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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

2004 OCT 28 P 1:25

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

AZ CORP COMMISSION
DOCUMENT CONTROL

IN THE MATTER OF:

DOCKET NO. S-03437A-03-0000

TIERRA GROUP, aka TIERRA GROUP
PROPERTIES, aka TIERRA GROUP COMPANIES,
aka TIERRA GROUP, INC.
10105 East Via Linda Drive, Ste. 103-330
Scottsdale, AZ 85258

Arizona Corporation Commission

DOCKETED

OCT 28 2004

PRESERVATION TRUST CORPORATION, aka
PRESERVATION CORPORATION, aka
PRESERVATION TRUST COMPANY,
10105 East Via Linda Drive, Ste. 103-330
Scottsdale, AZ 85258

DOCKETED BY *CAK*

PARTNERSHIP PRESERVATION TRUST, aka
PARTNERSHIP PRESERVATION
CORPORATION LIMITED PARTNERSHIP
10105 East Via Linda Drive, Ste. 103-330
Scottsdale, AZ 85258

CATERPILLAR FOUNDATION PROPERTIES,
aka CATERPILLAR FOUNDATION PROPERTIES
LIMITED PARTNERSHIP
10105 East Via Linda Drive, Ste. 103-330
Scottsdale, AZ 85258

RENE L. COUCH, a married man
10727 East Palm Ridge Drive
Scottsdale, AZ 85259

TERRY COUCH, a married woman
10727 East Palm Ridge Drive
Scottsdale, AZ 85259

THIRD
PROCEDURAL ORDER

Respondents.

BY THE COMMISSION:

On February 3, 2003, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Notice of Opportunity for Hearing Regarding Proposed Order to Cease and Desist, Order for Restitution, Order for Administrative Penalties, and for Other

1 Affirmative Action ("Notice") against Tierra Group, aka Tierra Group Properties, aka Tierra Group
2 Companies, aka Tierra Group, Inc., Preservation Trust Corporation, aka Preservation Corporation,
3 aka Preservation Trust Company, Partnership Preservation Trust, aka Partnership Preservation
4 Corporation Limited Partnership, Caterpillar Foundation Properties, aka Caterpillar Foundation
5 Properties Limited Partnership, Rene L. Couch and Terry Couch (collectively "Respondents"), in
6 which the Division alleged multiple violations of the Arizona Securities Act ("Act") in connection
7 with the offer and sale of securities by fraudulent transactions.

8 The Respondents were duly served with a copy of the Notice.

9 On February 3, 2003, a request for hearing was filed for Mr. Couch.

10 On February 19, 2003, by Procedural Order, a pre-hearing conference was scheduled.

11 On March 12, 2003, a pre-hearing conference was held with the Division present with
12 counsel. Mr. John Augustine, counsel for Mr. Rene Couch, was present and indicated that he had
13 accepted service for the other entities that are participants in an involuntary bankruptcy proceeding in
14 U.S. Bankruptcy Court where other counsel are involved. Although Mrs. Terry Couch was served
15 with a copy of the Notice, she has not requested a hearing.

16 Counsel for the Division and Mr. Couch indicated that they are conducting settlement
17 discussions, but stipulated that an additional pre-hearing conference should be scheduled in April,
18 2003, in the event that the matter is not resolved.

19 On March 12, 2003, by Procedural Order, a pre-hearing conference was scheduled for April
20 30, 2003.

21 On April 30, 2003, at the pre-hearing conference, the Division was present with counsel.
22 Neither Mr. Couch nor any other Respondent entered an appearance or filed an Answer to the Notice.
23 Counsel for the Division indicated that the Division had been unable to contact counsel for Mr.
24 Couch, and that the matter was further complicated by the involuntary bankruptcy proceeding. The
25 proceeding was recessed pending further action by the Division.

26 On October 7, 2004, the Division filed what was captioned "Motion to Recognize Securities
27 Division Allegations as Admitted" ("Motion") which requests that the allegations stated in the Notice
28 be admitted as fact due to the failure of Mr. Couch or any other Respondent to file a timely Answer to

1 the Notice. The Division acknowledged that it delayed its filing to allow Respondents time to
 2 address the problems arising from the involuntary bankruptcy proceeding from which disbursements, if
 3 any are made, will be disbursed. The Division indicated that the Motion had been served personally
 4 and also mailed to the individual Respondents on October 7, 2004. No Responses have been filed to
 5 the Division's Motion.

6 Accordingly, the Division's Motion should be granted and the allegations contained in the
 7 Notice should be deemed admitted. The Division should conclude the proceeding by filing a
 8 proposed Default Order.

9 IT IS THEREFORE ORDERED that the Division's Motion is hereby granted and the
 10 allegations contained in the Notice are hereby admitted.

11 IT IS FURTHER ORDERED that the Division shall prepare and submit for Commission
 12 approval a proposed Default Order to conclude this proceeding.

13 DATED this 25th day of October, 2004.

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 17 MARC E. STERN
 ADMINISTRATIVE LAW JUDGE

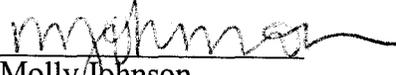
18 Copies of the foregoing mailed/delivered
 19 this 26 day of October, 2004 to:

20 John R. Augustine
 21 The Citadel, Ste. 300
 22 2727 North Third Street
 Phoenix, AZ 85004-1106
 Attorney for Respondent Rene L. Couch

23 Rene L. Couch
 24 1475 West Laurel
 Gilbert, AZ 85233

Terry G. Couch
 9821 E. Mirasol Circle, #2191
 Scottsdale, AZ 85260

Matt Neubert, Director
 Securities Division
 ARIZONA CORPORATION COMMISSION
 1300 West Washington Street
 Phoenix, AZ 85007

25 By: 
 26 Molly Johnson
 27 Secretary to Marc E. Stern
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