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**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION**

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IN THE MATTER OF DETERMINING  
Whether there has been a violation of the  
Franchise Investment Protection Act of  
Washington by:

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Harbour Driving School, Inc., d.b.a.  
Defensive Driving School and  
John Coburn Fawcett, Jr. a.k.a. J.C. Fawcett,  
  
Respondents

Order No. 20-2834-20-CO01

CONSENT ORDER

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**INTRODUCTION**

On May 1, 2020, the Securities Administrator of the state of Washington issued Statement of Charges and Notice of Intent to Enter Order to Cease and Desist, order number S-20-2834-20-SC01, against Harbour Driving School, Inc., d.b.a. Defensive Driving School, and John Coburn Fawcett, Jr., a.k.a. JC Fawcett. Pursuant to the Franchise Investment Protection Act of Washington, RCW 19.100, the Securities Division and Respondents Harbour Driving School, Inc., d.b.a. Defensive Driving School, and John Coburn Fawcett, Jr., a.k.a. JC Fawcett, 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 Harbour Driving School, Inc., d.b.a. Defensive Driving School, and John Coburn Fawcett, Jr., a.k.a. JC Fawcett, neither admit nor deny the Findings of Fact or Conclusions of Law as stated below.

**FINDINGS OF FACT**

**Respondents**

1. Harbour Driving School, Inc. d.b.a. Defensive Driving School (“Defensive Driving School”) is a Washington corporation with its principal place of business in Kirkland WA. Defensive Driving Schools is in the business of providing driving instruction.

CONSENT ORDER

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Securities Division  
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Olympia, WA 98507-9033  
360-902-8760

1 2. John Coburn Fawcett, Jr., a.k.a. JC Fawcett (“Fawcett”) is the President and an owner and  
2 director of Defensive Driving School.

3 **Nature of the Offering**

4 3. Defensive Driving Schools and its predecessors have provided driving instruction in the state  
5 since 1945. Its business has been promoted through word of mouth and a variety of media, including its  
6 website at: <https://driving-school.com>. Defensive Driving Schools states on its website that it has  
7 approximately thirty locations offering driving instruction in the state. In December 2019, the Defensive  
8 Driving Schools described its Stanwood location owner as a “franchisee” on its website. During the past  
9 several years, Defensive Driving Schools has offered state residents the opportunity to own and operate their  
10 own Defensive Driving Schools locations under a “License Agreement.”

11 4. Pursuant to the License Agreement, Defensive Driving Schools licenses its name, logos, marks  
12 and slogans to a Licensee.

13 5. Defensive Driving Schools provides the Licensee with an approved state curriculum to use for  
14 classroom and behind the wheel student training. Defensive Driving Schools provides the Licensee access to  
15 “Schedule Agent” software that allows the Licensee to, among other things, schedule driving appointments  
16 with students. Fawcett is an owner of the company that provides the “Schedule Agent” services to a Licensee.  
17 Defensive Driving Schools provides some Licensees with a handbook and operations manual to assist in the  
18 operation of the Licensee’s business. Defensive Driving Schools markets the business of each Licensee on its  
19 website. Defensive Driving Schools provides a Licensee with ongoing operational support through telephone  
20 and other electronic communications. Defensive Driving Schools has assisted Licensees with providing  
21 classroom instruction to students by Zoom. Defensive Driving School provided Licensees the opportunity to  
22 meet at the Defensive Driving Schools home office or participate in group teleconference or Zoom meetings.

1           6.       Defensive Driving Schools charges its Licensees a franchise fee in the form on a monthly  
2 royalty based on a percentage of a Licensee’s gross sales. In at least one case, a Licensee paid an initial License  
3 fee of \$25,000 for the right to operate a Defensive Driving Schools location.

4           7.       In or about early 2019, Defensive Driving Schools entered into a license agreement with a  
5 Washington resident (“Licensee A”) in which Defensive Driving Schools granted Licensee A the right to open  
6 multiple Defensive Driving Schools locations. Pursuant to the license agreement, Defensive Driving Schools  
7 granted Licensee A the right to use its name, logos and curriculum. Defensive Driving Schools provided  
8 Licensee A with the teacher’s manual, workbooks and PowerPoint presentation needed to provide instruction.  
9 Licensee A holds itself out as a Defensive Driving Schools location and uses the Defensive Driving Schools  
10 name, marks and logos in its business, incorporating them on items such as its stationary and workbooks.  
11 Defensive Driving Schools advertises Licensee A’s locations on its website. Licensee A is required to pay a  
12 royalty of 3% of its gross sales to Defensive Driving Schools and pays an additional fee to an affiliated  
13 company, partially owned by Fawcett, for access to the “Schedule Agent” portal. Licensee A also uses the  
14 “Schedule Agent” to send email notifications to students, track student progress and track instructors’ time  
15 cards.

16           8.       In early 2019, Defensive Driving Schools entered into a license agreement with a second  
17 Washington resident (“Licensee B”) in which Defensive Driving Schools granted Licensee B the right to open  
18 a Defensive Driving Schools location. Defensive Driving Schools charged Licensee B a \$25,000 fee for the  
19 right to use its name, logos, and slogans in the operation of its business. Defensive Driving Schools provided  
20 Licensee B with an employee handbook and operations manual to be used in the operation of the business.  
21 Defensive Driving Schools provided Licensee B with its curriculum and the items needed to provide students  
22 with in-classroom and behind the wheel training. Licensee B pays a fee to an affiliated company, partially  
23 owned by Fawcett, for access to the “Schedule Agent” portal that allows Licensee B to schedule and track

1 student progress. Defensive Driving Schools markets Licensee B's location on the Defensive Driving Schools  
2 website. Defensive Driving Schools has provided Licensee B with ongoing operational support through  
3 telephone and other electronic communications.

#### 4 **Franchise Disclosure Document**

5 9. Respondents failed to provide prospective franchisees with a Franchise Disclosure Document.  
6 A Franchise Disclosure Document is a document required under state and federal law to be given to  
7 prospective franchise purchasers and contains material information for use by investors to weigh the risks and  
8 benefits of the investment.

#### 9 **Registration**

10 10. Respondents Harbour Driving School, Inc. and John Coburn Fawcett are not currently  
11 registered to sell franchises in the state of Washington and have not previously been so registered.

12 Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

#### 13 **CONCLUSIONS OF LAW**

14 1. The offer or sale of Licenses described above constitute the offer and/or sale of a franchise as  
15 defined in RCW 19.100.010(6), RCW 19.100.010(12), and RCW 19.100.010(17).

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

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

#### 22 **CONSENT ORDER**

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

**CONSENT ORDER**

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Securities Division  
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Signed and Entered this 1st day of September, 2020.



William M. Beatty  
Securities Administrator

Approved by:

Presented by:



Suzanne Sarason  
Chief of Enforcement



Martin Cordell  
Financial Legal Examiner

Reviewed by:



Jack McClellan  
Financial Legal Examiner Supervisor