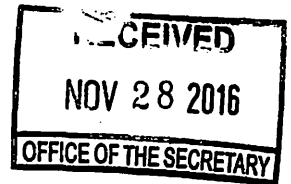


UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION



ADMINISTRATIVE PROCEEDING
File No. 3-17651

In the Matter of

ADRIAN D. BEAMISH, CPA

Respondent.

: RESPONDENT ADRIAN D. BEAMISH'S
: ANSWER AND AFFIRMATIVE
: DEFENSES
:
:

Pursuant to Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220, Respondent Adrian D. Beamish respectfully answers the allegations contained in the Order Instituting Public Administrative Proceedings (the "Order" or "OIP") in the above-referenced matter. Save as expressly admitted or denied herein, Mr. Beamish denies all allegations within the Order.

Section I

Mr. Beamish denies having sufficient information to address what the Securities and Exchange Commission ("SEC" or "Commission") deemed "appropriate" as set forth in Section I, except to state that the OIP is not appropriate.

Section II

Summary:

1. Mr. Beamish denies each and every allegation in Paragraph 1.
2. Mr. Beamish denies each and every allegation in Paragraph 2.
3. Mr. Beamish denies each and every allegation in Paragraph 3.

Respondent:

4. Mr. Beamish admits the allegations in Paragraph 4, except: (1) denies that he conducts audits of both public and private entities for PricewaterhouseCoopers LLP ("PwC");

(2) denies that he is age 44; and (3) denies that he is a resident of Los Altos, California. Mr. Beamish further states that he currently does no audit work at all for any public or private clients.

Related Persons and Entities:

5. Mr. Beamish admits that Burrill was a partner at Ernst & Young and focused on the biotechnology industry. Mr. Beamish further states that on March 30, 2016, the Commission issued an “Order Instituting Public Administrative and Cease-And Desist Proceedings, Pursuant to Sections 4C and 21C of the Securities and Exchange Act of 1934, Sections 203(e), 203(f) and 203(k) of the Investment Advisers Act of 1940, Section 9(b) of the Investment Company Act of 1940, and Rule 102(e)(1)(iii) of the Commission’s Rules of Practice, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order” naming G. Steven Burrill, CPA, Victor A. Hebert, Esq, Helena C. Sen, CPA and Burrill Capital Management, LCC. In its March 30, 2016 order, the Commission barred Burrill, Hebert, and Sen from appearing or practicing before the Commission, ordered Burrill and BCM to pay disgorgement of \$4,600,000.00, prejudgment interest of \$185,000.00, and a civil money penalty of \$1,000,000. The Commission further ordered Hebert and Sen to pay a civil money penalty of \$185,000.00 and \$90,000.00 respectively. Except as otherwise admitted, Mr. Beamish lacks information sufficient to admit or deny the allegations in Paragraph 5 and on that basis denies each and every allegation therein.

6. Mr. Beamish lacks information sufficient to admit or deny the allegations in Paragraph 6 and on that basis denies each and every allegation therein.

7. Mr. Beamish denies each and every allegation in Paragraph 7.

8. Mr. Beamish admits the allegations in Paragraph 8, except states that the term “four others” is vague and ambiguous.

9. Mr. Beamish lacks information sufficient to admit or deny the allegations in Paragraph 9 and on that basis denies each and every allegation therein. The Fund's 2012 financial statements speak for themselves. The term "controlled" is vague and ambiguous.

10. Mr. Beamish admits the allegations in Paragraph 10, except states that the term "via their members firms" is vague and ambiguous.

Facts:

11. Mr. Beamish lacks information sufficient to admit or deny the allegations in Paragraph 11 and on that basis denies each and every allegation therein. Mr. Beamish further denies each and every allegation in Paragraph 11 as fundamentally incomplete. Mr. Beamish further states that the term "[f]ive individuals" is vague and ambiguous.

12. The documents governing Fund III speak for themselves, and Mr. Beamish denies each and every allegation in Paragraph 12 as fundamentally incomplete.

