

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

JEFF HATCH-MILLER, Chairman  
WILLIAM A. MUNDELL  
MARC SPITZER  
MIKE GLEASON  
KRISTIN K. MAYES

In the matter of:

**TIERRA GROUP, a/k/a TIERRA GROUP  
PROPERTIES, a/k/a/ TIERRA GROUP  
COMPANIES, a/k/a TIERRA GROUP, INC.,**  
10105 East Via Linda Drive, Suite 103-330  
Scottsdale, Arizona 85258

DOCKET NO. S-03437A-03-0000

**PRESERVATION CORPORATION, a/k/a  
PRESERVATION TRUST CORPORATION,  
a/k/a/ PRESERVATION TRUST COMPANY,**  
10105 East Via Linda Drive, Suite 103-330  
Scottsdale, Arizona 85258

DECISION NO. 67961

**PARTNERSHIP PRESERVATION TRUST,  
a/k/a PARTNERSHIP PRESERVATION  
CORPORATION LIMITED PARTNERSHIP,**  
10105 East Via Linda Drive, Suite 103-330  
Scottsdale, Arizona 85258

**ORDER TO CEASE AND DESIST,  
ORDER OF DISGORGEMENT, ORDER  
FOR ADMINISTRATIVE PENALTIES  
AND CONSENT TO SAME BY:  
RESPONDENTS TIERRA GROUP,  
PRESERVATION CORPORATION,  
PARTNERSHIP PRESERVATION  
TRUST, CATERPILLAR  
FOUNDATION PROPERTIES  
LIMITED PARTNERSHIP, AND RENE  
L. COUCH**

**CATERPILLAR FOUNDATION  
PROPERTIES LIMITED PARTNERSHIP,  
a/k/a/ CATERPILLAR FOUNDATION  
PROPERTIES,**  
10105 East Via Linda Drive, Suite 103-330  
Scottsdale, Arizona 85258

**RENE L. COUCH, a married man**  
10727 East Palm Ridge  
Scottsdale, Arizona 85259

**TERRY COUCH, a married woman**  
10727 East Palm Ridge  
Scottsdale, Arizona 85259,

Respondents.

1 Respondents Tierra Group, a/k/a Tierra Group Properties, a/k/a/ Tierra Group Companies,  
 2 a/k/a Tierra Group, Inc. ("TIERRA"), Preservation Trust Corporation, a/k/a Preservation Corporation,  
 3 a/k/a Preservation Trust Company ("PRESERVATION"), Partnership Preservation Trust, a/k/a  
 4 Preservation Trust Corporation Limited Partnership ("PARTNERSHIP PT"), Caterpillar Foundation  
 5 Properties, a/k/a Caterpillar Foundation Properties Limited Partnership ("CATERPILLAR") and  
 6 Rene L. Couch ("COUCH") elect to permanently waive their right to a hearing and appeal under  
 7 Articles 11 and 12 of the Securities Act of Arizona, A.R.S. § 44-1801, *et seq.*, in connection with this  
 8 Order To Cease and Desist, Order of Disgorgement, Order for Administrative Penalties and Consent  
 9 to Same ("Order"). Each of TIERRA, PRESERVATION, PARTNERSHIP PT, CATERPILLAR,  
 10 and COUCH, collectively "RESPONDENTS," admit the jurisdiction of the Arizona Corporation  
 11 Commission ("Commission"); neither admit nor deny the Findings of Fact and Conclusions of Law  
 12 contained in this Order; and consent to the entry of this Order by the Commission.

I.

FINDINGS OF FACT

15 1. In the mid 1980's, COUCH began forming a variety of limited partnerships for the  
 16 purpose of acquiring undeveloped parcels of real estate throughout the metro Phoenix area. In  
 17 connection with the offer and sale of these limited partnership units to hundreds of Arizona  
 18 investors, COUCH raised large amounts of investment capital and began purchasing various plots  
 19 of real estate in the west valley of Phoenix.

20 2. Shortly thereafter, COUCH founded and became president of TIERRA, an Arizona  
 21 corporation involved in local land speculation, investment and development. As part of the  
 22 company's operations, TIERRA participated in the real estate activities of COUCH's various  
 23 partnerships, and subsequently participated in the solicitation of investment funds for the purpose of  
 24 acquiring unwanted and/or defaulting partnership units.

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1       3. By 1990, COUCH was a general partner of at least a dozen limited partnerships; however,  
2 a number of these were enduring financial set-backs and other business-related difficulties. On  
3 account of these developments, COUCH proposed the consolidation of all his existing partnerships  
4 into one all-encompassing partnership to facilitate a new land acquisition.

5       *The creation of Partnership Preservation Trust*

6       4. During the summer of 1990, COUCH effected this proposal by rolling his existing limited  
7 partnerships into a new entity known as PARTNERSHIP PT. As detailed in a June 1990 letter to  
8 his limited partners, COUCH explained the consolidation of the following limited partnerships into  
9 PARTNERSHIP PT: Plumlee; Tierra Verde; KLB; Helms; RRR & D; Boreyko, GWP, Johnson &  
10 Thomas, SV 40, MB, West Valley, Cortez, JRH, Eye West, One Iron, Antenucci, Lawrence, and  
11 BLAC limited partnerships.

12       5. In connection with this consolidation, COUCH informed the various partners that they  
13 would still have to make annual dues payment as described under their original limited partnership  
14 agreements if they were to remain as partners in the new PARTNERSHIP PT. The annual  
15 membership dues were ostensibly used to cover acquisition costs, miscellaneous expenses and  
16 management fees.

