

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA)	No.
)	
v.)	Violations: Title 18, United States Code,
)	Sections 1341 and 1343
MARCUS BEAM)	

The SPECIAL MAY 2019 GRAND JURY charges:

1. At times material to this Indictment:

a. Defendant MARCUS BEAM held himself out as the Chief Executive Officer, President, Manager, and owner of an investment company known as Chase Private Equity LLC, which was also known as New World Capital (collectively referred to as “CPE”). CPE was described as being a private equity fund that pooled investors’ money in order to make investments.

b. Defendant BEAM obtained funds from investors through CPE and purported to make investments through CPE for those investors. Defendant BEAM held himself out as an investment adviser.

c. Defendant BEAM also owned and operated other companies, which included a company known as VR 360 LLC, which was described as being a virtual reality entertainment company, and a company known as Imex Energy (also known as Imex Energy d/b/a Grey Market Investments or GMI) (“Imex”), which was described as being a brokerage firm that sold retail electricity for third parties. Defendant BEAM obtained funds from individuals and entities in connection with those companies.

d. Defendant BEAM opened and maintained bank accounts in the name of Chase Private Equity, New World Capital, Imex Energy and VR 360. Defendant BEAM was the sole signatory on each of those accounts. Defendant BEAM caused investors' funds to be deposited into and withdrawn from those accounts.

2. Beginning in or about no later than March 2015, and continuing until in or about at least October 2019, in the Northern District of Illinois, Eastern Division, and elsewhere,

MARCUS BEAM,

defendant herein, devised, intended to devise, and participated in a scheme to defraud investors and others, and to obtain money and property from those investors and others by means of materially false and fraudulent pretenses, representations, and promises, which scheme is further described below.

3. It was part of the scheme that defendant BEAM knowingly made materially false representations to investors to fraudulently obtain and retain their money, including false representations about the type of investments that would be made and were made for investors, the safety of those investments, and the expected and actual returns on investments. Defendant BEAM sent false account statements to investors, and falsely promised that investors could withdraw all of their funds upon request. Those investors included women he met through on-line dating sites, as well as a family member, and an employee. Defendant BEAM misappropriated a substantial portion of the investors' funds.

4. It was further part of the scheme that defendant BEAM obtained funds from investors by falsely representing that their funds would be invested, and were invested, on

their behalf. Defendant BEAM falsely identified those investments as including stock in popular companies such as Uber and Lyft, and stock that was being sold through initial public offerings (IPOs) and pre-IPOs, as well as other investments such as gold, art, and real estate. In fact, defendant BEAM intended to and did misappropriate a significant portion of the investors' funds for his own benefit, rather than investing those funds.

5. It was further part of the scheme that defendant BEAM falsely represented to investors that they would earn, and did earn, huge profits. In fact, defendant BEAM knew that investors would not and did not earn huge profits.

6. It was further part of the scheme that defendant BEAM falsely represented that CPE had assets under management of more than \$95 million, which defendant BEAM knew was not true.

7. It was further part of the scheme that defendant BEAM convinced certain individuals to invest funds from their retirement accounts by falsely representing that the huge profits that would be generated by their investments which would cover the taxes and penalties that the investors would be required to pay for early withdrawal of funds from their retirement accounts. In fact, defendant BEAM intended to and did misappropriate most of the retirement funds that were invested—and no profits were generated—so that the investors lost the retirement funds they invested and incurred additional costs.

8. It was further part of the scheme that defendant BEAM falsely represented to investors that their investments would be safe and would involve low risks. In fact, Beam knew that the investors' funds were not safe.

9. It was further part of the scheme that defendant BEAM falsely represented to investors that their funds would be maintained in separate individualized accounts. Instead, defendant BEAM deposited the investors' funds into the CPE and Imex accounts that he maintained, and co-mingled the investors' funds, rather than maintaining investors' funds in separate individualized accounts.

10. It was further part of the scheme that defendant BEAM falsely represented to investors that they could withdraw their funds at any time, by simply providing notice, and that they would be repaid within a specified period of time. In fact, defendant BEAM knew that the investors would not be repaid because defendant BEAM intended to and did misappropriate a substantial portion of the investors' money.

