



New Mexico Regulation and Licensing Department
SECURITIES DIVISION

Toney Anaya Building ▪ 2550 Cerrillos Road ▪ Santa Fe, New Mexico 87505
(505) 476-4580 ▪ Fax (505) 984-0617 ▪ Toll free in NM (800) 704-5533

www.rld.state.nm.us/sec

GOVERNOR Bill Richardson

SUPERINTENDENT Kelly O'Donnell • ACTING DIRECTOR Mike Vargon

For Immediate Release
August 4, 2010

For more information:
Teala Kail
505-795-5554

ALBUQUERQUE MAN PLEADS GUILTY TO SECURITIES FRAUD

ALBUQUERQUE, NM – A former Albuquerque insurance agent pled guilty today to defrauding 20 local investors of nearly \$500,000 over a period of several years, according to the New Mexico Regulation and Licensing Department Securities Division.

Appearing before Judge Ross Sanchez in Albuquerque District Court, Samuel A. McMaster, 59, pled guilty to 26 felony charges, including Securities Fraud, Sale of an Unregistered Security and Sale of a Security by Unlicensed Broker-Dealer. McMaster faces up to 12 years in prison under the terms of the plea agreement. Sentencing will be set at a later date.

According to Phyllis H. Bowman, Securities Division lead prosecutor in the case as an appointed Special Assistant District Attorney for the Bernalillo County District Attorney's Office, McMaster solicited his clients to invest in what he described as "promissory notes" or "CDs" issued by his company, Santa Fe Financial Group Inc.

The securities were not registered as required under state law, McMaster was not a licensed broker-dealer, and the money was not used for investment purposes, Bowman said. Although McMaster promised interest of up to 10 percent, the defrauded investors never received any interest or the return of their original investment.

None of the lost money has been recovered yet, but as part of his plea agreement McMaster has promised to make restitution of \$444,486.33, Bowman said.

"I want to thank the Securities Division and the Bernalillo County District Attorney's office for working together to successfully to bring this criminal to justice," said Regulation and Licensing Superintendent Kelly O'Donnell.

###

