

OPEN MEETING ITEM



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COMMISSIONERS
GARY PIERCE, Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

ORIGINAL

1/26/12



ERNEST G. JOHNSON
EXECUTIVE DIRECTOR

DIRECTOR

SECURITIES DIVISION
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Phoenix, AZ 85007
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ARIZONA CORPORATION COMMISSION

MEMORANDUM

TO: Gary Pierce, Chairman
Bob Stump
Sandra D. Kennedy
Paul Newman
Brenda Burns

Arizona Corporation Commission
DOCKETED
JAN 13 2012

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ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

FROM: Matthew J. Neubert *MJN*
Director of Securities

DOCKETED BY *[Signature]*

DATE: January 9, 2012

RE: *In re Terry L. Samuels, et al.*, Docket No. S-20812A-11-0281

CC: Ernest G. Johnson, Executive Director

Attached for your consideration is a proposed Order to Cease and Desist, Order for Restitution, Order for Administrative Penalties and Consent to Same ("Order") executed by Respondents Terry L. Samuels, 3-CG, LLC, Choice Property Group, LLC (collectively "Respondents"), and Mr. Samuels's spouse Elisabeth Samuels. Ms. Samuels was joined pursuant to A.R.S. §44-2031(C) solely for the purposes of determining the liability of the marital community.

The Order finds that Respondents violated A.R.S. §§ 44-1841 and 44-1842 by offering and selling nearly \$5M of unregistered securities in the form of membership interests in limited liability companies to over 50 investors. Respondents also violated A.R.S. § 44-1991 by making false representations about, among other things, how investor funds would be used, how the investors would be secured and the risks of the investments. The Order finds that Respondents obtained loans from institutional lenders to buy and rehabilitate homes in Arizona; these lenders were given first-position liens on the properties. Respondents used investor funds primarily to service the institutional-lender loans.

The Order requires Respondents to permanently cease and desist from violating the Securities Act, to pay a \$90,000 administrative penalty, and to pay restitution of \$4,940,334.85—the amount of funds obtained from investors.

The Division recommends the Order as appropriate, in the public interest and necessary for the protection of investors.

Originator: Ryan J. Millecam

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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

GARY PIERCE, Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

In the matter of)
TERRY L. SAMUELS and ELISABETH)
SAMUELS, husband and wife,)
JAMES F. CURCIO and JILL L. CURCIO,)
husband and wife,)
3-CG, LLC, an Arizona limited liability)
company,)
CHOICE PROPERTY GROUP, LLC, an)
Arizona limited liability company,)
AZIN INVESTOR GROUP, LLC, an)
Arizona limited liability company,)
AZIN INVESTOR GROUP II, LLC, an)
Arizona limited liability company,)
AZIN INVESTOR GROUP III, LLC, an)
Arizona limited liability company,)
AZIN INVESTOR GROUP IV, LLC, an)
Arizona limited liability company,)
COMBINED HOLDINGS IV, LLC, an)
Arizona limited liability company,)
and)
COMBINED HOLDINGS V, LLC, an)
Arizona limited liability company,)
Respondents.)

DOCKET NO. S-20812A-11-0281
DECISION NO. _____

**ORDER TO CEASE AND DESIST, ORDER
FOR RESTITUTION, ORDER FOR
ADMINISTRATIVE PENALTIES AND
CONSENT TO SAME**

**BY RESPONDENTS:
TERRY L. SAMUELS,
ELISABETH SAMUELS,
3-CG, LLC, and
CHOICE PROPERTY GROUP, LLC**

Respondents TERRY L. SAMUELS; 3-CG, LLC; CHOICE PROPERTY GROUP, LLC; and
ELISABETH SAMUELS elect to permanently waive any right to a hearing and appeal under
Articles 11 and 12 of the Securities Act of Arizona, A.R.S. § 44-1801 *et seq.* ("Securities Act")

1 with respect to this Order to Cease and Desist, Order for Restitution, Order for Administrative
2 Penalties, and Consent to Same (“Order”); admit the Findings of Fact and Conclusions of Law
3 contained in this Order; admit the jurisdiction of the Arizona Corporation Commission
4 (“Commission”); and consent to the entry of this Order by the Commission.

