

ROBB EVANS & ASSOCIATES LLC

Receiver of

White Pine Trust Corporation

Richard R. Matthews, Jr.

11450 Sheldon Street

Sun Valley, California 91352-1121

Telephone No.: (818) 768-8100

Facsimile No.: (818) 768-8802

**Commodity Futures Trading Commission v. White Pine Trust Corporation, Inc, et al.
CASE No. 04-CV-2093 J (NLS)**

Notice of Motion and Motion for Order of Receiver for Order:

- (1) Approving Payment of Administrative Fees and Expenses Incurred for the Period September 1, 2005 Through May 31, 2006; and**
- (2) Approving Procedure for Limited Notice Thereof;**

Declaration of Kenton Johnson

Memorandum of Points and Authorities in Support of Motion for Order:

- (1) Approving Payment of Administrative Fees and Expenses Incurred for the Period September 1, 2005 Through May 31, 2006; and**
- (2) Approving Procedure for Limited Notice Thereof**

Dated June 21, 2006

1 LINDA J. CANDLER, ESQ. [State Bar No. 181805]
2 ROBB EVANS & ASSOCIATES LLC
3 11450 SHELDON STREET
4 SUN VALLEY, CA 91352
5 TELEPHONE: (818) 768-8100
6 FACSIMILE: (818) 768-8802

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8 ATTORNEY FOR ROBB EVANS & ASSOCIATES LLC,
9 PERMANENT RECEIVER

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

COMMODITY FUTURES TRADING
COMMISSION,

Plaintiff,

v.

WHITE PINE TRUST CORPORATION,
a California corporation, RICHARD
MATTHEWS, an individual, and
STEPHAN BAERE, an individual,

Defendants.

LUCIA MATTHEWS, an individual,

Relief Defendant.

CASE NO. 04cv2093-J (NLS)

NOTICE OF MOTION AND
MOTION OF RECEIVER FOR
ORDER (1) APPROVING PAYMENT
OF ADMINISTRATIVE FEES AND
EXPENSES INCURRED FOR THE
PERIOD SEPTEMBER 1, 2005
THROUGH MAY 31, 2006, AND (2)
APPROVING PROCEDURE FOR
LIMITED NOTICE THEREOF;
DECLARATION OF KENTON
JOHNSON

Date: July 31, 2006

Time: 10:30 a.m.

Place: Courtroom 12

940 Front Street

San Diego, CA 92101-8900

(Hon. Napoleon A. Jones, Jr.)

[ORAL ARGUMENT NOT REQUIRED]

TO THE HONORABLE NAPOLEON A. JONES, JR., UNITED STATES
DISTRICT COURT JUDGE, AND TO ALL PARTIES AND THEIR ATTORNEYS
OF RECORD:

1 PLEASE TAKE NOTICE that on July 31, 2006, at 10:30 a.m. in Courtroom 12
2 of the United States District Court for the Southern District of California located at 940
3 Front Street, San Diego, California 92101, Robb Evans & Associates LLC, Receiver in the
4 above-captioned case, will present its Motion for an Order approving payment of
5 administrative fees and expenses incurred for the period September 1, 2005 through May
6 31, 2006 (“Motion”).

7 The Receiver’s Motion is based on this Notice of Motion, the Memorandum of
8 Points and Authorities; the Declaration of Kenton Johnson annexed hereto, and the
9 Court’s records and pleadings on file in this action, and all other evidence, both oral and
10 documentary, as may be presented at the time of hearing.

11 The Receiver’s Motion will request an Order from the Court:

12 1. Approving the payment of the Administrative Fees and Expenses of the
13 Receiver and its staff of \$55,985.43 and expenses of \$5,996.41 for the period September 1,
14 2005 through May 31, 2006; and

15 2. Approving a procedure pertaining to Local Rule 66.1(f) by giving notice to
16 all interested parties of the receivership estate, by service of the Motion, Notice of Motion,
17 and all exhibits on all parties named in the action; service by mail of the Notice of Motion
18 to all known investors, providing a written copy to any investor upon request, and posting
19 the Motion, with attached exhibits, on the Receiver’s website at
20 <http://www.robbevans.com/html/whitepine.html>.

21 PLEASE TAKE FURTHER NOTICE that this Motion is made pursuant to Local
22 Rule 66.1, and is based upon this Notice of Motion, Motion, the accompanying
23 Memorandum of Points and Authorities, and the Declaration of Kenton Johnson, and
24 upon such other pleadings and oral and documentary evidence as may be presented at or
25 before the time of the hearing on the Motion.

26 Any person or entity opposing this Motion must timely file with the Court and
27 serve upon the Receiver, whose name and address appear in the upper left-hand corner of
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1 the first page of this Motion, a written opposition which complies in all respects with the
2 rules of this Court. Failure to timely file an opposition may be deemed by the Court to be
3 consent to the granting of the Receiver's Motion.

4 PLEASE TAKE FURTHER NOTICE that this Motion is posted on the Receiver's
5 website at <http://www.robbevans.com/html/whitepine.html>, where it may be reviewed in
6 its entirety. A copy of this Motion will be provided to any interested party upon receipt of
7 a request therefore which may be directed to: Robb Evans & Associates LLC, Attn:
8 Cherrie Eustaquio, 11450 Sheldon Street, Sun Valley, CA 91352 telephone: (818) 768-
9 8100, facsimile: (818) 768-8802.

