

Award
FINRA Dispute Resolution Services

In the Matter of the Arbitration Between:

Claimant
Amy Boyet Besse

Case Number: 20-01412

vs.

Respondent
Rainmaker Securities, LLC

Hearing Site: St. Louis, Missouri

Awards are rendered by independent arbitrators who are chosen by the parties to issue final, binding decisions. FINRA makes available an arbitration forum—pursuant to rules approved by the SEC—but has no part in deciding the award.

Nature of the Dispute: Associated Person vs. Member

REPRESENTATION OF PARTIES

For Claimant Amy Boyet Besse (“Claimant”): Chelsea Masters, Esq. and Dochter Kennedy, Esq., AdvisorLaw, LLC, Westminster, Colorado.

For Respondent Rainmaker Securities, LLC (“Respondent”): Dominic C. Cioffi, Esq., Rainmaker Securities, LLC, Miami, Florida.

CASE INFORMATION

Statement of Claim filed on or about: May 5, 2020.
Claimant signed the Submission Agreement: May 5, 2020.

Statement of Answer filed on or about: May 13, 2020.
Respondent signed the Submission Agreement: May 13, 2020.

CASE SUMMARY

In the Statement of Claim, Claimant asserted a claim seeking expungement of customer dispute information from registration records maintained by the Central Registration Depository (“CRD”).

In the Statement of Answer, Respondent did not oppose Claimant’s expungement request.

RELIEF REQUESTED

In the Statement of Claim, Claimant requested expungement of Occurrence Number 1975140, an award of compensatory damages in the amount of \$1.00, and any and all other relief that the Arbitrator deems just and equitable.

In the Statement of Answer, Respondent did not request any relief.

At the hearing, Claimant withdrew the request for \$1.00 in compensatory damages.

OTHER ISSUES CONSIDERED AND DECIDED

The Arbitrator acknowledges having read the pleadings and other materials filed by the parties.

On October 12, 2020, Claimant advised that the customer in Occurrence Number 1975140 (“Customer”) was served with the Statement of Claim and notice of the date and time of the expungement hearing (“Notice”). On October 20, 2020, Claimant filed an Affidavit confirming the Customer was served with the Notice. Claimant also filed a copy of the FedEx tracking information available online for the Notice. On December 28, 2020, Claimant advised that the Customer was served with notice of the date and time of the rescheduled expungement hearing (“2nd Notice”). On January 5, 2021, Claimant filed an Affidavit confirming the Customer was served with the 2nd Notice. Claimant also filed a copy of the FedEx tracking information available online for the 2nd Notice.

The Arbitrator conducted a recorded, telephonic hearing on February 18, 2021, so the parties could present oral argument and evidence on Claimant’s request for expungement.

Respondent participated in the expungement hearing and, as stated in the Statement of Answer, did not oppose the request for expungement.

The Customer did not participate in the expungement hearing. The Arbitrator found that the Customer had notice of the expungement request and hearing.

The Arbitrator reviewed Claimant’s BrokerCheck® Report. The Arbitrator noted that a prior arbitration panel or court did not previously rule on expungement of the same occurrence in the CRD.

The Arbitrator also reviewed the settlement documentation related to Occurrence Number 1975140, considered the amount of payment made to any party to the settlement, and considered other relevant terms and conditions of the settlement. The Arbitrator noted that the settlement was not conditioned on any party to the settlement not opposing the expungement request and that Claimant did not contribute to the settlement amount.

In recommending expungement, the Arbitrator relied upon the following documentary or other evidence: Claimant’s testimony, Claimant’s BrokerCheck® Report, Selling Agreement, Private Placement Memorandum, correspondence between interested parties regarding contractual duties under the Selling Agreement, the settlement documentation, and documentation regarding dismissal of the lawsuit.

AWARD

After considering the pleadings, the testimony and evidence presented at the expungement hearing, and any post-hearing submissions, the Arbitrator has decided in full and final resolution of the issues submitted for determination as follows:

1. The Arbitrator recommends the expungement of all references to Occurrence Number 1975140 from registration records maintained by the CRD for Claimant Amy Boyet Besse (CRD Number 6275277) with the understanding that, pursuant to Notice to Members 04-16, Claimant Amy Boyet Besse must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.

Unless specifically waived in writing by FINRA, parties seeking judicial confirmation of an arbitration award containing expungement relief must name FINRA as an additional party and serve FINRA with all appropriate documents.

Pursuant to Rule 13805 of the Code of Arbitration Procedure (“Code”), the Arbitrator has made the following Rule 2080 affirmative finding of fact:

The registered person was not involved in the alleged investment-related sales practice violation, forgery, theft, misappropriation, or conversion of funds.

The Arbitrator has made the above Rule 2080 finding based on the following reasons:

The Customer, an entity seeking financing, entered into the Selling Agreement with Respondent. Claimant was the Chief Compliance Officer of Respondent at the time. She was not involved in the contractual negotiations or in establishing the terms of the Selling Agreement, nor was Claimant part of any sales attempts or locating of potential investors. Per the Selling Agreement, Respondent was to introduce the Customer to prospective investors and, if successful, receive a fee for the Customer gaining investors from Respondent’s efforts. Respondent raised more than \$200,000.00 for the Customer. However, the capital raised was insufficient, and the Customer filed for bankruptcy. Respondent and some individuals employed by Respondent, including Claimant, were sued. The allegations included that the Selling Agreement was breached and negligent supervision, vis-à-vis Claimant. Since Claimant was not involved in the sales practices and testified that Respondent performed all of its responsibilities under the Selling Agreement prior to the first admitted breach by the Customer, Claimant could not have been involved in any alleged misconduct or failure to supervise. The Customer and Respondent settled their dispute without Claimant's involvement or contribution.

2. Any and all claims for relief not specifically addressed herein are denied.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

FINRA Dispute Resolution Services assessed a filing fee* for each claim:

Initial Claim Filing Fee	= \$	50.00
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**The filing fee is made up of a non-refundable and a refundable portion.*

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firms that employed the associated persons at the time of the events giving rise to the dispute. Accordingly, as a party, Respondent is assessed the following:

Member Surcharge Fee = \$ 150.00

Postponement Fees

Postponements granted during these proceedings for which fees were assessed or waived:

November 23, 2020, postponement requested by Claimant Waived

Hearing Session Fees and Assessments

The Arbitrator has assessed hearing session fees for each session conducted. A session is any meeting between the parties and the Arbitrator, including a pre-hearing conference with the Arbitrator, which lasts four (4) hours or less. Fees associated with these proceedings are:

One (1) pre-hearing session @ \$50.00/session = \$ 50.00
Pre-Hearing Conference: August 27, 2020 1 session

One (1) hearing session on expungement request @ \$50.00/session = \$ 50.00
Hearing: February 18, 2021 1 session

Total Hearing Session Fees = \$ 100.00

The Arbitrator has assessed the total hearing session fees to Claimant.

All balances are payable to FINRA Dispute Resolution Services and are due upon receipt.

ARBITRATOR

Tracy L. Allen

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Sole Public Arbitrator

I, the undersigned Arbitrator, do hereby affirm that I am the individual described herein and who executed this instrument, which is my award.

Arbitrator's Signature

Tracy L. Allen

Tracy L. Allen
Sole Public Arbitrator

02/23/2021

Signature Date

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February 23, 2021

Date of Service (For FINRA Dispute Resolution Services use only)