5 **I.**

6 **RESPONDENTS**

7 1. TERRY L. SAMUELS (“SAMUELS”); 3-CG, LLC, an Arizona limited liability
8 company; and CHOICE PROPERTY GROUP, LLC, an Arizona limited liability company may be
9 referred to collectively as “Respondents.” At all relevant times, Respondents have maintained a place
10 of business in Scottsdale or Phoenix, Arizona and have been issuing, offering and selling limited
11 liability company membership interests within or from Arizona. Respondents have not been registered
12 by the Commission as securities dealers or salesmen.

13 2. ELISABETH SAMUELS was at all relevant times the spouse of SAMUELS.
14 ELISABETH SAMUELS will be referred to as “Respondent Spouse.” Respondent Spouse is joined
15 in this action under A.R.S. § 44-2031(C) solely for purposes of determining the liability of SAMUELS
16 and Respondent Spouse’s marital community.

17 3. At all times relevant, SAMUELS was acting for his own benefit and for the benefit or
18 in furtherance of SAMUELS and Respondent Spouse’s marital community.

19 **II.**

20 **FINDINGS OF FACT**

21 **Formation of House-Flipping Business, 2003-2005**

22 4. In late 2003, SAMUELS, while working as an independent insurance salesman,
23 began operating a house-flipping business, i.e. buying, remodeling, reselling and renting residential
24 real estate located in Arizona (the “Business”).

25 5. SAMUELS formed several Arizona entities through which to operate the Business.
26

1 6. In December 2004, CHOICE PROPERTY GROUP, LLC ("CPG") was formed,
2 with SAMUELS serving as one of the initial managers and members. The Business conducted
3 most of its operations through CPG.

4 7. In May 2005, SAMUELS formed 3-CG, LLC, an Arizona limited liability company
5 ("3-CG"), with SAMUELS as a member and a SAMUELS-controlled entity as the manager.

6 8. Most of the Business's communications, including brochures and newsletters to
7 investors, came from 3-CG on 3-CG stationary.

8 9. Although SAMUELS formed additional entities, they were operated as a single
9 company.

10 10. Prior to his association with James F. Curcio ("Curcio"), SAMUELS was the
11 Business's principal executive: he conducted the Business's meetings, entered and negotiated loans
12 with institutional lenders, formed the strategy, determined which properties to purchase, directed
13 the properties' rehabilitation, and sold the properties.

14 **Initial Transactions, 2005-2007**

15 11. In 2005, SAMUELS, primarily through CPG, began acquiring Phoenix-area
16 residential properties. To finance the purchases and reconstruction, SAMUELS and other Business
17 employees, through CPG and 3-CG, solicited and obtained funds from acquaintances, primarily
18 acquaintances from the churches attended by SAMUELS and other Business employees. In
19 general, these early investors were informed as to which property their funds would be used to
20 purchase and rehabilitate.

21 12. CPG issued a promissory note to each investor in exchange for each investor's
22 capital contribution. The notes generally provided for a total yield of 12% over their terms
23 outstanding.

24 13. Each investor received as collateral an interest in a specific property in the form of a
25 deed of trust ("DOT") with the investor as the beneficiary and CPG as the trustor.
26

1 14. These individual investors were not the Business's only source of funding.
2 SAMUELS, primarily through CPG, also obtained funds from entity lenders at an annual interest
3 rate of 18%. These entity lenders obtained first-position liens on the properties CPG purchased
4 with these funds.

5 15. Using funds from these early individual investors and entity lenders, SAMUELS,
6 primarily through CPG, purchased approximately 20 properties in the Phoenix area.

7 16. The Business was conducted in this manner until early 2007 when the Business
8 operations expanded with the addition of Curcio.

