

# **ROBB EVANS & ASSOCIATES LLC**

**Temporary Receiver of  
White Pine Trust Corporation and  
Richard Matthews**

## **REPORT OF TEMPORARY RECEIVER'S ACTIVITIES OCTOBER 21, 2004 THROUGH OCTOBER 26, 2004**

This report covers the activities of the Temporary Receiver since the inception of the Temporary Receivership. This is the first Report to the Court on the progress of the Temporary Receivership. It does not constitute an audit of financial condition and is intended only to provide information for use by the Court in assessing the progress of the Receivership.

### **Custody, Control and Possession**

On October 21, 2004 the Temporary Receiver simultaneously took control of the business premises located at 343 4<sup>th</sup> Avenue, San Diego, Mr. Matthews' home located at 5435 Calumet Avenue, La Jolla, and a 48 foot boat owned by White Pine Trust Corporation (WPTC) located at the Marriot Marina in San Diego.

The business premises were not occupied. The Temporary Receiver had earlier made arrangements for a locksmith to be present at the site. The locksmith opened the facility at the direction of the Temporary Receiver.

It was immediately evident that the defendants had substantially vacated the office. With the exception of one office, most personal items had been removed and the desks were emptied. Three personal computers were on site. The hard drive had been removed from one computer, one hard drive was formatted and erased, and the third did not contain any pertinent information about the business operations.

One area of the office contained a rack used for network servers. The rack was empty and the network wires were cut. One server was recovered and taken to the Temporary Receiver's office for analysis.

There were ceiling and wall mounted television stands in the main office, conference room and Defendant Matthews' office. The televisions had been removed.

The Temporary Receiver interviewed a tenant in suite 204. The tenant advised the Temporary Receiver that he had not seen anyone in the WPTC office for the last week to ten days. He also said that the defendants had been moving items out of the office for the past several months and that the defendants did not hire a moving company. It appeared to him that the

employees were removing the files and equipment. The tenant stated that when WPTC was operating there was significant activity and the offices looked like something from Wall Street, with the televisions and monitors operational.

The Temporary Receiver telephoned Ms. Athena Harman, the owner of Harman Asset Management, the property manager for WPTC and advised her of this Court's order. Ms. Harman stated that the rent was due for October. Her last contact with Defendant Matthews was Monday, October 18, 2004, when he called her regarding the rent. He said that he mailed the rent check to her but it was returned for insufficient postage and indicated that he would mail it again.

The door locks controlling access to the facility were changed and the Temporary Receiver took control of the local mail through the U.S. Postal Service.

No one at Mr. Matthews' home answered the door for the Temporary Receiver. The Temporary Receiver had earlier made arrangements for a locksmith to be present at the home and the locksmith opened the home at the direction of the Temporary Receiver.

While all of the rooms in the home were furnished, there was very little clothing in the closets or bedroom drawers and almost no toiletries were in the bathrooms. Mr. Matthews' home office contained only a few items pertinent to WPTC.

The door locks were changed and the sliding glass windows were secured.

The boat, named TAHARA'A II was unoccupied. The Temporary Receiver made arrangements for a boat technician and a locksmith to arrive at the site. The technician, who had been responsible for servicing the boat for Mr. Matthews, was very familiar with the operation of the boat. He proceeded to take the necessary steps to disable the engine, so that it would be very difficult for anyone other than a trained technician to re-enable the operation of the boat. Two sets of keys were found on the boat and one set was given to the technician and the Temporary Receiver kept one set. The technician contacted the manufacturer and made arrangements to have a new set of keys and locks made, which would be mailed to the technician, with a copy to be mailed to the Temporary Receiver. Arrangements were made with the technician to continue to perform the necessary maintenance service on a month-to-month basis.

The locksmith advised the Temporary Receiver that the locks could not be changed due to the fact that no local retailer/wholesaler had the appropriate type of locking mechanisms. The Temporary Receiver then called the retail company that sold the boat to Mr. Matthews and was informed that there was only one local locksmith that carried that type of locking mechanism. That locksmith was contacted, but was unavailable, even though the urgency of matter was thoroughly explained. The locksmith on site was then instructed by the Temporary Receiver to place the largest and strongest available pad lock on the main door with a keyed hasp lock bolt on the rear door. Keys to the locks were given to the Receiver, with a copy to be mailed to the technician.

The boat was furnished, but there was very little clothing in the closets or bedroom drawers and very few toiletries in the bathrooms. There were only a few significant items found on the boat related to WPTC. One item was the original paycheck stub dated November 5, 2003 for the period ending November 1, 2003. The pay stub reflected year to date earnings totaling \$1,425,821.99. A copy of the paycheck stub is under Tab 1. Other information found was the purchase documents and insurance documents for the boat.

The Temporary Receiver also served the Order and took control of the mail at La Jolla Mailbox Rentals located at 5666 La Jolla Blvd, La Jolla.

### **Preliminary Company Information and Investigation**

The Temporary Receiver determined the corporate/entity status of the following:

- **White Pine Trust Corporation** is a California corporation, Charter No. C02217841. The corporation was formed on July 25, 2000; its current status is active. Richard R. Matthews is President; Kent C. Wilson is the Registered Agent. The address of the corporation is 5666 La Jolla Blvd. #47, La Jolla, California 92037.
- **Pinnacle Capital Management** is a San Diego County Fictitious Business Name. The owner is White Pine Trust Corporation, per file #20000331557, filed November 8, 2000.
- **Global Trading Group** is a San Diego County Fictitious Business Name. The owner is Richard R. Matthews, Jr., per file #1995005443, filed March 22, 1995.

The Temporary Receiver conducted a UCC search of the above entities and individuals and found no UCC liens were identified for these entities/individuals.

