STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: RICHARD F.BESTON, an individual; JOHN W. BRANCH, an individual; TEN X HOLDINGS, LLC, its managers, officers, affiliates, subsidiaries, representatives, successors, and assigns, and; *RAINMAKER SECURITIES, LLC its managers,* officers, affiliates, subsidiaries, representatives, successors, and assigns.	)	File No. 1300406

AMENDED NOTICE OF HEARING

TO THE RESPONDENTS:

Richard F. Beston (CRD # 2100174)
3927 Bluejay Lane
Naperville, IL 60564

John W. Branch (CRD # 4891185)
1461 Kevin Avenue
Redlands, CA 92373

Ten X Holdings, LLC
3927 Bluejay Lane
Naperville, IL 60564

Rainmaker Securities, LLC
(CRD # 132995)
Attn: Glen Anderson
500 N. Michigan Ave. Suite 600
Chicago, IL 60611

Ten X Holdings, LLC
Rainmaker Securities, LLC
In care of:
Ronald Duplack
55 W. Monroe St. Suite 3390
Chicago, IL 60603

You are hereby notified that pursuant to Section 11.E of the Illinois Securities law of 1953 [815 ILCS 5/1 et. Seq.] (The "Act") and Ill. Adim. Code 130, Subpart K, a public hearing will be held at 69 W. Washington Street, Suite 1220, Chicago, Illinois 60602, on the 1st day of September, 2015, at the hour of 10:00 AM, or as soon as possible thereafter, before George Berbas or such duly designated Hearing Officer of the Secretary of State.

Said Hearing will be held to determine whether an Order shall be entered pursuant to Section 11.E of the Act prohibiting Respondents from selling or offering for sale securities in the State of Illinois and/or granting such other relief as may be authorized under the Act including but not limited to imposition of a monetary fine in the maximum amount pursuant to 11.E(4) of the Act, payable within ten (10) business days of the order.

SUMMARY

Respondents Richard Beston and John Branch were managers of an Illinois Limited Liability Company called Ten X Holdings, LLC. Ten X Holdings was established as a holding company that would purchase and operate various businesses. At all relevant times, Ten X Holdings owned and operated Rainmaker Securities, LLC a registered Illinois broker dealer. A registered representative of Rainmaker Securities, Respondent Brian Pebley, introduced at least four known investors to promissory notes offered by Ten X Holdings, LLC, and did not disclose to these four investors that he was registered with Rainmaker Securities which was owned by Ten X. Rainmaker Securities failed to supervise its registered representative when he engaged in outside business activities by introducing investors to the Ten X notes which were not recorded on the books and records of Rainmaker Securities.

Respondents Richard Beston and John Branch failed to disclose to investors in its confidential disclosure statement two transactions which Ten X was currently engaged in prior to the investors purchasing the Ten X promissory notes. Moreover, Respondent John Branch failed to inform at least one investor, which they had executed several note extensions with, that the account receivable created by the two undisclosed transactions being Ten X's last remaining asset, was uncollectible. Respondent Branch knew or should have known at the time of the note extensions that the account receivable would not be able to be collected and failed to inform the investor.

FACTS COMMON TO ALL COUNTS

The grounds for such proposed actions are as follows:

1. Ten X Holdings, LLC ("Ten X") is an Illinois limited liability company which was established in May of 2004, and was established as a consulting and business holdings entity. Respondent Ten X was involuntary dissolved as a limited liability company on 11/08/2013, with the State of Illinois.

2. At all relevant times, Respondent Rainmaker Securities, LLC ("RMS") was registered with the Secretary of State as a Broker-dealer in the State of Illinois Pursuant to Section 8 of the Act.

3. Respondent Richard F. Beston ("Beston") an Illinois resident was listed as Manager/President/CEO of Respondent Ten X and was registered as a direct/indirect owner of RMS.

4. Respondent John W. Branch ("Branch") a California resident was listed as the Manager/Chief Operating Officer of Respondent Ten X.