9 **The AZIN Investors, 2007 to 2010**

10 17. Curcio had joined the Business in late 2006 as its chief financial officer. Curcio had
11 significant financial expertise and some management experience. Curcio was acquainted with
12 SAMUELS and familiar with the Business from a previous house-flipping investment with
13 SAMUELS.

14 18. In the spring of 2007, SAMUELS and Curcio expanded the Business's strategy and,
15 in addition to having investors select, invest in and receive as collateral an interest in a specific
16 property in the form of a DOT with the investor as the beneficiary, the Business, on the advice of
17 counsel, created several limited liability companies (LLCs) that served as investor pools of
18 approximately \$1M each.

19 19. Curcio and SAMUELS formed two Arizona limited liability companies: AZIN
20 Investor Group, LLC, formed on April 13, 2007, and AZIN Investor Group II, LLC, formed on
21 May 1, 2007. (These two entities, together with AZIN Investor Group III, formed August 9, 2007,
22 AZIN Investment Group IV, formed October 10, 2007, Combined Holdings IV, LLC, formed
23 October 16, 2007, and Combined Holdings V, LLC, formed September 23, 2008, each referred to
24 as an "AZIN Entity" and collectively referred to as the "AZIN Entities.") Curcio was the manager
25 and a member of each AZIN Entity; SAMUELS is identified as an additional manager of
26 Combined Holdings IV and V.

1 20. The investors in AZIN Entities received LLC memberships in exchange for their
2 investments. On the advice of counsel, Curcio then pooled the funds received from these investors
3 (collectively referred to as the "AZIN Investors") and transferred the funds to CPG or 3-CG. The
4 AZIN Investors did not participate in the selection of properties or management of the Business;
5 these funds were deployed as determined by the AZIN Entities managers, Curcio and SAMUELS.

6 21. At or around the time they formed the first two AZIN Entities, Curcio began
7 contacting family and friends, including Arizona residents, to purchase membership interests in the
8 AZIN Entities (the "Membership Interests"). These contacts occurred both within and from
9 Arizona. Subsequent to the formation of the first two AZIN Entities, SAMUELS contacted former
10 partners and friends to consider participation in the Business.

11 22. The Membership Interests were not registered as securities with the Commission to
12 be offered or sold within or from Arizona.

13 23. SAMUELS and Curcio solicited potential investors by conducting in-person
14 presentations to small groups of potential AZIN investors arranged by Curcio. These groups
15 ranged in size from one to about ten persons, and the presentations included explanation of the
16 Business plan to acquire, renovate, and dispose of residential real properties. Curcio arranged these
17 presentations in several states including Arizona, Indiana and New York.

18 24. SAMUELS and Curcio provided potential investors and existing members with
19 detailed brochures and newsletters that described the benefits of investing in the Business, current
20 investment opportunities, and the positive opportunities available to Respondents in the Phoenix-
21 area real estate market.

22 25. SAMUELS and Curcio caused to be prepared an Executive Summary dated August
23 2007 and titled "Executive Summary Investment Presentation" (the "Executive Summary"). After
24 having the Executive Summary reviewed by counsel, SAMUELS and Curcio gave the Executive
25 Summary to several AZIN Investors. The Executive Summary described investing in the Business
26 as becoming an "Investment Partner." The "Investor Benefits" described in the Executive

1 Summary included a representation of “A minimum 15% annualized return.” The Executive
2 Summary explained that investors could invest with confidence because “Private funding ensures
3 3-CG’s *[sic]* and its investment partners with the ability to gain the additional advantages needed to
4 purchase appropriate properties, perform the necessary renovations and hold, rent, or sell its real
5 estate holdings.”

6 26. The Executive Summary further explained that “Partners enjoy secure
7 ownership/membership of a Limited Liability Company made up of \$1,000,000 of Arizona real
8 estate.” The Executive Summary also stated “Each title is in a combined LLC with 3-CG and the
9 investment LLC.” The Executive Summary also stated that 3-CG had access and the ability to
10 purchase properties at prices “well below market value—often times at 40 cents on the dollar.”