The Temporary Receiver has contacted numerous entities and individuals in an effort to locate assets and develop information. A list of those contacts is under Tab 2.

### **WPTC Website**

Immediately after its appointment, the Temporary Receiver began to investigate the [whitepinetrust.com](http://whitepinetrust.com) website to determine if any retail customer information had been captured by the website hosting facility.

Using various web tools, the Temporary Receiver determined the WPTC website was hosted on equipment from The Planet Internet Services (Planet) located at 1333 N. Stemmons Freeway, Suite 110, Dallas, TX. The Temporary Receiver talked to technical support staff at Planet and determined that website was hosted on one of the servers at their location.

The Temporary Receiver contacted two website design companies used by WPTC to create their website.

Mr. Brian Kent, the Chief Executive Officer of San Diego Media, was very cooperative. The website consisted of several front-end screens requiring a user id and password to login and a backend database that contained retail customer information. Mr. Kent stated that WPTC had not been a customer of his company since early 2003 after a dispute arose and that WPTC owed his company \$5,000 at the time of the dispute. Mr. Kent stated that Mr. Matthews contacted him approximately six months ago, paid off the outstanding debt, and requested that all data maintained by San Diego Media be destroyed. This data was destroyed. Mr. Kent referred the Temporary Receiver to the successor firm, RosArt Multimedia in San Diego.

The Temporary Receiver contacted Mr. Jose Rosa, the Chief Executive Officer of RosArt Multimedia. Mr. Rosa stated that he had severed business relationships with Mr. Matthews about a year and a half ago and the WPTC had an unpaid balance of approximately \$3,000 with his company at that time. Mr. Rosa stated that about six months ago Mr. Matthews contacted his company, paid off his outstanding bill and requested all data they had be destroyed. Mr. Rosa charged WPTC \$100 for this task. RosArt Multimedia only did design work on the front-end screens and did nothing to the backend database.

The Temporary Receiver is continuing to investigate other web hosting and web design companies that have been used by WPTC subsequent to San Diego Media and RosArt Multimedia.

### **WPTC Employee Information**

From information contained on the paycheck stub found on the boat, the Temporary Receiver contacted the payroll company and requested its records for the WPTC payroll. The last processing period for this payroll company was for the period ending November 7, 2003. The payroll report lists six active and two terminated employees.

### **Retail Customer Information**

The Temporary Receiver learned from documents filed by the Plaintiff that IRA Resources, Inc. (IR) had sent funds to WPTC. IR is a San Diego based self-directed IRA Administration company. The Temporary Receiver contacted the owner of IR who agreed to provide the Temporary Receiver with customer information. There are currently 68 IRA holders with balances that reflect WPTC investments totaling \$5,166,931.76. The owner of the company told the Temporary Receiver that Mr. Matthews was in her office during the week of October 18, 2004. Mr. Matthews gave IR two \$5,000.00 checks representing a partial sale of assets for two different investors. Within the next several days, IR will furnish the Temporary Receiver with a complete transactional history for each of the accounts it administers.

The Temporary Receiver analyzed the data contained on the server retrieved from the business premises. The server contained a database with contact information for a number of

vendors, miscellaneous contacts, file notes, and retail customer information. The Temporary Receiver determined that the last update to the database was on November 4, 2003. Based on all of the information currently available, the Temporary Receiver believes the database is a backup of older information and does not contain any retail customer information after November 4, 2003.

The database contains the names and contact information for 224 retail customers that sent funds to WPTC. The Temporary Receiver compared the names contained in the database with the customer information provided by IR. The Temporary Receiver was able to match the names in the database to the information provided by IR, except for certain IR customers who opened their IRA accounts after November 4, 2003. Therefore, the Temporary Receiver believes the number of WPTC retail customers contained in the database is understated by the number of retail customers who sent funds to WPTC after November 4, 2003.

### **Non-Cash Asset Information**

The Temporary Receiver has developed and is continuing to develop information on illiquid assets held in the name of WPTC or Mr. Matthews. The following paragraphs detail the information developed to date.

#### **Possible Investments in or Diversions to Mexico**

On Thursday, October 21, 2004, while reviewing documents at the offices of WPTC, the Temporary Receiver located an email exchange between Mr. Matthews and a San Diego attorney. A copy of the email communication is attached as Tab 3. The email from Mr. Matthews discussed an apparent pending purchase of an unidentified asset but did not contain any details of the amount of the transaction. However, there is a reference to traveling to Mexico City and the phrase "This is our first deal in Mexico".

The Temporary Receiver sent a letter to the San Diego attorney requesting all information about the transaction in Mexico. The letter also requested that the law firm prepare a brief summary of all legal work and transactions that were undertaken or completed on behalf of any of the Receivership defendants. The Temporary Receiver's letter also pointed out that the Temporary Receiver was especially interested in any purchase or sale of any real or personal property and any assisted financial transactions, including the establishment of any foreign bank accounts or trusts and the transfer of funds to any foreign jurisdiction.

On Tuesday, October 26, 2004, the attorney and another member of his firm called the Temporary Receiver's office and discussed the letter. However, since then, despite several voice mail messages, neither the attorney nor any other person from the law firm has called to discuss the Temporary Receiver's request.

The Temporary Receiver intends to pursue all available information about possible investments in Mexico or other jurisdictions.

## **Possible Investments in or Diversions to Belize**

On August 9, 2004 \$500,000 was wire transferred from WPTC to an escrow account in Belize. The Temporary Receiver will investigate the purpose of this wire transfer and the location of or disposition of these funds.

