

Permission sought to sell off assets from alleged swindler

Hundreds of investors defrauded, officials say

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February 17, 2005

Officials will go to court this week to seek permission to sell off several million dollars in assets accumulated by a San Diego man who allegedly perpetrated a massive fraud on hundreds of investors.

Federal authorities in recent months have seized \$2.6 million in South African Krugerrand gold coins, \$470,000 in cash, a yacht, a Lexus, two La Jolla properties and an island in Belize allegedly owned by Richard Robert Matthews, 39.

Matthews, as managing director of La Jolla-based White Pine Trust, bought all these things with other people's money that was supposed to have been invested in foreign currencies, according to an October lawsuit filed by the Commodities Futures Trading Commission.

"A big focus of our efforts is finding as much money and physical assets as possible so there are funds available to go back to any defrauded investors," said Gretchen Lowe, the trade commission's associate director.

Robb Evans & Associates, the receiver handling the assets for the commission, will file a motion in U.S. District in San Diego either today or tomorrow requesting that the assets be liquidated as part of an effort to return money to investors, said Brick Kane, the deputy receiver handling the case.

All told, between \$3 million and \$4 million has been recovered, Kane said.

Matthews allegedly swindled as many as 300 clients by boasting of expertise in foreign currencies and luring them to invest in the firm's Pinnacle Capital Fund.

The firm claimed great success with the fund, saying it had a cumulative investment return of 591 percent since 1995, the suit said.

The reality, according to the commission's suit, was that Matthews had virtually no experience as a foreign currency trader and White Pine hadn't been incorporated until 2000.

The suit further alleges that \$33 million flowed through White Pine over several years, with checks to places like Saks Fifth Avenue, Royal Maui Jewelers and Hooters written from investor accounts. Investor money may also have been used to buy the yacht and the island off the coast of Belize, according to court documents.

U.S. Attorney Carol Lam charged Matthews with perjury on the same day the commission filed its suit. Lam alleges that Matthews lied to investigators from the trading commission when they questioned him in late 2003.

A month later, Matthews was arrested in South Florida for driving without a license and giving a false name. He was extradited to San Diego, and he was arraigned on the perjury charges Jan. 11. He was released on \$350,000 bail this month.

Agents from U.S. Immigration & Customs Enforcement seized the gold coins from a condo Matthews was renting in Miami. The agency, which is part of the Homeland Security Department, assists in cases that involve international money laundering.