11 27. SAMUELS and Curcio explained to offerees and investors that they could re-direct
12 their retirement accounts toward purchasing the Membership Interests. A Newsletter titled “3-CG
13 News; Issue #1 1-2008” provided by Curcio and SAMUELS to existing investors contained a
14 section written by Curcio titled “Jim’s Corner.” This section describes how investors could roll
15 over their existing IRA/401k funds to purchase LLC memberships and that funds would be invested
16 in a newly-formed LLC with the investor “listed on ‘Title’ to the properties as security” (quotation
17 marks in original).

18 28. This 2008 Newsletter also included a section written by SAMUELS titled “Terry’s
19 Corner.” The heading for this section states that “2008 promises to be the best real estate year!”
20 SAMUELS also states that “This is a phenomenal time to get in and stay in the real estate
21 market....If you anticipate the real estate cycle and know where you are in the cycle based on years
22 of historical data and fellow experienced investor friends, you can make true wealth!”

23 29. SAMUELS further represented that “No different than Warren Buffet buying
24 companies at discounts, 3-CG buys real estate anywhere from 30-50% of its appraised value.”
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1 30. By late 2008, approximately 68 different persons invested approximately
2 \$5,110,334.85 in the AZIN Entities. Of this amount, Curcio and SAMUELS contributed, directly
3 or indirectly, less than \$200,000.

4 31. The AZIN Investors contributed capital in exchange for Membership Interests in
5 varying amounts ranging from \$3,580 up to \$400,000; several investors invested in more than one
6 AZIN Entity. Curcio and SAMUELS sold these Membership Interests within and from Arizona.

7 32. On behalf of the AZIN Entities, Curcio pooled the AZIN Investor funds and
8 transferred the pooled funds to the Business, with nearly all funds going to CPG. In return, the
9 respective AZIN Entity received an unsecured promissory note from CPG or, on occasion from
10 another of the Business's entities. These unsecured notes were the AZIN Entities' only assets.

11 33. The Business used the pooled funds for the general operations of the Business—
12 paying bills, payroll, and making payments to lenders, including the AZIN Entities. Curcio was
13 primarily responsible for these Business expenses. SAMUELS was primarily responsible for
14 determining properties for renovation and supervising those renovations.

15 34. To the best knowledge of SAMUELS, Curcio provided the AZIN Investors with
16 documentation of their purchases of Membership Interests in the form of two documents, both
17 prepared by counsel: a "Subscription and Acceptance by Member" and an Operating Agreement for
18 the respective AZIN Entity. Curcio executed these documents for each AZIN Investor as manager
19 of the appropriate AZIN Entity.

20 35. Under the terms of the Operating Agreement for each AZIN Entity, the manager
21 (Curcio, with SAMUELS an additional manager of Combined Holdings IV and V) had control over
22 the entity. Therefore, the success of the Business—and prospects for distributions to the AZIN
23 Entities and AZIN Investors—largely depended on SAMUELS's and Curcio's management and
24 expertise in profitably operating the Business.

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1 **Respondents' Misrepresentations and Omissions**

2 36. While soliciting investors, SAMUELS and Curcio failed to inform investors of the
3 Business's existing obligations and foreclosure proceedings pending against properties owned by
4 CPG and the Business's related entities. CPG had defaulted on some of its loans and some of those
5 lenders had filed notices of trustee's sales on CPG's properties. Thus, some CPG properties that
6 were facing foreclosure became "short-sale" or "non-performing note purchase" candidates during
7 the period while SAMUELS and Curcio were soliciting the AZIN Investors. Funds from the AZIN
8 Investors were used to service these loans. As SAMUELS and Curcio raised money from investors
9 in late 2007 to early 2008, the notices of trustee's sales were cancelled and several DOTs were
10 released.