13. The documents governing Fund III speak for themselves, and Mr. Beamish denies each and every allegation in Paragraph 13 as fundamentally incomplete.

14. Mr. Beamish admits that Fund III retained PwC to serve as its auditor to conduct annual audits on Fund III for the 2006 – 2012 years, and that at no point during that period was PwC retained to audit Burrill Capital Management, LLC, Burrill Life Sciences Capital Fund III Partners, LP, or Burrill Capital, LLC. Mr. Beamish admits that he served as audit partner for PwC's 2006 – 2012 annual audits of Fund III. Mr. Beamish admits that the management of Fund III were responsible for the content of the financial documents provided to PwC, and that certain managers of Fund III were also members of the Fund III General Partner. Mr. Beamish further states that his responsibilities as audit partner are set forth in applicable auditing standards, and that those standards speak for themselves. Except as otherwise admitted, Mr. Beamish denies the allegations in Paragraph 14.

15. Mr. Beamish denies each and every allegation in Paragraph 15. The audit reports for Fund III's 2009 – 2012 audits speak for themselves, and Mr. Beamish denies the allegations in Paragraph 15 to the extent inconsistent therewith.

16. Mr. Beamish lacks information sufficient to admit or deny the allegations in Paragraph 16 and on that basis denies the allegations therein. The "books" of Fund III speak for themselves. Mr. Beamish further states that during the relevant time period PwC was not retained to audit the financial statements of BCM.

17. Mr. Beamish lacks information sufficient to admit or deny the allegations in Paragraph 17. Fund III's financial statements speak for themselves. Mr. Beamish further states that during the time period in question PwC was not retained to audit the accounts of the General Partner or of BCM.

18. Mr. Beamish denies each and every allegation in Paragraph 18. Mr. Beamish further states that the Fund III financial statements speak for themselves.

19. Mr. Beamish denies each and every allegation in Paragraph 19. Mr. Beamish further states that the terms "PwC's internally-established threshold for materiality" and "unusual in the industry" are vague and ambiguous. Mr. Beamish further states that the Generally Accepted Auditing Standards relating to audits of private, closely-held funds with highly sophisticated investors speak for themselves, and that the allegations in Paragraph 19 are fundamentally incomplete.

20. Mr. Beamish denies each and every allegation in Paragraph 20.

21. Mr. Beamish denies each and every allegation in Paragraph 21.

22. The Generally Accepted Auditing Standards speak for themselves. Mr. Beamish denies each and every allegation in Paragraph 22 as fundamentally incomplete, and to the extent they are inconsistent with Generally Accepted Auditing Standards.

23. Mr. Beamish states that Paragraph 23 contains legal conclusions to which no answer is required. To the extent a responsive pleading is required, Mr. Beamish denies each and every allegation in Paragraph 23. Mr. Beamish further denies each and every allegation in Paragraph 23 as fundamentally incomplete.

24. Mr. Beamish states that Paragraph 24 consists of legal conclusions to which no answer is required. To the extent a responsive pleading is required, Mr. Beamish denies each and every allegation in Paragraph 24. Mr. Beamish further denies each and every allegation in Paragraph 24 as fundamentally incomplete.

25. Mr. Beamish denies each and every allegation in Paragraph 25. The Generally Accepted Auditing Standards speak for themselves, and Mr. Beamish further denies each and every allegation in Paragraph 25 as fundamentally incomplete, and to the extent they are inconsistent with Generally Accepted Auditing Standards.

26. The Generally Accepted Auditing Standards speak for themselves. Mr. Beamish denies each and every allegation in Paragraph 26 as fundamentally incomplete, and to the extent they are inconsistent with Generally Accepted Auditing Standards.