10 PLEASE TAKE FURTHER NOTICE that, if no party objects to the Motion, the
11 Receiver is willing for the Court to consider it without oral argument.


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13 Dated: June 21, 2006

ROBB EVANS & ASSOCIATES LLC

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By: 
LINDA J. CANDLER, ESQ.
ATTORNEY FOR RECEIVER

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I.

INTRODUCTION

This action was commenced by the Commodity Futures Trading Commission (“CFTC”) against the Receivership Defendants, who are alleged to have committed fraud against investors by luring them to invest in an illegal foreign currency fund, in violation of federal laws. On October 21, 2004, Robb Evans & Associates LLC (“REA” or “Receiver”) was appointed as Temporary Receiver in the within action pursuant to an “*Ex Parte* Statutory Restraining Order; Order Permitting Expedited Discovery, the Appointment of a Receiver and Other Equitable Relief”. Thereafter, on November 2, 2004, the Court entered an Order of Preliminary Injunction (“Order”). On November 18, 2004, the CFTC filed an Amended Complaint which added Lucia Matthews as a Relief Defendant and Stephan Baere as a Receivership Defendant. Pursuant to the terms of the Order of Preliminary Injunction, REA was appointed as Receiver for Defendants, and all of the funds, properties, premises, accounts and other assets directly or indirectly owned, beneficially or otherwise, by them with the full powers of an equity Receiver. Since the appointment, the Receiver has investigated, taken control of, and liquidated assets of the Receivership estate in excess of \$5 million. The Receiver, simultaneous to the filing of this Motion, is submitting a Motion for Approval of a Claims Distribution to all investors, on a pro rata basis.

Prior Requests for Approval of Fees and Expenses.

On June 6, 2005, the Receiver submitted its first request for approval of fees and expenses of the Receiver and its staff. That Court granted the Receiver’s first request pursuant to an Order entered on July 22, 2005, which approved and authorized payment of administrative fees and expenses totaling \$214,678.11 of the Receiver and its staff for the period October 21, 2004 through April 30, 2005. The Receiver’s second request for approval of fees and expenses for the period May 1, 2005 through August 31, 2005,

1 totaling \$59,310.64 was filed October 20, 2005 [Docket Entry 98] and approved in its
2 entirety on June 16, 2006.

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4 **II.**

5 **RECEIVER'S FEES AND EXPENSES FOR THE PERIOD**
6 **SEPTEMBER 1, 2005 THROUGH MAY 31, 2006**

7 By this Motion, the Receiver seeks approval and authority for payment of the fees
8 and expenses of the Receiver, the Receiver's staff, and the Receiver's counsel for the
9 period September 1, 2005 through May 31, 2006. The fees and expenses for which
10 approval is requested are set forth in the summary entitled "Fund Balance & Expenses by
11 Month" attached hereto as Exhibit "1". This Summary includes the fees and expenses
12 approved by the first and second fee application. For this current application, the fees and
13 expenses of the Receiver are itemized as follows: Receiver's fees of \$3,932.00 (Exhibit "2"
14 hereto), staff fees for financial reconstruction and accounting of \$6,468.00 (Exhibit "3"
15 hereto), staff fees for information technology and database maintenance of \$745.24
16 (Exhibit "4" hereto), staff fees for asset evaluation and management of \$12,872.50
17 (Exhibit "5" hereto), support staff fees of \$9,185.69 and legal fees of \$22,782.00 (Exhibit
18 "6" hereto).

19 As set forth in detail in Exhibits "1" through "6" hereto, including out-of-pocket
20 expenses as itemized on Exhibit "1," the Receiver has incurred \$61,981.84 in fees and
21 expenses for the period September 1, 2005 through May 31, 2006.

22 **Overview of Services Performed by the Receiver and its Staff.**

23 During the period September 1, 2005 through May 31, 2006 the Receiver and its
24 staff engaged in ongoing legal and administrative activities relating to the Receivership
25 Estate, including the following:
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1 1. The Receiver and its staff continued to contact, interview, subpoena and
2 depose individuals, banks and business affiliations with information about the assets of the
3 Receivership Defendants.

4 2. The Receiver and its staff continued to assess the value and best means of
5 liquidation of the assets of the Receivership Estate in order to maximize the return for
6 investors and creditors. During this period, the Receiver was successful in negotiating and
7 liquidating many of the assets and investments of the Receivership Estate, including a real
8 estate, automobiles, and other items of personal property. The Receiver's staff
9 successfully negotiated the sale of real property located at 5435 Calumet, La Jolla,
10 California, and 1568 Oliver Avenue, San Diego, California. The motion for approval of
11 the Calumet property was granted, and that sale has now been closed. The Order for
12 approval of the sale of the Oliver real property was received from the Court after the
13 buyers' withdrawal from their contract, forfeiting the earnest money deposit of \$20,000.00.
14 The Receiver has since filed a motion with this Court to approve a sale to a new buyer,
15 once one is obtained, at a sales price that is in excess of the statutory requirement of two-
16 thirds of the appraised value. The Receiver continues to market the island in Belize, and
17 has received one offer, which was not finalized. The Receiver is still holding
18 approximately 109 gold coins for sale, which will be sold once the Court has approved the
19 sale. At least 683 gold coins are still unaccounted for.

20 3. The Receiver and its staff are continuing the accounting and investigative
21 work to identify any additional assets of the Receivership Defendants, including a number
22 of gold coins still unaccounted for, and collection of funds loaned or transferred to third
23 parties or family members.

