

STATE OF NORTH DAKOTA

BEFORE THE

COUNTY OF BURLEIGH

SECURITIES COMMISSIONER

In the Matter of Dale F. Roehrich,)
)
)
 Respondent.)

**ORDER FOR AND NOTICE
OF CIVIL PENALTY AND
NOTICE OF RIGHT TO
REQUEST A HEARING**

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On July 12, 2004, the North Dakota Securities Department initiated an investigation into the activities of Pruco Securities, Inc., and its agent, Dale F. Roehrich. The investigation, which was based on the complaint of a North Dakota resident, is contained in NDSD file #04-310. The investigation reveals that the Respondent engaged in several violations of the Securities Act. These factual findings, as well as the relevant legal conclusions, are outlined below.

1. Respondent, Dale F. Roehrich, is a resident of Fargo, North Dakota. Roehrich (CRD # 1775964) is currently employed as an agent of Walnut Street Securities, Inc., a dealer headquartered in St. Louis, Missouri.
2. For all times relevant to this matter, Respondent was employed as an agent of Pruco Securities Corp., a dealer headquartered in New York. Respondent has been registered as an agent for all times relevant to this matter.
3. On or around June 27, 2001, Respondent converted a \$5,000 life insurance policy for a \$100,000 variable life policy for the account of a North Dakota resident. The variable life insurance policy was not suitable based on the investment objectives and risk temperament of the investor, as the costs associated with maintaining the policy exceeded the ability of the investor.

4. With respect to the variable life insurance policy discussed above, Respondent did not consult with or gain the approval of the investor as to the investment sub-accounts into which the value of this policy was invested. Respondent made those allocations without the authorization of the investor.

5. The allocation of the investment sub-accounts, as selected by the Respondent, was not suitable based on the investment objectives and risk temperament of the investor, in that they were aggressive investments.

6. At the time of this investment, the investor was nearing retirement. The investor had only a high school education and no previous investment experience. Despite this, the variable life application indicated that the investor's risk temperament was "aggressive." At the time this application was completed, it appears that the Respondent knew that this application did not accurately reflect the risk temperament of the investor.

7. Pursuant to Sections 73-02-09-02(3) and 73-02-09-03(6) N.D.A.C., it is a dishonest or unethical practice for an agent to recommend a securities transaction that is not suitable based on the customer's investment objectives, financial situation and needs. The facts described in paragraphs 3 and 5, above, are dishonest or unethical practices according to these sections.

8. Pursuant to Sections 73-02-09-02(4) and 73-02-09-03(6) N.D.A.C., it is a dishonest or unethical practice for an agent to execute a transaction on behalf of a client without authorization to do so. The facts described in paragraph 4, above, are dishonest or unethical practices according to these sections.

9. Pursuant to Section 10-04-15 N.D.C.C., fraudulent practices are prohibited in connection with the offer or sale of a security. The facts described in paragraphs 3 thru 6, above, are fraudulent practices prohibited by that section.

10. Pursuant to Section 10-04-16(1) N.D.C.C., when it shall appear to the Commissioner that any person has engaged in, or is engaging in, or is about to engage in any act or practice which is declared illegal in this chapter, the Commissioner may issue any order and collect civil penalties against any person found in an administrative action to have violated any provision of the chapter in an amount not to exceed \$10,000 for each violation. The violations described above are sufficient grounds for the Commissioner to assess civil penalties against the Respondent pursuant to Section 10-04-16(1) N.D.C.C.

11. The following Order is necessary and appropriate in the public interest and for the protection of investors.

ORDER FOR AND NOTICE OF CIVIL PENALTY

NOW, THEREFORE, it is hereby Ordered that the Respondent, Dale F. Roehrich, be assessed a civil penalty of \$10,000 based on the facts set forth above. The penalty shall be due and payable immediately upon the issuance of this Order.

NOTICE OF RIGHT TO REQUEST HEARING

YOU ARE NOTIFIED that pursuant to §10-04-12 N.D.C.C. you may request a hearing before the Securities Commissioner if such a request is made in writing WITHIN FIFTEEN (15) DAYS AFTER THE RECEIPT OF THIS ORDER. The respondent has the right to be represented by legal counsel at the hearing.

Dated at Bismarck, North Dakota on this 3rd day of June, 2005.





Karen J. Tyler, Securities Commissioner
North Dakota Securities Department
State Capitol, Fifth Floor
600 East Boulevard
Bismarck, ND 58505-0510
Ph. # (701) 328-2900

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**AFFIDAVIT OF SERVICE
BY MAIL**

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I, Jacqui Ferderer, being first duly sworn, state that I am a citizen of the United States over the age of twenty-one years and not a party to or interested in the above-entitled proceeding.

On June 6, 2005, I deposited in the Central Mailing Bureau of the United States Post Office Department in the State Capitol in Bismarck, North Dakota, true and correct copies of the following document:

**ORDER FOR AND NOTICE OF CIVIL PENALTY,
AND NOTICE OF RIGHT TO REQUEST A HEARING**

A copy of the above document was securely enclosed in an envelope with postage duly prepaid, sent via certified mail, return receipt requested, addressed to each of the following:

Thomas D. Birge
Birge & Minckley, P. C.
1700 Broadway, Suite 1501
Denver, CO 80290

To the best of my knowledge, information, and belief, the address given above is the actual mailing address for the party intended to be served or of the attorney representing that party.

Jacqui Ferderer
Jacqui Ferderer

Subscribed and sworn to before me this 6 day of June, 2005.

Diane B. G. Kambeitz
Diane B. G. Kambeitz, Notary Public
Burleigh County, North Dakota
My commission expires 4/25/2006