## **Real Properties**

### **5435 Calumet Avenue, La Jolla, CA 92037-7604**

This property is held in the name of Richard Matthews, a married man, as his sole and separate property. It is a 4-bedroom, 4-bath single-family residence acquired by Mr. Matthews on May 28, 2004 for \$2,500,000. Concurrent with the purchase of the property, Lucia Matthews executed an Interspousal Transfer Grant Deed, granting the property to Richard Matthews, a married man as his sole and separate property. There is one Deed of Trust in favor of Hawthorne Savings, F.S.B. in the amount of \$1,875,000.

### **1568 Oliver Avenue, Unit D, San Diego, CA 92109-5307**

This property is held in the name of Richard R. Matthews, Jr., a married man, as his sole and separate property. It is a 3-bedroom, 2-bath condominium acquired by Richard Matthews on August 1, 2003 for \$507,500. Concurrent with the purchase of the property, Lucia Matthews executed a Quitclaim Deed, quitclaiming the property to Richard Matthews, a married man as his sole and separate property. There is one Deed of Trust in favor of Argent Mortgage Company, LLC in the amount of \$456,540.

## **The TAHARA'A II**

The Temporary Receiver has determined that White Pine Trust Corp. is the registered owner of the boat which is described more fully as follows:

- 1998 48' fiberglass recreational boat built by Navigator Enterprises, Inc. in Perris, California. Vessel name is "Tahara'a II", prior name "Sea Ya". Hull number is NVY48C29K798. Vessel number is 473451.

The boat was purchased in August 2003 from Yachts West, located at the Marriot Hotel Marina in San Diego, California. The purchase price was \$390,000, plus miscellaneous escrow fees. Of that amount, an initial deposit of \$39,000 was made pursuant to an executed "Offer to Purchase and Sales Agreement" dated July 2003. The sum of \$333,714.68 was issued pursuant to a cashier's check #2015548220, issued by Bank of America to Yachts West Trust, and \$20,000 was paid by a check dated September 1, 2003 from White Pine Trust Corporation, Bank of America Account #00500-03082.

## **Coins & Jewelry**

Based on information reviewed by the Temporary Receiver, the Temporary Receiver contacted three coin and jewelry stores in the San Diego area, requesting information

regarding accounts held, or purchases or sales made, by the Receivership Defendants. The stores are:

Cellar Coin & Jewelry, Inc.  
Royal Maui Jewelers  
Coin Shop

Cellar Coin & Jewelry, Inc. was contacted following a review of documentation reflecting a transaction on March 22, 2004 consisting of 174 Maple Leaf coins and 96 perfect Maple Leaf coins totaling \$111,000. The owner, Mr. Michael Williams, said he is aware of two transactions with Mr. Matthews; one on March 22, 2004, and one approximately three weeks prior to that date. Both transactions consisted of coins sold by Matthews to Cellar Coin & Jewelry, Inc. Mr. Williams has assembled records in his possession for those transactions and will transmit them to the Temporary Receiver following review and approval by his counsel.

The Temporary Receiver is continuing its efforts to contact the owners of Royal Maui Jewelers and Coin Shop by telephone.

### **Storage Facilities**

The Temporary Receiver has written to five self-storage facilities within a 5-mile radius of the Calumet residence requesting information as to whether any of the Receivership Defendants currently rents storage. One of the facilities, San Diego Self Storage, informed the Receiver's office that it had eight branches within the San Diego area and would disseminate the Receiver's request to all of its branches.

On October 25, 2004, the Receiver's staff spoke by telephone with the General Manager of Price Self Storage, who informed the Receiver's office that a storage unit had been rented by White Pine Trust at Price Self Storage's Pacific Beach location. The contents of the storage unit were auctioned off "about a month ago", due to lack of payment. Price Self Storage informed us that the auctioned contents consisted primarily of an old copy machine and some assorted papers.

The Receiver continues to investigate storage facilities in the San Diego area to ascertain whether Mr. Matthews or WPTC currently have any personal property in storage.

### **Financial Information**

The Temporary Receiver has reviewed certain bank statements and limited supporting documents, as listed under Tab 4, of WPTC and Pinnacle Capital. The Temporary Receiver has not yet received all bank statements or supporting documents for accounts at Washington Mutual Bank, U.S. Bancorp, Bank of America, Wells Fargo Bank, and Union Bank of California. Consequently, the amounts discussed below and the amounts detailed on the schedules under Tab 4 will increase when the additional bank detail is received.

The Temporary Receiver has confirmed from these bank statements that neither WPTC nor Pinnacle Capital maintained a segregated account for the receipt of funds from retail customers. Based on a review of the bank statements the Temporary Receiver determined the retail customer funds were commingled in the same accounts that were used to disburse funds for purposes unrelated to retail customers.

### **Apparent Cash Received from Retail Customers and Cash Paid to Retail Customers**

As detailed under Tab 4, the Schedule of Balances of Certain Accounts provides detail for the following transactions. WPTC received approximately \$24.3 million from retail customers between May 7, 2001 and October 4, 2004, while Pinnacle Capital received approximately \$2.8 million from retail customers between January 26, 2000 and February 24, 2003, which totaled approximately \$27.1 million.

WPTC paid approximately \$3.4 million to retail customers between May 23, 2002 and October 1, 2004, while Pinnacle Capital paid approximately \$100,000 to retail customers between June 13, 2002 and October 2, 2002, which totaled approximately \$3.5 million. Other disbursements included probable cash withdrawals of \$1.1 million, withdrawals by check of \$1.5 million, and payments to a coin dealer of \$2.3 million.

In addition, wire transfers to currently unknown payees totaling \$4.8 million and unclassified disbursements, which cannot be identified until additional bank documents are received, total \$12.1 million. Therefore, the Temporary Receiver cannot yet determine the disposition of disbursements totaling about \$16.9 million.

