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SECURITIES DIVISION INDICTS TRIO IN MARIJUANA INVESTMENT SCHEME

ROSWELL, N.M. - New Mexico Regulation and Licensing Department Superintendent Marguerite Salazar announced that a grand jury sitting in Roswell, New Mexico returned indictments on August 28, 2019 charging Roswell residents Gary Baker, 59, Karen Maynes, 56, and Irma Phillips, 63, with securities fraud, fraud, embezzlement, and conspiracy charges arising out of a 2014 investment scheme.

According to the indictment, Baker, Maynes, and Phillips misled investors in connection with an investment proposal to create and operate a medical marijuana company named “Nature’s Pharmacy, Inc.” The indictment alleges that Baker, Maynes, and Phillips accepted investments from New Mexico residents despite failing to inform them that none of the three had any past experience with commercial marijuana grow operations. The indictment further alleges that investors were not told that their investments would be used for expenses unrelated to the company’s purported business.

Baker, Maynes, and Phillips will be arraigned at the Fifth Judicial District Court in Roswell.

If convicted on the charges in the indictment, Baker and Maynes face a maximum possible sentence of 45 years in prison, while Phillips faces 27 years.

Charges in indictments are only allegations. Defendants are presumed innocent unless and until proven guilty.

Securities Division Director Matthew Bouillon Mascareñas stated “We look forward to working with DA Luce to protect Chaves County investors by proving these allegations in court.”

The case was investigated by the Securities Division of the Regulation and Licensing Department, the Chaves County Sheriff’s Department, the New Mexico State Police, and the HIDTA Investigative Support Center. The case is being prosecuted by the Office of Fifth Judicial District Attorney Dianna Luce and the Securities Division.

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The Regulation and Licensing Department's Securities Division protects New Mexicans from fraud and financial abuse by licensing investment professionals, registering securities offerings made in the state, offering fraud prevention and educational programs to the public, and investigating fraud and other violations of state securities laws. To learn more about investment fraud, visit the division's website at redflagsnm.com or call (800) 704-5533.

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