11. It was further part of the scheme that defendant BEAM gave certain investors fraudulent account statements, which showed fictitious investments and falsely inflated the value of the investors' accounts. Defendant BEAM knew that the account statements contained false information.

12. It was further part of the scheme that defendant BEAM hired a group of telemarketers to make cold calls to a large number of people in order to solicit investments from them. Defendant BEAM caused the telemarketers to falsely represent that the investors would make substantial profits by investing with CPE. In fact, defendant BEAM knew that CPE was not making substantial profits.

13. It was further part of the scheme that defendant BEAM obtained funds from a property management company by falsely representing that he would use those funds to renovate a commercial storefront that he was leasing from them. Contrary to those

representations, defendant BEAM used a substantial portion of those funds for his own benefit, and did not pay for or complete the promised renovations.

14. It was further part of the scheme that defendant BEAM misused and misappropriated money that belonged to investors for his own personal benefit to pay for personal and business expenses, which included making cash withdrawals, rent payments, retail purchases at stores such as Walmart and Ikea, and making payments for credit cards, auto loans, and payroll expenses. Defendant BEAM knew that he was not authorized to use investors' funds for his own benefit.

15. It was further part of the scheme that defendant BEAM knowingly made false lulling statements to investors concerning repayment of their funds and why they were not being paid back as requested.

16. It was further part of the scheme that defendant BEAM misrepresented, concealed, and hid, and caused to be misrepresented, concealed, and hidden, the existence of the scheme, the purposes of the scheme, and acts done in furtherance of the scheme.

17. As a result of the scheme, defendant BEAM caused losses to investors of at least approximately \$500,000.

18. On or about June 2, 2017, in the Northern District of Illinois, Eastern Division, and elsewhere,

MARCUS BEAM,

defendant herein, for the purpose of executing the scheme to defraud, did knowingly cause to be transmitted in interstate commerce, by means of wire communication, certain writings, signs, and signals, namely, an interstate transfer of funds sent electronically by

investor Lisa O. from her bank account, through the Fedwire system, to Chase Private Equity's bank account at Bank of America, in the amount of approximately \$40,000, to be invested by defendant BEAM;

In violation of Title 18, United States Code, Section 1343.

COUNT TWO

The SPECIAL MAY 2019 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 17 of Count One of this indictment are incorporated here.

2. On or about July 19, 2017, in the Northern District of Illinois, Eastern Division, and elsewhere,

MARCUS BEAM,

defendant herein, for the purpose of executing the scheme to defraud, did knowingly cause to be transmitted in interstate commerce, by means of wire communication, certain writings, signs, and signals, namely, an interstate transfer of funds sent electronically by investor Lisa O. from her bank account, through the Fedwire system, to Chase Private Equity's bank account at Bank of America, in the amount of approximately \$15,000, to be invested by defendant BEAM;

In violation of Title 18, United States Code, Section 1343.

COUNT THREE

The SPECIAL MAY 2019 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 17 of Count One of this indictment are incorporated here.

2. On or about July 24, 2017, in the Northern District of Illinois, Eastern Division, and elsewhere,

MARCUS BEAM,

defendant herein, for the purpose of executing the scheme to defraud, did knowingly cause to be transmitted in interstate commerce, by means of wire communication, certain writings, signs, and signals, namely, an interstate transfer of funds sent electronically by investor Lisa O. on behalf of her mother, from her mother's bank account, through the Fedwire system, to Chase Private Equity's bank account at Bank of America, in the amount of approximately \$25,000, to be invested by defendant BEAM;

In violation of Title 18, United States Code, Section 1343.

COUNT FOUR

The SPECIAL MAY 2019 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 17 of Count One of this indictment are incorporated here.

2. On or about December 28, 2017, in the Northern District of Illinois, Eastern Division, and elsewhere,

MARCUS BEAM,

defendant herein, for the purpose of executing the scheme to defraud, did knowingly cause to be transmitted in interstate commerce, by means of wire communication, certain writings, signs, and signals, namely, an interstate transfer of funds sent electronically by investor Lisa O. from her bank account, through the Fedwire system, to Chase Private Equity's bank account at Bank of America, Illinois, in the amount of approximately \$12,000, to be invested by defendant BEAM;

In violation of Title 18, United States Code, Section 1343.