17       6. COUCH also explained that PARTNERSHIP PT would now be targeting a "promising"  
18 Buckeye Airport property, one consisting of five separate parcels that the JRH, Eye West, One Iron,  
19 Antenucci, Lawrence, and BLAC limited partnerships had purchased from Alder Farms in June  
20 1990 for approximately \$520,000 per parcel. In September 1990, COUCH paid approximately  
21 \$580,000 on behalf of PARTNERSHIP PT for each of these five parcels.

22       7. Through PARTNERSHIP PT, COUCH paid for the "Buckeye Airport" property by  
23 assuming the original five Alder Farms debts from the earlier partnership purchases, assuming five  
24 \$126,000 promissory notes to TIERRA representing monies that the other general partners had  
25 taken out of TIERRA, and paying approximately \$100,000 in additional earnest money and closing  
26 costs.

1       8. By August 1991, PARTNERSHIP PT had title over these five Buckeye properties and the  
2 properties had been recorded in the partnership's name. By mid 1992, however, PARTNERSHIP  
3 PT had defaulted on the parcels' mortgage payments, and in July 1992, Alder Farms foreclosed on  
4 the five properties. Alder Farms reclaimed title to the properties in August, 1992.

5       *The McDowell Property and the ascendancy of Preservation Corporation*

6       9. In September 1992, PARTNERSHIP PT ostensibly acquired a new property in Buckeye,  
7 Arizona at the intersection of McDowell and Dean Road (the "McDowell Property"). The  
8 McDowell Property was purchased from Citibank, and consisted of four parcels of land totaling  
9 approximately 149 acres.

10      10. Despite the fact that financing for this property originated out of the contributions of  
11 PARTNERSHIP PT investors, and despite describing this particular acquisition as PARTNERSHIP  
12 PT'S newest asset, the property was nevertheless titled in the name of PRESERVATION. COUCH  
13 had founded and become president of the Arizona-based PRESERVATION just weeks before, in the  
14 summer of 1992.

15      11. COUCH subsequently claimed that this property was titled in the name of  
16 PRESERVATION rather than PARTNERSHIP PT simply because the seller of the McDowell  
17 property -- Citibank - preferred to sell the property to a corporation rather than a partnership.

18      12. In connection with the acquisition of this property, COUCH issued various  
19 communications referencing the fact that PARTNERSHIP PT's new asset consisted of only 100  
20 acres, when in fact the property actually consisted of approximately 149 acres. COUCH did not  
21 disclose to investors that he was ultimately planning to designate a third of the McDowell Property  
22 for ulterior purposes.

23      *Transitions on the McDowell Property: bankruptcy, refinancing and the transfer of title*

24      13. In 1994, PRESERVATION filed for Chapter 11 bankruptcy, attempting to re-organize its  
25 liabilities on the McDowell Property and on other debt obligations. During the course of this  
26

1 bankruptcy, Citibank filed a motion to lift the automatic stay and foreclose upon the McDowell  
2 Property that it sold to PRESERVATION just two years earlier.

3 14. Citibank and PRESERVATION ultimately reached a settlement whereby the bank  
4 agreed to accept \$245,000 as payment in full for the remaining balance of approximately \$345,000  
5 owed on the McDowell Property. PRESERVATION satisfied this agreement by paying Citibank  
6 \$55,000 in cash and taking out a \$190,000 loan from Stardust Development ("Stardust") for the  
7 remaining balance in November 1994.

8 15. With the McDowell Property no longer in jeopardy of foreclosure, PRESERVATION  
9 withdrew its bankruptcy filing. It did, however, still have a \$190,000 note to satisfy from Stardust  
10 with an annual interest rate of 23 per cent. Partners were not privy to this bankruptcy filing nor the  
11 subsequent refinancing arrangement.

12 16. By 1995, PRESERVATION had a promissory note outstanding against Stardust for  
13 approximately \$190,000, and both TIERRA and PRESERVATION had a number of promissory  
14 note obligations coming due to individual investors.

15 17. In early 1997, COUCH set out to raise capital to meet his companies' various accruing  
16 debt obligations and to satisfy purported financial obligations to a local land developer by  
17 attempting to sell 30 to 50 acres of the McDowell Property. These initial sales efforts, unknown to  
18 members of PARTNERSHIP PT, proved unsuccessful.

19 18. In late 1997, COUCH changed course by covertly deeding the bulk of the McDowell  
20 Property over from PRESERVATION to himself and his wife. At approximately the same time,  
21 COUCH also transferred one 10 acre parcel of the McDowell Property over to a group made up of  
22 Thora, L.L.C. and Blackbourne L.L.C. According to COUCH, this 10 acre transfer was to satisfy  
23 prior land improvement and land appraisal/marketing services.

24 19. This transfer of property occurred without the requisite authority or disclosures, and  
25 without the limited partners' knowledge or consent. The type of consideration tendered in this  
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1 particular transaction, and the party or parties receiving such consideration, was similarly not  
2 disclosed.

3 *Generating additional capital through the sale of "bridge financing notes"*

4 20. In connection with these land acquisitions and related dealings, COUCH also began  
5 engaging in the sale of promissory notes to both existing limited partners and outside investors. As  
6 early as 1990, COUCH began participating in the issuance of "bridge loan" promissory notes  
7 through two of his real estate entities - TIERRA and PRESERVATION. These notes offered  
8 investors an approximate 10 to 14 per cent rate of return per annum, and the maturity dates on these  
9 notes regularly ranged from 3 to 5 years.

