

STATE OF ILLINOIS  
SECRETARY OF STATE  
SECURITIES DEPARTMENT

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IN THE MATTER OF:	)	
	)	
JOHN W. BRANCH, an individual:	)	File No. 1300406
	)	

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CONSENT ORDER

**TO THE RESPONDENT:**            **John W. Branch (CRD # 4891185)**  
   **317 Edgemont Drive**  
   **Redlands, CA 92373**

WHEREAS, John W. Branch as an owner of Ten X Holdings, on the 19th day of September, 2018 executed a certain Stipulation to Enter Consent Order (“the Stipulation”), which hereby is incorporated by reference herein.

WHEREAS, by means of the Stipulation. Respondent Branch, as an owner of Ten X Holdings, 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 John Branch as an owner of Ten X Holdings, neither admits nor denies the Findings of Facts contained in this Order:

The findings of fact are as follows:

1. By way of the Secretary of State’s Amended Order of Prohibition and Fine dated September 20, 2018 (“Order”). Ten X Holdings, LLC was found to have violated Section 12.G of the Illinois Securities Law of 1953 [815 ILCS 5/1 et. seq.] (“the Act”).
2. By way of the Order, Ten X Holdings, LLC was fined \$110,000 (One Hundred Ten Thousand and 00/100 Dollars) (“Fine”).
3. By way of the Order, Ten X Holdings, LLC and its partners, officers, directors, agents, employees, affiliates, successors, and assigns were prohibited from offering or selling securities in and from the State of Illinois.
4. Ten X Holdings, LLC (“Ten X”) is an Illinois limited liability company and is a consulting and business holdings entity that was established in May 2004. Ten X was involuntarily dissolved as a limited liability company with the State of Illinois on November 8, 2013.

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5. 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.
6. Richard F. Beston, an Illinois resident was listed as Manager /President /CEO of Ten X and was registered as a direct /indirect owner of RMS. During the period of November 19, 2009 to April 21, 2010 Beston was listed as the CEO and COO of RMS.
7. Respondent John W. Branch ("Branch") is a California resident who was listed as the Manager/Chief Operating Officer of Respondent Ten X Holdings, LLC. Respondent Branch is an owner in excess of twenty-five percent (25%) of the common membership interests of Ten X Holdings, LLC.
8. From January 2010 to July 2010, Brian Pebley ("Pebley") a Colorado resident was a registered representative of Respondent RMS.
9. On November 5, 2009, and January 15, 2010 Ten X issued two confidential disclosure statements wherein it was stated 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.
10. Ten X listed another part of the Company in the disclosure statement 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 in Chicago, Illinois.
11. In March 2010 J.H. invested \$165,000.00 in Ten X with the purchase of a promissory note in Ten X. J.H. had the sum of \$165,000.00 transferred from her IRA account at Equity Trust on March 30, 2010. Ten X listed J.H. as an accredited investor with over one million in net worth.
12. On February 25, 2010 J.M., as executor of his uncle's estate invested \$300,000.00 in Ten X Holdings, LLC and was given a promissory note by Ten X to repay the funds.
13. J.H. and J.M. were both solicited to invest in Ten X by a Brian Pebley. At the time of the investments, Brian Pebley was a registered representative of RMS. Records indicate that Pebley was registered with RMS from January 25, 2010 to July 30, 2010.
14. Brian Pebley acted as the main contact person in soliciting the investments for both J.H. and J.M. for Respondents Ten X.