27. Mr. Beamish states that Paragraph 27 consists of legal conclusions to which no answer is required. To the extent a responsive pleading is required, Mr. Beamish denies each and every allegation in Paragraph 27. The Fund III year-end 2009, 2010, and 2011 financial statements speak for themselves, and Mr. Beamish further denies each and every allegation in Paragraph 27 to the extent inconsistent therewith, and to the extent the allegations are fundamentally incomplete.

28. Mr. Beamish states that Paragraph 28 consists of legal conclusions to which no answer is required. To the extent a responsive pleading is required, Mr. Beamish denies each and every allegation in Paragraph 28.

29. The Fund III financial statements and balance sheets speak for themselves, and Mr. Beamish denies each and every allegation in Paragraph 29 to the extent inconsistent therewith, and to the extent the allegations are fundamentally incomplete.

30. Mr. Beamish denies each and every allegation in Paragraph 30. The quoted “proposal” speaks for itself, and Mr. Beamish denies each and every allegation in Paragraph 30 to the extent inconsistent therewith, and to the extent the allegations are fundamentally incomplete.

31. Mr. Beamish denies each and every allegation in Paragraph 31. The quoted communications, financial statement footnote, and audited financial statements speak for themselves, and Mr. Beamish denies each and every allegation in Paragraph 31 to the extent inconsistent therewith, and to the extent the allegations are fundamentally incomplete.

32. Mr. Beamish states that Paragraph 32 consists of legal conclusions to which no answer is required. To the extent a responsive pleading is required, Mr. Beamish denies each and every allegation in Paragraph 32. The audited financial statements speak for themselves, and Mr. Beamish denies each and every allegation in Paragraph 32 to the extent inconsistent therewith, and to the extent the allegations are fundamentally incomplete.

33. Mr. Beamish states that Paragraph 33 consists of legal conclusions to which no answer is required. To the extent a responsive pleading is required, Mr. Beamish denies each and every allegation in Paragraph 33. The related party footnote to the year-end 2012 financial statements speak for themselves, and Mr. Beamish denies each and every allegation in Paragraph 33 to the extent inconsistent therewith, and to the extent the allegations are fundamentally incomplete.

34. Mr. Beamish states that Paragraph 34 consists of legal conclusions to which no answer is required. To the extent a responsive pleading is required, Mr. Beamish denies each and every allegation in Paragraph 34. The related party footnote to the year-end 2012

financial statements, and the Generally Accepted Auditing Standards, speak for themselves, and Mr. Beamish denies each and every allegation in Paragraph 34 to the extent inconsistent therewith, and to the extent the allegations are fundamentally incomplete.

35. Mr. Beamish states that Paragraph 35 consists of legal conclusions to which no answer is required. To the extent a responsive pleading is required, Mr. Beamish denies each and every allegation in Paragraph 35. The Fund III audited financial statements, Fund III Limited Partnership Agreement, and the Generally Accepted Auditing Standards, speak for themselves, and Mr. Beamish denies each and every allegation in Paragraph 35 to the extent inconsistent therewith, and to the extent the allegations are fundamentally incomplete.

36. Mr. Beamish states that Paragraph 36 consists of legal conclusions to which no answer is required. To the extent a responsive pleading is required, Mr. Beamish denies each and every allegation in Paragraph 36. The “representations” made by Burrill speak for themselves, and Mr. Beamish denies each and every allegation in Paragraph 36 to the extent inconsistent therewith, and to the extent the allegations are fundamentally incomplete.

37. Mr. Beamish denies each and every allegation in Paragraph 37. The Generally Accepted Auditing Standards speak for themselves, and Mr. Beamish denies each and every allegation in Paragraph 37 to the extent inconsistent therewith, and to the extent the allegations are fundamentally incomplete.

38. The year-end 2009-2011 audited financial statements and the management fee footnote to the Fund III year-end 2012 financial statements speak for themselves. Mr. Beamish denies each and every allegation in Paragraph 38 to the extent inconsistent therewith, and to the extent the allegations are fundamentally incomplete.