10 21. For orchestrating or otherwise participating in these promissory note sales, COUCH often  
11 retained percentages of the investment proceeds. This practice was withheld from investors.

12 22. The purported objective behind COUCH'S bridge notes was to meet ongoing real estate  
13 payment obligations, to fund the purchase of available limited partnership units in PARTNERSHIP  
14 PT, and to pay accruing management fees prior to the time that PARTNERSHIP PT'S asset could  
15 be liquidated. In fact, the investment funds acquired through the sale of these notes were soon  
16 designated for an unrelated purpose.

17 23. The proceeds raised from COUCH'S sale of promissory notes through the late 1990's  
18 were used in part to satisfy the debt obligations of prior note holders. On dozens of occasions, the  
19 monies raised from the sale of TIERRA or PRESERVATION promissory notes were immediately  
20 transferred to other bank accounts for use in satisfying prior note obligations. Often, monies raised  
21 through the sale of these notes were transferred to other investors on the same or very next day.

22 24. COUCH and his associate, Walt Cunningham, Jr., continued to sell promissory notes  
23 issued by one or more of TIERRA or PRESERVATION, and later CATERPILLAR, until late 2000,  
24 when the promissory note sales operations finally ran out of funds.

25 ...

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1        *Yet another claim to the McDowell Property: Caterpillar*

2        25. In 1998, COUCH founded and became general partner of yet another Arizona partnership  
3 known as CATERPILLAR. As represented in its offering literature, CATERPILLAR was again  
4 involved in local land speculation, investment and development throughout the greater Phoenix area.

5        26. To fund the company's business plans, CATERPILLAR engaged in the solicitation of  
6 investment funds from limited partners for the alleged purpose of buying parcels of real estate in the  
7 greater Phoenix area. Although the specific identity of the land to be pursued by CATERPILLAR  
8 was never disclosed, COUCH later claimed that CATERPILLAR was actually formed to acquire a  
9 20 acre section of the McDowell Property.

10       27. CATERPILLAR raised over \$250,000 in investment monies to fund its operations.  
11 Although offering materials claimed that these funds were to be used to purchase real estate for  
12 subsequent resale, the investment monies were in fact once again transferred to meet the debt  
13 obligations of prior investors holding PRESERVATION and/or TIERRA promissory notes.

14       28. None of the CATERPILLAR note proceeds were used to purchase real estate or any other  
15 form of property, and CATERPILLAR investors were never informed that their investment monies  
16 were being used solely to satisfy prior corporate debt obligations.

17       *Use of the McDowell Property for personal loans*

18       29. COUCH ultimately explored the option of mortgaging the remaining parcels of land for  
19 additional funds. Beginning in 1999, COUCH contacted various commercial mortgage companies  
20 in an effort to draw upon the equity of the McDowell Property at the expense of the many  
21 PARTNERSHIP PT partners. Ultimately, COUCH was successful in obtaining a mortgage on the  
22 McDowell Property from SMT Investors Limited Partnership ("SMT"), David and Christine Neal  
23 (the "Neals"), and the Arizona Land Advisors Profit Sharing Plan ("AZ Land Advisors") for  
24 \$490,000. This secured debt was incurred by COUCH and his wife, respondent Terry Couch, on or  
25 about September 17, 1999.

26

1 30. COUCH's dissipation of the equity of PARTNERSHIP PT's sole asset was unauthorized  
2 both under PARTNERSHIP PT'S offering documents and under the partnership's operating  
3 agreement.

4 31. COUCH ultimately borrowed funds from SMT, the Neals and AZ Land Advisors on two  
5 additional occasions, drawing a \$162,000 note on the McDowell Property on or about September  
6 14, 2000, and adding another \$102,177 to the total outstanding debt on June 12, 2001. In total, the  
7 principal amount of indebtedness incurred on the McDowell Property by COUCH from 1999 to  
8 2001 amounted to approximately \$754,000. This total does not include substantial interest,  
9 accruing on the debt at rates ranging from approximately 12 to 20 per cent per annum.

10 32. COUCH used the proceeds from these loans for various undisclosed purposes, including  
11 personal expenditures and the infusion of capital into COUCH's personal nutritional supplement  
12 business known as Infinity 2.

13 33. In October 2000, COUCH and respondent Terry Couch deeded the remaining McDowell  
14 Property back to PRESERVATION, now consisting of 10 less acres or approximately 139 acres of  
15 land. In re-acquiring the McDowell Property, PRESERVATION also inherited COUCH'S  
16 mortgage liability – a loan secured against the property for roughly \$1,074,000.

17 34. Unlike COUCH, PARTNERSHIP PT investors were not privy to, nor did they derive a  
18 direct benefit from, the secured debts attached to the partnership's single real estate asset.

19 35. Once again under PRESERVATION's control, the McDowell Property endured on the  
20 open market through the next year. By 2001, the remaining note holders and the limited partners  
21 had still not recouped any return on their investments. Concerned over the defaulting notes and lack  
22 of movement on the property supporting the limited partners' interest, one or more of the investors  
23 filed a Petition for Involuntary Bankruptcy against RESPONDENTS and all affiliated entities.

24 36. The bankruptcy was subsequently converted to Chapter 11 liquidation, and the bankruptcy  
25 proceedings remain in progress. The McDowell Property has since been liquidated for the sum of  
26 approximately \$2.9 million, which amounts are being held in escrow for subsequent distribution



1 until the various creditors' claims are resolved. The proceeds from this liquidation will not be  
2 sufficient to make the investors from the various partnership and note programs whole.

