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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-19-2802-22-CO01

CONSENT ORDER

Scott Manchester and

T3MA of Redmond, LLC f.k.a. Brazilian Jiu-
Jitsu of Redmond, LLC and d.b.a. Elite
Brazilian Jiu-Jitsu,

Respondents

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INTRODUCTION

Pursuant to the Franchise Investment Protection Act of Washington, RCW 19.100, the Securities
Division and Respondents, Scott Manchester and T3MA of Redmond, LLC f.k.a. Brazilian Jiu-Jitsu of
Redmond, LLC, do hereby enter into this Consent Order in settlement of the matters as set forth in the
Statement of Charges and as alleged below. Respondents neither admit nor deny the Findings of Fact or
Conclusions of Law as stated below.

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FINDINGS OF FACT

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Respondents

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1. Scott Manchester (“Manchester”) is a co-owner and principal of T3MA of Redmond, LLC and
Top 3 Martial Arts, LLC.

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2. T3MA of Redmond, LLC (“BJJ”), formerly known as Brazilian Jiu-Jitsu of Redmond, LLC
whose former d.b.a. was Elite Brazilian Jiu-Jitsu, is a Washington limited liability company with its principal
place of business in Redmond, Washington. It is in the business of operating a T3MA martial arts school.

CONSENT ORDER

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

1 **Nature of the Offering**

2 3. From about 2016 to 2018, Manchester and BJJ offered at least four persons (“Offerees”) who
3 were operators of martial arts businesses, the opportunity to enter into an Affiliation Agreement
4 (“Agreement”) in which BJJ granted the Offerees the right to use its names, logos and artwork and to engage
5 in all business transactions related to the products and services carried by BJJ.

6 4. Manchester and BJJ entered into at least one Agreement where it charged an Offeree a fee of
7 \$3,500 and a monthly fee of \$50 to develop a website, maintain a website presence for the Offeree on the BJJ
8 website and maintain email accounts for the Offeree. Manchester and BJJ charged other Offerees a monthly
9 fee to maintain a website for them on the BJJ website and to maintain their email accounts.

10 5. Manchester and BJJ granted the Offerees the right to use the BJJ names, logos and artwork,
11 and to engage in all business transaction related to its products and services.

12 6. Manchester and BJJ offered Offerees the opportunity to jointly market their businesses and
13 offer their customers the ability to work out at any of the BJJ facilities at no extra charge.

14 7. BJJ required the Offerees to purchase all retail products with the BJJ names or logos from BJJ
15 and required them to name BJJ and its officers as beneficiaries on their insurance policies.

16 **Franchise Disclosure Document**

17 8. Respondents Manchester and BJJ failed to provide prospective Offerees and purchasers of the
18 BJJ Affiliation Agreement opportunity with a Franchise Disclosure Document (“FDD”). An FDD is a
19 document required under state and federal law to be given to prospective franchise purchasers and contains
20 material information for use by investors to weigh the risks and benefits of the investment.

21 **Registration**

22 9. Respondent T3MA of Redmond, LLC f.k.a. Brazilian Jiu-Jitsu of Redmond, LLC is not
23 currently registered to sell franchises in the state of Washington and has not previously been so registered.

1 Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:
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3 **CONCLUSIONS OF LAW**

4 1. The offer or sale of affiliate agreements described above constitute the offer and/or sale of a
5 franchise as defined in RCW 19.100.010(6), RCW 19.100.010(12), and RCW 19.100.010(17).

6 2. The offer or sale of said franchise is in violation of RCW 19.100.020 because no registration
7 for such offer and/or sale by Respondents was on file with the Securities Administrator.

8 3. The offer and/or sale of said franchises were in violation of RCW 19.100.080, the disclosure
9 document requirement provision of the Franchise Investment Protection Act, because Respondents failed to
10 provide prospective purchasers with a current disclosure document that contained all material information
11 about the franchise including, but not necessarily limited to, financial statements.

12 **CONSENT ORDER**

13 Based upon the foregoing and finding it in the public interest:

14 IT IS AGREED AND ORDERED that Respondents Scott Manchester and T3MA of Redmond, LLC
15 shall each cease and desist from violations of RCW 19.100.020, the Registration section of the Franchise
16 Investment Protection Act of the state of Washington.

17 IT IS AGREED AND ORDERED that Respondents Scott Manchester and T3MA of Redmond, LLC
18 shall each cease and desist from violations of RCW 19.100.080, the Disclosure Document section of the
19 Franchise Investment Protection Act of the state of Washington.

20 IT IS FURTHER AGREED that Respondents shall be jointly and severally liable for and shall pay
21 investigative costs of \$6,000 prior to the entry of this Consent Order.

22 IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this Consent Order.
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IT IS FURTHER AGREED that Respondents 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 waive their right to a hearing and to judicial review of this matter.

Signed this 26th day of January, 2023.

Signed by: /s/
Scott Manchester, an individual

/s/
Scott Manchester, President, for T3MA of Redmond, LLC

Signed and Entered this 1st day of February, 2023 by

/s/
William M. Beatty
Securities Administrator

Approved by:
/s/
Brian Guerard
Chief of Enforcement

Presented by:
/s/
Martin Cordell
Financial Legal Examiner

Reviewed by:
/s/
Huong Lam
Financial Legal Examiner Supervisor

