

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING  
File No. 3-21364



IN THE MATTER OF  
MARCUS BEAM  
Respondent.

RESPONDENT'S ANSWER TO THE DIVISION'S MOTION FOR SUMMARY  
DISPOSITION AND IMPOSITION OF SANCTIONS AND MEMORANDUM OF  
LAW IN SUPPORT

Pursuant to Rule 250(b) of the Commission's Rules of Practice Respondent Marcus Beam ("Beam") answer's the Division of Enforcement's motion for summary disposition and imposition of sanctions.

(1). Beam was sole owner, officer and director of Chase Private Equity a/k/a New World Capital ("CPE"), a fund Beam advised as to the value of securities and as to the advisability of investing in, purchasing, or selling securities.

(2). Beam solicited investors through CPE to invest in pre-Initial Public Offerings ("IPO") share and in shares of other public companies such as Uber, Lyft, and various high technology start-ups, as well as alternative investments such as precious metals, art, and real estate.

(3). The funds Beam received from investors were placed with his firms clearing house prior to investment. The clearing house was also CPE's Master Principal Broker.

(4). On April 11, 2023, the Securities and Exchange Commission issued an order instituting proceedings ("OIP") against Beam pursuant to Section 203(f) of the Investment Advisors Act of 1940, 15 U.S.C. §80b-3(the "Advisers Act").

(5). As part of his guilty plea in criminal companion case 19 cr-00698, Beam admitted, among other things, that during the relevant time period, he was associated with CPE; he illegally solicited and received funds from individuals in connection with CPE and promised to invest the funds in pre-IPO shares and other securities, and admitted to misappropriating a significant portion of the funds for his own benefit. According to the Plea Agreement, Beam fabricated periodic account statements and other documents, showing the fund had been invested as Beam represented and that investors were earning returns. Finally, Beam was unable to cover investor calls for their capital.

(6). The question now remains why would Beam plead guilty and admit certain facts where the burden of proof is beyond a reasonable doubt, yet contest the Division of Enforcement's charges before the Securities and Exchange Commission?

(7). While a federal criminal Plea Agreement leaves open a path for argument at both sentencing and post-sentencing proceedings, it is hardly wider than the eye of a needle. It is no answer to say that Beam is striking a deal with the Government and could have rejected the terms and relevant conduct if he wanted to do so, because such a statement does not reflect the realities of the bargaining

table. As to terms such as Beam's Plea Agreement, plea agreements are contracts of adhesion. The Government offers the defendant a deal, and the defendant can take it or leave it. If he leaves it, he does so at his own peril. And that peril is real because on the other side of the offer is the enormous power of the United States Attorney to investigate, to order arrests, to bring a case or dismiss it, to recommend a sentence or the conditions of supervised release, and so on. Imagine the choice the Government in the criminal case has put Beam to. All that power and the all to immediate consequences of opposing it weighed against the unknowable circumstances of a trial and the trial penalty that would follow a guilty verdict. That is not really a choice at all for someone in Beam's shoes.

(8). The Commission should find that while Beam did make false and misleading statements, his entire business was not built on such conduct. He may have acted negligently but that is not the same as making false and misleading statements with scienter.

(9). Beam cleared his funds and any trades together with most alternative investments through a clearing house or principal Broker. Ultimately, Beam did purchase various investments, albeit not as many as portrayed in the investor account statements. Therefore, the investor loss amount is subject to dispute and all statements and the financial records of CPE and its Principal Clearing Broker must be audited.

(10). Beam has been in federal custody for approximately 46-months and unable to review financial documents for the relevant

time period. Upon release, Beam will retrieve or subpoena the requisite documents and provide an accurate accounting for the Commission and the Division of Enforcement.

(11). Beam's business encompassed both securities that could be "marked to the market" and alternative investments in which comparative market analysis can be obtained but which is much more subjective than publicly traded securities. Beam will need time to obtain these values and study the investor accounts as well as the finances of his Principal Broker.

THEREFORE, Marcus Beam admits some of the Division of Enforcement's allegations and disputes others. The extent of the dispute is uncertain as Beam is handicapped by the fact of his detention and inability to review the above referenced documents. Beam's sentencing is now pending a new date. Presuming the Court does not once again postpone the sentencing, Beam should be either released immediately or within several months of the sentencing hearing. Consequently, Beam answers the Division of Enforcement as stated above and further asks this Honorable Commission to grant him a status date within 90-days of this date to schedule further proceedings.

Respectfully submitted,

  
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Marcus Beam  
  

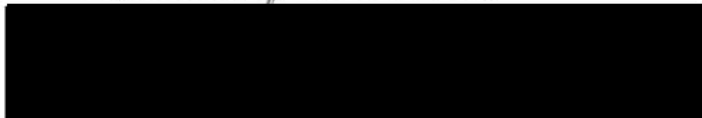

CERTIFICATE OF SERVICE

I, Marcus Beam state under penalty of perjury that on April 18, 2024, I deposited this Answer to the Division 's Motion for Summary Disposition and Imposition of Sanctions in the Metropolitan Correctional Center Legal Mail System, first class postage prepaid and affixed thereto, addressed as follows:

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Securities and Exchange Commission  
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Respectfully submitted,



Marcus Beam