11 37. In the Executive Summary (described above), Curcio and SAMUELS represented
12 that the use of "private funds" allowed the Business more flexibility and freedom to hold, sell or
13 rent properties. Curcio and SAMUELS further represented to offerees and investors in the
14 Executive Summary that the Investments were safe because they were purchasing properties at 40-
15 60% of the properties' appraised value.

16 38. The representation of property ownership can be found in the Executive Summary
17 statement that SAMUELS caused to be prepared such as "Partners enjoy secure
18 ownership/membership of a Limited Liability Company made up of \$1,000,000 of Arizona real
19 estate" and in the Operating Agreements of Combined Holdings IV and V that "Each title is in a
20 combined LLC with 3-CG and the investment LLC[.]"

21 39. The Executive Summary indicated the AZIN Investors a minimum return of 15% on
22 an investment. Curcio sent AZIN Investors monthly statements showing that Membership Interests
23 had increased in value based solely upon the accrual of a 15% return. Even with the collapse of the
24 Phoenix real-estate market, these statements showed increases of 15% in 2008 and 2009, and a
25 2.5% increase in 2010.

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1 material fact or omitted to state material facts that were necessary in order to make the statements
2 made not misleading in light of the circumstances under which they were made. Respondents'
3 conduct includes, but is not limited to, the following:

4 a. Representing to investors that investor funds would be used to purchase real
5 property when in fact the Business—primarily through CPG, and as directed by SAMUELS and
6 Curcio—purchased properties with funds from institutional lenders, granted these lenders a first-
7 position security interest in the Business's real property assets, then used investor funds to make
8 payments to these institutional lenders;

9 b. Representing to investors that the investors would own an interest in an
10 entity which would own or hold a secured interest in real property when in fact the AZIN Entities
11 in which AZIN Investors purchased memberships did not own or have any security interests in any
12 property;

13 c. Failing to adequately inform AZIN Investors of the Business's existing
14 obligations to institutional lenders and the Commercial Loan Liens, and that several of these
15 institutional lenders had initiated foreclosure proceedings against the Business's real-property
16 assets; and

17 d. While these foreclosure proceedings were occurring, representing to potential
18 investors and the AZIN Investors that investors would receive an annualized return of 15%.

19 6. Respondents' conduct is grounds for a cease and desist order pursuant to A.R.S.
20 § 44-2032.

21 7. Respondents' conduct is grounds for an order of restitution pursuant to A.R.S. § 44-
22 2032.

23 8. Respondents' conduct is grounds for administrative penalties under A.R.S. § 44-
24 2036.

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1 the respondents under Docket No. S-20812A-11-0281 totaling \$4,940,334.85 plus interest.
2 Payment is due in full on the date of this Order. Any principal amount outstanding will accrue
3 interest at the rate of 10 percent per annum from the date of purchase until paid in full. Interest in
4 the amount of \$1,186,615.26 has accrued from the date of purchase to the date of this Order,
5 January 26, 2012.

6 Payment shall be made to the "State of Arizona" to be placed in an interest-bearing account
7 controlled by the Commission. The Commission shall disburse the funds on a pro-rata basis to
8 investors shown on the records of the Commission. Any restitution funds that the Commission
9 cannot disburse because an investor refuses to accept such payment, or any restitution funds that
10 cannot be disbursed to an investor because the investor is deceased and the Commission cannot
11 reasonably identify and locate the deceased investor's spouse or natural children surviving at the
12 time of the distribution, shall be disbursed on a pro-rata basis to the remaining investors shown on
13 the records of the Commission. Any funds that the Commission determines it is unable to or
14 cannot feasibly disburse shall be transferred to the general fund of the state of Arizona.

15 The Commission, in its sole discretion, may credit the amount of restitution owed by
16 Respondents with the value of any restitution payments made by them to the AZIN Investors.
17 Respondents shall provide to the Commission all information and documentation to verify that such
18 restitution has been paid which the Commission, in its sole discretion, may accept or reject.

