

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 105848 / July 6, 2026**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-21586**

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<b>In the Matter of</b>	:	<b>ORDER APPROVING</b>
	:	<b>PLAN OF DISTRIBUTION</b>
<b>Legacy Hospitality II, LLC,</b>	:	
<b>Legendary Capital REIT III, LLC,</b>	:	
<b>and Corey R. Maple,</b>	:	
	:	
<b>Respondents.</b>	:	
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On August 28, 2023, the Commission issued an Order Instituting Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Making Findings and Imposing a Cease-and-Desist Order (the “Order”)<sup>1</sup> against Legacy Hospitality II, LLC, Legendary Capital REIT III, LLC, and Corey R. Maple (collectively, the “Respondents”). In the Order, the Commission found that the Respondents violated Sections 17(a)(2) and 17(a)(3) of the Securities Act.

The Commission ordered Legacy to pay disgorgement of \$2,283,000, prejudgment interest of \$459,012.67, and a civil money penalty of \$1,150,000, for a total of \$3,892,012.67, pursuant to a payment plan detailed in the Order. The Commission further ordered Legendary to pay disgorgement of \$463,900, prejudgment interest of \$85,431.50, and a civil money penalty of \$225,000 for a total of \$774,331.50, also pursuant to a payment plan detailed in the Order. The Commission also ordered Maple to pay a civil money penalty of \$100,000. Collectively, Respondents were ordered by the Commission to pay a total of \$4,766,344.17, to the Commission. The Commission also created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the penalties collected, along with the disgorgement and prejudgment interest collected, can be distributed to harmed investors (the “Fair Fund”).

The Fair Fund includes the \$4,766,344.17 collected from the Respondents. The assets of the Fair Fund are subject to the continuing jurisdiction and control of the Commission. The Fair Fund and has been deposited in a Commission-designated account at the U.S. Department of the Treasury, and any interest accrued will be added to the Fair Fund.

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<sup>1</sup> Securities Act Rel. No. 11227 (Aug. 28, 2023).

On September 4, 2025, the Division of Enforcement, pursuant to delegated authority, published a Notice of Proposed Plan of Distribution and Opportunity for Comment (“Notice”),<sup>2</sup> pursuant to Rule 1103 of the Commission’s Rules on Fair Fund and Disgorgement Plans (“Commission’s Rules”);<sup>3</sup> and simultaneously posted the Proposed Plan of Distribution (the “Proposed Plan”). The Notice advised interested persons that they could obtain a copy of the Proposed Plan from the Commission’s public website or by submitting a written request to Jennifer Cardello via email at [cardelloj@sec.gov](mailto:cardelloj@sec.gov). The Notice also advised that all persons desiring to comment on the Proposed Plan could submit their comments, in writing, within 30 days of the Notice. The Commission received one public comment during the comment period (the “Comment Letter”).

After considering the Comment Letter received on the Proposed Plan, the Commission staff and Fund Administrator recommend that the Proposed Plan be approved without modification.

## **A. Public Comment on the Proposed Plan**

By letter dated October 3, 2025, the Lodging Opportunity Fund Real Estate Investment Trust and Lodging Fund REIT III, Inc. (the “REIT Funds”) objected to the Proposed Plan on two grounds. Firstly, they argued disbursement of the Fair Fund should be made to the REIT Funds rather than to the underlying harmed investors. Secondly, they argued that under the Supreme Court’s decision in *SEC v. Jarkesy*,<sup>4</sup> the Commission is required to petition a Court in order to create and distribute the Fair Fund.

### **1. Objection to the Disbursement to Harmed Investors**

By their comment letter, the REIT Funds request the Proposed Plan be revised to distribute the Fair Fund to the REIT Funds rather than to the underlying harmed investors in the REIT Funds. The commenters request this change by asserting that the misallocated funds were taken from the REIT Funds, so they are the “true victim” of the violations and disbursement to the REIT Funds will benefit “all investors equally.” They further argue that compensating investors could result in “double recovery”; that compensating harmed investors could create an administrative burden in the form of tax reporting obligations; and that a disbursement directly to harmed investors “bypasses a finding of pecuniary harm.”

The Commission has considered these objections and concludes that it does not require modification of the Proposed Plan. The Commission has determined that a disbursement to the REIT Funds may fail to compensate all investors harmed by the Respondents’ allegations and may grant windfalls to unharmed investors. Furthermore, disbursing the Fair Fund to the REIT Funds assumes the risks of returning the collected funds to the custody and control of the Respondents in this case. Additionally, Section III(A) of the Plan of Allocation, attached as Exhibit A to the Proposed Plan, accounts for Eligible Claimants’ potential Prior Recovery; the administrative burden, if any, created by distribution directly to harmed investors would not be

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<sup>2</sup> Exchange Act Rel. No. 103861 (Sept. 4, 2025).

<sup>3</sup> 17 C.F.R. § 201.1103.

<sup>4</sup> 603 U.S. 109 (2024).

so great as to justify an alteration of the Proposed Plan; and a finding of pecuniary harm, even if such a finding was necessary, has been made in this matter, as the investors have been identified and the methodology to calculate their harm is described in the Plan of Allocation.

## **2. Objection to the Creation and Distribution of a Fair Fund**

By its comment letter, the REIT Funds also assert that, as a result of the Supreme Court's decision in *Jarkesy*, the Commission must petition a court to create and distribute the Fair Fund, because it includes civil penalties.

The Commission has considered this objection and concludes that it does not require modification of the Proposed Plan. The REIT Funds' objection overstates the holding of *Jarkesy*, which did not address the Commission's ability to distribute civil penalties obtained through a settled administrative proceeding. In addition, the Respondents consented to the imposition of civil penalties and have not subsequently challenged the Commission's imposition or collection of civil penalties in this case. For these reasons, an objection to the Proposed Plan of Distribution is not the appropriate vehicle to bring such a challenge.

## **B. Approval of the Proposed Plan**

Accordingly, it is hereby ORDERED, pursuant to Rule 1104 of the Commission's Rules,<sup>5</sup> that the Proposed Plan is approved, and the approved Plan of Distribution shall be posted simultaneously with this order on the Commission's website at [www.sec.gov](http://www.sec.gov).

By the Commission.

Vanessa A. Countryman  
Secretary

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<sup>5</sup> 17 C.F.R. § 201.1104.