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

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

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 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.

DOCKET NO. S-03437A-03-0000

DECISION NO. **67961**

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

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

I.

FINDINGS OF FACT

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

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

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

The creation of Partnership Preservation Trust

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

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

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

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

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

The McDowell Property and the ascendancy of Preservation Corporation

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

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

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

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

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

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

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

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

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

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

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

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

19. This transfer of property occurred without the requisite authority or disclosures, and without the limited partners' knowledge or consent. The type of consideration tendered in this

particular transaction, and the party or parties receiving such consideration, was similarly not disclosed.

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

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

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

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

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

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

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Yet another claim to the McDowell Property: Caterpillar

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

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

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

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

Use of the McDowell Property for personal loans

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

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

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

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

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

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

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

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

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

Misappropriations

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

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

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

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

II.

CONCLUSIONS OF LAW

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

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

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

4. RESPONDENTS violated A.R.S. § 44-1842 by offering or selling securities while neither registered as dealers or salesmen nor exempt from registration.

5. RESPONDENTS violated A.R.S. § 44-1991 by (a) employing a device, scheme or artifice to defraud, (b) making untrue statements or misleading omissions of material facts, and/or (c) engaging in transactions, practices or courses of business which operate or would operate as a fraud or deceit upon investors.

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

7. RESPONDENTS' conduct is grounds for an order of disgorgement pursuant to A.R.S. § 44-2032.

8. RESPONDENTS' conduct is grounds for administrative penalties pursuant to A.R.S. § 44-2036.

III.

ORDER

THEREFORE, on the basis of the Findings of Fact, Conclusions of Law, and the RESPONDENTS' consent to the entry of this Order, the Commission finds that the following relief is appropriate, in the public interest, and necessary for the protection of investors:

IT IS ORDERED, pursuant to A.R.S. § 44-2032, that RESPONDENTS, and any of RESPONDENTS' agents, employees, successors and/or assigns, permanently cease and desist from violating the Securities Act. RESPONDENTS shall not sell any securities in or from Arizona without being registered in Arizona as dealers or salesmen, or unless they are exempt from such registration. RESPONDENTS shall not sell securities in or from Arizona unless the securities are registered in Arizona, or unless they are exempt from such registration.

IT IS FURTHER ORDERED that RESPONDENTS comply with the attached Consent to Entry of Order.

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

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

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

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

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

BY ORDER OF THE ARIZONA CORPORATION COMMISSION

CHAIRMAN COMMISSIONER

COMMISSIONER COMMISSIONER COMMISSIONER

IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive Secretary of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this 11th day of July, 2005.

BRIAN C. McNEIL
Executive Secretary

DISSENT

DISSENT

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

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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.

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

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

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

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

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

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

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

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: _____
Respondent Rene Couch

SUBSCRIBED AND SWORN TO BEFORE me, by Rene Couch, this 26th day of May, 2005.

_____
NOTARY PUBLIC

My Commission Expires:

"OFFICIAL SEAL"
Judith S. Mihlik
Notary Public - Arizona
Maricopa County
My Commission Expires Jan. 8, 2007

CONSENT TO ENTRY OF ORDER

1. Respondent Tierra Group, a/k/a Tierra Group Properties, a/k/a/ Tierra Group Properties, a/k/a Tierra Group, Inc., ("TIERRA"), admits the jurisdiction of the Commission over the subject matter of this proceeding. TIERRA acknowledges that it has been fully advised of his right to a hearing to present evidence and call witnesses and it 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. TIERRA 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. TIERRA knowingly and voluntarily waives any right it 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. TIERRA 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. TIERRA acknowledges that it has been represented by counsel in this matter, that TIERRA has reviewed this Order with its attorney, and that it understands the terms and conditions contained therein.

5. TIERRA 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, TIERRA 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. TIERRA will undertake steps necessary to assure that all of its agents and employees understand and comply with this agreement.

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

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

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

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

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

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

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

14. TIERRA 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 payable

without notice or demand. TIERRA 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.

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

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

TIERRA GROUP

By: _____
TIERRA Representative

Its: President

SUBSCRIBED AND SWORN TO BEFORE me, by Rene Couch, this 26th day of May, 2005.

