

1 CLOTHILDE V. HEWLETT
2 Commissioner
3 MARY ANN SMITH
4 Deputy Commissioner
5 DANIEL P. O'DONNELL
6 Assistant Chief Counsel
7 RYAN M. CASSIDY (State Bar No. 340274)
8 Counsel
9 Department of Financial Protection and Innovation
10 2101 Arena Boulevard
11 Sacramento, CA 95834
12 Telephone: (916) 764-8358
13 Attorneys for Complainant

14 BEFORE THE DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION
15 OF THE STATE OF CALIFORNIA

16 In the Matter of:

17 THE COMMISSIONER OF FINANCIAL
18 PROTECTION AND INNOVATION,

19 Complainant,

20 v.

21 LEGENDARY PARTNERS, LLC, SCOTT
22 SNYDER, RALPH MUSCATELLI, and FRED
23 HORN,

24 Respondents.

DESIST AND REFRAIN ORDER;

and

CLAIM FOR ANCILLARY RELIEF

(Corp. Code §§ 25532)

25 The Commissioner of Financial Protection and Innovation (Commissioner) is informed and
26 believes, and based upon such information and believe, alleges and charges as follows:

27 **I. FACTUAL BACKGROUND**

28 1. At all relevant times, Legendary Partners, LLC (Legendary), is and was a Wyoming
limited liability company, located at 1720 E Garry Ave, Suite 108 Santa Ana, CA 92705, operating a
website, www.legendarypartnersllc.com.

2. At all relevant times, Scott Snyder (Snyder) was the managing manager and owner of
Legendary. Snyder is a resident of California.

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1 3. At all relevant times, Ralph L. Muscatelli (Muscatelli) was the managing member and
2 owner of Legendary. Muscatelli is a resident of California.

3 4. From November 30, 2017 to March 4, 2020, Fred Horn (Horn), was an owner and an
4 sales agent of Legendary. Horn is a resident of California.

5 5. Legendary, Snyder, Muscatelli, and Horn are collectively referred to as Respondents.

6 6. The Commissioner issued a Desist and Refrain Order against Muscatelli for violations
7 of Corporation Code 25401 on June 11, 2019. (2019 action). Muscatelli was served with the 2019
8 Action on January 27, 2020. Respondent did not request an administrative hearing. The 2019 Action
9 became final on or about February 27, 2020.

10 7. At all relevant times, Respondents conducted business by email at
11 phil@legendarypartnersllc.com, rm@legendarypartnersllc.com, info@legendarypartnersllc.com, and
12 fred@legendarypartnersllc.com.

13 8. Beginning in or about June 2018 through January 2021, Respondents offered and sold
14 securities in the form of subscription agreements – Investment Contracts – in California, through
15 telephone calls and email correspondence.

16 9. The purported purpose of the securities offering was to raise money from members of
17 the public to produce a reality television show called “Salvage Wars.”

18 10. The securities in Legendary’s “Salvage Wars” television show were offered or sold in
19 this state in issuer transactions. The Department of Financial Protection and Innovation has not issued
20 a permit or other form of qualification authorizing any person to offer or sell these securities in this
21 state and the securities are not exempt from qualification.

22 11. Respondents and their agents sent solicitation materials to prospective investors,
23 including an Offering Memorandum. In Legendary’s Offering Memorandum, dated November 1,
24 2019, Legendary represented it was offering a total of \$500,000 of ownership equity interest in
25 “Salvage Wars,” a television show; that for an investment of \$25,000 per unit, investors would
26 receive a 2.5% ownership equity interest in the television show’s profits; and that the proceeds from
27 the offering were to be used to “produce a Treatment, hire the cast and crew and sell the TV show to
28 a Network with the same vision as ours, who will commit to producing Salvage Wars.”

1 12. Respondents and their agents sold investment contracts to approximately 19 investors,
2 residing in California and elsewhere, in at least 19 separate transactions. Respondents raised at least
3 \$335,250.00 from investors.

4 13. In connection with the offers and sales of securities, Respondents made, or caused to
5 be made, misrepresentations of material fact to investors and potential investors, including that:

6 a. Legendary had a production office adjacent to Warner Brothers’s Burbank Lot.
7 In fact, this was not true.

8 b. Ralph L. Muscatelli used the name “Richard Meyers”, when corresponding
9 with investors, and did not provide his real name, Ralph L. Muscatelli, which is the name listed on
10 the Desist and Refrain Order issued by the Commissioner of Financial Protection and Innovation in
11 2019; and

12 c. “Phil Banks”, “Bill Miller”, and “Richard Myers” were affiliated with
13 Legendary. In fact, these names were made up.