39. Mr. Beamish states that Paragraph 39 consists of legal conclusions to which no answer is required. To the extent a responsive pleading is required, Mr. Beamish denies each and every allegation in Paragraph 39. The Generally Accepted Auditing Standards

speak for themselves, and Mr. Beamish denies each and every allegation in Paragraph 39 to the extent inconsistent therewith, and to the extent the allegations are fundamentally incomplete.

40. Mr. Beamish states that Paragraph 40 consists of legal conclusions to which no answer is required. To the extent a responsive pleading is required, Mr. Beamish denies each and every allegation in Paragraph 40. The Generally Accepted Auditing Standards speak for themselves, and Mr. Beamish denies each and every allegation in Paragraph 40 to the extent inconsistent therewith, and to the extent the allegations are fundamentally incomplete.

41. Mr. Beamish lacks information sufficient to admit or deny the allegations in Paragraph 41 and on that basis denies each and every allegation therein. Mr. Beamish states that PwC was not retained to complete the 2013 year-end audit of the Fund III financial statements.

42. Mr. Beamish lacks information sufficient to admit or deny the allegations in Paragraph 42 and on that basis denies each and every allegation therein. Mr. Beamish states that PwC was not retained to complete the 2013 year-end audit of the Fund III financial statements and that Mr. Beamish was not engaged in audit work for Fund III of any kind during the month of August 2013.

43. Mr. Beamish lacks information sufficient to admit or deny the allegations in Paragraph 43 and on that basis denies each and every allegation therein. Mr. Beamish states that PwC was not retained to complete the 2013 year-end audit of the Fund III financial statements and that Mr. Beamish was not engaged in audit work for Fund III of any kind during the month of October 2013.

44. Mr. Beamish admits that on November 6, 2013, Ann Hanham, Bryant Fong, and Roger Wyse (all of whom served on the Fund III Investment Committee, and one of

whom was simultaneously a board member of one of the Fund III Limited Partners on the Fund III Limited Advisory Committee) sent Mr. Beamish documents related to Fund III. Mr. Beamish states that the documents provided to him on November 6, 2013 speak for themselves, and Mr. Beamish denies each and every allegation in Paragraph 44 to the extent inconsistent therewith, and to the extent the allegations are fundamentally incomplete.

45. Mr. Beamish admits that he was made aware in September 2013 that PwC intended to resign as auditor of Fund III for reasons unrelated to the allegations contained in the Order. Mr. Beamish admits that he made numerous appointments in October 2013 to convey PwC's resignation to Victor Hebert, and that Victor Hebert rescheduled those appointments on multiple occasions. Mr. Beamish admits that, on November 11, 2013, he had a telephone conversation with Victor Hebert in which he conveyed to Hebert that PwC was resigning as the auditor of Fund III. Except as otherwise admitted Mr. Beamish denies each and every allegation in Paragraph 45.

46. Mr. Beamish lacks information sufficient to admit or deny the allegations in Paragraph 46 and on that basis denies each and every allegation therein. Mr. Beamish states that PwC was not retained to complete the 2013 or 2014 year-end audits of the Fund III financial statements and that Mr. Beamish was not engaged in audit work for Fund III of any kind after completing work on the 2012 year-end audit of the Fund III financial statements. Mr. Beamish further states that on information and belief, the Limited Partners of Fund III redistributed the value of the General Partner's Fund III capital account to themselves, with a valuation calculated at more than \$15.3 million as of year-end 2012, subsequent to PwC's resignation as auditor of Fund III.

Violations:

47. Mr. Beamish states that Paragraph 47 constitutes a legal conclusion to which no answer is required. To the extent that a responsive pleading is required, Mr. Beamish denies each and every allegation in Paragraph 47.

48. Mr. Beamish states that Paragraph 48 constitutes a legal conclusion to which no answer is required. To the extent that a responsive pleading is required, Mr. Beamish denies each and every allegation in Paragraph 48.