19 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that Respondents and the
20 marital community of SAMUELS and Respondent Spouse respectively, jointly and severally shall
21 pay an administrative penalty in the amount of \$90,000. Payment is due in full on the date of this
22 Order. Payment shall be made to the "State of Arizona." Any amount outstanding will accrue
23 interest from the date of judgment at the rate of 10 percent per annum.

24 IT IS FURTHER ORDERED that payments received by the state of Arizona will first be
25 applied to the restitution obligation. Upon payment in full of the restitution obligation, payments
26 will be applied to the penalty obligation.

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

4 IT IS FURTHER ORDERED, that no finding of fact or conclusion of law contained in this
5 Order will be deemed binding against any Respondent under this Docket Number who has not
6 consented to the entry of this Order.

7 IT IS FURTHER ORDERED that this Order will become effective immediately.

8 BY ORDER OF THE ARIZONA CORPORATION COMMISSION

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11 CHAIRMAN

COMMISSIONER

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13 COMMISSIONER

COMMISSIONER

COMMISSIONER

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15 IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,
16 Executive Director of the Arizona Corporation Commission,
17 have hereunto set my hand and caused the official seal of the
18 Commission to be affixed at the Capitol, in the City of
19 Phoenix, this _____ day of _____, 2012.

20 _____
21 ERNEST G. JOHNSON
22 EXECUTIVE DIRECTOR

23 _____
24 DISSENT

25 _____
26 DISSENT

1 This document is available in alternative formats by contacting Shaylin A. Bernal, ADA
2 Coordinator, voice phone number 602-542-3931, e-mail sabernal@azcc.gov.

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CONSENT TO ENTRY OF ORDER

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1. Respondents TERRY L. SAMUELS ("SAMUELS"), 3-CG, LLC, CHOICE PROPERTY GROUP, LLC, (collectively, "Respondents") and ELISABETH SAMUELS ("Respondent Spouse") admit the jurisdiction of the Arizona Corporation Commission (the "Commission") over the subject matter of this proceeding. Respondents and Respondent Spouse acknowledge that they have been fully advised of their right to a hearing to present evidence and call witnesses and Respondents and Respondent Spouse knowingly and voluntarily waive 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. Respondents and Respondent Spouse acknowledge that this Order to Cease and Desist, Order for Restitution, Order for Administrative Penalties and Consent to Same ("Order") constitutes a valid final order of the Commission.

2. Respondents and Respondent Spouse knowingly and voluntarily waive any right 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. Respondents and Respondent Spouse acknowledge and agree that this Order is entered into freely and voluntarily and that no promise was made or coercion used to induce such entry.

4. Respondent SAMUELS and Respondent Spouse have been represented by an attorney in this matter. SAMUELS and Respondent Spouse have reviewed this order with their attorney, James Roach II, Esq., of the law firm Roach & Associates, PLLC, and understand all terms it contains. SAMUELS and Respondent Spouse acknowledge that their attorney has apprised them of their rights regarding any conflicts of interest arising from dual representation. SAMUELS and Respondent Spouse acknowledge that they have each given their informed consent to such representation.

1 5. Respondents and Respondent Spouse admit the Findings of Fact and Conclusions of
2 Law contained in this Order. Respondents and Respondent Spouse agree that Respondents and
3 Respondent Spouse shall not contest the validity of the Findings of Fact and Conclusions of Law
4 contained in this Order in any present or future proceeding in which the Commission or any other
5 state agency is a party concerning the denial or issuance of any license or registration required by
6 the state to engage in the practice of any business or profession.

7 6. By consenting to the entry of this Order, Respondents and Respondent Spouse agree
8 not to take any action or to make, or permit to be made, any public statement denying, directly or
9 indirectly, any Finding of Fact or Conclusion of Law in this Order or creating the impression that
10 this Order is without factual basis. Respondents will undertake steps necessary to assure that all of
11 Respondents' agents and employees understand and comply with this Order.