### **Transactions with Foreign Currency Trading Companies**

WPTC deposited approximately \$3.5 million to and withdrew approximately \$3.3 million from IG Markets plc, a United Kingdom foreign exchange brokerage, between October 16, 2002 and November 13, 2003. WPTC deposited approximately \$3.2 million to and withdrew approximately \$2.8 million from IFX Ltd., another United Kingdom foreign exchange brokerage, between March 26, 2003 and November 18, 2003. WPTC also deposited \$1.0 million to and withdrew approximately \$900,000 from Man Financial Ltd., also a United Kingdom foreign exchange brokerage, between July 1, 2003 and July 31, 2003.

Pinnacle Capital deposited \$150,000 to IG Markets plc on October 4, 2002. It also deposited approximately \$188,000 to and withdrew approximately \$188,000 from Marlborough Asset Management, an offshore securities-trading company regulated in the US and London, between March 24, 2000 and March 29, 2001.

As detailed under Tab 2, the Temporary Receiver has confirmed that \$119,599.14 has been frozen at bank or brokerage accounts, including one brokerage account in the United Kingdom. The Temporary Receiver is in the process of confirming if other accounts in the United Kingdom contain funds.

Based on this preliminary information, gross receipts from retail customers were about \$27.1 million and payments to retail customers were about \$3.5 million resulting in a net of about \$23.6 million.

### **Transactions with Coin Dealers**

On November 3, 2003, WPTC wire transferred \$2,273,700 to California Nomismatic (SIC). The Temporary Receiver is investigating this transaction.

Upon receipt of additional bank and brokerage documents, the Temporary Receiver will be able to provide this Court with more specific details of receipt and disbursement information.

### **Communication with Retail Customers**

The Temporary Receiver has posted this Court's order of appointment on its website [www.robbevans.com](http://www.robbevans.com) in an attempt to notify retail customers of the lawsuit. One retail customer who forwarded to the Temporary Receiver recent documents received from WPTC contacted the Temporary Receiver. A copy of those documents is under Tab 5. The retail customer informed the Temporary Receiver that he had received the account statement for September 2004 in October 2004 and received weekly updates by email, with the last email being October 17, 2004. The retail customer also informed the Temporary Receiver that Mr. Steffan Baere had visited their home and filmed a testimonial videotape at WPTC. The Temporary Receiver located WPTC business cards at Mr. Matthews' home that showed Mr. Baere's title as Director of Client Development. Due to financial privacy concerns, the Temporary Receiver has redacted the retail customer's name. This retail customer is also listed in the WPTC database described above.

### **Attempted Contact with Mr. Matthews**

On October 22, 2004 the Temporary Receiver located a cellular telephone number for Mr. Matthews. The Temporary Receiver placed a call to Mr. Matthews and left a message in his voice mail. The Temporary Receiver provided three different telephone numbers for Mr. Matthews to respond. To date, Mr. Matthews has not returned the telephone call.

Respectfully submitted,

Robb Evans & Associates LLC  
Temporary Receiver

RICHARD MATTHEWS SS# 076-58-7731		EMP. NO. 048460003	Fed S/03	State S/03	Per Beg 10/16/2003	Per End 11/01/2003	Check Date 11/05/2003	Check No. 5196
<b>Earnings</b>		<b>Taxes</b>		<b>Deductions</b>		<b>Deductions and Taxes</b>		<b>YTD Amount</b>
Current	60,000.00	26,324.22	148.00	MEDICARE		867.85		20,644.37
Y-T-D	1,425,821.95	620,729.06	2,599.00	SOC SEC				5,394.00
<b>Earnings Type</b>	<b>Rate</b>	<b>Cur Qty</b>	<b>Cur Amt</b>	<b>Year to Date</b>				
SALARY \$			60,000.00	FEDERAL		19,989.91		465,958.75
BONUS				CALIFORNIA		5,466.46		128,219.70
				CALIF SDI				512.24
				125 MEDICAL		148.00		2,072.00
				MED DED \$ POST-TAX				527.00

WHITE PINE TRUST CORPORATION  
343 4TH AVE  
SUTIE 201  
SAN DIEGO CA 92031

Accruals	Balance	Taken	Accruals	Balance	Taken
VACATION			SICK		
HOLIDAY			PERSONAL		
BENEFIT5			BENEFIT6		

**Direct Deposits(s)**

Net Pay 33,527.78  
Check Amt 33,527.78

Robb Evans & Associates LLC  
 Temporary Receiver of White Pine Trust Corporation  
 Richard R. Matthews, Jr.  
 Summary of Entities and Individual Served

	Entity/Individual Name	Account Name	Account Number	Frozen Account Balance	From	To	Status
1	A-1 Self Storage	White Pine Trust Corporation; Richard Matthews; Lucia Matthews					Responded; no accounts held.
2	ADP, Inc.	White Pine Trust Corporation			05/31/01	08/15/01	Responded
3	Advantage Payroll Services	White Pine Trust Corporation	Emp. No.0484600003		09/03/02	11/7/2003 (Last Payroll Run) / 4/30/04 (Officially Terminated)	Responded
4	AG Edwards & Sons, Inc.	Richard Matthews (Centennial Money Market Trust)	583-198725	8,336.00	Pending	Present	Responded
5	American Express - Business Account						Responded; no accounts held.
6	Bank of America	Richard R. Matthews, Jr. & Lucia P. Blackmore  White Pine Trust Corporation  White Pine Trust Corporation	05995-21399  05996-06850  00500-03082	Closed	11/1999  4/2001  2/2003	12/29/03  12/26/03  12/24/03	Responded; ordering certain supporting documents
7	Bank of the West						Responded; no accounts held.
8	California Bank & Trust	White Pine Trust Corporation  Richard R. Matthews, Jr.	02070126371  02070123866		11/6/03  11/3/03	11/14/03  12/03/03	Responded
9	California Numismatic Funding	White Pine Trust Corporation or Richard Matthews					Waiting for Reply.
10	California Tax Advisors						Waiting for Reply.
11	Cashuk, Wiseman, Goldberg, & Birnbaum (CPA Firm)						Responded; no accounts held.
12	Cellar Coin & Jewelry, Inc.	White Pine Trust Corporation; Richard Matthews					Spoke with owner, Michael Williams; has records of 2 transactions; will send following his attorney's review.
13	Coin Shop	White Pine Trust Corporation; Richard Matthews					Waiting for Reply.
14	Fidelity Investments						Waiting for Reply.
15	IFX Markets, Inc.						Responded; In the Process of Reviewing the Court Order.

