

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 of Receiver for Order:

- (1) Approving Payment of Administrative Fees and Expenses Incurred for the Period June 1, 2006 Through January 31, 2007; and**
- (2) Declaration of Brick Kane**

Dated April 10, 2007

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.

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 JUNE 1, 2006 THROUGH
JANUARY 31, 2007, AND (2)
DECLARATION OF BRICK KANE

Date: May 21, 2007

Time: 9:00 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:

PLEASE TAKE NOTICE that on May 21, 2007, at 9:00 a.m. in Courtroom 12 of
the United States District Court for the Southern District of California located at 940
Front Street, San Diego, California 92101, Robb Evans & Associates LLC, Receiver in the

1 above-captioned case, will present its Motion for an Order approving payment of
2 administrative fees and expenses incurred for the period June 1, 2006 through January 31,
3 2007 (“Motion”).

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

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

9 1. Approving the payment of the Administrative Fees and Expenses of the
10 Receiver and its staff of \$ 34,542.92 and legal fees and expenses of \$11,074.00 for the
11 period June 1, 2006 through January 31, 2007; and
12

13 PLEASE TAKE FURTHER NOTICE that this Motion is made pursuant to Local
14 Rule 66.1, and is based upon this Notice of Motion, Motion, the accompanying
15 Memorandum of Points and Authorities, and the Declaration of Brick Kane, and upon
16 such other pleadings and oral and documentary evidence as may be presented at or before
17 the time of the hearing on the Motion.

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

23 PLEASE TAKE FURTHER NOTICE that this Motion is posted on the Receiver’s
24 website at <http://www.robbevans.com/html/whitepine.html>, where it may be reviewed in
25 its entirety. A copy of this Motion, along with all exhibits will be provided to any
26 interested party upon receipt of a request therefore which may be directed to: Robb
27 Evans & Associates LLC, Attn: Cherrie Eustaquio, 11450 Sheldon Street, Sun Valley, CA
28 91352 telephone: (818) 768-8100, facsimile: (818) 768-8802.

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

Dated: April 10, 2007

ROBB EVANS & ASSOCIATES LLC

/s/

By: _____

LINDA J. CANDLER, ESQ.
ATTORNEY FOR RECEIVER
LINDA_CANDLER@ROBBEVANS.COM

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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. On January 19, 2007, the Receiver made a distribution to all investors, on a pro rata basis in the total amount of \$3,186,943.74.

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, totaling \$59,310.64 was filed October 20, 2005 [Docket Entry 98] and approved in its

1 entirety on June 16, 2006. The Receiver's third request for approval of fees and expenses
2 for the period September 1, 2005 through May 31, 2006, totaling \$61,981.84 was filed June
3 22, 2006 [Docket Entry 169] and approved in its entirety on January 9, 2007.

4
5 **II.**

6 **RECEIVER'S FEES AND EXPENSES FOR THE PERIOD**
7 **JUNE 1, 2006 THROUGH JANUARY 31, 2007**

8 By this Motion, the Receiver seeks approval and authority for payment of the fees
9 and expenses of the Receiver, the Receiver's staff, and the Receiver's counsel for the
10 period June 1, 2006 through January 31, 2007. The fees and expenses for which approval
11 is requested are set forth in the summary entitled "Fund Balance & Expenses by Month"
12 attached hereto as Exhibit "1". This Summary includes the fees and expenses approved
13 by the first, second and third fee applications. For this current application, the fees and
14 expenses of the Receiver include the following itemized items: Receiver's Fees of
15 \$6,178.00 (Exhibit "2" hereto), staff fees for Financial Reconstruction and Distribution of
16 \$5,291.00 (Exhibit "3" hereto), staff fees for Information Technology and Database
17 Maintenance of \$581.11 (Exhibit "4" hereto), staff fees for Asset Evaluation and
18 Management of \$1,257.50 (Exhibit "5" hereto), and legal fees of \$11,020.00 (Exhibit "6"
19 hereto).

20 As set forth in detail in Exhibits "1" through "6" hereto, and including additional
21 out-of-pocket expenses and support staff fees as itemized on Exhibit "1," the Receiver has
22 incurred \$45,616.92 in fees and expenses for the period June 1, 2006 through January 31,
23 2007.

24 **Overview of Services Performed by the Receiver and its Staff**

25 During the period June 1, 2006 through January 31, 2007 the Receiver and its staff
26 engaged in ongoing legal and administrative activities relating to the Receivership Estate,
27 including the following:
28

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 assets and investments of the Receivership Estate, including an island in Belize.
8 The Receiver also sold approximately 109 gold coins for a price of \$62,883.75. At least
9 575 gold coins are still unaccounted for.

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

14 4. The Receiver continued efforts to maintain the assets of this Receivership
15 Estate, in accordance with the duties conferred upon it by this Court. Included in Exhibit
16 “1” is a separate summary of funds expended during the period June 1, 2006 through
17 January 31, 2007 for the maintenance and preservation of Receivership Estate assets.
18 These expenditures are for mortgage payments, insurance appraisal, HOA fees and utilities
19 - for the real property purchased by Defendant Matthews with White Pine Trust investor
20 funds.