### 3 *Misappropriations*

4 37. Based on Securities Division records, at least 170 investors invested in one or more of  
5 COUCH'S limited partnerships and/or promissory note offerings from approximately 1989 to 2001.  
6 During this time, several million dollars passed through these programs.

7 38. Throughout the course of this 12 year period, COUCH and/or COUCH's immediate family  
8 repeatedly received unauthorized financial benefits from these investment programs.

9 39. The misappropriation of investor funds included, without limitation, each of the following:  
10 a) the use of limited partnership funds for the payment of insurance policy premiums; b) the use of  
11 limited partnership funds for personal expenditures; c) the mortgaging of partnership assets and the  
12 retention of a portion of the subsequent loan proceeds for personal use; d) the routing of promissory  
13 note investment proceeds into individual accounts for personal use; e) the use of promissory note  
14 proceeds to pay for personal debt obligations including professional service expenses; and f) the use  
15 of promissory note proceeds to finance unrelated corporate expenses and obligations.

16 40. In total, COUCH and/or his immediate family misappropriated at least \$549,084 in investor  
17 funds from the various of COUCH's limited partnership and promissory note programs.

## 18 **II.**

### 19 **CONCLUSIONS OF LAW**

20 1. The Commission has jurisdiction over this matter pursuant to Article XV of the  
21 Arizona Constitution and the Securities Act.

22 2. RESPONDENTS offered or sold securities within or from Arizona, within the  
23 meaning of A.R.S. §§ 44-1801(15), 44-1801(21), and 44-1801(26).

24 3. RESPONDENTS violated A.R.S. § 44-1841 by offering or selling securities that  
25 were neither registered nor exempt from registration.

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1           IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2032, that Respondent COUCH  
 2 make a disgorgement payment to investors as reflected in the records of the Commission in the  
 3 amount of \$549,085 plus interest at the rate of 10% per annum from the entry date of this Order.  
 4 The full disgorgement amount is due and payable on the entry date of this Order; payment shall be  
 5 made by cashier's check or money order payable to the "State of Arizona" to be placed in an  
 6 interest-bearing account maintained and controlled by the Arizona Attorney General. The Arizona  
 7 Attorney General shall disburse disgorgement funds to both partnership investors and promissory  
 8 note investors as reflected in the records of the Commission; disbursements to eligible investors  
 9 shall be made via a *pro rata* distribution based on the *original* amount(s) of funds invested into one  
 10 or more of the various investment programs referenced above.

11           IT IS FURTHER ORDERED, pursuant to A.R.S. §§ 44-2036, that Respondent COUCH  
 12 shall pay, by cashier's check or money order, an administrative penalty in the amount of \$25,000.  
 13 This payment obligation, payable to the "State of Arizona," shall be subordinated to any  
 14 disgorgement obligations ordered herein, and shall become immediately due and payable only after  
 15 all disgorgement payments have been paid in full or, alternatively, if COUCH has defaulted prior  
 16 to fulfilling his disgorgement obligations. Any outstanding administrative penalties shall accrue  
 17 interest at the rate of 10% per annum until paid in full. This administrative penalty shall be  
 18 reduced in half to \$12,500 if and only if the disgorgement balance as outlined above has been  
 19 satisfied in full.

20           IT IS FURTHER ORDERED that if Respondent COUCH does not comply with the  
 21 required disgorgement and administrative penalty payments as set forth herein, any and all  
 22 outstanding balances may be deemed in default and shall be immediately due and payable.

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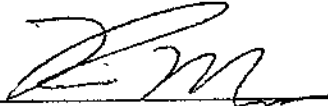
26 ...

1 IT IS FURTHER ORDERED that if any Respondent fails to comply with this Order, the  
2 Commission may bring further legal proceedings against that Respondent, including application to  
3 the superior court for an order of contempt.

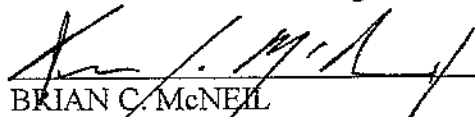
4 IT IS FURTHER ORDERED that this Order shall become effective immediately.

5 BY ORDER OF THE ARIZONA CORPORATION COMMISSION

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8 CHAIRMAN COMMISSIONER

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11 COMMISSIONER COMMISSIONER COMMISSIONER

12  
13 IN WITNESS WHEREOF, I, BRIAN C. McNEIL,  
14 Executive Secretary of the Arizona Corporation  
15 Commission, have hereunto set my hand and  
16 caused the official seal of the Commission to be  
17 affixed at the Capitol, in the City of Phoenix, this  
18 11<sup>th</sup> day of July, 2005.

19  
20   
21 BRIAN C. McNEIL  
22 Executive Secretary

23  
24 \_\_\_\_\_  
25 DISSENT

26 \_\_\_\_\_  
DISSENT

27 This document is available in alternative formats by contacting Linda Hogan, Executive Assistant  
28 to the Executive Secretary, voice phone number 602-542-3931, E-mail [lhogan@cc.state.az.us](mailto:lhogan@cc.state.az.us).

29 (JP)



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## CONSENT TO ENTRY OF ORDER

1. Respondent Rene Couch ("COUCH"), an individual, admits the jurisdiction of the Commission over the subject matter of this proceeding. COUCH acknowledges that he has been fully advised of his right to a hearing to present evidence and call witnesses and COUCH knowingly and voluntarily waives any and all rights to a hearing before the Commission and all other rights otherwise available under Article 11 of the Securities Act and Title 14 of the Arizona Administrative Code. COUCH acknowledges that this Order to Cease and Desist, Order of Disgorgement, Order for Administrative Penalties and Consent to Same ("Order") constitutes a valid final order of the Commission.