14 14. In connection with the offers and sales of securities, Respondents made, or caused to
15 be made, omissions of material fact to investors and potential investors, including that:

16 a. Scott Snyder was using investor money for his own personal use;

17 b. Investors would receive 200-300% returns within three months. In fact, at least
18 one investor has requested a refund, but has been unsuccessful;

19 c. Investors would receive 300-400% returns within six months. In fact, at least
20 one investor has requested a refund, but has been unsuccessful;

21 d. Promising that if an investor lost their investment, a portion of the money
22 invested would be applied to the “next investment.” If fact, there is no “next investment” and at least
23 one investor has yet to receive shares of another investment. `

24 e. Legendary Partners LLC is not a registered in California as a limited liability
25 company;

26 f. Legendary Partners LLC was prohibited from using the name “Legendary
27 Partners LLC” in California, because a California registered limited liability company currently is
28 registered with that name in California; and

1 g. The Commissioner issued a Desist and Refrain Order against Ralph L.
2 Muscatelli, on June 11 2019, by California Department of Financial Protection and Innovation for
3 violations of Corporations Code section 25401. The action became final on or about February 27,
4 2020.

5 II. DESIST AND REFRAIN ORDER

6 The Commissioner is authorized to administer and enforce the provisions of the Corporate
7 Securities Law of 1968 (Cal. Corp. Code §§ 25000-25707) (CSL), which includes the regulation of
8 the offer and sale of securities in California.

9 Based on the foregoing findings, the Commissioner is of the opinion that the subscription
10 agreements – Investment Contracts – offered by Legendary Partners, LLC, Scott Snyder, Ralph L.
11 Muscatelli, and Fred Horn are securities subject to qualification under the California Corporate
12 Securities Law of 1968 and are being or have been offered or sold without being qualified, in
13 violation of Section 25110 of the Corporate Securities Law of 1968.

14 Pursuant to Section 25532 of the Corporate Securities Law of 1968, Legendary Partners,
15 LLC, Scott Snyder, Ralph L. Muscatelli, and Fred Horn are hereby ordered to desist and refrain from
16 offering or selling or buying or offering to buy any security in the State of California, including, but
17 not limited to subscription agreements and investment contracts, unless and until qualification has
18 been made under said law or unless exempt.

19 Further, the Commissioner is of the opinion that the securities issued by Legendary Partners,
20 LLC were offered and sold in this state by means of written or oral communications which included
21 untrue statements of material fact or omitted to state material facts necessary in order to make the
22 statements made, in the light of the circumstances under which they were made, not misleading, in
23 violation of section 25401 of the Corporate Securities Law of 1968.

24 Pursuant to Section 25532 of the Corporate Securities Law of 1968, Legendary Partners,
25 LLC, Scott Snyder, Ralph L. Muscatelli, and Fred Horn are hereby ordered to desist and refrain from
26 offering or selling or buying or offering to buy any security in the State of California, including but
27 not limited to subscription agreements and investment contracts, by means of any written or oral
28 communication which includes an untrue statement of a material fact or omits to state a material fact

1 necessary in order to make the statements made, in the light of the circumstances under which they
2 were made, not misleading.

3 **III. CLAIM FOR ANCILLARY RELIEF**

4 Complainant re-alleges and reincorporates by reference, as set forth fully above in paragraphs
5 1 to 14.

6 Corporations Code section 25532 authorizes the Commissioner to seek ancillary relief on
7 behalf of any person injured by violations of any provision of the Corporations Code and any rules
8 promulgated thereunder.

9 Based on the foregoing findings, the Commissioner finds that the Respondents offered and sold
10 unqualified, non-exempt securities in an amount of at least \$335,250.00, and made numerous material
11 misrepresentations and omissions of fact, to at least 19 investors, in violation of Corporations Code
12 sections 25110 and 25401.

13 WHEREFORE, good cause showing and the Commissioner’s determination that this action is
14 in the public interest and necessary to effectuate the Department’s primary, legitimate, regulatory
15 purpose based upon the Respondents’ violations of the Corporations Code, the Commissioner hereby
16 prays for an order of ancillary relief pursuant to Corporation Code section 25532, individually, jointly
17 and severally against Respondents as follows:

18 A) Full restitution, consisting of Investors’ investment principal in the amount of
19 \$335,250.00 and interest accumulated on the investment principal or according to proof.

20 This Order is necessary, in the public interest, for the protection of investors and consistent
21 with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

22 Dated: April 11, 2023
23 Sacramento, California

CLOTHILDE V. HEWLETT
Commissioner
Department of Financial Protection and Innovation



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25 By: _____
26 MARY ANN SMITH
27 Deputy Commissioner
28 Enforcement Division