21 Included in Exhibit “1” hereto is an estimate of the current value of the assets of
22 the Receivership Estate. At January 31, 2007, the value of those assets is estimated at
23 \$760,000. At January 31, 2007, the Receivership Estate had cash in its accounts totaling
24 \$524,396.40 following payment of Receivership administrative expenses and expenses
25 relating to asset protection and preservation and the distributions to investors. Remaining
26 unliquidated assets include real property.

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III.

CONCLUSION

In light of the extensive and successful work performed, and the necessity of verifying and reconstructing financial information and investor details due to lack of any record keeping by the defendants, it is respectfully submitted that the fees and expenses of the Receiver and its professionals are reasonable and should be approved and authorized for payment.

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

1. Approving and confirming the administrative fees and expenses of the Receiver and its staff for the period June 1, 2006 through January 31, 2007, as more particularly set forth herein.

Dated: April 10, 2007

ROBB EVANS & ASSOCIATES LLC

/s/

By: _____
LINDA J. CANDLER, ESQ.
ATTORNEY FOR RECEIVER
LINDA_CANDLER@ROBBEVANS.COM

DECLARATION OF BRICK KANE

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I, BRICK KANE, declare as follows:

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

2. 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. On October 20, 2005, the Receiver submitted its second fee application, for approval of administrative fees and expenses totaling \$59,310.64 for the period May 1, 2005 through August 31, 2005. The Court granted the Receiver’s second request pursuant to an Order entered on June 16, 2006. The Receiver’s third request for approval of fees and expenses for the period September 1, 2005 through May 30, 2006, totaling \$61,981.84 was submitted on June 22, 2006 and approved by this Court on January 9, 2007.

3. By this Motion, the Receiver submits its fourth Application of fees and expenses and seeks an Order approving and authorizing payment of administrative fees of the Receiver and its staff of \$22,434.82, legal fees and costs of \$11,074.00 and expenses of \$12,108.10 for the period June 1, 2006 through January 31, 2007.

4. Attached hereto as Exhibit “1” is an accounting entitled “Fund Balance and Expenses by Month.” Attached hereto as Exhibit “2” is an itemization of the Receiver’s fees of \$6,178.00. Attached hereto as Exhibit “3” is an itemization of staff fees for Financial Reconstruction and distribution of \$5,291.00. Attached hereto as Exhibit “4” is an itemization of staff fees for Information Technology and Database Maintenance of

1 \$581.11. Attached hereto as Exhibit "5" is an itemization of staff fees for Asset
2 Evaluation and Management of \$1,257.50. Attached hereto as Exhibit "6" is an
3 itemization of legal fees of \$11,020.00. As set forth in detail in Exhibits "1" through "6"
4 hereto, including out-of-pocket expenses as itemized on Exhibit "1," the Receiver has
5 incurred \$45,616.92 in fees and expenses for the period June 1, 2006 through January 31,
6 2007.

7 5. During the period June 1, 2006 through January 31, 2007, the Receiver and
8 its staff engaged in ongoing administrative activities relating to the Receivership Estate,
9 including the following:

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

13 B. The Receiver and its staff continued to assess the value and best
14 means of liquidation of the assets of the receivership estate in order to maximize the
15 return for investors and creditors. During this period, the Receiver was successful in
16 negotiating and liquidating assets and investments of the receivership estate, including real
17 estate and gold coins.

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

24 D. On January 19, 2007, the Receiver made a pro rata distribution to all
25 investors in the total sum of \$3,186,943.74 from the assets of the receivership estate.

26 6. The Receiver has expended considerable time and effort to maintain the
27 assets of this receivership estate, in accordance with the duties conferred upon it by this
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1 Court. Included in Exhibit "1" is a separate summary of funds expended during the
2 period June 1, 2006 through January 31, 2007 for the preservation of receivership estate
3 assets. Such expenditures include insurance, HOA fees, mortgage payments, and utilities.

4 7. Included in Exhibit "1" hereto is an estimate of the current value of the
5 assets of the receivership estate. At January 31, 2007, the value of those assets is estimated
6 at \$760,000.00. At January 31, 2007, the receivership estate had cash in its accounts
7 totaling \$524,396.40 following payment of Receivership administrative expenses and
8 expenses relating to asset protection and preservation. Remaining unliquidated assets
9 include the real property in Belize, which is under contract, gold coins, and assets of the
10 receivership loaned or transferred to third parties and family members.

11 8. In light of the extent of the work performed during this period, and the
12 results achieved, I believe that the fees and expenses of the Receiver and its staff are
13 reasonable and should be approved and authorized for payment.

14 9. This Motion has been timely emailed to all parties to the action; and it will be
15 posted on the Receiver's website. The Notice of Motion and Motion will be served on all
16 known investors and creditors by mail. Each investor/creditor will receive written
17 instructions of the Motion and all exhibits on how to request a copy by mail if needed. I
18 believe that these procedures will save time and money for the receivership estate. I am
19 aware that many of the investors communicate with the Receiver by email and regularly
20 check the Receiver's website for updates on the case. I declare under penalty of perjury
21 under the laws of the United States of America that the foregoing is true and correct.

22 Executed this 5 day of April 2007 at Sun Valley, California.

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25 BRICK KANE