2. COUCH knowingly and voluntarily waives any right he may have under Article 12 of the Securities Act to judicial review by any court by way of suit, appeal, or extraordinary relief resulting from the entry of this Order.

3. COUCH acknowledges and agrees that this Order is entered into freely and voluntarily and that no promise was made or coercion used to induce such entry.

4. COUCH acknowledges that he has been represented by counsel in this matter, that COUCH has reviewed this Order with his attorney, and that he understands the terms and conditions contained therein.

5. COUCH neither admits nor denies the Findings of Fact and Conclusions of Law contained in this Order.

6. By consenting to the entry of this Order, COUCH agrees not to take any action or to make, or permit to be made, any public statement that constitutes an unqualified denial, either directly or indirectly, of any Finding of Fact or Conclusion of Law contained in this Order. COUCH will undertake steps necessary to assure that all of his agents and employees understand and comply with this agreement.

1  
2 7. While this Order settles this administrative matter between COUCH and the  
3 Commission, COUCH understands that this Order does not preclude the Commission from  
4 instituting other administrative proceedings based on violations that are not addressed by this  
5 Order.

6 8. COUCH understands that this Order does not preclude the Commission from  
7 referring this matter to any governmental agency for administrative, civil, or criminal proceedings  
8 that may be related to the matters addressed by this Order.

9 9. COUCH understands that this Order does not preclude any other agency or officer  
10 of the state of Arizona or its subdivisions from instituting administrative, civil or criminal  
11 proceedings that may be related to matters addressed by this Order.

12 10. COUCH agrees that he will not apply to the state of Arizona for registration as a  
13 securities dealer or salesman, or for licensure as an investment adviser or investment adviser  
14 representative for a period of at least 5 years from the entry date of this Order.

15 11. COUCH agrees that he will not exercise any control over any entity that offers or  
16 sells securities or provides investment advisory services, within or from Arizona, until such time as  
17 all disgorgement and penalties under this Order are paid in full.

18 12. COUCH agrees that he will not sell any securities in or from Arizona without being  
19 properly registered in Arizona as a dealer or salesman, unless otherwise exempt from such  
20 registration; that COUCH will not sell any securities in or from Arizona unless the securities are  
21 registered in Arizona, unless otherwise exempt from such registration; and that COUCH will not  
22 transact business in Arizona as an investment adviser or investment adviser representative unless  
23 properly licensed in Arizona, unless otherwise exempt from such licensure.

24 13. COUCH agrees that until disgorgement and penalties are paid in full in this matter,  
25 COUCH will notify the Director of the Securities Division within 30 days of any change in home  
26 address or any change in COUCH's ability to pay amounts due under this Order.

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14. COUCH understands that any default shall render him liable to the Commission for its costs of collection and interest at the maximum legal rate.

15. COUCH agrees and understands that if he fails to make any payment as required in the Order, any outstanding balance shall be in default and shall be immediately due and payable without notice or demand. COUCH agrees and understands that acceptance of any partial or late payment by the Commission shall not be deemed a waiver of default by the Commission.

16. COUCH consents to the entry of this Order and agrees to be fully bound by its terms and conditions. If COUCH breaches any provision of this Order, the Commission may vacate this Order and restore this case to its active docket.

Signed: *Rene Couch*  
Respondent Rene Couch

SUBSCRIBED AND SWORN TO BEFORE me, by Rene Couch, this 26<sup>th</sup> day of

May, 2005.

*Judith S. Mihlik*  
NOTARY PUBLIC

My Commission Expires:





1  
2 **CONSENT TO ENTRY OF ORDER**

3  
4 1. Respondent Tierra Group, a/k/a Tierra Group Properties, a/k/a/ Tierra Group  
5 Properties, a/k/a Tierra Group, Inc., ("TIERRA"), admits the jurisdiction of the Commission over  
6 the subject matter of this proceeding. TIERRA acknowledges that it has been fully advised of his  
7 right to a hearing to present evidence and call witnesses and it knowingly and voluntarily waives  
8 any and all rights to a hearing before the Commission and all other rights otherwise available under  
9 Article 11 of the Securities Act and Title 14 of the Arizona Administrative Code. TIERRA  
10 acknowledges that this Order to Cease and Desist, Order of Disgorgement, Order for  
11 Administrative Penalties and Consent to Same ("Order") constitutes a valid final order of the  
12 Commission.

13 2. TIERRA knowingly and voluntarily waives any right it may have under Article 12  
14 of the Securities Act to judicial review by any court by way of suit, appeal, or extraordinary relief  
15 resulting from the entry of this Order.

16 3. TIERRA acknowledges and agrees that this Order is entered into freely and  
17 voluntarily and that no promise was made or coercion used to induce such entry.

18 4. TIERRA acknowledges that it has been represented by counsel in this matter, that  
19 TIERRA has reviewed this Order with its attorney, and that it understands the terms and conditions  
20 contained therein.

21 5. TIERRA neither admits nor denies the Findings of Fact and Conclusions of Law  
22 contained in this Order.

23 6. By consenting to the entry of this Order, TIERRA agrees not to take any action or to  
24 make, or permit to be made, any public statement that constitutes an unqualified denial, either  
25 directly or indirectly, of any Finding of Fact or Conclusion of Law contained in this Order.  
26 TIERRA will undertake steps necessary to assure that all of its agents and employees understand  
and comply with this agreement.

