

S.D. financier charged with perjury

Investment scheme involved foreign funds

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U.S. Attorney Carol Lam this week charged the owner of a San Diego financial company with perjury, saying he lied to federal investigators about a multimillion dollar investment scheme.

Richard Robert Matthews Jr., 39, managing director of White Pines Trust Corp., was charged Tuesday with two counts of perjury for allegedly giving false testimony to the U.S. Commodity Futures Trading Commission about a foreign currency fund the commission says was used to swindle investors.

The commission filed suit against White Pines and Matthews last month in federal civil court. Lam's office is in part basing the perjury case on evidence presented in the civil case. Matthews and White Pines committed "massive fraud" by luring customers to invest in the firm's Pinnacle Capital Fund, according to the commission's suit. Matthews allegedly told investors he was an expert in foreign currency trading and boasted that the fund had a cumulative return of 591 percent since 1995.

The reality, according to the suit, was that Matthews had virtually no experience as a foreign currency trader, and the company hadn't been incorporated until 2000. Nonetheless, as many as 300 people may have invested a total of \$33 million in White Pine, according to the suit.

The suit goes on to allege 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, Justflowers.com, Hooters' restaurant and the Men's Wearhouse, according to the suit.

When confronted by federal investigators in December, Matthews allegedly denied that the Pinnacle Capital Fund existed, saying under oath that it was merely an "exploratory marketing concept." He said no money had been solicited or raised for the fund, according to U.S. Attorney Lam's complaint. However, the commission has evidence from several investors who had invested cumulatively more than \$500,000 in the fund, according to Lam's complaint.

An arrest warrant was issued this week for Matthews, whose whereabouts are unknown.

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