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STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS SECURITIES DIVISION

IN THE MATTER OF DETERMINING Whether there has been a violation of the Franchise Investment Protection Act of Washington by: Order No. S-18-2570-18-CO01

CONSENT ORDER

KDJ HOLDINGS, LLC f.k.a. BIGSHOTS GOLF LLC and JASON E. PAYNE,

Respondents

Pursuant to the Franchise Investment Protection Act of Washington, RCW 19.100, the Securities Division and Respondents KDJ Holdings, LLC f.k.a. Bigshots Golf LLC and Jason E. Payne do hereby enter into this Consent Order in settlement of the matters alleged herein. Respondents KDJ Holdings, LLC f.k.a. Bigshots Golf LLC and Jason E. Payne neither admit nor deny the Findings of Fact or Conclusions of Law as stated below.

FINDINGS OF FACT

Respondents

1. KDJ Holdings, LLC f.k.a. Bigshots Golf LLC ("Bigshots Golf") is an Illinois limited liability company formed on January 21, 2015 with its principal place of business in Peoria, Illinois. Bigshots Golf is in the business of offering franchises for golf recreation and entertainment facilities in which it grants a license to franchisees to use its names and marks. The franchise business involves the operation of an outdoor and/or indoor golf facility that offers golf simulation games and food service. Bigshots offers franchisees its marketing, and advertising materials, operations and restaurant operations manuals and hardware for golf stations.

CONSENT ORDER

2. Jason E. Payne ("Payne"), an Illinois resident, is founder and manager of KDJ Holdings, LLC f.k.a. Bigshots Golf LLC.

Offer and Sale of Franchise

- 3. In 2015 Jason E. Payne met a Washington resident ("the resident") at a trade show and began communicating with the resident in-person, by telephone and email about the possibility of becoming a Bigshots Golf licensee. Over the course of their ongoing communications, Payne also discussed with the possibility of the resident becoming a franchisee. The resident formed a Washington limited liability company for the purpose of becoming a Bigshots licensee.
- 4. On or about September 1, 2017 Bigshots Golf entered into a "Bigshots Golf LLC Territory Reservation Agreement" ("the Agreement") with the Washington limited liability company (the Offeree) formed to operate a Bigshots Golf facility in Tacoma, Washington.
- 5. Bigshots Golf charged the Washington limited liability company a \$10,000 non-refundable fee for the reservation rights and granted it the option to apply the \$10,000 towards its franchise fees, license fees or other product or services fees to be offered by Bigshots Golf.
- 6. In the Agreement, Bigshots Golf promised the resident the right to use its trademarks, trade names, service marks and other indicia of origin that included the marks "BigShots" and "BigShots Golf."
- 7. In the Agreement, Bigshots Golf offered the resident its system of operating a Bigshots Golf recreation and entertainment facility, with an integrated sports bar/restaurant, including procedures for operations' procedures for quality control; advertising and promotional techniques; personnel training; trade secrets, methods of marketing and selling golf-related products and entertainment services.
- 8. In the agreement Bigshots Golf gave the Washington limited liability company the right to reserve the option to locate a BigShots location and/or use BigShots technology within a defined territory in Washington.

CONSENT ORDER

9. Bigshots Golf did not provide Offeree with a franchise disclosure document prior to the signing 1 of the Agreement. 2 Registration 3 10. Bigshots Golf is not currently registered and has not been registered to offer franchises in the 4 State of Washington. Bigshots Golf has not filed a notice of claim of exemption from registration. 5 6 Based upon the above Findings of Fact, the following Conclusions of Law are made: 7 **CONCLUSIONS OF LAW** 8 1. The offer or sale of franchises as described above constitutes the offer or sale of a franchise 9 as defined in RCW 19.100.010(6), RCW 19.100.010(12), and RCW 19.100.010(17). 10 2. The offer or sale of said franchises was in violation of RCW 19.100.020 because no 11 registration for such offer or sale is on file with the Washington Securities Administrator. 12 3. The offer or sale of said franchises was in violation of RCW 19.100.080 because Bigshots 13 Golf failed to provide the franchisees with a franchise disclosure document prior to the sale of the 14 franchises. 15 16 **CONSENT ORDER** 17 Based upon the foregoing and finding it in the public interest: 18 IT IS AGREED AND ORDERED that Respondents KDJ Holdings, LLC d.b.a. Bigshots Golf, 19 Bigshots Golf LLC and Jason E. Payne, and their agents and employees each shall each cease and desist from 20 offering or selling franchises in violation of RCW 19.100.020, the registration section of the Franchise 21 Investment Protection Act of the state of Washington. 22 23 CONSENT ORDER

DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
PO Box 9033
Olympia, WA 98507-9033
360-902-8760

	IT IS FURTHER AGREED AND ORDERED that Respondents KDJ Holdings, LLC d.b.a. Bigshots		
	Golf, Bigshots Golf LLC and Jason E. Payne, and their agents and employees shall each cease and desist from		
	any violation of RCW 19.100.080, the franchise disclosure document section of the Franchise Investment		
	Protection Act of the state of Washington.		
	IT IS FURTHER AGREED AND ORDERED that Respondents KDJ Holdings, LLC Jason E. Payne,		
	shall be liable for and shall pay investigative costs of \$1,700 prior to the entry of this Consent Order.		
	IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this Consent Order.		
	IT IS FURTHER AGREED that Respondent KDJ Holdings, LLC Jason E. Payne, enter into this		
Consent Order freely and voluntarily and with a full understanding of its terms and significance.			
	IT IS FURTHER AGREED that in consideration of the foregoing, Respondents KDJ Holdings, LLC		
	Jason E. Payne waive their right to a hearing and to judicial review of this matter.		
	Signed this <u>22nd</u> day of <u>February</u> , 2019		
	Signed by:		
	KDJ Holdings, LLC d.b.a. Bigshots Golf		
	By Jason E. Payne, Manager		
	Signed by:		
	Jason E. Payne, Individually		
	Jason E. Fayne, murviduany		
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CONSENT ORDER

SIGNED and ENTERED this 27th day of February, 2019	
	William Harange
	William M. Beatty Securities Administrator
Approved by:	Presented by:
<u> </u>	<u>/s/</u>
Suzanne Sarason Chief of Enforcement	Martin Cordell Financial Legal Examiner
Reviewed by:	
Jack McClellan Financial Legal Examiner Supervisor	

CONSENT ORDER