24 4. The Receiver continues to aggressively market the sale of the island. The
25 Receiver has engaged Seven Seas Limited, of San Pedro Town, Belize, as its real estate
26 agent for the sale of the island in Belize. The listing price has been dropped from
27 \$2,650,000.00 to \$2,000,000.00. The expenses to maintain the island include payments on
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a purchase and sale agreement signed by Relief Defendant Lucia Matthews of \$17,500.00 per month. The Receiver is working with the real estate agent to secure a buyer for the property. Once a sales contract is obtained, the Receiver will seek court approval as quickly as possible so that these monthly expenses can be eliminated.

5. The Receiver is submitting its Motion for Approval of a Claims Distribution to Investors. As set out in that Motion, the Receiver has identified the claimants and investors. The Receiver is proposing a pro rata distribution of assets accumulated to date.

6. The Receiver has expended considerable time and effort to maintain the assets of this Receivership Estate, in accordance with the duties conferred upon it by this Court. Included in Exhibit "1" is a separate summary of funds expended during the period September 1, 2005 through May 31, 2006 for the maintenance and preservation of Receivership Estate assets. The bulk of these expenditures are for the real property purchased by Defendant Matthews with White Pine Trust investor funds. All of the real property was mortgaged, and the Receiver's expenditures to maintain these properties include, but are not limited to, mortgage payments, insurance, property taxes, licenses, appraisals, and utilities.

7. Included in Exhibit "1" hereto is an estimate of the current value of the assets of the Receivership Estate. At May 31, 2006, the value of those assets is estimated at \$4,861,213.11. At May 31, 2006, the Receivership Estate had cash in its accounts totaling \$3,804,386.64, following payment of Receivership administrative expenses and expenses relating to asset protection and preservation. Remaining unliquidated assets include real property and gold coins.

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III.

THE RECEIVER REQUESTS APPROVAL OF THE PROCEDURE FOR LIMITED NOTICE OF THIS MOTION

Pursuant to Local Rule 66.1(f)(4), the Receiver is required to give at least ten days notice to all interested parties of the time and place for hearings on applications for fees of the Receiver. The Receiver has served the parties by mail. The Receiver proposes to serve all investors and potential creditors of the estate by posting a copy of the motion on the Receiver’s website, and by serving the Motion and Notice of Motion on each investor by mail. There are approximately 260 known investors and approximately 25 known creditors, and the Receiver proposes serving copies of the exhibits attached to this motion, which are voluminous, and which are summarized in the Motion itself, by posting copies of all exhibits on its website. The Receiver will also provide a written copy of all exhibits to any investor, upon request. The expense associated with copying and serving these exhibits on all investors would be unduly burdensome and expensive.

In light of the fact that the Motion is being served on the parties to the action and will be posted on the Receiver’s website, the Receiver submits that it is reasonable and cost-effective to serve all creditors/investors of the Receivership entities by posting the Motion and Exhibits on the Receiver’s website and by serving the Motion and Notice of Motion and instructions for requesting a written copy of the accompanying exhibits on all known investors by mail. The Receiver has communicated with many of the investors by email and is aware that many of the investors routinely check the Receiver’s website for updated information about this case. The Receiver requests approval to proceed based on this procedure.

IV.

CONCLUSION

In light of the extensive, intensive and successful work performed, and the necessity of verifying and reconstructing financial information and investor details due to lack of any


1 record keeping by the defendants, it is respectfully submitted that the fees and expenses of
2 the Receiver and its professionals are reasonable and should be approved and authorized
3 for payment.

4 WHEREFORE, the Receiver prays that this Court enter an Order as follows:

- 5 1. Approving and confirming the administrative fees and expenses of the
6 Receiver and its staff for the period September 1, 2005 through May 31, 2006, as more
7 particularly set forth herein;
- 8 2. Approving the procedures for limited notice of this Motion by serving the
9 investors by mail and by serving copies of the accompanying exhibits by posting on the
10 Receiver's website, as described herein; and
- 11 3. For such other and further relief as the Court may deem just and proper.

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13 Dated: June 21, 2006

ROBB EVANS & ASSOCIATES LLC

14 By: 
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16 LINDA J. CANDLER, ESQ.
17 ATTORNEY FOR RECEIVER
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1 DECLARATION OF KENTON JOHNSON

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3 I, KENTON JOHNSON, declare as follows:

4 1. I am an Executive Vice President of Robb Evans & Associates LLC, the
5 duly appointed, qualified and acting Receiver in the within action. I have reviewed the
6 foregoing Motion and know the contents thereof, and the same is true of my own
7 knowledge, except as to those matters, which are stated upon information or belief, and as
8 to those matters, I believe them to be true.

9 2. On June 6, 2005, the Receiver submitted its first and second requests for
10 approval of fees and expenses of the Receiver and its staff. That Court granted the
11 Receiver's first request pursuant to an Order entered on July 22, 2005, which approved
12 and authorized payment of administrative fees and expenses totaling \$214,678.11 of the
13 Receiver and its staff for the period October 21, 2004 through April 30, 2005. On
14 October 20, 2005, the Receiver submitted its second fee application, for approval of
15 administrative fees and expenses totaling \$59,310.64 for the period May 1, 2005 through
16 August 31, 2005. The Court granted the Receiver's second request pursuant to an Order
17 entered on June 16, 2006.