Notes:  
 \*\* Last Transaction Date

Robb Evans & Associates LLC  
Temporary Receiver of White Pine Trust Corporation  
Richard R. Matthews, Jr.  
Summary of Entities and Individual Served

	Entity/Individual Name	Account Name	Account Number	Frozen Account Balance	From	To	Status
16	Ig Markets, PLC	White Pine Corporation c/o R Matthews)	W3937	18,773.45	Researching	Present	Responded; ordering 6 months statements.
		White Pine Corporation c/o R Matthews)	W3286			Closed (6/04)**	
		White Pine Corporation	W3870			Closed (7/03)**	
		White Pine Corporation	W3898			Closed (9/03)**	
		White Pine Corporation	W3914			Closed (11/03)**	
		Richard Matthews	W5039			Closed (N/A)**	
17	IRA Resources (IRA Administrator)						Provided an investor list for those who invested in White Pine Trust Corporation.
18	Judith H. Matthews						Her counsel responded.
19	Man Financial, Inc. (U.S.)						Responded; no accounts held.
20	Man Financial, Ltd (London)						Responded; In the Process of Reviewing the Court Order
21	Marlborough Asset Management						Waiting for Reply; served the contact person in British Virgin Islands as listed in the defendant's contact list
22	MasterCard						Waiting for Reply.
23	Merrill Lynch						Waiting for Reply.
24	Morgan Stanley (Dean Witter)						Responded; no accounts held.
25	North Fork Bank						Responded; no accounts held.
26	Pacific Western Bank (merged First Professional Bank)						Responded; no accounts held.
27	Pension Resources (Pension Advisor)						Responded; need to search further.
28	Personal Storage	White Pine Trust Corporation; Richard Matthews; Lucia Matthews					Waiting for Reply.
29	Polito, Musico Associates (CPA Firm)						Responded; no accounts held.

Notes:  
\*\* Last Transaction Date

Robb Evans & Associates LLC  
 Temporary Receiver of White Pine Trust Corporation  
 Richard R. Matthews, Jr.  
 Summary of Entities and Individual Served

	Entity/Individual Name	Account Name	Account Number	Frozen Account Balance	From	To	Status
30	Price Self Storage	White Pine Trust Corporation; Richard Matthews; Lucia Matthews					Had unit in the name of White Pine Trust at Pacific Beach location; default sale was held about a month ago, due to non-payment. Property consisted of an old copy machine and papers.
31	Public Storage	White Pine Trust Corporation; Richard Matthews; Lucia Matthews					Waiting for Reply.
32	REFCO Group Ltd., LLC						Responded; no accounts held.
33	Royal Maui Jewelers	White Pine Trust Corporation; Richard Matthews					Waiting for Reply.
34	San Diego Self Storage	White Pine Trust Corporation; Richard Matthews; Lucia Matthews					Waiting for reply; spoke with manager on 10/25/04, who said she would disseminate to all 8 branches.
35	Smith Barney						Responded; no accounts held.
36	Union Bank	White Pine Trust Corporation	6050036438	64,842.54	05/14/04	Present	Responded; ordering statements for 2004.
37	Union Bank	Richard R. Matthews, Jr.	6051081260	28,239.69	01/05/04	Present	Responded; ordering statements for 2004.
38	US Bank	White Pine Trust Corporation	1-534-9220-3945	(592.54)	2/3/2004	Present	Responded; ordering 6 months statements.
		White Pine Trust Corporation	1-534-9216-2737		12/29/03	7/28/04	
39	Visa						Responded; need the credit card numbers before the search.
40	Washington Mutual Bank	White Pine Trust Corporation	0092-0000384915-5	Frozen	Pending	Present	Responded; confirmed the account balance is frozen. In the process of researching the account balance, and ordering 6 months statements.
41	Wells Fargo Bank	White Pine Trust Corporation	5865150923 (Checking)	-	11/04/03	02/09/04	Responded; ordering certain supporting documents.
				\$ 119,599.14	Total Account Balance Confirmed in Freeze		

Notes:  
 \*\* Last Transaction Date

**White Pine Trust**

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**From:** "Julian Myers" <Myersj@higgslaw.com>  
**To:** <wpt343@sbcglobal.net>  
**Sent:** Thursday, December 04, 2003 10:37 AM  
**Subject:** Re: Spilt of Taxes

Dear Richard:

Thank you for your email. I will contact Mr. Domingo and make certain changes to the Promesa in order to close ASAP.

If you have any questions please give me a call.

Thank you

Julian B. Myers  
Higgs, Fletcher & Mack, LLP  
2600 First National Bank Building  
401 West "A" Street  
San Diego, CA 92101-7910  
Phone (619) 236-1551  
Direct (619) 595-4272  
Fax (619) 696-1410

>>> White Pine Trust Corporation <wpt343@sbcglobal.net> 12/03/03 08:02PM >>>  
Hi Julian,

I hope all is well. Lucia spoke to Mr. Domingo and apparently agreed upon us splitting the taxes with them. I probably would have insisted that they pay them but I let my wife do this one and they agreed on the half.