12 7. While this Order settles this administrative matter between Respondents,
13 Respondent Spouse and the Commission, Respondents and Respondent Spouse understand that this
14 Order does not preclude the Commission from instituting other administrative or civil proceedings
15 based on violations that are not addressed by this Order.

16 8. Respondents and Respondent Spouse understand that this Order does not preclude
17 the Commission from referring this matter to any governmental agency for administrative, civil, or
18 criminal proceedings that may be related to the matters addressed by this Order.

19 9. Respondents and Respondent Spouse understand that this Order does not preclude
20 any other agency or officer of the state of Arizona or its subdivisions from instituting
21 administrative, civil, or criminal proceedings that may be related to matters addressed by this
22 Order.

23 10. Respondents agree that they will not apply to the state of Arizona for registration as
24 a securities dealer or salesman or for licensure as an investment adviser or investment adviser
25 representative until such time as all restitution and penalties under this Order are paid in full.
26

1 11. Respondents agree that they will not exercise any control over any entity that offers
2 or sells securities or provides investment advisory services within or from Arizona until such time
3 as all restitution and penalties under this Order are paid in full.

4 12. SAMUELS and Respondent Spouse acknowledge that any restitution or penalties
5 imposed by this Order are obligations of the Respondents as well as SAMUELS and Respondent
6 Spouse's marital community.

7 13. Respondents and Respondent Spouse consent to the entry of this Order and agree to
8 be fully bound by its terms and conditions.

9 14. Respondents and Respondent Spouse acknowledge and understand that if they fail to
10 comply with the provisions of the Order and this consent, the Commission may bring further legal
11 proceedings against Respondents and Respondent Spouse, including application to the superior
12 court for an order of contempt.

13 15. Respondents and Respondent Spouse understand that default will render
14 Respondents and Respondent Spouse liable to the Commission for its costs of collection and
15 interest at the maximum legal rate.

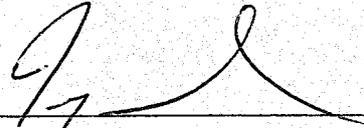
16 16. Respondents and Respondent Spouse agree and understand that if Respondents fail
17 to make any payment as required in the Order, any outstanding balance shall be in default and shall
18 be immediately due and payable without notice or demand. Respondents and Respondent Spouse
19 agree and understand that acceptance of any partial or late payment by the Commission is not a
20 waiver of default by the Commission.

21 17. SAMUELS represents that he is the manager of Choice Property Management, LLC,
22 which is the manager of Respondents 3-CG, LLC and CHOICE PROPERTY GROUP, LLC and
23 has been authorized by these entities to enter into this Order for and on their behalf.

24 **[Signature pages follow]**

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TERRY L. SAMUELS, Respondent

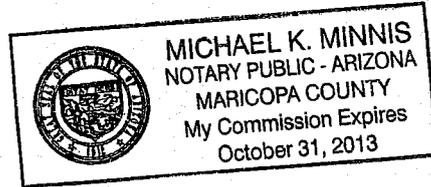
STATE OF ARIZONA)
) ss
County of Maricopa)

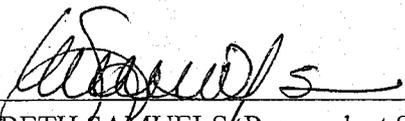
SUBSCRIBED AND SWORN TO BEFORE me this 22 day of December, 2011.


NOTARY PUBLIC

My commission expires:

Oct 31, 13




ELISABETH SAMUELS, Respondent Spouse

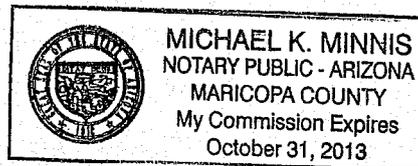
STATE OF ARIZONA)
) ss
County of Maricopa)

SUBSCRIBED AND SWORN TO BEFORE me this 22 day of December, 2011.