COUNT FIVE

The SPECIAL MAY 2019 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 17 of Count One of this indictment are incorporated here.

2. On or about March 28, 2018, in the Northern District of Illinois, Eastern Division, and elsewhere,

MARCUS BEAM,

defendant herein, for the purpose of executing the scheme to defraud, did knowingly cause to be transmitted in interstate commerce, by means of wire communication, certain writings, signs, and signals, namely, an interstate transfer of funds sent electronically by investor Cameron B. from his bank account, through the Fedwire system, to Chase Private Equity's bank account at Bank of America, in the amount of approximately \$25,000, to be invested by defendant BEAM;

In violation of Title 18, United States Code, Section 1343.

COUNT SIX

The SPECIAL MAY 2019 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 17 of Count One of this indictment are incorporated here.

2. On or about May 9, 2018, in the Northern District of Illinois, Eastern Division, and elsewhere,

MARCUS BEAM,

defendant herein, for the purpose of executing the scheme to defraud, did knowingly cause to be transmitted in interstate commerce, by means of wire communication, certain writings, signs, and signals, namely, an interstate transfer of funds sent electronically by investor Cameron B. from his bank account, through the Fedwire system, to Chase Private Equity's bank account at Bank of America, in the amount of approximately \$10,000, to be invested by defendant BEAM;

In violation of Title 18, United States Code, Section 1343.

COUNT SEVEN

The SPECIAL MAY 2019 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 17 of Count One of this indictment are incorporated here.

2. On or about May 9, 2018, in the Northern District of Illinois, Eastern Division, and elsewhere,

MARCUS BEAM,

defendant herein, for the purpose of executing the scheme to defraud, did knowingly cause to be transmitted in interstate commerce, by means of wire communication, certain writings, signs, and signals, namely, an interstate transfer of funds sent electronically by investor Nicola B. from her bank account, through the Fedwire system, to Chase Private Equity's bank account at Bank of America, in the amount of approximately \$10,000, to be invested by defendant BEAM;

In violation of Title 18, United States Code, Section 1343.

COUNT EIGHT

The SPECIAL MAY 2019 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 17 of Count One of this indictment are incorporated here.

2. On or about May 14, 2018, at Arlington Heights, in the Northern District of Illinois, Eastern Division, and elsewhere,

MARCUS BEAM,

defendant herein, for the purpose of executing the scheme to defraud, and attempting to do so, did knowingly cause to be delivered by the United States Postal Service, according to the directions thereon, an envelope containing an account statement from New World Capital, which was sent to Victim Carolyn F. in Arlington Heights, Illinois, relating to Carolyn F.'s investment with defendant BEAM and CPE, which account statement showed fictitious investments and falsely inflated the value of that account;

In violation of Title 18, United States Code, Section 1341.

COUNT NINE

The SPECIAL MAY 2019 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 17 of Count One of this indictment are incorporated here.
2. On or about August 24, 2018, in the Northern District of Illinois, Eastern Division, and elsewhere,

MARCUS BEAM,

defendant herein, for the purpose of executing the scheme to defraud, did knowingly cause to be transmitted in interstate commerce, by means of wire communication, certain writings, signs, and signals, namely, an interstate transfer of funds sent electronically by investor Ptrena L. from her bank account, through the Fedwire system, to New World Capital's bank account at Bank of America, in the amount of approximately \$10,000, to be invested by defendant BEAM;

In violation of Title 18, United States Code, Section 1343.

COUNT TEN

The SPECIAL MAY 2019 GRAND JURY further charges:

1. The allegations in paragraphs 1 through 17 of Count One of this indictment are incorporated here.

2. On or about December 28, 2018, in the Northern District of Illinois, Eastern Division, and elsewhere,

MARCUS BEAM,

defendant herein, for the purpose of executing the scheme to defraud, did knowingly cause to be transmitted in interstate commerce, by means of wire communication, certain writings, signs, and signals, namely, an interstate transfer of funds sent electronically by investor Nicola B. from her bank account, through the Fedwire system, to Chase Private Equity's bank account at US Bank, in the amount of approximately \$6,000, to be invested by defendant BEAM;

In violation of Title 18, United States Code, Section 1343.

A TRUE BILL:

FOREPERSON

UNITED STATES ATTORNEY