49. Mr. Beamish states that Paragraph 49 constitutes a legal conclusion to which no answer is required. To the extent that a responsive pleading is required, Mr. Beamish denies each and every allegation in Paragraph 49.

Mr. Beamish denies each and every allegation of the Division of Enforcement not herein admitted, qualified, or denied. Mr. Beamish expressly reserves the right to seek to amend and/or supplement his Answer as may be appropriate or necessary.

AFFIRMATIVE DEFENSES

Further answering the Order, Mr. Beamish asserts the following affirmative defenses without assuming the burden of proof where the burden would otherwise rest on the Commission:

First Affirmative Defense

(Failure to State a Claim)

1. The allegations of the Division of Enforcement fail to state a claim upon which relief may be granted by the Commission.

Second Affirmative Defense

(Failure to Provide Fair Notice)

2. The text of the Order fails to honor the mandate, set forth in Rule 200(b), 17 C.F.R. § 201.200(b), that, where an answer is required by the Commission, the Order “shall

set forth the factual and legal basis alleged therefor in such detail as will permit a specific response thereto.” For the reasons set forth in the accompanying Motion for More Definite Statement, Mr. Beamish has been denied his right to fair notice of the charges against him and adequate opportunity to prepare his defense thereto, and reserves right to amend this Answer or otherwise further move accordingly.

Third Affirmative Defense

(Due Process/Retroactivity)

3. The Order denies Mr. Beamish due process and fair notice as provided in the Fifth Amendment to the United States Constitution and the Administrative Procedures Act because the Order seeks to retroactively apply new interpretations of the plain language of applicable rules and professional standards.

Fourth Affirmative Defense

(Due Process/Vagueness)

4. The Order contravenes Mr. Beamish’s right to due process as provided in the Fifth Amendment to the United States Constitution because it seeks to enforce vague and overbroad laws based on rules and professional standards, or interpretations thereof, that are unduly vague and subjective.

Fifth Affirmative Defense

(Due Process/Procedure)

5. The Order and these proceedings contravene Mr. Beamish’s right to due process as provided in the Fifth Amendment to the United States Constitution because the proceedings do not afford an adequate opportunity to defend the charges and deprive Mr. Beamish of access to information and evidence relevant to his defense.

Sixth Affirmative Defense

(Due Process/Discriminatory Enforcement)

6. The institution and prosecution of these proceedings amount to selective discriminatory enforcement of laws administered by the Commission and violate Mr. Beamish's Constitutional right to due process.

Seventh Affirmative Defense

(Arbitrary and Capricious)

7. The Commission's authorization of these proceedings was arbitrary and capricious in that the allegations in the Order lack support either in the record or in applicable rules and professional standards, and are contrary to allegations made by the Division in related proceedings.

Eighth Affirmative Defense

(Penalties)

8. The penalties sought violate the Eighth Amendment of the United States Constitution and Mr. Beamish's right to due process as provided in the Fifth Amendment to the United States Constitution because the standards of improper professional conduct and the standards for determining resulting penalties are unduly vague and subjective, and permit arbitrary, capricious, excessive, and disproportionate punishment that serves no legitimate governmental interest.

Ninth Affirmative Defense

(Audit Interference)

9. Fund management and employees directly interfered with the audit of the Fund's financial statements for the years ending 2009-2012 by actively misleading and/or impeding the auditors' ability to perform the audit by, for example, causing the auditors to

rely on evidence that appeared to be persuasive but was not, due to fraud, and, as a result, there can be no finding of improper professional conduct on the part of Mr. Beamish.

Tenth Affirmative Defense

(Estoppel/Fraud)

10. The Commission is estopped from finding that Mr. Beamish engaged in improper professional conduct because the Commission charged Fund management – Burrill Capital Management, LLC, G. Steven Burrill, CPA, Victor A. Hebert, Esq., and Helena C. Sen, CPA – with creating intentionally inflated and misstated financial documents, including separate sets of financial spreadsheets that were disclosed only to Burrill, Hebert, and Sen, and has adopted positions contrary to those asserted in this proceeding.

