

SUPREME COURT OF IOWA

State of Iowa v. Terran E. Roache

920 N.W.2d 93 (Iowa 2018) · No. 17-0931 · Decided November 16, 2018

SUMMARY

The Iowa Supreme Court reviewed a restitution order requiring Terran Roache to pay \$1,900 for a stolen commercial-driver study guide. The court held that the Restatement (Third) of Torts scope-of-liability analysis applies to criminal restitution determinations, and that the \$1,900 award was punitive and unsupported by substantial evidence. The court vacated the court of appeals decision and affirmed in part and reversed in part the district court judgment.

CASE DETAILS

COURT	Supreme Court of Iowa
WRITING FOR THE COURT	Waterman, Justice
JURISDICTION	Iowa
DECIDED	November 16, 2018
DOCKET	17-0931
DISPOSITION	other
PROCEDURAL POSTURE	Defendant appealed a criminal restitution order challenging only the inclusion of a \$1,900 charge for a stolen study guide. The Iowa Court of Appeals affirmed, and the Supreme Court of Iowa granted further review.
STANDARD OF REVIEW	Restitution orders are reviewed for correction of errors at law. The court determines whether the findings lack substantial evidentiary support or whether the law was improperly applied.
PRECEDENTIAL VALUE	Published Iowa Supreme Court opinion; precedential
PARTIES	Terran Roache v. State of Iowa

TOPICS

[restitution criminal](#) [remedies](#) [standard of review](#) [appellate procedure](#) [criminal procedure](#)

PRACTICE AREAS

[criminal law](#) [criminal restitution](#) [appellate law](#)

QUESTIONS PRESENTED

1. Whether the Restatement (Third) of Torts scope-of-liability analysis applies when determining criminal restitution for a victim's pecuniary damages.
2. Whether Roache's theft was the factual cause of Hagedon's exposure to the \$1,900 study-guide charge.
3. Whether the \$1,900 charge was within the scope of liability and recoverable as pecuniary damages in restitution.
4. Whether the State presented substantial evidence supporting the amount of the \$1,900 restitution award.
5. Whether the \$1,900 charge constituted prohibited punitive damages or an unenforceable contractual penalty.

HOLDINGS

1. The Restatement (Third) of Torts risk standard for scope of liability applies in criminal restitution determinations.
2. Roache's theft was the factual cause of Hagedon's loss of the study guide and resulting exposure to a charge for failing to return it.
3. The avoidable-consequences doctrine does not apply to reduce restitution for an intentional criminal act.
4. The \$1,900 study-guide award was unsupported by substantial evidence and could not be included in criminal restitution.
5. The \$1,900 fine was punitive and therefore excluded from pecuniary restitution under Iowa Code section 910.1(3).

KEY QUOTATIONS

“Accordingly, we now hold that the Restatement (Third) of Torts’ risk standard for scope of liability applies in criminal restitution determinations.” (at 101-02)

“But for the theft, the study guide would not have been lost, and Hagedon would not have faced liability to Northland for his failure to return the guide.” (at 103)

“In our view, the State failed to meet its burden of proof, and the amount of pecuniary damages awarded in restitution for this study guide is unsupported by substantial evidence.” (at 114)

FACTUAL BACKGROUND

Roache was arrested after a series of vehicle break-ins and was found with property stolen from several victims. One stolen item was a commercial-driver-license study guide belonging to Jordan Hagedon, whose insurer determined the guide had no value. Northland CDL Training & Licensing later asserted a \$1,900 fine—four times the course tuition—for the guide's nonreturn, but Hagedon had not paid the fine and the State presented no evidence establishing the guide's replacement cost, intellectual-property value, or the enforceability and reasonableness of the charge.

PROCEDURAL HISTORY

Roache pleaded guilty to one count each of criminal mischief and third-degree burglary under a plea agreement requiring restitution on all eleven charged counts. The district court ordered \$3,557.08 in restitution, including \$1,900 for a study-guide fine, but disallowed a separate windshield-repair claim for lack of evidence. The court of appeals affirmed; the Supreme Court of Iowa vacated that decision and affirmed the restitution judgment as modified, reversing the \$1,900 award.

DISPOSITION

other

CASES CITED

- State v. Iowa District Court, 889 N.W.2d 467, 470 (Iowa 2017)
- State v. Hagen, 840 N.W.2d 140, 144, 149 (Iowa 2013)
- State v. Bonstetter, 637 N.W.2d 161, 165, 168-70 (Iowa 2001)
- State v. Izzolena, 609 N.W.2d 541, 548 (Iowa 2000)
- State v. Jenkins, 788 N.W.2d 640, 642-43, 647 (Iowa 2010)
- State v. Dubois, 888 N.W.2d 52, 54-55 (Iowa 2016)
- State v. Driscoll, 839 N.W.2d 188, 191 (Iowa 2013)
- State v. Tribble, 790 N.W.2d 121, 126-27 (Iowa 2010)
- State v. Marti, 290 N.W.2d 570, 584 (Iowa 1980)
- Berte v. Bode, 692 N.W.2d 368, 372 (Iowa 2005)
- Gerst v. Marshall, 549 N.W.2d 810, 815 (Iowa 1996)
- State v. Watts, 587 N.W.2d 750, 751-52 (Iowa 1998)
- State v. Starkey, 437 N.W.2d 573, 574 (Iowa 1989)
- Thompson v. Kaczinski, 774 N.W.2d 829, 837-39 (Iowa 2009)
- Spreitzer v. Hawkeye State Bank, 779 N.W.2d 726, 741-45 (Iowa 2009)
- State v. Tyler, 873 N.W.2d 741, 747-50 (Iowa 2016)
- State v. Taylor, 506 N.W.2d 767, 768-69 (Iowa 1993)
- Peters v. Lyons, 168 N.W.2d 759, 770-71 (Iowa 1969)
- Wells Dairy, Inc. v. American Industrial Refrigeration, Inc., 762 N.W.2d 463, 471-72 (Iowa 2009)
- In re Marriage of Ginsberg, 750 N.W.2d 520, 522-23 (Iowa 2008)
- Howell v. River Products Co., 379 N.W.2d 919, 921 (Iowa 1986)
- Iowa Department of Human Services ex rel. Palmer v. Unisys Corp., 637 N.W.2d 142, 156-57 (Iowa 2001)
- Pexa v. Auto Owners Insurance, 686 N.W.2d 150, 156 (Iowa 2004)
- Stanley v. State, 197 N.W.2d 599, 606-07 (Iowa 1972)
- State v. Urbanek, 177 N.W.2d 14, 16 (Iowa 1970)
- R.E.T. Corp. v. Frank Paxton Co., 329 N.W.2d 416, 420 (Iowa 1983)
- Natkin & Co. v. R.F. Ball Construction Co., 255 Iowa 1156, 1167, 123 N.W.2d 415, 422 (1963)

- Rohlin Construction Co. v. City of Hinton, 476 N.W.2d 78, 80 (Iowa 1991)
- City of Davenport v. Shewry Corp., 674 N.W.2d 79, 85 (Iowa 2004)
- Golden Sun Feeds, Inc. v. Clark, 258 Iowa 678, 683, 140 N.W.2d 158, 161 (1966)
- Papillon v. Jones, 892 N.W.2d 763, 771 (Iowa 2017)
- Ackelson v. Manley Toy Direct, L.L.C., 832 N.W.2d 678, 686 (Iowa 2013)

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