NOTARY PUBLIC

My commission expires:

Oct 31, 13



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3-CG, LLC, an Arizona limited liability company

By: Choice Property Management, LLC, an
Arizona limited liability company, its
Manager

By: [Signature]
Terry L. Samuels, Manager

CHOICE PROPERTY GROUP, LLC an Arizona
limited liability company

By: Choice Property Management, LLC, an
Arizona limited liability company, its
Manager

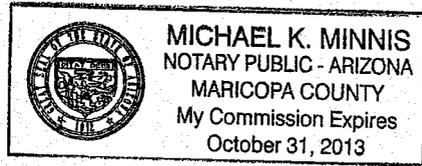
By: [Signature]
Terry L. Samuels, Manager

STATE OF ARIZONA)
) ss
County of Maricopa)

SUBSCRIBED AND SWORN TO BEFORE me this 22 day of December, 2011.

[Signature]
NOTARY PUBLIC

My commission expires:
Oct 31, 13



1 SERVICE LIST FOR: TERRY L. SAMUELS, et al.

2 James Roach II
3 ROACH & ASSOCIATES, PLLC
4 2525 E. Arizona Biltmore Cir. Ste. A121
5 Phoenix, Arizona 85013
6 Attorney for Terry L. Samuels
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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

GARY PIERCE, Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

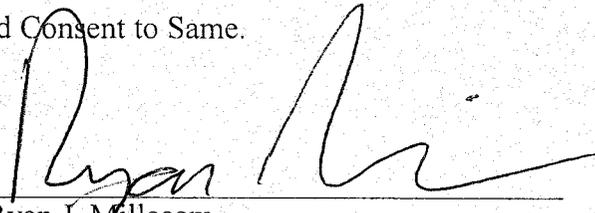
In the matter of)
)
TERRY L. SAMUELS and ELISABETH)
SAMUELS, husband and wife,)
)
JAMES F. CURCIO and JILL L. CURCIO,)
husband and wife,)
)
3-CG, LLC, an Arizona limited liability company,)
)
CHOICE PROPERTY GROUP, LLC, an Arizona)
limited liability company,)
)
AZIN INVESTOR GROUP, LLC, an Arizona)
limited liability company,)
)
AZIN INVESTOR GROUP II, LLC, an Arizona)
limited liability company,)
)
AZIN INVESTOR GROUP III, LLC, an Arizona)
limited liability company,)
)
AZIN INVESTOR GROUP IV, LLC, an Arizona)
limited liability company,)
)
COMBINED HOLDINGS IV, LLC, an Arizona)
limited liability company,)
)
and)
)
COMBINED HOLDINGS V, LLC, an Arizona)
limited liability company,)
)
Respondents.)

DOCKET NO. S-20812A-11-0281

**NOTICE OF FILING OF PROPOSED
OPEN MEETING AGENDA ITEM**

Pursuant to A.A.C. R14-4-303, you are hereby notified that Respondents filed with the Arizona Corporation Commission's Docket Control the attached Order to Cease and Desist, Order for Restitution, Order for Administrative Penalties and Consent to Same.

Dated: 1/13/12

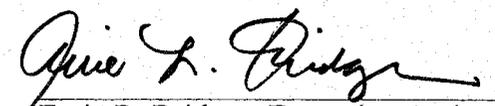
By: 
Ryan J. Millecam
Attorney for the Securities Division of the
Arizona Corporation Commission

I hereby certify that I have this day served the foregoing document on all parties of record in this proceeding by mailing a copy thereof, properly addressed with first class postage prepaid to:

James Roach II, Esq.
Roach & Associates, PLLC
7702 E. Doubletree Ranch Rd., Suite 300
Scottsdale, AZ 85258
Attorney for Respondents
Terry L. Samuels and Elisabeth Samuels

James F. Curcio & Jill L. Curcio
9330 East Rocky Lake Drive
Sun Lakes, AZ 85248-7329

Dated: 1/13/12

By: 
Emie R. Bridges, Executive Assistant