

## Head of firm in fraud case arrested

Faces perjury counts in S.D. federal court

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December 1, 2004

The managing director of a San Diego financial company accused of defrauding investors has been arrested in Florida after being sought for a month.

Richard Robert Matthews, who headed the White Pine Trust Corp. in La Jolla, was arrested Nov. 19 near Daytona Beach, Fla., on charges of driving without a license and giving a false name. A month earlier, Matthews was charged in federal court with two counts of perjury for allegedly giving false testimony about a foreign currency fund that authorities say was used to swindle investors.

The U.S. Commodity Futures Trading Commission filed suit against White Pine Oct. 20, alleging that it committed "massive fraud" by luring customers to invest in its Pinnacle Capital Fund, which the company billed as a well-established foreign currency fund that had enjoyed a 591 percent return since 1995.

The commission's suit alleged that the fund wasn't established until 2000 and that Matthews wrote personal checks to himself from investor accounts totaling more than \$230,000. Checks from another account with investor money were used to pay for purchases from Saks Fifth Avenue, Royal Maui Jewelers and Hooters restaurant among other establishments, according to the suit.

The same day the commission filed its suit, U.S. Attorney Carol Lam charged Matthews with perjury, and a warrant was issued for his arrest. His whereabouts was not known when the warrant was issued.

The perjury charges stem from testimony Matthews gave when confronted by investigators late last year. He said no funds had been solicited for the Pinnacle Capital Fund, even going as far as saying that the fund had never existed, according to Lam's complaint.

However, the commission has evidence from several investors who cumulatively invested more than \$500,000 in the fund, the complaint said.

Matthews has a Dec. 13 court date on his Florida charges. He is expected to be extradited to San Diego to face the federal charges.

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