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BEFORE THE ARIZONA CORPORATION COMMISSION

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

Arizona Corporation Commission

DOCKETED

AUG 25 2005

DOCKETED BY *KM*

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

DECISION NO. 68096

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

ORDER OF DISGORGEMENT AND
ORDER FOR ADMINISTRATIVE
PENALTIES AGAINST RESPONDENT
TERRY COUCH

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

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

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

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

Respondents.

1 On January 23, 2003, the Securities Division ("Division") of the Arizona Corporation
2 Commission ("Commission") filed a Notice of Opportunity For Hearing Regarding Proposed Order
3 to Cease and Desist, Order for Restitution, Order for Administrative Penalties and Other Affirmative
4 Action ("Notice") against, *inter alia*, Respondent TERRY COUCH ("MS. COUCH"). The Division
5 made proper service of this Notice on MS. COUCH on January 24, 2003. The Notice specified that
6 MS. COUCH would be afforded an opportunity for an administrative hearing to contest the
7 allegations levied in this matter upon filing a written request for hearing with Docket Control of the
8 Commission within ten days of service of the Notice. MS. COUCH failed to request such a hearing
9 within the required time.

10 **I.**

11 **FINDINGS OF FACTS**

12 1. At all relevant times, MS. COUCH was the spouse of Respondent RENE L. COUCH
13 ("R.L. COUCH"). MS. COUCH is joined in this action under A.R.S. § 44-2031(C) for the purpose
14 of determining the liability of the marital community.

15 2. MS. COUCH was served on January 24, 2003 at the place of her residence at the
16 time, 3850 East Thunderhill Place, Phoenix, Arizona, 85044. Service of this Notice was made by
17 hand-delivery to Reg Couch, father-in-law to MS. COUCH and an individual duly authorized to
18 accept service on her behalf.

19 3. MS. COUCH did not request a hearing in this matter.

20 4. On July 11, 2005, the Commission entered an Order against MS. COUCH's spouse,
21 R.L. COUCH, finding that R.L. COUCH offered or sold securities within or from Arizona within
22 the meaning of A.R.S. §§ 44-1801(15), 44-1801(21), and 44-1801(26), violated A.R.S. § 44-1841
23 by offering or selling securities that were neither registered nor exempt from registration, violated
24 A.R.S. § 44-1842 by offering or selling securities while neither registered as dealers or salesmen
25 nor exempt from registration, and violated A.R.S. § 44-1991 by (a) employing a device, scheme or
26 artifice to defraud, (b) making untrue statements or misleading omissions of material facts, and/or

1 (c) engaging in transactions, practices or courses of business which operate or would operate as a
2 fraud or deceit upon investors.

3 5. Based on this conduct, the Commission ordered that R.L. COUCH pay restitution in
4 the amount of \$549,085, and ordered that R.L. COUCH pay an administrative penalty in the amount
5 of \$25,000.

6 6. This Order was recorded by the Commission under Decision No. 67961.

7 **II.**

8 **CONCLUSIONS OF LAW**

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

11 2. R.L. COUCH's conduct in this matter binds the marital community of R.L.
12 COUCH and MS. COUCH to any resulting financial liabilities pursuant to A.R.S. § 25-214.

13 **III.**

14 **ORDER**

15
16 THEREFORE, on the basis of the Findings of Fact and Conclusions of Law, the
17 Commission finds that the following relief is appropriate, in the public interest, and necessary for
18 the protection of investors:

19 IT IS ORDERED, pursuant to A.R.S. § 44-2032, that MS. COUCH shall, jointly and
20 severally with all respondents identified under Commission Decision No. 67961, and for the
21 purpose of her marital community only, make a disgorgement payment to investors as reflected in
22 the records of the Commission in the amount of **\$549,085** plus interest at the rate of 10% per
23 annum from the entry date of this Order. The full disgorgement amount is due and payable on the
24 entry date of this Order; payment shall be made by cashier's check or money order payable to the
25 "State of Arizona" to be placed in an interest-bearing account maintained and controlled by the
26 Arizona Attorney General. The Arizona Attorney General shall disburse disgorgement funds to

1 both partnership investors and promissory note investors as reflected in the records of the
2 Commission; disbursements to eligible investors shall be made via a *pro rata* distribution based on
3 the *original* amount(s) of funds invested into one or more of the various investment programs
4 referenced above.

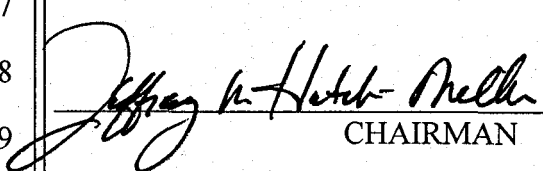
5 IT IS FURTHER ORDERED, pursuant to A.R.S. §§ 44-2036, that MS. COUCH shall,
6 jointly and severally with all respondents identified under Commission Decision No. 67961, and
7 for the purpose of her marital community only, pay - by cashier's check or money order - an
8 administrative penalty in the amount of **\$25,000**. This payment obligation, payable to the "State of
9 Arizona," shall be subordinated to any disgorgement obligations ordered herein, and shall become
10 immediately due and payable only after all disgorgement payments have been paid in full or,
11 alternatively, if MS. COUCH has defaulted prior to fulfilling his disgorgement obligations. Any
12 outstanding administrative penalties shall accrue interest at the rate of 10% per annum until paid in
13 full. This administrative penalty shall be reduced in half to **\$12,500** if and only if the disgorgement
14 balance as outlined above has been satisfied in full.

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1 IT IS FURTHER ORDERED that if MS. COUCH does not comply with the required
2 disgorgement and administrative penalty payments as set forth herein, any and all outstanding
3 balances may be deemed in default and shall be immediately due and payable without notice or
4 demand.

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

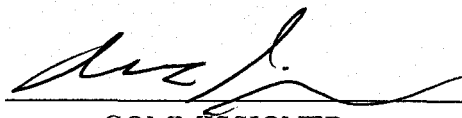
6 BY ORDER OF THE ARIZONA CORPORATION COMMISSION

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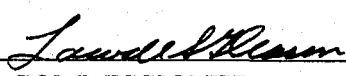
CHAIRMAN



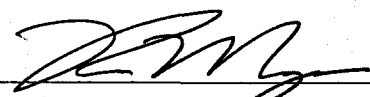
COMMISSIONER

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COMMISSIONER

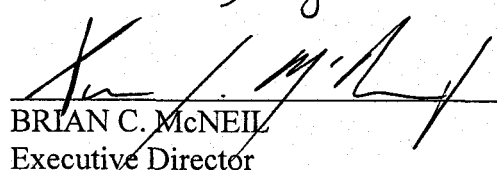


COMMISSIONER



COMMISSIONER

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14 IN WITNESS WHEREOF, I, BRIAN C. McNEIL,
15 Executive Director of the Arizona Corporation
16 Commission, have hereunto set my hand and
17 caused the official seal of the Commission to be
18 affixed at the Capitol, in the City of Phoenix, this
19 25th day of August, 2005.

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BRIAN C. McNEIL
Executive Director

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25 _____
26 DISSENT

DISSENT

This document is available in alternative formats by contacting Linda Hogan, Executive Assistant to the Executive Director, voice phone number 602-542-3931, E-mail lhogan@cc.state.az.us.

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