edwards also stated that they are unaware what arrangement Claimants may have had to allow their names to be endorsed by Roepke, Paula's brother. A.G. Edwards stated that Roepke was acting outside the scope of his authority and he was acting as Claimant's agent.

Respondent Roepke stated in his Answer that because of criminal charges filed against him and because they are not finalized, Roepke is not able nor will he make any answer or any statements as to the facts. Roepke further stated that as to any claim against him as broker, all allegations relating to him are denied.

### **RELIEF REQUESTED**

Claimants requested \$11,700.00 for the cash withdrawals from these IRA accounts, additional income tax incurred to the IRS in 1990 in the amount of \$1,993.00, 10% penalty for early IRA distributions paid to the IRS in 1990 in the amount of \$1,170.00 plus pre-award interest and/or lost investment return of \$10,000.00, punitive damages in the amount of \$75,000.00, and attorney's fees from Respondent Daniel Roepke. Claimants requested \$14,863.00 for out-of-pocket losses, \$10,000.00 for pre-award interest or return on principal, punitive damages of \$75,000.00, plus attorney's fees, and costs from A.G. Edwards.

Respondent A.G. Edwards requested that the judgment be entered in their favor, that all costs be assessed against Claimants, and that they be awarded any further and just relief.

Respondent Daniel Roepke did not specifically state a relief but stated that all allegations relating to him should be denied.

**OTHER ISSUES CONSIDERED & DECIDED**

The parties have agreed that the Award in this matter may be executed in counterpart copies of that a handwritten, signed Award may be entered. In either case, the parties have agreed to receive conformed copies of the Award while the originals remain on file with the N.A.S.D.

At the hearing, counsel for Respondent A.G. Edwards made a Motion for Directed Verdict. The panel denied the motion.

Respondent, Daniel Roepke did not appear at the hearing. However, the panel of arbitrators determined that he was properly served by the NASD with the notice of hearing.

**AWARD**

After considering the pleadings, the testimony, and the evidence presented at the hearing, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Respondents, A.G. Edwards and Daniel Roepke, shall be and hereby are jointly and severally liable for, and shall pay to the claimants, Scott and Paula Shriver, damages for out-of-pocket losses in the sum of Fourteen Thousand, Eight Hundred Sixty Three Dollars and No Cents. (\$14,863.00).
2. Respondents, A.G. Edwards and Daniel Roepke, shall be and hereby are jointly and severally liable for, and shall pay to the claimants, Scott and Paula Shriver, interest at ten percent (10%) for forty eight (48) months in the sum Six Thousand, Eight Hundred Ninety Seven Dollars and Ninety One Cents (\$6,897.91).
3. Respondents, A.G. Edwards and Daniel Roepke, shall be and hereby are jointly and severally liable for, and shall pay to the Claimants, Scott and Paula Shriver, attorney's fees in the sum of Ten Thousand, Eight Hundred Eighty Dollars and No Cents. (\$10,880.00). The panel awarded attorney's fees under the authority as set forth in Claimant's Memorandum In Support of Punitive Damages and Attorney's Fees;
4. Respondents, A.G. Edwards and Daniel Roepke, shall be and hereby are jointly and severally liable for, and shall pay to the claimants, Scott and Paula Shriver, expenses in the sum of Three Hundred Dollars. (\$300.00);
5. Claimants' request for punitive damages is denied;
6. Any relief not specifically provided for herein is denied.

**FORUM FEES**

The NASD shall retain the non-refundable filing fee deposited by the Claimant in the amount of \$150.00 and shall retain the hearing session deposit in the amount of \$500.00.

Additional forum fees in the amount of \$500.00 shall be paid to the NASD by Respondent A.G. Edwards as ordered by the panel. Respondent A.G. Edwards shall reimburse to the Claimants \$650.00 which was previously deposited by them with the NASD.

**By The Arbitration Panel:**

**Dated:**

/s/ Donald H. Fidler

September 4, 1994

\_\_\_\_\_  
Donald H. Fidler, Esq.  
Presiding, Public Arbitrator

/s/ Thomas A. Martin

September 6, 1994

\_\_\_\_\_  
Thomas A. Martin \*\*  
Public Arbitrator

/s/ Stuart Hellman

September 7, 1994

\_\_\_\_\_  
Stuart Hellman  
Industry Arbitrator

Dated: September 12, 1994

\*\* Dissents on Award of attorney's fees.

**N.A.S.D. Disciplinary Referral**

National Association of Securities Dealers, Inc.

---

In the Matter of the Arbitration Between

Name of Claimants

Scott Shriver, IRA and  
Paula Shriver, IRA

93-04868

Name of Respondents

A.G. Edwards and Sons, Inc. and  
Daniel Wayne Roepke

---

After reading the pleadings submitted by the parties and hearing the testimony and evidence presented by the parties at an NASD Arbitration hearing conducted in Houston, Texas on August 23, 1994, the arbitrators recommend that the NASD review Respondents, A.G. Edwards and Daniel Wayne Roepke for any potential disciplinary violations as set forth herein:

Daniel Roepke: Recommendation that the NASD revoke his license for fraudulent withdrawal from a customer's account as alleged in the Statement of Claim.

A.G. Edwards: Recommendation that the NASD review the practices of A.G. Edwards for lack of supervision and violation of the NASD Rules of Fair Practice.

**By the Arbitration Panel:**

/s/ Donald H. Fidler

---

Donald H. Fidler, Esq.  
Presiding, Public Arbitrator

/s/ Thomas A. Martin

---

Thomas A. Martin, Public Arbitrator

/s/ Stuart Hellman

---

Stuart Hellman, Industry Arbitrator

Dated:  
September 6, 1994

---

September 6, 1994

---

September 7, 1994

---