5. From January 2010 to July 2010, Respondent Brian Pebley ("Pebley") a Colorado resident was a registered representative of Respondent RMS. Respondent Pebley entered into a Consent Order with the Illinois Secretary of State, Department of Securities on June 15, 2015.

6. On two different Ten X confidential disclosure statements, one dated November 5, 2009 and the other dated January 15, 2010, Respondents state that Ten X was formed to acquire and develop various businesses operating in the financial services industry for the purpose of contributing and thereafter operating such businesses in one or more public companies. The disclosure statement also provides that RMS was founded in 2005 by Ten X founders as a securities broker-dealer, and that the membership interests of RMS were transferred to Ten X in the first quarter of 2008.

7. In a letter dated December 23, 2013, Glen Anderson, the current President of RMS, iterated that the Ten X offering was a self issuance and not recorded on the books and records of RMS.

8. Respondents list another part of the Company in the disclosure statement referenced above as Ten X Capital Partners III, LLC ("TXCP"). TXCP is a defined-purpose private equity fund investing in real estate and telecommunications assets. In June 2007, the telecommunications assets were sold. The remaining real estate asset was a data center building located one mile from the heart of Chicago.

9. TXCP was an Illinois limited liability company which was established in January 2001 and was revoked in July 2012.

10. On June 30, 2011, TXCP filed for Chapter 11 Bankruptcy. In the Bankruptcy documents, TXCP list the value of the property at $10,000,000. There were secured claims against the property in the amount of $6,935,691.38 representing liens by the lending bank and the County of Cook for unpaid property taxes. There was also $60,695 of unsecured claims against TXCP. The Bankruptcy also lists Personal Property of TXCP as Accounts Receivable from Ten X Holdings, LLC in the amount $488,326.24.

11. On information and belief, Pi Data Holdings, LLC, a Pennsylvania-based venture backed by private investors, paid $10,000,000 for the property located at 601 W. Polk St.

Chicago, IL allowing TXCP to pay off its creditors and drop the Chapter 11 Bankruptcy, which was dismissed on September 29, 2011.

12. Since the sale and dismissal of the Bankruptcy case, four of the seven known investors were paid in full their initial investment.

COUNT I

OMISSION OF A MATERIAL FACT

13. Sometime in March 2010, Investor A invested the sum of $165,000 in Ten X with the purchase of a promissory note in Respondent Ten X. Investor A had the sum of $165,000 transferred from her IRA account at Equity Trust on March 30, 2010. Investor A was listed as an accredited investor with over $1 Million in net worth.

14. Between December 2009 and March 2010, six other known investors invested in Ten X.

15. The offer and sale of the promissory notes in Respondent Ten X constitutes the offer and sale of a security as those terms are defined in Sections 2.1, 2.5, and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5/1 *et. seq.*] (the "Act").

16. Investor A was solicited to invest in Respondent Ten X by Respondent Pebley.

17. Investor B, Investor C, and Investor D, three of the other six promissory note holders, were also solicited to invest in Respondent Ten X by Respondent Pebley.

18. At the time of the investments by these four investors, Respondent Pebley was a registered representative of Respondent RMS. Records indicate that Respondent Pebley was registered with Respondent RMS from 1/25/2010 to 7/30/2010.

19. Investor A's initial communications regarding the investment in Respondent Ten X were handled by Respondent Pebley. In fact, Investor A received an email from Respondent Beston on November 22, 2010, with a letter attached informing her that Respondent Ten X was past-due in making a payment per the terms of the promissory note. Investor A, not recognizing any communication from Respondent Beston wrote Respondent Pebley an email on November 24, 2010, stating:

> "Brian: Please read this and get back to me. I almost didn't open it at all thinking it was junk mail because I didn't recognize rbeston. I am a little concerned so I would appreciate it if you would call me."

20. Furthermore, as evidenced by several emails, from 2010 until mid 2013, Respondent Pebley acted as the primary contact person for Investor A regarding email communications between Respondents Branch, Beston and Respondent Ten X.