18 3. By this Motion, the Receiver submits its third Application of fees and
19 expenses and seeks an Order approving and authorizing payment of administrative fees of
20 the Receiver and its staff of \$55,985.43 and expenses of \$5,996.41 for the period
21 September 1, 2005 through May 31, 2006.

22 4. Attached hereto as Exhibit "1" is an accounting entitled "Estimated Assets
23 and Expenses by Month." Attached hereto as Exhibit "2" is an itemization of the
24 Receiver's fees of \$3,932.00. Attached hereto as Exhibit "3" is an itemization of staff fees
25 for financial reconstruction and accounting of \$6,468.00. Attached hereto as Exhibit "4"
26 is an itemization of staff fees for information technology and database maintenance of
27 \$745.24. Attached hereto as Exhibit "5" is an itemization of staff fees for asset evaluation
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1 and management of \$12,872.50. Attached hereto as Exhibit "6" is an itemization of legal
2 fees of \$22,782.00. As set forth in detail in Exhibits "1" through "6" hereto, including
3 out-of-pocket expenses as itemized on Exhibit "1," the Receiver has incurred \$61,981.84
4 in fees and expenses for the period September 1, 2005 through May 31, 2006.

5 5. During the period September 1, 2005 through May 31, 2006, the Receiver
6 and its staff engaged in ongoing administrative activities relating to the Receivership
7 Estate, including the following:

8 A. The Receiver and its staff continued to contact, interview, subpoena
9 and depose individuals, banks and business affiliations regarding assets of the
10 Receivership Defendants.

11 B. The Receiver and its staff continued to assess the value and best
12 means of liquidation of the assets of the Receivership Estate in order to maximize the
13 return for investors and creditors. During this period, the Receiver was successful in
14 negotiating and liquidating many of the assets and investments of the Receivership Estate,
15 including real estate, automobiles, gold coins and certain items of personal and business
16 property.

17 C. The Receiver and its staff continued the accounting and investigative
18 work to reconstruct the financial history of the individuals and entities directly or indirectly
19 related to the Receivership Defendants. This included efforts to locate missing assets of
20 the receivership estate and to verify the substantial expenditures of the defendants prior to
21 the Receiver's appointment. Efforts are continuing to recover missing assets and assets
22 transferred to third parties.

23 D. The Receiver is aggressively marketing for sale all of the real property
24 not yet sold. On May 3, 2006, the Court approved the sale of real property located at
25 5435 Calumet, La Jolla, California, and that property is now sold. The gross sales price
26 was \$2,867,000.00. The sale of this property was previously approved by the Court on
27 August 12, 2005, but that sale fell through, and the Receiver sought an amended order
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1 approving the sale at the new gross sales price of \$2,867,000.00. The Receiver has recently
2 submitted a motion for approval of the sale of the property located at 1568 Oliver
3 Avenue, Unit D, San Diego, California. This property was under contract, but the buyers
4 have withdrawn from the contract, forfeiting an earnest money deposit of \$20,000.00.
5 This property is again listed for sale, and the Receiver is seeking this Court's confirmation
6 of sale at a price of \$600,000 or greater, which exceeds two-thirds the value of the average
7 of the three disinterested appraisers. The Receiver has engaged Seven Seas Limited, of San
8 Pedro Town, Belize, as its real estate agent for the sale of the island in Belize. The island
9 was listed for \$2,650,000.00. No offers were received at this price, and the Receiver has
10 dropped the listing price to \$2,000,000.00. One offer was received, but it has not been
11 finalized. The real estate agent has listed the property with over 100 additional agents
12 worldwide, via the Internet. Efforts are continuing, and numerous inquiries have been
13 received.

14 E. On July 29, 2005, the Receiver submitted a motion for an order
15 approving the Receiver's proposed claims filing and allowance procedures. That motion
16 was approved on January 27, 2006. Simultaneous to the filing of this Motion, the
17 Receiver is filing its Motion for Approval of a Claims Distribution to Investors. The
18 Receiver and its staff have had ongoing and extensive communications with claimants,
19 including ongoing responses to investor inquiries regarding the Receivership Estate, and
20 have verified investment data for each investor. There is one disputed claim at this time.

21 6. The Receiver has expended considerable time and effort to maintain the
22 assets of this Receivership Estate, in accordance with the duties conferred upon it by this
23 Court. Included in Exhibit "1" is a separate summary of funds expended during the
24 period September 1, 2005 through May 31, 2006 for the preservation of Receivership
25 Estate assets. Such expenditures include, but are not limited to, mortgage payments,
26 insurance, property taxes, licenses, appraisals, and utilities.
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EXHIBIT 1

Robb Evans & Associates LLC, Receiver of White Pine Trust Corporation, Richard R. Matthews, Jr.

