

**Department of Justice  
U.S. Attorney's Office  
District of Connecticut**

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FOR IMMEDIATE RELEASE

Thursday, May 7, 2015

## **Hedge Fund CFO Sentenced to Prison for Fraud Scheme**

RICHARD PEREIRA, 43, the former chief financial officer of New Stream Capital, LLC, a Ridgefield-based hedge fund, was sentenced today by Chief U.S. District Judge Janet C. Hall in New Haven to 12 months and one day of imprisonment, followed by three years of supervised release, for engaging in a scheme to deceive investors in order to obtain and maintain investments.

According to court documents and statements made in court, in November 2007, New Stream Capital, LLC ("New Stream") launched new feeder funds, one based in the United States ("U.S. Fund") and a series of funds based in the Cayman Islands ("Cayman Fund"). New Stream also announced that its existing Bermuda Fund would be closing, and all foreign investors would have to move their investments into the Cayman Fund. Rather than transfer into the new structure, New Stream's largest investor placed a redemption on its whole investment in the Bermuda Fund in March 2008. At risk of losing their largest investor, PEREIRA and New Stream managing partners David Bryson and Bart Gutekunst set in motion a scheme to secretly keep the Bermuda Fund open and give priority to Bermuda Fund investors in an effort to reverse the redemption.

As part of the scheme, PEREIRA, Bryson and Gutekunst had New Stream staff secretly execute documents to effectuate the Bermuda Fund's special priority. New Stream failed to inform investors who had transferred from the Bermuda Fund into the Cayman Fund that the Bermuda Fund was remaining open or that it was being given priority over the Cayman Fund. Moreover, New Stream continued to market to investors by concealing from them the magnitude of the actual pending redemptions and by using deceptive marketing materials that failed to disclose the existence of New Stream's Bermuda Fund.

Through this scheme, New Stream investors were defrauded out of more than \$46 million.

From April 2008 to December 2010, Bryson and Gutekunst each collected more than \$5 million in management fees and profit sharing while participating in this fraud scheme. In late 2008, PEREIRA received a \$700,000 bonus from New Stream.

On May 21, 2014, PEREIRA, Bryson and Gutekunst each pleaded guilty to one count of conspiracy to commit wire fraud.

On May 5, 2015, Bryson was sentenced to 33 months of imprisonment and, on May 6, 2015, Gutekunst was sentenced to 30 months of imprisonment.

This matter was investigated by the Federal Bureau of Investigation and the U.S. Department of Labor, Office of Inspector General, with the assistance of the Securities and Exchange Commission. The case was prosecuted by Assistant U.S. Attorneys Liam Brennan and Michael S. McGarry, and Special Assistant U.S. Attorney Sheldon L. Pollock.