21. Investor A and Investor B each received interest payments beginning in 12/2010 and ending in 4/2012. Since April 2012, Investor A and Investor B have not received either interest payments or repayment of their initial investment. Investors C and D have since had their notes retired by Respondent Ten X.

22. Depositions of Respondents Beston and Branch were taken by the Department in July 2014. Respondents Beston and Branch indicated that Respondent Pebley was not an employee of Respondent RMS, but was associated with Respondent RMS as he hung his license at the firm to clear trades. However, FINRA lists Respondent as a registered representative of Respondent RMS from January 2010 to July 2010.

23. No disclosure was made by Respondent Pebley to any of the four investors which he solicited regarding his registration as a representative with Respondent RMS.

24. Respondent Beston, who executed the Ten X notes, failed to disclose to the four investors that Respondent Pebley was registered with Respondent RMS, a company owned by Respondent Ten X.

25. Respondents Ten X and Beston failed to disclose material facts to the four investors to provide them with information necessary to make an informed decision before investing in Respondent Ten X.

26. Section 12.G of the Act states *inter alia* that it shall be a violation of this Act for any person to obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

COUNT II

OMISSION OF A MATERIAL FACT

27. Paragraphs 1 thru 26 are herein incorporated by reference.

28. Investor A received the November 5, 2009, confidential disclosure statement of Respondent Ten X before the purchase of the promissory note in Respondent Ten X in or around March 2010.

29. The November 5, 2009 confidential disclosure statement of Respondent Ten X does not disclose that Respondent Ten X was currently in the process of the purchase of Compass Financial Solutions, LTD ("CFS") which was a financial services marketing company with its principal place of business located in Colorado.

30. Respondent Ten X, by and through its principals Respondents Branch and Beston, executed several wire transfers to CFS Holding Company. The first occurring on January 5, 2010, in the amount of $60,000. The second on January 29, 2010 in the amount of

$100,000, and the last on February 16, 2010 in the amount of $75,000 for a total of $235,000.

31. These transfers were made before Investor A purchased the promissory note on March 30, 2010, and were not disclosed to her in the subscription documents or the confidential disclosure statement.

32. Furthermore, the November 5, 2009, confidential disclosure statement of Respondent Ten X does not disclose that Respondent Ten X was in engaged in a joint venture with Kenneth Brewington ("Brewington") and his company located in California called Brewington Holdings, LLC ("Brewington Holdings").

33. Respondent Ten X, by and through its principals Respondents Branch and Beston, executed several wire transfers to two individuals purportedly representing Brewington holdings, namely Brewington's sons; which was not in accordance with normal business practices of wiring funds to the companies bank account.

34. Beginning on December 12, 2009 thru March 16, 2010, Respondent Ten X, by and through its principals, made five (5) wire transfers to Brewington Holdings amounting to $535,000.

35. These transfers were made before Investor A purchased the promissory note on March 30, 2010, and were not disclosed to her in the subscription documents or the confidential disclosure statement. The subscription documents or the confidential disclosure statement make no mention of the joint venture with Brewington Holdings.

36. Moreover, after Investor A purchased the promissory note in Respondent Ten X, another three (3) wire transfers were affected by Respondent Ten X and its principals, Respondents Branch and Beston, to Brewington Holdings beginning April 1, 2010 through May 12, 2010 totaling and additional $540,000. Since that time, only $150,000 has been returned to Respondent Ten X from Brewington Holdings.

37. Respondents Ten X, Beston, and Branch failed to disclose material facts regarding the two investment opportunities Respondent Ten X was engaged in with CFS and Brewington Holdings to Investor A to provide her with information necessary to make an informed decision before investing in Respondent Ten X.

38. Section 12.G of the Act states *inter alia* that it shall be a violation of this Act for any person to obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

COUNT III

MAKING FALSE STATEMENTS

39. Paragraphs 1 through 38 are herein incorporated by reference.

40. Sometime in March or April 2012, Investor A's note matured and became due. Respondent Ten X was unable to make any payments on the note.