1           7.     While this Order settles this administrative matter between TIERRA and the  
2 Commission, TIERRA understands that this Order does not preclude the Commission from  
3 instituting other administrative proceedings based on violations that are not addressed by this  
4 Order.

5           8.     TIERRA understands that this Order does not preclude the Commission from  
6 referring this matter to any governmental agency for administrative, civil, or criminal proceedings  
7 that may be related to the matters addressed by this Order.

8           9.     TIERRA understands that this Order does not preclude any other agency or officer  
9 of the state of Arizona or its subdivisions from instituting administrative, civil or criminal  
10 proceedings that may be related to matters addressed by this Order.

11          10.    TIERRA agrees that it will not apply to the state of Arizona for registration as a  
12 securities dealer or for licensure as an investment adviser for a period of at least 10 years from the  
13 entry date of this Order.

14          11.    TIERRA agrees that it will not exercise any control over any entity that offers or  
15 sells securities or provides investment advisory services, within or from Arizona, until such time as  
16 all disgorgement and penalties under this Order are paid in full.

17          12.    TIERRA agrees that it will not sell any securities in or from Arizona without being  
18 properly registered in Arizona as a dealer, unless otherwise exempt from such registration; that  
19 TIERRA will not sell any securities in or from Arizona unless the securities are registered in  
20 Arizona, unless otherwise exempt from such registration; and that TIERRA will not transact  
21 business in Arizona as an investment adviser unless properly licensed in Arizona, unless otherwise  
22 exempt from such licensure.

23          13.    TIERRA understands that any default shall render it liable to the Commission for its  
24 costs of collection and interest at the maximum legal rate.

25          14.    TIERRA agrees and understands that if it fails to make any payment as required in  
26 the Order, any outstanding balance shall be in default and shall be immediately due and payable

1 without notice or demand. TIERRA agrees and understands that acceptance of any partial or late  
2 payment by the Commission shall not be deemed a waiver of default by the Commission.  
3

4 15. TIERRA consents to the entry of this Order and agrees to be fully bound by its  
5 terms and conditions. If TIERRA breaches any provision of this Order, the Commission may  
6 vacate this Order and restore this case to its active docket.

7 16. Respondent Rene Couch represents that he is the president of TIERRA and is vested  
8 with the authority to enter into this Order for and on the behalf of TIERRA. Rene Couch also  
9 represents that he is authorized by law to enter into this Order for and on behalf of TIERRA.

10 **TIERRA GROUP**

11 By: *Rene Couch*

12 TIERRA Representative

13 Its: *President*

14  
15 SUBSCRIBED AND SWORN TO BEFORE me, by Rene Couch, this 26<sup>th</sup> day of  
16 May, 2005.

17  
18  
19 *Judith S. Mihlik*  
20 NOTARY PUBLIC

21  
22 My Commission Expires:





1  
2 7. While this Order settles this administrative matter between PRESERVATION and  
3 the Commission, PRESERVATION understands that this Order does not preclude the Commission  
4 from instituting other administrative proceedings based on violations that are not addressed by this  
5 Order.

6 8. PRESERVATION understands that this Order does not preclude the Commission  
7 from referring this matter to any governmental agency for administrative, civil, or criminal  
8 proceedings that may be related to the matters addressed by this Order.

9 9. PRESERVATION understands that this Order does not preclude any other agency  
10 or officer of the state of Arizona or its subdivisions from instituting administrative, civil or  
11 criminal proceedings that may be related to matters addressed by this Order.

12 10. PRESERVATION agrees that it will not apply to the state of Arizona for  
13 registration as a securities dealer or for licensure as an investment adviser for a period of at least 10  
14 years from the entry date of this Order.

15 11. PRESERVATION agrees that it will not exercise any control over any entity that  
16 offers or sells securities or provides investment advisory services, within or from Arizona, until  
17 such time as all disgorgement and penalties under this Order are paid in full.

18 12. PRESERVATION agrees that it will not sell any securities in or from Arizona  
19 without being properly registered in Arizona as a dealer, unless otherwise exempt from such  
20 registration; that PRESERVATION will not sell any securities in or from Arizona unless the  
21 securities are registered in Arizona, unless otherwise exempt from such registration; and that  
22 PRESERVATION will not transact business in Arizona as an investment adviser unless properly  
23 licensed in Arizona, unless otherwise exempt from such licensure.

24 13. PRESERVATION understands that any default shall render it liable to the  
25 Commission for its costs of collection and interest at the maximum legal rate.

26 14. PRESERVATION agrees and understands that if it fails to make any payment as  
required in the Order, any outstanding balance shall be in default and shall be immediately due and

1 payable without notice or demand. PRESERVATION agrees and understands that acceptance of  
2 any partial or late payment by the Commission shall not be deemed a waiver of default by the  
3 Commission.

4 15. PRESERVATION consents to the entry of this Order and agrees to be fully bound  
5 by its terms and conditions. If PRESERVATION breaches any provision of this Order, the  
6 Commission may vacate this Order and restore this case to its active docket.

7 16. Respondent Rene Couch represents that he is the president of PRESERVATION  
8 and is vested with the authority to enter into this Order for and on the behalf of PRESERVATION.  
9 Rene Couch also represents that he is authorized by law to enter into this Order for and on behalf  
10 of PRESERVATION.