_____
NOTARY PUBLIC

My Commission Expires:

"OFFICIAL SEAL"
Judith S. Mihlik
Notary Public - Arizona
Maricopa County
My Commission Expires Jan. 8, 2007

CONSENT TO ENTRY OF ORDER

1. Respondent Preservation Corporation, a/k/a Preservation Trust Corporation, a/k/a Preservation Trust Company, ("PRESERVATION"), an Arizona corporation, admits the jurisdiction of the Commission over the subject matter of this proceeding. PRESERVATION acknowledges that it has been fully advised of its right to a hearing to present evidence and call witnesses, and PRESERVATION 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. PRESERVATION 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. PRESERVATION knowingly and voluntarily waives any right it 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. PRESERVATION 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. PRESERVATION acknowledges that it has been represented by counsel in this matter, that PRESERVATION has reviewed this Order with its attorney, and that it understands the terms and conditions contained therein.

5. PRESERVATION 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, PRESERVATION 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. PRESERVATION will undertake steps necessary to assure that all of its agents and employees understand and comply with this agreement.

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

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

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

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

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

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

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

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

payable without notice or demand. PRESERVATION 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.

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

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

PRESERVATION CORPORATION

By: _____
PRESERVATION Representative

Its: President

SUBSCRIBED AND SWORN TO BEFORE me this 26th day of May, 2005.

_____
NOTARY PUBLIC

My Commission Expires:

"OFFICIAL SEAL"
Judith S. Mihlik
Notary Public - Arizona
Maricopa County
My Commission Expires Jan. 8, 2007

CONSENT TO ENTRY OF ORDER

1. Respondent Partnership Preservation Trust, a/k/a Partnership Preservation Corporation Limited Partnership ("PARTNERSHIP PT"), an Arizona partnership, admits the jurisdiction of the Commission over the subject matter of this proceeding. PARTNERSHIP PT acknowledges that it has been fully advised of its right to a hearing to present evidence and call witnesses, and PARTNERSHIP PT 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. PARTNERSHIP PT 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. PARTNERSHIP PT knowingly and voluntarily waives any right it 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. PARTNERSHIP PT 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. PARTNERSHIP PT acknowledges that it has been represented by counsel in this matter, that PARTNERSHIP PT has reviewed this Order with its attorney, and that it understands the terms and conditions contained therein.

5. PARTNERSHIP PT 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, PARTNERSHIP PT 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.

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

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

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

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

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

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

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

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

14. PARTNERSHIP PT 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 payable without notice or demand. PARTNERSHIP PT 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.

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

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

PARTNERSHIP PRESERVATION TRUST

By: _____
PARTNERSHIP PT Representative

Its: General Partner

SUBSCRIBED AND SWORN TO BEFORE me, by Rene Couch, this 26th day of May, 2005.

_____
NOTARY PUBLIC

My Commission Expires:

"OFFICIAL SEAL"
Judith S. Mihlik
Notary Public - Arizona
Maricopa County
My Commission Expires Jan. 8, 2007

CONSENT TO ENTRY OF ORDER

1. Respondent Caterpillar Foundation Properties, a/k/a Caterpillar Foundation Properties Limited Partnership ("CATERPILLAR"), an Arizona partnership, admits the jurisdiction of the Commission over the subject matter of this proceeding. CATERPILLAR acknowledges that it has been fully advised of its right to a hearing to present evidence and call witnesses, and CATERPILLAR 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. CATERPILLAR acknowledges that this Order to Cease and Desist, Order of Restitution, Order for Administrative Penalties and Consent to Same ("Order") constitutes a valid final order of the Commission.

2. CATERPILLAR knowingly and voluntarily waives any right it 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. CATERPILLAR 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. CATERPILLAR acknowledges that it has been represented by counsel in this matter, that CATERPILLAR has reviewed this Order with its attorney, and that it understands the terms and conditions contained therein.

5. CATERPILLAR 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, CATERPILLAR 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. CATERPILLAR will undertake steps necessary to assure that all of its agents and employees understand and comply with this agreement.

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

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

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

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

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

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

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

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

payable without notice or demand. CATERPILLAR 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.

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

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

CATERPILLAR FOUNDATION PROPERTIES, LP

By: _____
CATERPILLAR Representative

Its: General Partner

SUBSCRIBED AND SWORN TO BEFORE me, by Rene Couch, this 26th day of May, 2005.

_____
NOTARY PUBLIC

My Commission Expires:

"OFFICIAL SEAL"
Judith S. Mihlik
Notary Public - Arizona
Maricopa County
My Commission Expires Jan. 8, 2007