Would you be able to contact the seller and proceed with this verbal agreement we made? If so, I assume we need to get them a new agreement for all to sign again. My wife can go to D.F. any time if need be to close this.

I really appreciate your assistance. As this is our first deal in Mexico, it is important for us to get the proper guidance. Your has been exceptional!

Best regards,

Richard Matthews, Managing Director  
White Pine Trust Corporation  
343 Fourth Avenue, Suite #201  
San Diego, CA 92101  
(619) 531-2038

12/4/2003

**WHITE PINE TRUST CORPORATION AND PINNACLE CAPITAL MANAGEMENT  
(Under Temporary Receivership of Robb Evans & Associates LLC)**

**LIST OF BANK STATEMENTS REVIEWED**

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	<b>Account Numbers</b>	<b>Periods</b>	<b>Memo</b>
<b>White Pine Trust Corporation:</b>			
Bank of America	00500-03082	02/24/03 to 12/24/03	Reviewed bank statements only; backup not yet available
Bank of America	05996-06850	04/24/01 to 12/26/03	Reviewed bank statements only; backup not yet available
Union Bank	60500-36438	05/14/04 to 06/30/04	Certain backup not available
		09/01/04 to 09/30/04	Certain backup not available
Wells Fargo Bank	586-5150923	11/05/03 to 02/29/04	Reviewed bank statements only; backup not yet available
California Bank and Trust	20-701263-71	11/06/03 to 11/30/03	Reviewed bank statements only; backup not yet available
<b>Pinnacle Capital Management-</b>			
Bank of America	05998-01088	01/01/00 to 02/26/03	Reviewed bank statements only; backup not yet available

**WHITE PINE TRUST CORPORATION AND PINNACLE CAPITAL MANAGEMENT  
(Under Temporary Receivership of Robb Evans & Associates LLC)**

**BALANCES OF CERTAIN ACCOUNTS**

	White Pine Trust Corporation		Pinnacle Capital Management	Total
	Amounts	Schedules		
<b>Apparent cash received from customers:</b>				
Names of customers unknown	\$ 21,166,551.05		\$2,130,108.05	\$ 23,296,659.10
Names of customers known	<u>3,083,395.98</u>		<u>698,875.01</u>	<u>3,782,270.99</u>
	<u>\$ 24,249,947.03</u>		<u>\$2,828,983.06</u>	<u>\$ 27,078,930.09</u>
<b>Cash paid to customers-</b>				
Names of customers known	<u>\$ (3,388,712.85)</u>		<u>\$ (118,485.42)</u>	<u>\$ (3,507,198.27)</u>
<b>Cash (deposited to) withdrawn from brokers/dealers in foreign currencies:</b>				
IG Markets plc:				
Deposits	\$ (3,479,026.68)		\$ (150,000.00)	\$ (3,629,026.68)
Withdrawals	<u>3,250,859.67</u>		<u>-</u>	<u>3,250,859.67</u>
	<u>\$ (228,167.01)</u>		<u>\$ (150,000.00)</u>	<u>\$ (378,167.01)</u>
IFX Ltd.:				
Deposits	\$ (3,175,000.00)		\$ -	\$ (3,175,000.00)
Withdrawals	<u>2,842,889.70</u>		<u>-</u>	<u>2,842,889.70</u>
	<u>\$ (332,110.30)</u>		<u>\$ -</u>	<u>\$ (332,110.30)</u>
Man Financial:				
Deposits	\$ (1,000,000.00)		\$ -	\$ (1,000,000.00)
Withdrawals	<u>951,123.87</u>		<u>-</u>	<u>951,123.87</u>
	<u>\$ (48,876.13)</u>		<u>\$ -</u>	<u>\$ (48,876.13)</u>
Marlborough Asset Management:				
Deposits	\$ -		\$ (187,391.20)	\$ (187,391.20)
Withdrawals	<u>-</u>		<u>187,652.34</u>	<u>187,652.34</u>
	<u>\$ -</u>		<u>\$ 261.14</u>	<u>\$ 261.14</u>
<b>Probable withdrawals in cash (&gt;\$1,000)</b>	<u>\$ (1,107,100.00)</u>	1	<u>\$ -</u>	<u>\$ (1,107,100.00)</u>
<b>Probable cash withdrawals in checks</b>	<u>\$ (1,519,870.04)</u>	2	<u>\$ -</u>	<u>\$ (1,519,870.04)</u>

**WHITE PINE TRUST CORPORATION AND PINNACLE CAPITAL MANAGEMENT  
(Under Temporary Receivership of Robb Evans & Associates LLC)**