Eleventh Affirmative Defense

(Due Process/“Age of Case” Principles)

11. The allegations of the Order concern audit and audit procedures conducted between ten and four years ago. The Commission’s delay in instituting this proceeding violates fundamental notions of fairness and due process in that the Commission has delayed issuance of its Order until such a significant amount of time has elapsed that Mr. Beamish’s ability to summon witnesses and produce testimony is significantly and adversely affected.

Twelfth Affirmative Defense

(Enforcement Action Deadline)

12. The Order is untimely under 15 U.S.C. § 78d-5, and the Commission’s approval of the institution of these proceedings was therefore arbitrary, capricious and contrary to law.

Thirteenth Affirmative Defense

(Statute of Limitations)

13. The Order, and each alleged cause of action contained therein, is barred in whole or in part by the statute of limitations.

Fourteenth Affirmative Defense

(Lack of Authority)

14. The Order, and each alleged cause of action contained therein, is barred because the Commission and the Commission's Administrative Law Judges lack authority to conduct the proceedings herein.

Fifteenth Affirmative Defense

(Lack of Jurisdiction)

15. The Order, and each alleged cause of action contained therein, is barred because: (1) the Commission has exceeded its congressional authority under statute and the scope of Rule 102(e); the Commission has exceeded the scope of its own rulemaking powers under 102(e); the Commission is seeking to regulate entities, individuals, and conduct that is not within the Commission's jurisdiction under 102(e); and the Order exceeds the intent, purpose, and scope of Rule 102(e), relevant enabling statutes, regulations, and delegations of authority.

Sixteenth Affirmative Defense

(Lack of Jurisdiction)

16. The Order, and each alleged cause of action contained therein, is barred because the alleged actions taken by Mr. Beamish, which solely involved audit work for a private Fund with highly sophisticated private investors, do not constitute practicing before the Commission, and do not implicate the Commission's processes.

Seventeenth Affirmative Defense

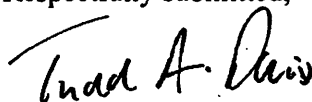
(Additional Defenses)

17. Mr. Beamish expressly and specifically reserves the right to amend this Answer to add, delete, and/or modify defenses based upon legal theories, facts, and circumstances that may or will be divulged through discovery and/or further legal analysis of the Division's position in this litigation.

WHEREFORE, Respondent Adrian D. Beamish respectfully requests that the relief requested by the Division be denied and that such relief be afforded him as the Court deems appropriate under the Rules.

Dated: November 23, 2016

Respectfully submitted,



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Certificate of Service

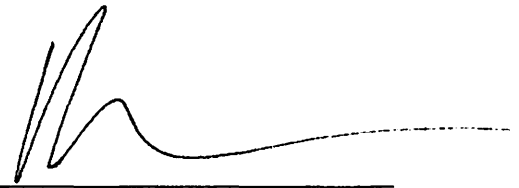
On November 23, 2016, the foregoing "Respondent Adrian M. Beamish's Answer and Affirmative Defenses" was sent to the following parties and other persons entitled to notice as follows:

Securities and Exchange Commission
Brent Fields, Secretary
100 F Street, NE
Mail Stop 1090
Washington, D.C. 20549
(Original and three copies by UPS)

Honorable Cameron Elliot
Administrative Law Judge
100 F Street, NE.
Mail Stop 2557
Washington, D.C. 20549
(ALJ@sec.gov)
(Courtesy copy by electronic mail and UPS)

E. Barrett Atwood, Esq.
Robert L. Tashjian, Esq.
Securities and Exchange Commission
San Francisco Regional Office
44 Montgomery Street, Suite 2800
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Atwoode@sec.gov
Tashjianr@sec.gov
(By electronic mail and U.S. Postal Service)

By: _____

A handwritten signature in black ink, appearing to be "A. Beamish", written over a horizontal line.