41. On May 25, 2012, Respondents Branch and Beston emailed Respondent Pebley and enclosed a note extension agreement for Investor A to sign which would extend the note to September 2012. Respondent Pebley forwarded the note extension agreement to Investor A with instructions to have her sign and return it to him.

42. Investor A signed the note extension and sent it back to Respondent Pebley who in turn sent it back to Respondent Branch.

43. In October of 2012, Respondent Branch sent an email containing a letter on Respondent Ten X letterhead stating that: "TXH continues to work to exit its last investment (in the approximate face amount of $1,700,000). Regrettably, we do not believe we will be able to exit the investment in time to make a full and final payment this month on the note to you. However, on exit of the investment, your note will be retired in full." The letter also contained another note extension agreement.

44. Investor A replied to both Respondents Branch and Pebley in October 2012 stating that she no longer wanted to extend the Note.

45. On October 19, 2012, Respondent Branch responded to Investor A's concerns in a letter typed on Respondent Ten X letterhead stating:

> The company cannot retire your note until such time as its last remaining asset is realized in cash. The asset is in the form of a joint venture/receivable that has yet to be collected and/or realized for the benefit of the company....We continue to work to collect the funds do TXH in order to finalize your note.

46. In the October 19, 2012 letter from Respondent Branch to Investor A, Respondent Branch refers to Respondent Pebley as Investor A's advisor, and indicates that he will call Respondent Pebley to discuss this matter.

47. Investor A ultimately signed another note extension agreement with Respondent Ten X in October 2012.

48. Since that time, Investor A has signed multiple note extensions with Respondent Ten X extending the note until Respondent Ten X can collect on the joint venture/receivable.

She has not been in communication with Respondent Pebley since mid 2013 where he became elusive and stopped returning her calls or responding to her emails. Investor A has remained in communications with Respondent Branch.

49. A deposition of Respondent Branch was taken by the Department in July 2014. At the deposition, Respondent Branch identified the account receivable/venture as Kenneth Brewington and Brewington Holdings.

50. At the July 2014 deposition, when asked by the Department what draws you to the conclusion that the Brewington Holding is a good receivable, Respondent Branch stated:

> "I was asked to represent Kenneth Brewington on the problem he is having, and I know what's with Brewington. I know his financial condition, and I know that when he gets this resolved, his financial condition will be sufficient to take care of this..... I didn't represent him until 2011."

51. On information and belief, Compass Financial Solutions, LTD ("CFS") from at least late November 2005 through at least April 2011, sold promissory notes that were guaranteed by CFS, and sold promissory notes that were guaranteed by Brewington and Brewington Holdings.

52. In or around August 2010, CFS began defaulting on the promissory notes which were guaranteed by CFS. As a result, Brewington and Brewington Holdings agreed to assume CFS's obligations to investors under the promissory notes.

53. To get CFS promissory note holders to agree to allow Brewington and Brewington Holdings to assume the obligations under the notes and delay making interest and principal payments on the notes to the CFS investors, Brewington claimed that Brewington Holdings had 500 million Euros in its overseas bank account.

54. Respondents Ten X, Beston, and Branch never disclosed to Investor A all that had transpired regarding their involvements with CFS and Brewington Holdings when they had her sign the extension agreements for the Ten X holdings promissory notes.

55. Moreover, Respondents Ten X, Beston, and Branch knew or should have known that Brewington and Brewington Holdings, their joint venture partners, had assumed all of CFS's debt to its investors, an entity they had attempted to purchase and wired money to, and that Brewington Holdings claimed to have 500 in Euros in an offshore account without verifying the validity of such claim.

56. Respondents Ten X, Beston, and Branch maintain that the receivable is still good and there are several letters to Investor A, on Ten X letterhead, that state they are close to obtaining the receivable.