**BALANCES OF CERTAIN ACCOUNTS**

	White Pine Trust Corporation		Pinnacle Capital Management	Total
	Amounts	Schedules		
<b>Wire transfers to Belize</b>	<u>\$ (509,899.20)</u>	3	<u>\$ -</u>	<u>\$ (509,899.20)</u>
<b>Travel and entertainment:</b>				
Mexico	\$ (86,612.65)		(7,323.91)	\$ (93,936.56)
Las Vegas	(20,503.85)		(2,975.34)	(23,479.19)
France	(20,782.73)		-	(20,782.73)
Hawaii	(10,331.59)		(5,000.00)	(15,331.59)
Italy	(4,716.46)		-	(4,716.46)
London	(1,936.45)		-	(1,936.45)
Others	<u>(211,775.82)</u>		<u>(16,257.11)</u>	<u>(228,032.93)</u>
	<u>\$ (356,659.55)</u>		<u>\$ (31,556.36)</u>	<u>\$ (388,215.91)</u>
<b>Purchase of jewelry</b>	<u>\$ (34,949.54)</u>		<u>\$ (9,448.13)</u>	<u>\$ (44,397.67)</u>
<b>Payments to California Nomismatic</b>	<u>\$ (2,273,700.00)</u>	4	<u>\$ -</u>	<u>\$ (2,273,700.00)</u>
<b>Wire transfers, payees unknown</b>	<u>\$ (4,824,863.88)</u>	5	<u>\$ -</u>	<u>\$ (4,824,863.88)</u>
<b>RECAP:</b>				
Apparent cash received from customers	\$ 24,249,947.03		\$2,828,983.06	\$ 27,078,930.09
Cash paid to customers	(3,388,712.85)		(118,485.42)	(3,507,198.27)
Transactions with foreign currency trading companies:				
IG Markets plc	(228,167.01)		(150,000.00)	(378,167.01)
IFX Ltd.	(332,110.30)		-	(332,110.30)
Man Financial	(48,876.13)		-	(48,876.13)
Marlborough Asset Management	-		261.14	261.14
Probable withdrawals in cash (>\$1,000)	(1,107,100.00)		-	(1,107,100.00)
Probable cash withdrawals in checks	(1,519,870.04)		-	(1,519,870.04)
Wire transfers to Belize	(509,899.20)		-	(509,899.20)
Travel and entertainment	(356,659.55)		(31,556.36)	(388,215.91)
Purchase of jewelry	(34,949.54)		(9,448.13)	(44,397.67)
Payments to California Nomismatic	(2,273,700.00)		-	(2,273,700.00)
Wire transfers, payees unknown	<u>(4,824,863.88)</u>		<u>-</u>	<u>(4,824,863.88)</u>
Unclassified disbursements, pending receipt of bank documents	<u>\$ 9,625,038.53</u>		<u>\$2,519,754.29</u>	<u>\$ 12,144,792.82</u>

**Schedule 1**

**White Pine Trust Corporation  
Account QuickReport  
All Transactions**

<b>Type</b>	<b>Date</b>	<b>Split</b>	<b>Amount</b>
<b>Probable Withdrawals in cash</b>			
Check	11/05/2003	BOA #00500-03082	8,200.00
Check	11/07/2003	BOA #00500-03082	8,100.00
Check	11/07/2003	BOA #00500-03082	8,100.00
Check	11/13/2003	BOA #00500-03082	8,100.00
Check	11/13/2003	BOA #00500-03082	8,100.00
Check	11/14/2003	WF, #586-5150923	9,000.00
Check	11/14/2003	WF, #586-5150923	8,500.00
Check	11/17/2003	BOA #00500-03082	9,000.00
Check	11/17/2003	WF, #586-5150923	9,000.00
Check	11/18/2003	BOA #00500-03082	9,000.00
Check	11/18/2003	WF, #586-5150923	9,000.00
Check	11/19/2003	BOA #00500-03082	9,000.00
Check	11/19/2003	WF, #586-5150923	9,000.00
Check	11/20/2003	BOA #00500-03082	9,000.00
Check	11/20/2003	WF, #586-5150923	9,000.00
Check	11/21/2003	WF, #586-5150923	9,000.00
Check	11/21/2003	BOA# 05996-06850	9,000.00
Check	11/24/2003	BOA #00500-03082	9,000.00
Check	11/24/2003	WF, #586-5150923	300,000.00
Check	11/26/2003	BOA #00500-03082	200,000.00
Check	11/28/2003	WF, #586-5150923	200,000.00
Check	12/16/2003	BOA #00500-03082	250,000.00
<b>Total Probable Withdrawals in cash</b>			<b><u>1,107,100.00</u></b>

**Schedule 2**

**White Pine Trust Corporation  
Account QuickReport  
All Transactions**

<b>Type</b>	<b>Date</b>	<b>Name</b>	<b>Split</b>	<b>Amount</b>
<b>Check (No Number)</b>				
Check	12/02/2003	Unknown	WF, #586-5150923	350,000.00
Check	12/02/2003	Unknown	WF, #586-5150923	290,000.00
Check	12/04/2003	Unknown	BOA #00500-03082	250,000.00
Check	12/09/2003	Unknown	BOA #00500-03082	250,000.00
Check	12/23/2003	Unknown	BOA #00500-03082	379,870.04
<b>Total Check (No Number)</b>				<b><u>1,519,870.04</u></b>

**Schedule 3**

**White Pine Trust Corporation  
Account QuickReport  
January 1 through October 27, 2004**

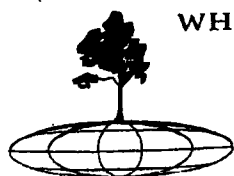
	<b>Date</b>	<b>Num</b>	<b>Memo</b>	<b>Amount</b>
<b>Belize</b>				
Renny Terrance Leslie	09/28/2004	wire	Beneficiary Bank (Placencia Village, Belize) - Scotia Bank # 8830198	1,000.00
Jay Limited	09/28/2004	wire	Beneficiary Bank - Atlantic Int's Bank #990005783-06	8,899.20
Barrow & Williams Ltd. (Escrow)	08/09/2004	wire	Regarding: Lopez Blackmore Tovar, The Belize Bank Ltd. Int'l Div # 6550-8-26058	<u>500,000.00</u>
<b>Total Belize</b>				<b><u>509,899.20</u></b>