Fund Balance & Expenses by Month

From Inception (October 21, 2004) to May 31, 2006

	Previously Reported & Approved	Sep 05	Oct 05	Nov 05	Dec 05	Jan 06	Feb 06	Mar 06	Apr 06	May 06	9/1/05-5/31/06	TOTAL
Funds Transferred In	648,429.62	0.00	0.00	0.00	0.00	0.00	0.00	19,499.56	0.00	0.00	19,499.56	667,929.18
Estimated liquidation value of gold coins	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	70,000.00	70,000.00
Estimated Real Estate	1,450,000.00	(20,000.00)	(100,000.00)	0.00	0.00	0.00	0.00	0.00	0.00	(1,330,000.00)	(1,450,000.00)	0.00
Estimated Automobiles and Boat	350,000.00	(350,000.00)	18,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(332,000.00)	18,000.00
Settlement Proceeds	0.00	0.00	0.00	0.00	114,712.95	1,399.97	0.00	0.00	0.00	0.00	116,112.92	116,112.92
Restitution-Richard Matthews	0.00	350.00	350.00	350.00	0.00	0.00	0.00	0.00	0.00	0.00	1,050.00	1,050.00
Interest Income	14,294.86	4,992.99	5,168.88	5,011.62	5,188.16	5,197.99	4,703.85	5,229.89	5,242.26	6,378.86	47,114.50	61,409.36
Proceeds from sale of assets	2,710,282.85	20,000.00	134,647.43	0.00	(125.93)	0.00	0.00	0.00	0.00	625,956.49	780,477.99	3,490,760.84
Proceeds from Sale of Auto & Boat	70,612.50	345,236.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	345,236.40	0.00	415,848.90
Proceeds from Auction	10,365.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,365.85
Miscellaneous Income	4,844.80	0.00	1,162.70	0.00	3,728.56	0.00	0.00	0.00	0.00	0.00	4,891.26	9,736.06
Estimated Assets	5,258,830.48	70,579.39	59,329.01	5,361.62	123,503.74	6,597.96	4,703.85	24,729.45	5,242.26	(697,604.65)	(397,617.37)	4,861,213.11
Expense												
Receivership Admin Fees & Expenses												
Receivership Administration Fee												
Receiver Fees	38,014.00	516.00	686.00	240.00	132.00	158.00	156.00	276.00	556.00	1,212.00	3,932.00	41,946.00
Financial Reconstruction	70,296.00	1,416.00	360.00	108.00	84.00	372.00	2,544.00	1,284.00	252.00	48.00	6,468.00	76,764.00
IT Management	11,851.39	31.05	48.80	31.05	39.92	288.34	110.90	0.00	53.23	141.95	745.24	12,596.63
Asset Management	30,225.50	2,593.50	1,805.00	883.50	1,064.00	1,263.50	399.00	893.00	1,529.50	2,441.50	12,872.50	43,098.00
Support Staff	14,915.12	1,624.79	731.25	848.73	382.79	1,146.12	720.08	1,060.96	969.98	1,700.99	9,185.69	24,100.81
Total Receivership Administration Fee	165,302.01	6,181.34	3,631.05	2,111.28	1,702.71	3,227.96	3,929.98	3,513.96	3,360.71	5,544.44	33,203.43	198,505.44
Legal Fees & Costs												
Legal Costs	5,189.11	235.95	0.00	0.00	0.00	0.00	0.00	0.00	14.00	0.00	249.95	5,439.06
Legal Fees	72,144.00	3,462.00	5,340.00	1,840.00	1,900.00	1,340.00	500.00	2,360.00	2,620.00	3,420.00	22,782.00	94,926.00
Total Legal Fees & Costs	77,333.11	3,697.95	5,340.00	1,840.00	1,900.00	1,340.00	500.00	2,360.00	2,634.00	3,420.00	23,031.95	100,365.06
Out of Pocket												
Occupancy/Equipment	10,546.17	0.00	0.00	0.00	152.44	0.00	0.00	581.48	406.47	0.00	1,140.39	11,686.56
Postage/Delivery	8,593.24	5.99	463.92	195.20	222.82	601.03	240.84	375.26	295.73	295.37	2,155.16	10,748.40
Supplies/Telephone	2,062.12	258.24	74.84	232.63	47.02	168.09	76.91	133.05	50.65	78.95	1,120.38	3,182.50
Miscellaneous	1,685.20	26.35	84.01	47.79	64.73	49.43	281.35	77.52	18.95	62.19	712.32	2,397.52
Reproduction Services	6,443.07	13.72	200.00	400.00	0.00	0.00	0.00	0.00	0.00	0.00	613.72	7,056.79
Moving Expenses	134.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	134.10
Asset Searches	1,512.79	0.00	18.08	0.00	0.00	6.08	0.00	0.00	0.00	0.00	24.16	1,536.95
Bank Fees	169.67	(19.67)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(19.67)	0.00
Miscellaneous - Other	207.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	207.27
Total Miscellaneous	8,466.90	(5.95)	218.08	400.00	0.00	6.08	0.00	0.00	0.00	0.00	618.21	9,085.11
Total Receivership Admin Fees & Expenses	273,988.75	10,163.92	9,811.90	4,826.90	4,089.72	4,851.59	5,029.08	7,041.27	6,766.51	9,400.95	61,981.84	335,970.59

Robb Evans & Associates LLC, Receiver of White Pine Trust Corporation, Richard R. Matthews, Jr.