15. Brian Pebley did not disclose to the investors he solicited for Respondents or that he was a registered representative of RMS.
16. Ten X Holdings, LLC failed to disclose material facts to the investors to provide them with information necessary to make an informed decision before investing in Ten X, and in subsequent renewals of the notes.
17. The two confidential disclosure agreements of November 5, 2009, and January 15, 2010, failed to disclose that Ten X had invested in Blue Jay Holdings, LLC ("Blue Jay") which was an entity controlled by Respondent Branch and Beston. That beginning on December 2, 2009 to March 29, 2010, Ten X transferred \$350,000.00 to Blue Jay.
18. The two confidential disclosure agreements of November 5, 2009, and January 15, 2010, failed to disclose that Ten X was currently in the process of purchasing Compass Financial Solutions, Ltd. ("CFS"), a financial services company with its principal place of business in Colorado.
19. Ten X executed several wire transfers to CFS Holding Company. The first occurring on January 5, 2010 in the amount of \$60,000.00. The second on January 29, 2010 in the amount of \$100,000.00, and the last on February 16, 2010 in the amount of \$75,000.00 for a total of \$235,000.00. These transfers were not disclosed to either Investors J.H. or J.M. prior to their investment, nor were they disclosed in the subscription agreement or the confidential disclosure documents.
20. The two confidential disclosure agreements of November 5, 2009, and January 15, 2010, failed to disclose that Ten X was engaged in a joint venture with Kenneth Brewington ("Brewington") and his company Brewington Holdings, LLC ("Brewington Holdings") located in California. Moreover the disclosure agreements and Ten X failed to disclose a judgment against Brewington in the amount of \$1,240,000.00 by the MGM Grand Hotel and the Bellagio Hotel on November 9, 2009. In addition, Ten X failed to disclose wire transfers to Brewington totaling \$535,000.00 from December 12, 2009, thru March 16, 2010, and additional wire transfers to Brewington in the amount of \$540,000.00 between April 1, 2010 and May 12, 2010.
21. Ten X failed in the two confidential disclosure agreements of November 5, 2009, and January 15, 2010, or otherwise in their dealings with investors, to disclose the investments in Bluejay, CFS, or Brewington.
22. Ten X failed to update and disclose to J.H. and J.M. before extending their notes, distributions and investments made after their initial investment.
23. 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.

24. Ten X omitted to disclose material facts to the Respondent Ten X promissory note holders.

### CONCLUSIONS OF LAW

WHEREAS, by means of the Stipulation, Respondent John Branch, as an owner of Respondent Ten X, acknowledges, agrees and admits that the following shall be adopted as the Secretary of State's Conclusions of Law:

1. Illinois has jurisdiction over this matter pursuant to the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act");
2. Respondent John Branch as an owner of Respondent Ten X, acknowledges, agrees and admits that the Secretary of State found that Ten X violated Section 12.G of the Act.

### UNDERTAKINGS

WHEREAS, by means of the Stipulation, Respondent Branch has acknowledged the following undertakings:

1. Respondent, by means of Stipulation, shall be prohibited from the offer or sale of securities in or from the State of Illinois;
2. Respondent, by means of Stipulation, shall be prohibited from seeking registration as an investment adviser, investment adviser representative, or salesperson in the State of Illinois;
3. Respondent Branch agrees to pay a fine in the amount of \$50,000 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 30 days of this Order.

NOW THEREFORE, IT IS HEREBY ORDERED THAT:

1. **Respondent John Branch SHALL** be prohibited from the offer or sale of securities in or from the State of Illinois;
2. **Respondent John Branch SHALL** be prohibited from seeking registration as an investment adviser, investment adviser representative, or salesperson in the State of Illinois;

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3. **Respondent John Branch SHALL** pay a fine in the amount of \$50,000 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 30 days of this Order.

The entry of this Consent Order terminates the Order of Prohibition and Fine dated March 7, 2017 as it relates to John Branch, and dismisses the Amended Notice of Hearing dated November 30, 2015 as it relates to John Branch.

The entry of this Consent Order ends the Illinois Secretary of State, Securities Department's formal hearing of this matter as it relates to Respondent Branch, and payment of the \$50,000 shall represent full and complete satisfaction of Mr. Branch's liability regarding any and all monies owed directly or indirectly by Ten X Holdings, LLC to the Illinois Secretary of State Securities Department.

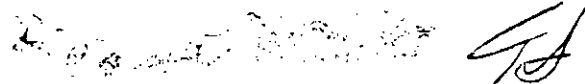
The entry of this Consent Order does not waive John Branch's right to seek modification of this Order pursuant to Section 11.E(2) of the Illinois Securities Law of 1953.

**NOTICE: Failure to comply with the terms of this Order shall be a violation of Section 12.D of the Illinois Securities Law of 1953, as amended, 815 ILCS 5/1 et seq. (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 this Order, shall be guilty of a Class 4 felony.**

**This is a Final Order subject to judicial review pursuant to the Administrative Review Law, 735 ILCS 5/3-101 et seq. and the Rules and Regulations of the Act (14 Ill. 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. Mailing of this Order to the Respondent or representative of record constitutes service of the Order.**

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

Date of Mailing: This 20th day of September, 2018.



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JESSE WHITE  
Secretary of State  
State of Illinois

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