

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

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

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CONSENT ORDER

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

**TO THE ATTORNEY  
FOR THE RESPONDENT:** Rainmaker Securities, LLC  
(CRD # 132995)  
Care of:  
Michael P. Tomlinson  
Tomlinson Law Office, P.C.  
8501 W. Higgins Road  
Suite 420  
Chicago, IL 60631

WHEREAS, Glen Anderson, on behalf of Rainmaker Securities, LLC ("RMS"), on the 22nd day of August, 2016 executed a certain Stipulation to Enter into this Consent Order ("the Stipulation"), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation, Respondent RMS has admitted to the jurisdiction of the Secretary of State, Securities Department, and has consented to the entry of this Consent Order.

WHEREAS, by means of the stipulation, Respondent RMS neither admits nor denies the Findings of Facts contained in this Order:

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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 involuntarily 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. During the relevant period of 11/19/2009 to 4/21/2010 Respondent Beston was listed as the CEO and CCO of RMS.
4. 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.
5. Two different Ten X confidential disclosure statements, one dated November 5, 2009 and the other dated January 15, 2010, 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.
6. 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.
7. Section 8.E(1)(q) 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 to maintain the books and records required under this Act or rules or regulations promulgated under this Act or under any requirements established by the Securities and Exchange commission or a self-regulatory organization.
8. 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.

9. Respondent Pebley solicited these investment opportunities in Respondent Ten X to at least four investors.
10. 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. Email communications list Respondent Pebley as being associated with CFS Associates.
11. 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."
12. Respondent Pebley did not list on his registration the activities he was conducting in soliciting investments into Respondent Ten X.
13. 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.
14. Respondent RMS, and its principals at the time, were fully aware of Respondents Pebley's outside business activities.
15. 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 activities conducted by Respondent Pebley with respect to Ten X.
16. Respondent RMS failed to record on its books and records the sale of promissory notes in Respondent Ten X, by two representatives (CEO and CCO Beston and salesperson Pebley) of Respondent RMS, which benefitted Respondent RMS as registration records indicate that Ten X had deposited \$1,000,000 in capital into Rainmaker Securities in or around December 2009.
17. 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.

### CONCLUSIONS OF LAW

By means of Stipulation, Respondent RMS, neither admits nor denies the facts alleged in the Consent Order but acknowledges and agrees that the Consent Order is a settlement of a disputed action brought by the Secretary of State, Securities Department. Nothing herein shall

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constitute an admission of fact or law by any party. The following shall be adopted as the Secretary of State's Conclusions of Law:

1. Respondent RMS has violated Section 12.A of the Act.

**UNDERTAKINGS**

WHEREAS, by means of the Stipulation, and without admitting any fact, law or legal conclusion, Respondent RMS has agreed to the following:

1. Respondent RMS agrees to pay the costs of investigation in the amount of \$1,000 made payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund located at 69 West Washington, Suite 1220, Chicago, IL 60602 and referencing case # 1300406 within 15 days of this Order.
2. In lieu of a \$25,000 fine made payable to the Illinois Secretary of State, Respondent RMS agrees to send two checks to the Illinois Secretary of State, Securities Department referencing case # 1300406; one made payable to J.M. in the amount of \$16,125, and the other made payable J.H. in the amount \$8,875 within 15 days of this Order.

NOW THEREFORE, IT IS HEREBY ORDERED THAT:

1. **Respondent Rainmaker Securities, Inc.** SHALL pay the costs of investigation in the amount of \$1,000 made payable to the Office of the Secretary of State, Securities Audit and Enforcement Fund located at 69 West Washington, Suite 1220, Chicago, IL 60602 and referencing case # 1300406 within 15 days of this Order.
2. In lieu of a \$25,000 fine made payable to the Illinois Secretary of State, **Respondent Rainmaker Securities, Inc.** SHALL send two checks to the Illinois Secretary of State, Securities Department referencing case # 1300406; one made payable to J.M. in the amount of \$16,125, and the other made payable J.H. in the amount \$8,875 within 15 days of this Order.

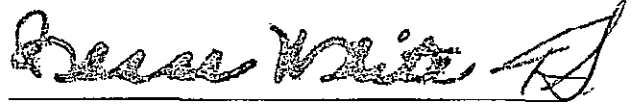
The Amended Notice of Hearing dated November 30, 2015, will be dismissed against Rainmaker Securities, Inc. without further proceedings upon full satisfaction of all obligations set forth in this Order.

The entry of this Consent Order with Rainmaker Securities ends the Secretary of State, Securities Department's formal hearing of this matter as it relates to Rainmaker Securities, LLC.

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

Dated: This 26<sup>th</sup> day of August, 2016.



JESSE WHITE  
Secretary of State  
State of Illinois

**NOTICE:** Failure to comply with the terms of this Order shall be a violation of Section 12.D of the Act. Any person or entity who fails to comply with the terms of this Order of the Secretary of State, having knowledge of the existence of the Order shall be guilty of a Class 4 Felony.

**This is a final order subject to administrative review pursuant to the Administrative Review Law, 735 ILCS 5/3 -101 *et seq.* and the Rules and Regulations of the Act (14 111. Admin. Code, Ch. I, Sec. 130.1123). Any action for judicial review must be commenced within thirty-five (35) days from the date a copy of this Order is served upon the party seeking review.**

Attorneys for the Secretary of State:  
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