Fund Balance & Expenses by Month

From Inception (October 21, 2004) to May 31, 2006

	Previously Reported & Approved	Sep 05	Oct 05	Nov 05	Dec 05	Jan 06	Feb 06	Mar 06	Apr 06	May 06	9/1/05-5/31/06	TOTAL
Asset Protection Expenses												
Armed Security for Gold Coin Sale	1,254.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,254.40
Moho Cave, Belize Island	190,379.50	17,797.95	17,797.95	17,797.95	17,797.95	17,797.95	17,797.95	35,595.90	0.00	17,797.95	160,181.55	350,561.05
Mortgage Payments	1,837.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,837.50
Professional services	23,595.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23,595.38
Total Moho Cave, Belize Island	215,812.38	17,797.95	17,797.95	17,797.95	17,797.95	17,797.95	17,797.95	35,595.90	0.00	17,797.95	160,181.55	375,993.93
5435 Calumet Ave. Expense												
Mortgage	62,968.63	12,947.58	6,473.79	6,473.79	6,473.79	0.00	6,473.79	12,947.58	6,473.79	0.00	58,264.11	121,232.74
Utilities	3,599.79	469.20	209.04	0.00	569.02	0.00	0.00	0.00	0.00	9,682.22	2,215.48	5,815.27
Insurance	2,732.94	299.27	0.00	598.54	674.27	299.21	0.00	(19.50)	0.00	0.00	1,851.79	4,584.73
Property Taxes	30,371.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30,371.09
5435 Calumet Ave. Expense - Other	11,072.31	7,270.50	407.78	458.00	1,000.00	100.00	442.00	134.00	100.00	587.00	9,599.28	20,671.59
Total 5435 Calumet Ave. Expense	110,744.76	20,986.55	7,090.61	7,530.33	7,817.08	399.21	6,915.79	13,062.08	6,573.79	1,555.22	71,930.66	182,675.42
1568 Oliver Avenue #D Expense												
Property taxes	9,975.26	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,975.26
Insurance	2,180.04	1,730.21	0.00	564.21	625.00	1,730.21	0.00	0.00	0.00	0.00	4,649.63	6,829.67
Mortgage	22,365.54	9,236.77	4,517.62	4,517.62	4,517.62	0.00	4,517.62	9,035.24	0.00	4,517.62	40,860.11	63,225.65
1568 Oliver Avenue #D Expense - Other	18,674.40	215.30	3,311.52	3,313.92	3,311.80	813.58	6,612.66	3,910.61	11.76	3,310.58	24,811.73	43,486.13
Total 1568 Oliver Avenue #D Expense	53,195.24	11,182.28	7,829.14	8,395.75	8,454.42	2,543.79	11,130.28	12,945.85	11.76	7,828.20	70,321.47	123,516.71
Boat Expense (Tahara'a)												
Insurance	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	300.00	300.00
Repairs & Maintenance	10,454.55	68.00	120.00	180.00	0.00	0.00	0.00	0.00	0.00	0.00	368.00	10,822.55
Property Tax	5,400.98	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,400.98
Moorage	9,091.37	842.15	0.00	0.00	0.00	0.00	0.00	(2,058.80)	0.00	0.00	(1,216.65)	7,874.72
Boat Expense (Tahara'a) - Other	7,882.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,882.09
Total Boat Expense (Tahara'a)	32,828.99	1,210.15	120.00	180.00	0.00	0.00	0.00	(2,058.80)	0.00	0.00	(548.65)	32,280.34
Rent/Maintenance	15,542.26	105.00	127.88	112.88	112.88	116.10	116.10	116.10	116.10	0.00	923.04	16,465.30
Vehicle Expense	2,796.13	0.00	0.00	0.00	563.00	0.00	0.00	0.00	0.00	919.00	1,482.00	4,278.13
Licenses/fees	1,090.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,090.00
Appraisal/Survey	11,617.02	0.00	0.00	0.00	0.00	0.00	246.46	0.00	0.00	3,500.00	3,746.46	15,363.48
Total Asset Protection Expenses	444,881.18	51,281.93	32,963.58	34,016.91	34,745.33	20,857.05	36,206.58	59,661.13	6,701.65	31,600.37	308,036.53	752,917.71
Total Expense	718,869.93	61,445.85	42,777.48	38,843.81	38,835.05	25,708.64	41,235.66	66,702.40	13,468.16	41,001.32	370,018.37	1,088,888.30
Fund Balance	4,539,960.55	9,133.54	16,551.53	(33,482.19)	84,668.69	(19,110.68)	(36,531.81)	(41,972.95)	(8,225.90)	(738,665.97)	(767,635.74)	3,772,324.81

Robb Evans & Associates LLC, Receiver of White Pine Trust Corporation, Richard R. Matthews, Jr.