**White Pine Trust Corporation**  
**Account QuickReport**  
All Transactions

<u>Type</u>	<u>Date</u>	<u>Split</u>	<u>Amount</u>
<b>California Nomismatic</b>			
Check	11/03/2003	BOA# 05996-06850	273,700.00
Check	11/03/2003	BOA# 05996-06850	<u>2,000,000.00</u>
<b>Total California Nomismatic</b>			<b><u><u>2,273,700.00</u></u></b>

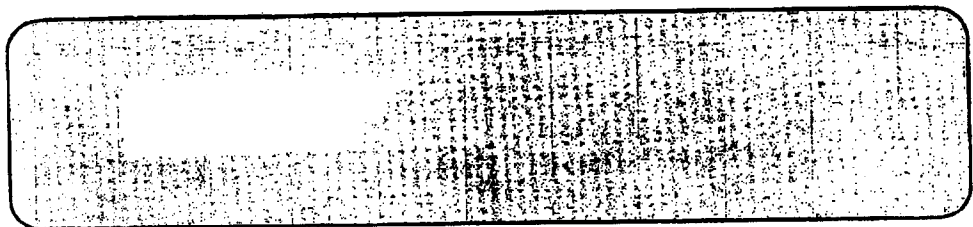
**White Pine Trust Corporation  
Account QuickReport  
All Transactions**

<b>Type</b>	<b>Date</b>	<b>Split</b>	<b>Amount</b>
<b>Telegraphic Transfers</b>			
Check	03/31/2003	BOA# 05996-06850	100,000.00
Check	04/08/2003	BOA# 05996-06850	130,000.00
Check	04/25/2003	BOA# 05996-06850	90,000.00
Check	05/05/2003	BOA# 05996-06850	132,000.00
Check	05/27/2003	BOA# 05996-06850	145,000.00
Check	06/12/2003	BOA# 05996-06850	183,000.00
Check	06/20/2003	BOA# 05996-06850	300,000.00
Check	07/24/2003	BOA# 05996-06850	500,000.00
Check	07/30/2003	BOA# 05996-06850	206,000.00
Check	08/22/2003	BOA# 05996-06850	370,821.91
Check	09/04/2003	BOA# 05996-06850	521,041.32
Check	09/30/2003	BOA# 05996-06850	1,285,000.65
Check	10/30/2003	BOA# 05996-06850	100,000.00
Check	11/03/2003	BOA# 05996-06850	150,000.00
Check	11/14/2003	BOA# 05996-06850	12,000.00
Check	11/18/2003	BOA# 05996-06850	50,000.00
Check	11/19/2003	BOA# 05996-06850	50,000.00
Check	12/05/2003	BOA# 05996-06850	500,000.00
Total Telegraphic Transfers			<u>4,824,863.88</u>
<b>TOTAL</b>			<b><u>4,824,863.88</u></b>



**WHITE PINE TRUST CORPORATION**  
**PINNACLE CAPITAL FUND**

343 4th Avenue, Suite 201  
 San Diego, CA 92101  
 Ph: (888) 920-3000  
 Fax: (858) 272-8087



	SEPTEMBER 2004	YEAR TO DATE 2004
REALIZED TRADING GAIN	\$ 5,893.43	\$ 76,525.88
LESS: PERFORMANCE FEE OF 20%	\$ 1,178.69	\$ 17,234.45
LESS: PENSION FEES <a href="http://WWW.IRARESOURCES.COM">WWW.IRARESOURCES.COM</a>	\$ -	\$ -
NET TRADING GAIN	\$ 4,714.74	\$ 59,291.43
GROSS PERCENTAGE CHANGE	1.0200%	14.0000%
NET PERCENTAGE CHANGE	0.8160%	10.8620%
NET GAIN (LOSS) FOR PERIOD	\$ 4,714.74	\$ 59,291.43
<b>**STATEMENT OF CHANGES OF NET ASSET VALUE (N.A.V.)**</b>		
N.A.V. BEGINNING OF PERIOD	\$ 577,786.77	\$ 523,210.88
BEGINNING OF PERIOD ADDITIONS	\$ -	\$ -
BEGINNING OF PERIOD WITHDRAWALS	\$ -	\$ -
PARTICIPANT ADDITIONS (Mid-Month)	\$ -	\$ -
PARTICIPANT WITHDRAWALS (Mid-Month)	\$ -	\$ -
MID-MONTH GROSS PERCENTAGE CHANGE	0.0000%	
NET INCOME (LOSS) FOR THE PERIOD	\$ 4,714.74	\$ 59,291.43
N.A.V. END OF PERIOD	\$ 582,501.51	\$ 582,501.51
PARTICIPANT END OF MONTH WITHDRAWALS	\$ -	\$ -
<i>your equity is...</i>	\$ 582,501.51	\$ 582,501.51

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**From:** White Pine Trust [rich@architectsofwealth.com]  
**Sent:** Sunday, October 17, 2004 2:47 PM  
**To:** Stephan  
**Subject:** PCF Weekly Performance Update 10-15-04

Dear Client,

We hope all is well.

Our weekly and month-to-date (MTD) trading results were as follows:

Week (1) ending 10/01/04 was (NO TRADE) = 0%  
Week (2) ending 10/08/04 was +.44% = +.44% (EURO CONTINUED IT'S SURGE VS USD)  
**Week (3) ending 10/15/04 was +1.79% = +2.23% (NEW HIGH VS USD)**

We are quite excited to announce a surge in our positions profits last week by more than 1 3/4%! As it happens from time-to-time, we have concluded trading for the month based on our profit criteria and market conditions.

Best regards,

Richard Matthews, Managing Director  
White Pine Trust Corporation's  
Pinnacle Capital Fund  
343 Forth Avenue, #201  
San Diego, CA 92101  
(888) 920-3000  
[rich@architectsofwealth.com](mailto:rich@architectsofwealth.com)

10/26/04