57. However, the receivable never comes through, and Respondents Ten X, Beston, and Branch fail to disclose that the account receivable (Brewington Holdings) had assumed the debt of an entity (CFS) that they had already lost money on through probable fraud, and that Respondents should have had reasonable grounds to know that the representations made to Investor A in connection with the note extension agreements were false and/or untrue.

58. Furthermore, Kenneth Brewington of Brewington Holdings was indicted by the United States of America for wire and mail fraud on February 24, 2015.

59. Section 12.H of the Act states *inter alia* that it shall be a violation of this Act for any person to sign or circulate any statement, prospectus, or other paper or document required by any provision of this Act or pertaining to any security knowing or having reasonable grounds to know any material representation therein contained to be false or untrue.

COUNT IV

FAILURE TO SUPERVISE

60. Paragraphs 1 through 59 are herein incorporated by reference.

61. Section 8.E(1)(e) of the Act states *inter alia* Subject to the provisions of subsection F of Section 11 of this Act, the registration of a dealer may be denied, suspended or revoked if the Secretary of State finds that the dealer has failed reasonably to supervise the securities activities of any of its salespersons or other employees and the failure has permitted or facilitated a violation of Section 12 of this Act.

62. Respondent Pebley was a registered representative of Respondent RMS. Records indicate that Respondent Pebley was registered with Respondent RMS from 1/25/2010 to 7/30/2010.

63. Respondent Pebley solicited these investment opportunities in Respondent Ten X to at least four investors.

64. Investor A and Investor B state that they were introduced to the investments in Respondent Ten X by Respondent Pebley. In fact, at the time of his purchase of the Ten X note (2/25/2010), Investor B believed Respondent Pebley to be employed by PFS Investments, Inc. Records show that Respondent Pebley's registration with PFS Investments, Inc. terminated on November 2, 2009.

65. Investor C wire transferred the sum of $150,000 to Respondent Ten X, representing the purchase of her promissory note, on February 23, 2010. The wire instruction also states additional information: "Orig to BNF Info: Rainmaker Investment Note Brian Pebley."

66. Respondent Pebley did not list on his registration the outside business he was conducting in soliciting investments into Respondent Ten X.

67. Respondent Ten X principals were at the time the same principals as Respondent RMS because Respondent RMS was at that time owned by Respondent Ten X.

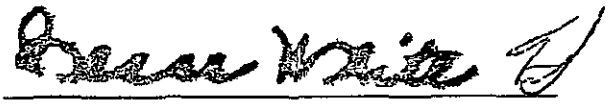
68. Respondent RMS, and its principals, were fully aware of Respondents Pebley's outside business activities.

69. Respondent RMS failed to supervise the sales activities of its registered agent Pebley when he sold investments into Ten X which had the same principals as RMS at the time of the investment. Respondent RMS failed to record on its books and records Respondent Pebley's outside activities involving Respondent Ten X. Furthermore, Respondent RMS failed to require Respondent Pebley, one of its registered agents, to update his U4 disclosures to reflect the outside business activities conducted by Respondent Pebley.

70. Section 12.A of the Act states *inter alia* that it shall be a violation of this Act for any person to offer or sell any security except in accordance with the provisions of this Act.

Delivery of notice to the designated representative of any Respondent constitutes service upon such Respondent.

Dated: This 16th day of June, 2015.



JESSE WHITE
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You are further notified that you are required pursuant to Section 1104 of the Rules to file an answer to the allegations outlined above, or other responsive pleading within 30 (thirty) days of receipt of this notice. Your failure to do this within the prescribed time shall be deemed an admission of the allegations contained in the Notice of Hearing and waives your right to a hearing.

Furthermore, you may be represented by legal counsel; may present evidence; may cross-examine witnesses and otherwise participate. A failure to appear shall constitute default by you.

A copy of the Rules and Regulations promulgated under the Illinois Securities Law and pertaining to hearings held by the Office of the Secretary of State, Illinois Securities Department, are available at the Department's website:

http://www.cyberdriveillinois.com/departments/securities/abtil.html