



*United States Attorney
Southern District of New York*

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**TWO OPERATORS OF FRAUDULENT HEDGE FUND PLEAD GUILTY
IN MANHATTAN FEDERAL COURT TO MULTIMILLION-DOLLAR
SCHEME TO DEFRAUD INVESTORS**

PREET BHARARA, the United States Attorney for the Southern District of New York, announced that IGOR LEVIN and YEVGENY SHVARTSSHTEYN pled guilty today in Manhattan federal court before U.S. Magistrate Judge RONALD L. ELLIS for their roles in a conspiracy to defraud investors of more than \$7 million through a fraudulent hedge fund.

According to documents previously filed in Manhattan federal court and statements made during the plea proceedings in this case:

From 2005 through September 2006, LEVIN and SHVARTSSHTEYN were among the individuals who controlled and operated A.R. Capital, which was the general partner of A.R. Capital Global Fund, L.P. (the "ARC Global Fund"), a purported hedge fund that solicited investors with false promises and representations. These false and fraudulent representations included, among other things, claims that: (i) the ARC Global Fund was a hedge fund that invested primarily in the equity of international real estate companies; and (ii) the ARC Global Fund invested in real estate, oil, gas and other commodities. In reality, there were no such investments and more than \$7 million of investor funds were wired to various bank accounts in the Ukraine. LEVIN and SHVARTSSHTEYN received proceeds from the fraudulently-obtained investments.

LEVIN, 40, of Brooklyn, New York, and SHVARTSSHTEYN, 40, of Belle Harbor, New York, each pled guilty to one count of conspiring to commit mail and wire fraud. LEVIN and SHVARTSSHTEYN each face a maximum sentence of 20 years in prison and a fine of \$250,000, or twice the gross gain or loss from the offense. Both defendants also admitted to forfeiture allegations requiring them to forfeit \$7 million, which constitutes the proceeds obtained by the defendants directly or indirectly as a result of the offense. LEVIN and SHVARTSSHTEYN are scheduled to

be sentenced by U.S. District Judge SIDNEY H. STEIN on February 25, 2010.

Mr. BHARARA praised the investigative work of the joint Federal Bureau of Investigation and New York City Police Department task force in this case, and thanked the Securities and Exchange Commission for its assistance.

The prosecution is being handled by the Office's Organized Crime Unit. Assistant U.S. Attorney DANIEL S. GOLDMAN is in charge of the prosecution.

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