Fund Balance & Expenses

From Inception (October 21, 2004) to May 31, 2006

	Funds Received & Expenses Paid	Expenses Not Paid	Unliquidated Assets	Total
Funds Transferred In	667,929.18	0.00	0.00	667,929.18
Estimated liquidation value of gold coins	0.00	0.00	70,000.00	70,000.00
Estimated Real Estate	0.00	0.00	0.00	0.00
Estimated Automobiles and Boat	0.00	0.00	18,000.00	18,000.00
Settlement Proceeds	116,112.92	0.00	0.00	116,112.92
Restitution-Richard Matthews	1,050.00	0.00	0.00	1,050.00
Interest Income	61,409.36	0.00	0.00	61,409.36
Proceeds from sale of assets	3,490,760.84	0.00	0.00	3,490,760.84
Proceeds from Sale of Auto & Boat	415,848.90	0.00	0.00	415,848.90
Proceeds from Auction	10,365.85	0.00	0.00	10,365.85
Miscellaneous Income	9,736.06	0.00	0.00	9,736.06
Estimated Assets	4,773,213.11	0.00	88,000.00	4,861,213.11
Expense				
Receivership Admin Fees & Expenses				
Receivership Administration Fee				
Receiver Fees	31,834.00	10,112.00	0.00	41,946.00
Financial Reconstruction	67,008.00	9,756.00	0.00	76,764.00
IT Management	11,123.88	1,472.75	0.00	12,596.63
Asset Management	22,241.50	20,856.50	0.00	43,098.00
Support Staff	9,758.88	14,341.93	0.00	24,100.81
Total Receivership Administration Fee	141,966.26	56,539.18	0.00	198,505.44
Legal Fees				
Legal Costs	4,785.26	653.80	0.00	5,439.06
Legal Fees - Other	43,923.00	51,003.00	0.00	94,926.00
Total Legal Fees	48,708.26	51,656.80	0.00	100,365.06
Out of Pocket	7,726.49	3,960.07	0.00	11,686.56
Occupancy/Equipment	6,856.17	3,892.23	0.00	10,748.40
Postage/Delivery	1,592.23	1,590.27	0.00	3,182.50
Supplies/Telephone	1,396.46	1,001.06	0.00	2,397.52
Miscellaneous				
Reproduction Services	7,043.07	13.72	0.00	7,056.79
Moving Expenses	134.10	0.00	0.00	134.10
Asset Searches	1,371.72	165.23	0.00	1,536.95
Bank Fees	150.00	0.00	0.00	150.00
Miscellaneous - Other	200.00	7.27	0.00	207.27
Total Miscellaneous	8,898.89	186.22	0.00	9,085.11
Total Receivership Admin Fees & Expenses	217,144.76	118,825.83	0.00	335,970.59

Robb Evans & Associates LLC, Receiver of White Pine Trust Corporation, Richard R. Matthews, Jr.

Fund Balance & Expenses

From Inception (October 21, 2004) to May 31, 2006

	Funds Received & Expenses Paid	Expenses Not Paid	Unliquidated Assets	Total
Asset Protection Expenses				
Armed Security for Gold Coin Sale	1,254.40	0.00	0.00	1,254.40
Moho Cave, Belize Island				
Mortgage Payments	350,561.05	0.00	0.00	350,561.05
Professional services	1,837.50	0.00	0.00	1,837.50
Moho Cave, Belize Island - Other	23,595.38	0.00	0.00	23,595.38
Total Moho Cave, Belize Island	375,993.93	0.00	0.00	375,993.93
5435 Calumet Ave. Expense				
Mortgage	121,232.74	0.00	0.00	121,232.74
Utilities	5,815.27	0.00	0.00	5,815.27
Insurance	4,584.73	0.00	0.00	4,584.73
Property Taxes	30,371.09	0.00	0.00	30,371.09
5435 Calumet Ave. Expense - Other	20,354.59	317.00	0.00	20,671.59
Total 5435 Calumet Ave. Expense	182,358.42	317.00	0.00	182,675.42
1568 Oliver Avenue #D Expense				
Property taxes	9,975.26	0.00	0.00	9,975.26
Insurance	6,829.67	0.00	0.00	6,829.67
Mortgage	63,225.65	0.00	0.00	63,225.65
1568 Oliver Avenue #D Expense - Other	43,486.13	0.00	0.00	43,486.13
Total 1568 Oliver Avenue #D Expense	123,516.71	0.00	0.00	123,516.71
Boat Expense (Tahara'a)				
Insurance	300.00	0.00	0.00	300.00
Repairs & Maintenance	10,822.55	0.00	0.00	10,822.55
Property Tax	5,400.98	0.00	0.00	5,400.98
Moorage	7,874.72	0.00	0.00	7,874.72
Boat Expense (Tahara'a) - Other	7,882.09	0.00	0.00	7,882.09
Total Boat Expense (Tahara'a)	32,280.34	0.00	0.00	32,280.34
Rent/Maintenance	16,465.30	0.00	0.00	16,465.30
Vehicle Expense	3,359.13	919.00	0.00	4,278.13
Licenses/fees	1,090.00	0.00	0.00	1,090.00
Appraisal/Survey	15,363.48	0.00	0.00	15,363.48
Total Asset Protection Expenses	751,681.71	1,236.00	0.00	752,917.71
Total Expense	968,826.47	120,061.83	0.00	1,088,888.30
Fund Balance	3,804,386.64	(120,061.83)	88,000.00	3,772,324.81

1 LINDA J. CANDLER, ESQ. [State Bar No. 181805]
2 ROBB EVANS & ASSOCIATES LLC
3 11450 SHELDON STREET
4 SUN VALLEY, CA 91352
5 TELEPHONE: (818) 768-8100
6 FACSIMILE: (818) 768-8802

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8 ATTORNEY FOR ROBB EVANS & ASSOCIATES LLC,
9 PERMANENT RECEIVER

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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA**

COMMODITY FUTURES TRADING
COMMISSION,

Plaintiff,

v.

WHITE PINE TRUST CORPORATION,
a California corporation, RICHARD
MATTHEWS, an individual, and
STEPHAN BAERE, an individual.

Defendants.

LUCIA MATTHEWS, an individual,

Relief Defendant.