11  
12 PRESERVATION CORPORATION

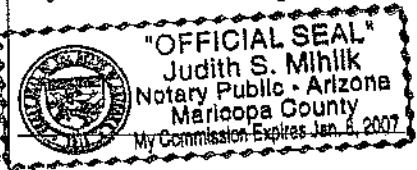
13  
14 By: *Rene Couch*  
PRESERVATION Representative

15 Its: President

16  
17 SUBSCRIBED AND SWORN TO BEFORE me this 26<sup>th</sup> day of May,  
18 2005.

19  
20  
21 *Judith S. Mihlik*  
22 NOTARY PUBLIC

23 My Commission Expires:



**CONSENT TO ENTRY OF ORDER**

1  
2  
3           1.     Respondent Partnership Preservation Trust, a/k/a Partnership Preservation  
4 Corporation Limited Partnership ("PARTNERSHIP PT"), an Arizona partnership, admits the  
5 jurisdiction of the Commission over the subject matter of this proceeding. PARTNERSHIP PT  
6 acknowledges that it has been fully advised of its right to a hearing to present evidence and call  
7 witnesses, and PARTNERSHIP PT knowingly and voluntarily waives any and all rights to a  
8 hearing before the Commission and all other rights otherwise available under Article 11 of the  
9 Securities Act and Title 14 of the Arizona Administrative Code. PARTNERSHIP PT  
10 acknowledges that this Order to Cease and Desist, Order of Disgorgement, Order for  
11 Administrative Penalties and Consent to Same ("Order") constitutes a valid final order of the  
12 Commission.

13           2.     PARTNERSHIP PT knowingly and voluntarily waives any right it may have under  
14 Article 12 of the Securities Act to judicial review by any court by way of suit, appeal, or  
15 extraordinary relief resulting from the entry of this Order.

16           3.     PARTNERSHIP PT acknowledges and agrees that this Order is entered into freely  
17 and voluntarily and that no promise was made or coercion used to induce such entry.

18           4.     PARTNERSHIP PT acknowledges that it has been represented by counsel in this  
19 matter, that PARTNERSHIP PT has reviewed this Order with its attorney, and that it understands  
20 the terms and conditions contained therein.

21           5.     PARTNERSHIP PT neither admits nor denies the Findings of Fact and Conclusions  
22 of Law contained in this Order.

23           6.     By consenting to the entry of this Order, PARTNERSHIP PT agrees not to take any  
24 action or to make, or permit to be made, any public statement that constitutes an unqualified denial,  
25 either directly or indirectly, of any Finding of Fact or Conclusion of Law contained in this Order.  
26

1 PARTNERSHIP PT will undertake steps necessary to assure that all of its agents and employees  
2 understand and comply with this agreement.

3 7. While this Order settles this administrative matter between PARTNERSHIP PT and  
4 the Commission, PARTNERSHIP PT understands that this Order does not preclude the  
5 Commission from instituting other administrative proceedings based on violations that are not  
6 addressed by this Order.

7 8. PARTNERSHIP PT understands that this Order does not preclude the Commission  
8 from referring this matter to any governmental agency for administrative, civil, or criminal  
9 proceedings that may be related to the matters addressed by this Order.

10 9. PARTNERSHIP PT understands that this Order does not preclude any other agency  
11 or officer of the state of Arizona or its subdivisions from instituting administrative, civil or  
12 criminal proceedings that may be related to matters addressed by this Order.

13 10. PARTNERSHIP PT agrees that it will not apply to the state of Arizona for  
14 registration as a securities dealer or for licensure as an investment adviser for a period of at least 10  
15 years from the entry date of this Order.

16 11. PARTNERSHIP PT agrees that it will not exercise any control over any entity that  
17 offers or sells securities or provides investment advisory services, within or from Arizona, until  
18 such time as all disgorgement and penalties under this Order are paid in full.

19 12. PARTNERSHIP PT agrees that it will not sell any securities in or from Arizona  
20 without being properly registered in Arizona as a dealer, unless otherwise exempt from such  
21 registration; that PARTNERSHIP PT will not sell any securities in or from Arizona unless the  
22 securities are registered in Arizona, unless otherwise exempt from such registration; and that  
23 PARTNERSHIP PT will not transact business in Arizona as an investment adviser unless properly  
24 licensed in Arizona, unless otherwise exempt from such licensure.

25 13. PARTNERSHIP PT understands that any default shall render it liable to the  
26 Commission for its costs of collection and interest at the maximum legal rate.



1  
2 14. PARTNERSHIP PT agrees and understands that if it fails to make any payment as  
3 required in the Order, any outstanding balance shall be in default and shall be immediately due and  
4 payable without notice or demand. PARTNERSHIP PT agrees and understands that acceptance of  
5 any partial or late payment by the Commission shall not be deemed a waiver of default by the  
6 Commission.

7 15. PARTNERSHIP PT consents to the entry of this Order and agrees to be fully bound  
8 by its terms and conditions. If PARTNERSHIP PT breaches any provision of this Order, the  
9 Commission may vacate this Order and restore this case to its active docket.

10 16. Respondent Rene Couch represents that he is the general partner of  
11 PARTNERSHIP PT and is vested with the authority to enter into this Order for and on the behalf  
12 of PARTNERSHIP PT. Rene Couch also represents that he is authorized by law to enter into this  
13 Order for and on behalf of PARTNERSHIP PT.