CASE NO. 04cv2093-J (NLS)

MEMORANDUM OF POINTS &
AUTHORITIES IN SUPPORT OF
MOTION FOR AN ORDER (1)
APPROVING PAYMENT OF
ADMINISTRATIVE FEES AND
EXPENSES INCURRED FOR THE
PERIOD SEPTEMBER 1, 2005
THROUGH MAY 31, 2006, AND (2)
APPROVING PROCEDURE FOR
LIMITED NOTICE THEREOF

Date: July 31, 2006
Time: 10:30 a.m.
Place: Courtroom 12
940 Front Street
San Diego, CA 92101-8900
(Hon. Napoleon A. Jones, Jr.)

[ORAL ARGUMENT NOT REQUIRED]

Federal Rules of Civil Procedure, Rule 66, states, in part:

The practice in the administration of estates by receivers or by other similar officers appointed by the court shall be in accordance with the practice heretofore followed in the courts of the United States or as provided in rules promulgated by the district courts. In all other respects the action in which the appointment of a receiver is sought or which is brought by or against a receiver is governed by these rules.

Local Rule 66.1.c. states as follows:
1

Memorandum of Points & Authorities in Support of Motion for an
Order Approving Payment of Administrative Fees & Expenses
Incurred for the Period September 1, 2005 through May 31, 2006
and Approving Procedure for Limited Notice Thereof

1 **Application for Fees.** All applications for fees for services rendered in connection
2 with a receivership shall be made by petition setting forth in reasonable detail the
3 nature of the services and shall be heard in open court.

4 Pursuant to Local Rule 66.1(f)(4), the Receiver is required to give at least ten days
5 notice to all interested parties of the time and place for hearings on applications for fees of
6 the Receiver. The Receiver has served the parties by mail. The Receiver proposes to serve
7 all investors and potential creditors of the estate by posting a copy of the motion on the
8 Receiver's website, and by serving Notice of Motion on each investor by mail. There are
9 approximately 260 known investors and approximately 25 known creditors, and it is more
10 cost-effective to serve the Motion and all accompanying exhibits by posting on the website.
11 The Receiver will also provide a written copy to any investor, upon request. The expense
12 associated with copying and serving this Motion on all such parties would be unduly
13 burdensome and expensive.

14 This Court, as a court of equity supervising the receivership estate, may make
15 appropriate administrative orders governing the receivership, including limitations on and
16 changes in notice and other procedures. See F.R. Civ. P. 5(a) and (c) (authorizing the court
17 to modify service procedures when numerous defendants are involved in litigation). Orders
18 limiting notice when the Bankruptcy Code or Rules would otherwise require notice to all
19 creditors are routinely granted in bankruptcy cases to promote the expeditious and
20 economical administration of bankruptcy estates. See In re First Alliance Mortgage Co., 269
21 B.R. 428, 442 (C.D. Cal. 2001) (referencing in dicta in the court's recitation of facts the
22 bankruptcy court's order limiting notice issued in that case); 11 U.S.C. section 102(1)(A)
23 (defining the phrase "after notice and a hearing" to mean "after such notice as is appropriate
24 in the particular circumstances, and such opportunity for hearing as is appropriate in the
25 particular circumstances"); 11 U.S.C. section 105(a) and (d) (granting broad equitable powers
26 to the court to issue orders "necessary or appropriate to carry out the provisions" of title 11
27 including "prescribing such limitations and conditions as the court deems appropriate to
28 ensure the case is handled expeditiously and economically").

1 In light of the fact that the Motion is being served on the parties to the action and
2 will be posted on the Receiver's website, the Receiver submits that it is reasonable and cost-
3 effective to serve all creditors/investors of the Receivership entities by posting the Motion
4 on the Receiver's website and by serving the Notice of Motion and instructions for
5 requesting a written copy on all known investors by mail. The Receiver has communicated
6 with many of the investors by email and is aware that many of the investors routinely check
7 the Receiver's website for updated information about this case. The Receiver requests
8 approval to proceed based on this procedure. In order to maximize notice of this situation,
9 the Receiver has taken the following steps:

- 10 1. This Motion has been served on all parties named in this action;
- 11 2. The Notice of Motion will be served on all known investors and creditors by
12 mail. Notice has been given in the Notice of Motion that the Receiver will provide a copy
13 of the Motion to any interested party upon request. Parties may direct such a request to:
14 Robb Evans & Associates LLC, Attn: Cherrie Eustaquio, 11450 Sheldon Street, Sun Valley,
15 CA 91352 telephone: (818) 768-8100, facsimile: (818) 768-8802; and
- 16 3. The Motion has been posted on the Receiver's website at the following
17 address: <http://www.robbevans.com/html/whitepine.html>.

18 The above-described procedure for limited service of this Motion is designed to
19 permit the Receiver to obtain approval of its fees and expenses in an expeditious and cost-
20 effective manner, while providing full disclosure as required by Rule 66.1. It minimizes the
21 cost of reproducing and mailing voluminous exhibits. The Receiver submits that the notice
22 provided for herein is reasonable and designed to provide fair notice and an opportunity to
23 be heard to all creditors and interested parties in the Receivership Estate while minimizing
24 the expense of service that would otherwise be borne by those creditors.

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CONCLUSION

For the reasons set forth herein, it is respectfully requested that this Court issue an Order approving the administrative fees and expenses of the Receiver and its staff for the period September 1, 2005 through May 31, 2006, as more particularly set forth in the Receiver's Motion, and approving the procedures for limited notice of the Motion described therein.

Dated: June 21, 2006

ROBB EVANS & ASSOCIATES LLC

By: 
LINDA J. CANDLER, ESQ.
ATTORNEY FOR RECEIVER