14 **PARTNERSHIP PRESERVATION TRUST**

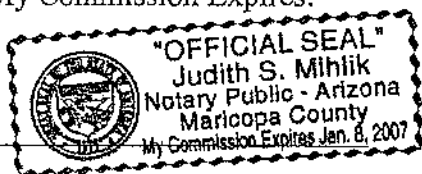
15  
16 By: *Rene Couch*  
17 PARTNERSHIP PT Representative

18 Its: *General Partner*

19 SUBSCRIBED AND SWORN TO BEFORE me, by Rene Couch, this 26<sup>th</sup> day of  
20 May, 2005.

21  
22 *Judith S. Mihlik*  
23 NOTARY PUBLIC

24 My Commission Expires:



**CONSENT TO ENTRY OF ORDER**

1  
2  
3       1.     Respondent Caterpillar Foundation Properties, a/k/a Caterpillar Foundation  
4 Properties Limited Partnership ("CATERPILLAR"), an Arizona partnership, admits the  
5 jurisdiction of the Commission over the subject matter of this proceeding. CATERPILLAR  
6 acknowledges that it has been fully advised of its right to a hearing to present evidence and call  
7 witnesses, and CATERPILLAR knowingly and voluntarily waives any and all rights to a hearing  
8 before the Commission and all other rights otherwise available under Article 11 of the Securities  
9 Act and Title 14 of the Arizona Administrative Code. CATERPILLAR acknowledges that this  
10 Order to Cease and Desist, Order of Restitution, Order for Administrative Penalties and Consent to  
11 Same ("Order") constitutes a valid final order of the Commission.

12       2.     CATERPILLAR knowingly and voluntarily waives any right it may have under  
13 Article 12 of the Securities Act to judicial review by any court by way of suit, appeal, or  
14 extraordinary relief resulting from the entry of this Order.

15       3.     CATERPILLAR acknowledges and agrees that this Order is entered into freely and  
16 voluntarily and that no promise was made or coercion used to induce such entry.

17       4.     CATERPILLAR acknowledges that it has been represented by counsel in this  
18 matter, that CATERPILLAR has reviewed this Order with its attorney, and that it understands the  
19 terms and conditions contained therein.

20       5.     CATERPILLAR neither admits nor denies the Findings of Fact and Conclusions of  
21 Law contained in this Order.

22       6.     By consenting to the entry of this Order, CATERPILLAR agrees not to take any  
23 action or to make, or permit to be made, any public statement that constitutes an unqualified denial,  
24 either directly or indirectly, of any Finding of Fact or Conclusion of Law contained in this Order.  
25 CATERPILLAR will undertake steps necessary to assure that all of its agents and employees  
26 understand and comply with this agreement.

1  
2 7. While this Order settles this administrative matter between CATERPILLAR and the  
3 Commission, CATERPILLAR understands that this Order does not preclude the Commission from  
4 instituting other administrative proceedings based on violations that are not addressed by this  
5 Order.

6 8. CATERPILLAR understands that this Order does not preclude the Commission  
7 from referring this matter to any governmental agency for administrative, civil, or criminal  
8 proceedings that may be related to the matters addressed by this Order.

9 9. CATERPILLAR understands that this Order does not preclude any other agency or  
10 officer of the state of Arizona or its subdivisions from instituting administrative, civil or criminal  
11 proceedings that may be related to matters addressed by this Order.

12 10. CATERPILLAR agrees that it will not apply to the state of Arizona for registration  
13 as a securities dealer or for licensure as an investment adviser for a period of at least 10 years from  
14 the entry date of this Order.

15 11. CATERPILLAR agrees that it will not exercise any control over any entity that  
16 offers or sells securities or provides investment advisory services, within or from Arizona, until  
17 such time as all disgorgement and penalties under this Order are paid in full.

18 12. CATERPILLAR agrees that it will not sell any securities in or from Arizona  
19 without being properly registered in Arizona as a dealer, unless otherwise exempt from such  
20 registration; that CATERPILLAR will not sell any securities in or from Arizona unless the  
21 securities are registered in Arizona, unless otherwise exempt from such registration; and that  
22 CATERPILLAR will not transact business in Arizona as an investment adviser unless properly  
23 licensed in Arizona, unless otherwise exempt from such licensure.

24 13. CATERPILLAR understands that any default shall render it liable to the  
25 Commission for its costs of collection and interest at the maximum legal rate.

26 14. CATERPILLAR agrees and understands that if it fails to make any payment as  
required in the Order, any outstanding balance shall be in default and shall be immediately due and

1 payable without notice or demand. CATERPILLAR agrees and understands that acceptance of any  
2 partial or late payment by the Commission shall not be deemed a waiver of default by the  
3 Commission.  
4

5 15. CATERPILLAR consents to the entry of this Order and agrees to be fully bound by  
6 its terms and conditions. If CATERPILLAR breaches any provision of this Order, the Commission  
7 may vacate this Order and restore this case to its active docket.

8 16. Respondent Rene Couch represents that he is the general partner of  
9 CATERPILLAR and is vested with the authority to enter into this Order for and on the behalf of  
10 CATERPILLAR. Rene Couch also represents that he is authorized by law to enter into this Order  
11 for and on behalf of CATERPILLAR.

12 CATERPILLAR FOUNDATION PROPERTIES, LP

13  
14 By: *Rene Couch*  
CATERPILLAR Representative

15  
16 Its: *Rene Couch*

17 SUBSCRIBED AND SWORN TO BEFORE me, by Rene Couch, this 26<sup>th</sup> day of  
18 May, 2005.

19  
20 *Judith S. Mihlik*  
21 NOTARY PUBLIC

22 My Commission Expires:

