

The Bylaws TIME TO CHANGE

As all Ontario registrants should now be aware, there are some significant issues relating to the composition and operation of TICO’s Board of Directors that will be presented in a Resolution to be voted on at the Annual General Meeting on September 24, 2009.

TICO is a Delegated Administrative Authority. The Minister, in accordance with **Subsection 8(1)** of the *Safety and Consumer Statutes Administration Act*, may appoint ‘at pleasure’ one or more members to the board of directors as long as Ministerial appointees do not constitute a majority of the board.

One of the main amendments to the By-Laws relates to the Minister’s decision to exercise his right to appoint an additional individual to TICO’s Board of Directors, while maintaining the total number of Directors at 15. (It should be noted that, in fact, the government is entitled to hold up to 49% - or seven of the 15 – seats on TICO’s Board.) As a result, the election that had been planned prior to the AGM has been cancelled.

Changing the composition of the Board requires an amendment to Article 5.03 of TICO By-Law



No. One, which will be presented at the AGM. A Resolution for changes to the By-Law addresses this and a number of related issues – including the position of Chair and the term of the Chair and other Directors. The Resolution is on-line at www.tico.ca, and may be studied in depth by all registrants wishing to have a complete understanding prior to the AGM. Some highlights of the proposed amendments to the By-Law in the Resolution are as follows:

To change the composition of the Board by increasing by one the number of Director appointees by the Minister and reducing the number of Directors elected by registrant members from three to two.

- To require written notice be provided to the Secretary 45 days prior to the meeting of any motions to be made at a meeting of members.
- To increase the quorum required for meetings of members from two to 20.
- To ensure that individuals present and voting at a meeting of members are properly authorized in writing as

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TICO BOARD OF DIRECTORS 2008-2009

INDUSTRY REPRESENTATIVES

Jill Wykes - Chair
Senior Vice President, Operations
Thomas Cook Canada
Toronto

Mike Foster - Vice Chair
President
Uniglobe Instant Travel Inc.
London

Jeff Element
President
The Travel Corporation (Canada)
Toronto

Denise Heffron
Vice President, Commercial
Transat Holidays
Etobicoke

Thanushka Nanayakkara, CTM
President
NARAT Incorporated
Toronto, ON

David Shaw
President
Evans Intravel Inc.
Orillia

Scott Stewart
President
G. Stewart Travel Services Ltd.
Peterborough

Richard Vanderlubbe
President
Travel Superstore Inc.
Hamilton

Brett Walker
General Manager of Canada
Collette Tours Canada Ltd.
Etobicoke

Kathleen Warren, CTM
Senior Travel Consultant
Allison's Travel Agency Ltd.
Windsor

MINISTERIAL APPOINTMENTS

Patricia Jensen
Board Member
Consumers Council of Canada
Toronto

Maria Mendes, L.L.B.
Mendes Law Firm,
Barrister & Solicitor
London, ON

Shaher Bano Noor, C.A.
Managing Partner
Rosenthal Pervez & Noor LLP
Chartered Accountants
Mississauga

Dr. James Savary
Department of Economics
Glendon College, York University
Toronto

LETTER FROM THE CEO

It has been an eventful six months since our last issue of **TICO TALK**. The sudden closure of Conquest Vacations, the last major independent wholesaler, came as a surprise to the industry. Hundreds of Conquest passengers were left stranded and hotels demanded payments from consumers in destination. The Travel Industry Council of Ontario (TICO) quickly began making arrangements to get people home, to guarantee payments to hotels and to deal with the media frenzy as people looked for someone to blame.

A review by the Ontario government followed the closure. The purpose of the review was to determine if TICO had sufficient powers to regulate Ontario's travel industry. Overall, the report found that Ontario's regulation of the travel industry is equal to, or better than, other Canadian jurisdictions. The report did note some opportunities to strengthen consumer protection.

One of the issues with the Conquest closure was that TICO was not given advance notice of the registrant's decision to cease operations. If TICO had advance notice of the closure, it could have been better prepared to assist consumers. As a result, TICO will now be asking both new applicants and current registrants to consent to a term and condition of registration that tour operators and travel agents give at least 10 days notice to the Registrar of intention to cease operations.

As well, the report recommends a review of the trip completion compensation for stranded passengers to ensure that it is fair and effective. In addition, the report recommends that TICO enhance its website to provide more information to consumers about compensation options when travel businesses close. TICO has already made some changes to its website in relation to this recommendation.

TICO's Annual General Meeting (AGM) has been scheduled for September 24, 2009. There are a number of important issues that will be discussed, including some by-law changes. Some of the changes relate to Board composition. The Minister has advised TICO that he intends to add an additional appointee for a total of five to be appointed by the Minister. The Minister can appoint up to 49% of the Board. With five Minister's appointees, there will be 10 industry positions, as the TICO Board will remain comprised of 15 members. To accommodate the Minister's request, the Board has reduced one elected industry seat; however, the Board is open to discussing and consulting with the industry on the composition of the ten industry seats following the AGM. I encourage all registrants to attend.



Michael Pepper
President and CEO



The Impact of Education Standards



As of July 1, 2009, every travel counsellor working in Ontario must have successfully passed the Travel Counsellor exam in order to sell travel services in Ontario. As a result, travel counsellors should be more fully aware of their responsibilities and duties as defined by the *Ontario Travel Industry Act, 2002* – especially with respect to disclosure, which until now has been one of the main causes for consumer complaints. All those who have passed the exam deserve hearty congratulations. Few jurisdictions have such standards for travel counsellors, and this achievement

reflects very well on Ontario's travel industry.

The change in attitude regarding the introduction of education standards has been quite marked, according to Mike Foster, chair of TICO's Education Standards Committee. When it was first announced, he says, TICO fielded a great deal of negative feedback. People were concerned for a variety of reasons – from concern expressed by long-time agents that they might not be able to continue working in an industry they loved to those who felt it was a waste of time and even a cash grab!

Fortunately, there has been a dramatic shift in attitude. Many counsellors, managers and owners appreciated being educated on how the *Act* applies to them, and why they are expected to provide travel services in specified ways to their clients. Once people began to study for and then take the exam, the majority realized that it was not overly difficult. "Even my own staff told me they had learned a lot on how the *Act* works," reports Mr. Foster.

Owners and managers who have been in the travel industry a long time have also admitted to surprise at how much they learned, when going through the Study Manual for the first time. While the majority were somewhat informed on the *Act's* requirements, few had extensive knowledge.

With the closure of Conquest Vacations, the feedback has been even more remarkable. A number of people called Mr. Foster – and TICO – to express their thanks. Each caller said that in the past, when a large travel company closed down, every phone call and question from their clients was immediately passed

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Changes at the Ministry

As recently announced by Premier Dalton McGuinty, **Ted McMeekin** has been appointed Minister of the re-named Ministry of Consumer Services, replacing **Harinder Takhar** who moved to the Ministry of Government Services.

Changes on the Board!

A very warm welcome is extended to **Maria Mendes, L.L.B.** of Mendes Law Firm, London, who recently joined the Board as a Ministry appointee.

In addition, **Richard Vanderlubbe**, President of Hamilton-based Travel Superstore Inc., has rejoined TICO's Board of Directors as an ACTA representative. Richard previously served twice as Chair of the Board of Directors, and TICO is happy to have him on board again. He is replacing **Carole Cooper**, Vice President Leisure North America, Flight Centre, who resigned. Sincere thanks are extended to Carole for her contributions to TICO.

TICO TALK feedback

If you have questions, comments or concerns on anything that you read in **TICO TALK**, or on any other matter that impacts the travel industry, please contact us. Your opinions are important to us. We can be reached very easily - at **(905) 624-6241**, or at **1-888-451-TICO**, or by e-mail to tico@tico.ca.

Forwarding consumer monies: is obligatory!

Following the closure of Conquest Vacations, TICO received some claims from consumers who had paid monies in advance to certain registrants. Upon investigation, it transpired that these registrants had not passed on their customers' monies to the failing tour operator, since they viewed it as offsetting the commissions owed to said registrants by Conquest. In the registrants' opinion, since it was money owing to them by the failed company, their customers could legitimately and successfully submit a claim to the Compensation Fund for monies paid towards travel services that were not received.

In fact, this is completely incorrect. It is a registrant's legal obligation to forward to the supplier all of the money received from customers for the travel services to be provided by the supplier. If the money has not been forwarded to the travel service supplier, their customers' claims against the Compensation Fund are NOT eligible for reimbursement.

In this situation, TICO has instructed the registrants to reimburse the consumers.



Eric Neira Complaints Officer TICO



Please outline your career, prior to joining TICO.

After graduating with a diploma from Humber's Travel and Tourism program, I worked with various wholesalers – mainly in customer service, dealing with customer complaints, and also in administration. My most exciting job was when I lived in Punta Cana (in the Dominican Republic), working as administrative office support for Signature Vacations in the destination. It gave me some great insight into the issues that customers face when they are on holiday.

How long have you been at TICO?

I was hired by TICO in September 2007 as a Client Services Representative, and became a Complaints Officer last June.

How do you describe your responsibilities as a Complaints Officer?

My role is to provide information and guidance with respect to the *Ontario Travel Industry Act, 2002* and Ontario Regulation 26/05 to both consumers and registrants. I also work with consumers who have had a negative experience and wish to make a formal complaint. When it comes to information and guidance, a large percentage of my dealings are by telephone, although some are by e-mail and some are dealt with in person at TICO's offices. With complaints processing, it is mainly in writing.

By shedding light on the travel legislation, I strive to make consumers aware of how it may apply to their particular circumstances. Although it's not always something that people want to hear, they generally understand. It becomes challenging when there is no applicable legislation to their specific problem; they can be pretty unhappy.

What are the main issues that people complain about these days?

To be honest, almost everyday brings new issues. I often find myself consulting with colleagues because the issue may not be one that I've come across before. However, that said, two of the most common complaints pertain to customer disclosure and accommodation that was not in the condition as represented when it was sold to the customer.

Could you provide a few examples of complaints on these issues?

With disclosure, the three most frequent things that are either overlooked or forgotten concern a) penalties for change or cancellation; b) providing correct information on the travel documentation required to travel; and c) not telling consumers where they can review terms and conditions, such as in the brochure or on-line. I firmly believe that if adequate disclosure was made by travel agents when they sell travel services, there would be a drop in complaints. In fact, with the launch of TICO's Education Standards, I'm optimistic that there will be a significant improvement in this area.

As far as problems with accommodation – overall, it's the tour operator's responsibility and they should be taking reasonable measures to provide correct information. In reality, there are plenty of opportunities for a tour operator to keep on top of this issue, since most have offices and a representative in the destination who is in regular contact with the hotels.



What is your biggest challenge as a Complaints Officer?

Trying to close a complaint on a positive note when all you have is bad news! Basically, just about everyone who contacts TICO is hoping for a refund or some form of compensation. When we have to tell them that we cannot help – not because there is no merit to their case but because there is no applicable legislation – it can be quite difficult.

What do you like best about your job?

I know it's been said before, but it's the people I work with at TICO. They are always ready to help when needed. It's a great place to work. ▲

Non payment of commissions: inform TICO

One of the fallouts from the closure of Conquest Vacations was that numerous Ontario registrants were left high and dry, owed considerable amounts in agent commissions. Since then, a number of agencies have expressed strong dissatisfaction that TICO had not warned the travel industry that there was a possibility that the company was about to cease operations.

TICO would like to remind registrants that if you are owed commission by another registrant, it is important to advise TICO of the situation. The intent behind establishing TICO was to enable the travel industry to self-manage. Consequently, any early warnings that a TICO registrant might be in financial trouble would greatly assist TICO in proactively handling a potentially problematic situation. In the case of Conquest, TICO received no complaints from registrants who were owed commissions. Had TICO been aware of this, it might have helped – to some extent – mitigate a difficult situation.

It should also be noted that the legislation does not permit registrants to claim against the Compensation Fund for any commissions owing to them when a travel wholesaler ceases operations.

Encouraging support

The following quotes were included in the Ontario government's report, Assessment of Consumer Protection Against Financial Instability in the Travel Industry:

"I am delighted the assessment found that TICO's approach to regulate the travel industry works well. There are certain areas that can be strengthened to further protect Ontarians while travelling; to that end, I look forward to implementing the recommendations offered in the report."

Ted McMeekin, Minister of Consumer Services

"The recommendations address some quick changes that we can implement to address consumer protection and awareness concerns. They also consider possible improvements over the long-term for both consumers and businesses."

Jill Wykes, Senior Vice-president Thomas Cook Canada/Chair, TICOBBoard of Directors

"Ontario has a very strong consumer protection model in place and TICO does a very good job of delivering the service for government. These recommendations will help TICO further increase its options for protecting the travelling public."

Richard Vanderlubbe, President, tripcentral.ca

Improving Protection for Travel Consumers

The sudden closure of Conquest Vacations, with no advance warning, raised a number of serious questions that the province of Ontario took immediate steps to address. Working closely with TICO, the Ontario Ministry of Consumer Services reviewed the closure, in order to assess how the handling of future situations could be improved.

On July 24, 2009, an assessment of TICO and its ability to regulate Ontario's travel industry was released in a report entitled *Assessment of Consumer Protection Against Financial Instability in the Travel Industry*. Overall, Ontario's regulation of the travel industry was found to be equal to, or better than, other Canadian jurisdictions. However, a total of eight recommendations were made for immediate and short-term implementation, which will result in even greater protection for the travelling public in Ontario. The key components are as follows:

Notice on Ceasing Operations

New and current registrants, both tour operators and travel agents, will be required to provide notice to TICO of their intention to cease operations, as a condition of registration. (Please refer to Page 10 for further information on the Registrar Bulletin concerning this issue.)

Trip Completion Compensation

Trip completion compensation for stranded passengers will be reviewed, to ensure it is effective, fair and allows consumers to recover costs should a business close while the consumer is still on the trip. Currently, the legislation under Section 69 largely refers to TICO's repatriating those customers in a destination when a failure occurs.

Until now, this has generally involved arranging flights to bring passengers home. In the Conquest situation, some hotels that were owed money by the company would not accept TICO's guarantee of payment, and demanded payment from Conquest passengers. As nothing in the Regulation covers this specifically, TICO decided to allow consumers to make claims to the Statutory Director. It is the Statutory Director who determines whether or not the claim is eligible for reimbursement. Currently there is no right of appeal should a consumer disagree with the decision.

Enhancing TICO's website

TICO's website has now been enhanced to provide more information for the consumer with respect to how to file a claim, the claims process and the options available to them for obtaining reimbursement. ▲



Update on Claims Against Conquest Vacations

On the day that Conquest Vacations closed its doors, it had close to 3,600 people holidaying in various destinations throughout the Caribbean and Mexico. Working closely with travel agencies and flight manifest information, TICO determined the location of all affected Ontario-booked consumers. Then, fulfilling its mandate to ensure the safe return of all these vacationers, TICO arranged fourteen different charters to bring the affected passengers home. Any of these Ontario-booked vacationers who made payments in destination for accommodations, meals or transportation in order to complete their trip are eligible to claim from the Compensation Fund for reimbursement for trip completion.

Consumers who paid by credit card

Those who paid for their travel services by credit card, and the payment was processed by Conquest Vacations were requested to contact their credit card company and request a chargeback, or credit refund. If the credit card company is unable or unwilling to provide a refund, consumers should obtain a letter of refusal for the refund from the credit card company. This letter will be required to support their claim with TICO against the Compensation Fund.

Claim Forms

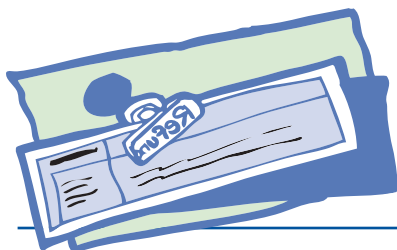
In relation to the closure of Conquest Vacations, there are two types of claim forms for consumers who wish to claim against the Compensation Fund.

- One claim form is to be used by consumers who did NOT travel as a result of the closure of Conquest Vacations and who had future departures commencing April 16, 2009 and onwards.
- The other claim form is to be used by consumers who were in a destination at the time that Conquest Vacations ceased operations, and who were required to pay for transportation, accommodation and/or meals in order to continue with their travel plans.

Travel agency refunds

Travel agencies may submit claims to the Compensation Fund under any of the following circumstances:

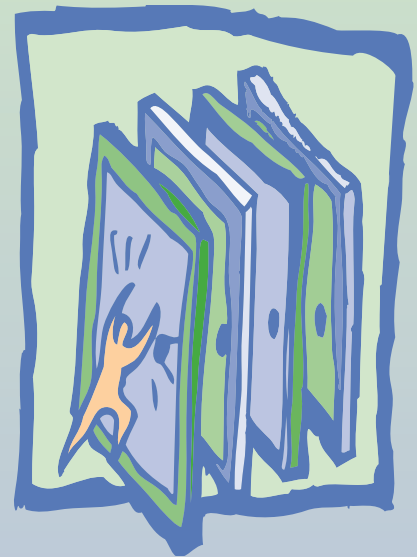
They reimbursed their customers for the purchase of Conquest Vacations travel services;



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Closing doors

Worldclass Travel Services, located at 252 Main Street, Unit 1, Picton, Ontario, had its retail registration revoked, under the *Travel Industry Act, 2002* on July 30, 2009. The company sold mainly air only and packaged holidays.



Where possible, consumers affected by the closure and who have bookings with future departures are being contacted by TICO and notified of the closure and the process for filing a claim against the Ontario Travel Industry Compensation Fund. Travel agents and/or consumers with concerns or who may be at risk of not receiving the travel services purchased are encouraged to contact TICO at **1-888-451-8426** or **(905) 624-6241** to request a claim form and/or to speak to TICO's Claim Co-ordinator. Alternatively, a request may be made by e-mail to www.tico.ca

TICO election is cancelled

In August, the Minister advised TICO that that he wished to exercise his right, in accordance with **Subsection 8(1)** of the *Safety and Consumer Statutes Administration Act* to make an additional appointment to TICO's Board of Directors. According to the legislation, he may appoint one or more members to the board of directors of a designated administrative authority, provided the members appointed by the Minister do not form a majority of the board.

TICO's Board will continue to comprise 15 members, with the Minister now appointing five directors instead of four. As this change will necessitate reducing the industry members on the Board by one, this year's election is being cancelled, per TICO's Industry Advisory dated August 21, 2009. Realigning TICO's Board of Directors will take place at the AGM scheduled for September 24, 2009. This will require a change to Article 5.03 of TICO By-Law No. One (please refer to Page 1 for further details).

TICO recognizes that the loss of an industry seat is a disappointment to industry members. However, the decision was based on expediency as the seat is vacant and TICO's Board had to comply with the Minister's request within a short timeframe. Nonetheless, TICO is open to

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Notice Annual General Meeting

TAKE NOTICE THAT the Annual General Meeting (AGM) of the members of the Travel Industry Council of Ontario will be held at 4:00 p.m. on Thursday, September 24, 2009 at the Toronto Congress Centre, 650 Dixon Road, Toronto, Ontario for the purpose of:

- (a)** receiving, considering and approving the financial statements for the previous financial year, together with the Auditor's Report;
- (b)** receiving and considering the Annual Report;
- (c)** appointing an Auditor for the next year following;
- (d)** considering and approving a by-law passed by the Board of Directors of the Corporation amending Articles 3, 4, 5, 6, 7, 9, 10 and 14 of TICO By-Law No. One to change the Executive Council to Executive Committee, to increase the quorum requirement for meetings of Members, to require written notice of any motions to be made at a meeting of Members, to ensure that the individuals present and voting at a meeting of Members are properly authorized as Representatives or Proxies, to take into account new technology, to clarify the Secretary and Treasurer functions, to change the Board composition to increase the number of Minister's appointees by one member and to reduce by one the number of Directors elected by the Registrant Members; to clarify that the Chief Executive Officer is an advisor to the Board, to reduce the term of Elected Directors to two years, to impose a maximum term of ten years uninterrupted that a Director can serve on the Board; to require that effective after the annual meeting of Members in 2010, the Chair shall be elected by the Board of Directors from amongst the individuals appointed by the Minister and that the term for the Chair position be increased to three years; and
- (e)** transacting such other business as may properly come before the meeting. Helen Thompson Travel has requested that the following items be included on the Agenda: an opportunity to discuss possible changes to the structure of TICO's Board of Directors, One Step Travel, TICO's position and role when wholesale registrants do not abide by the terms and conditions published in their brochures and on their websites regarding the right to a full refund, possible amendments to the *Travel Industry Act, 2002* and Ontario

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Annual General Meeting continued from page 8

Regulation 26/05 including guidelines and timetables for financial non-compliance remediation, requirements to address risk when products and services are sold below cost, requirements to assure that end-suppliers are paid in full before travellers depart, protection of travel agent commissions in the event of a wholesale failure, increased monitoring and reporting for registrants that exceed certain levels of financial transactions and sales volumes, a guarantee and assistance system to assist travellers in destination in times of need and amendments to TICO's confidentiality provisions to allow more transparency.

Members should be aware that while TICO is willing to discuss Board composition and possible amendments to the *Travel Industry Act, 2002* and Ontario Regulation 26/05, TICO does not have the authority to simply make changes in these areas. Any changes to Board composition, the selection criteria and process and term of office of its members must be reviewed and approved by the Minister. Further, although TICO administers the Act, the authority for the legislation and regulation remains with the Ontario government. Therefore, motions to require TICO to make changes to Board composition or legislative or regulatory changes will not be entertained at the AGM. All of the recommended issues will be discussed and may be referred to TICO Committees, the Board or the Ministry for further review as appropriate. Legislative and regulatory review issues may also require consultation with a broader base of stakeholders before changes could be made.

Only members in good standing are entitled to participate in and vote at the meeting. Members of the public are invited to attend.

Written notice must be received by the Secretary on or before September 4, 2009, of any motions to be made at the Annual Meeting.

Members who will not be attending the meeting are invited to submit written requests for proxies. Copies of the audited financial statements as at and for the fiscal period ended March 31, 2009 will be available at the Annual General Meeting and may be requested in writing prior to the meeting. Further information about the proposed By-Law changes is available on TICO's website at www.tico.ca or may be obtained by calling (905) 624-6241 or 1-800-451-TICO.

DATED at Mississauga this 20th day of August 2009.

**On behalf of the Board of Directors
Tracey McKiernan, Secretary**

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discussing the composition of the ten industry seats at and following the AGM to determine what the appropriate composition of the TICO Board should be.

We wish to thank all those who put their names forward to run in this year's election. We encourage you to consider running again in a future election.

Business Plan and Annual Report

The 2009 Business Plan and 2009 Annual Report are currently being prepared, and will be available at the AGM. As reported in the last issue of **TICO TALK**, TICO is now going green. Consequently, copies of both will be e-mailed to registrants. Registrants will also be able to obtain copies of the Annual Report and the Business Plan on-line, by downloading from TICO's website at www.tico.ca.



Subscribe to your e-version of TICO TALK

Beginning with this issue of **TICO TALK**, our quarterly newsletter will be available on-line only to Ontario registered travel retailers and wholesalers. Please remember to sign up. From the TICO Registrants section of www.tico.ca, click on TICO News, and then **TICO TALK** Newsletter, where you can subscribe by providing your name, your company's name and your e-mail address. It will then be e-mailed to you as soon as it has been published.

In addition, registrants may view or download current or past issues – as far back as January 2003! To do so, Adobe Acrobat Reader is required.



Spotlight on Section 65: Major Events

Under Section 65, the Statutory Director may designate the failure of a large registrant as a major event. Should that happen, Section 65 allows claims to be treated differently than other claims, and sets the criteria to be considered in determining what a major event is. Factors to be considered by the Director are:

- The nature of events
- The number of claims arising or potentially arising from the event
- The need to protect the Compensation Fund

If a large registrant failure is designated as a major event, the Board of Directors may request that payment of claims is deferred until exposure to the Compensation Fund is determined. Once the Board has received all claims likely to be made, it may choose to reimburse the claims in instalments, or to pro-rate reimbursements if the claims received amount to more than the legislated maximum amount allowed to be paid.

Spotlight on Section 69: Trip Completion

The Statutory Director has declared the closure of Conquest Vacations as a major event. TICO's Board of Directors agreed to defer the payment of claims until it was satisfied that it had received all claims likely to be made with respect to that major event.

Designed to assist those stranded in a destination, **Section 69** of the Regulation is most commonly used when a wholesale registrant fails, and groups of people are stranded in one or more destinations. It is aimed at assisting those who experienced hardship or inconvenience because they have begun a trip that cannot be completed, due to the travel services not being provided.

The maximum amount that may be paid by the Compensation Fund for trip completion is \$5,000 per person, while the maximum amount that may be paid from the Fund under **Section 69** related to a major event with respect to repatriation is \$2 million. However, if \$2 million is not sufficient, the Statutory Director may, with the approval of the Board, direct TICO to make additional payments from the Fund for trip completion. These additional payments shall not exceed \$5 million. Payment for trip completion takes precedence over other claims on the Compensation Fund. ▲

Advance notice of Intent to Cease Operations now required

Since August 1, 2009, all applicants for registration as a travel wholesaler or travel retailer have been obliged to comply with a new term and condition: to provide a minimum of 10 days' notice to the Registrar of their intention to cease operations and terminate registration with TICO. Commencing September 1, 2009, all existing registrants will be asked to acknowledge this new term and condition upon renewal of their registration. A Registrar Bulletin detailing the Notice of Intent to Cease Operations was issued on August 7, 2009.

This new term and condition was recommended in the report entitled Assessment of Consumer Protection against Financial Instability in the Travel Industry that was recently released by the Ontario government. The goal is to provide further protection to travellers in the event that a tour operator or travel agency goes out of business. ▲

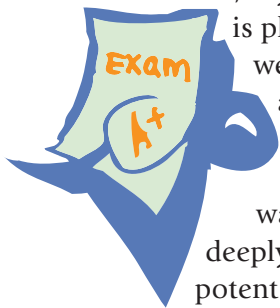
The impact of Education Standards continued from page 3

on to the manager or owner of the agency. Now, however, their staff was equipped to handle the questions from consumers. There is a new sense of understanding and confidence on the front lines of our industry.

Overall, says Mr. Foster, the Education Standards Committee is pleased with the way the launch has unfolded. "There were inevitable hiccups and challenges, and we spent a great deal of time reviewing the actual exam. We wanted it to be meaningful, but the possibility of losing a lot of good people because the test was too onerous weighed heavily upon us. We were deeply aware that people's careers and livelihood were potentially at stake."

Ultimately, the right balance was struck, and the statistics now tell the story. As of September 1, 2009, 16,631 people had taken the Travel Counsellor Exam, 254 had taken the Supervisor/Manager Exam, and 1,450 had taken the combined Travel Counsellor/Supervisor/Manager Exam. In each category, the total numbers have virtually tripled since the end of February. Overall, close to 93% passed.

Credit to the success of the process is very much due to the terrific work of the Committee, adds Mr. Foster. "Although not all of them were travel counsellors, they quickly grasped what we were concerned about, and all were equally concerned about the fairness of the exam. It made my role as chair much easier, and ultimately we all take great pride in the outcome." ▲



Update on claims against conquest vacations continued from page 7

They paid for replacement services for their customers; or

They paid for the hotel accommodation if their customer was in the destination.

Exposure of Compensation Fund

When Conquest Vacations closed, it was thought that the exposure to the Compensation Fund might reach or exceed the legislated maximum - \$2 million for trip completion and \$5 million for claims for the non-provision of travel services - that may be paid out of the Fund for any one event. To date, the claims received by TICO have not exceeded the legislated maximum. TICO intends to commence payment of eligible claims once the total possible exposure to the Fund is known.

Deadline for filing claims

Please note - and remember to inform your clients - that the deadline to file a claim with TICO in relation to the closure of Conquest Vacations is October 16, 2009. Downloadable forms are available at www.tico.ca ▲



*The bylaws - time to change
continued from page 1*

representatives
or proxies of members.

➤ To reduce the term of elected Directors to a term of two years so that the elected Directors will continue to retire in rotation.

➤ Effective after the 2010 Annual General Meeting, the Chair shall be elected by the Board of Directors from the Ministerial appointees, and the Chair's term will be increased to three years.

➤ To impose a maximum term that a Director, other than a Director appointed by the Minister, may serve for no more than 10 years uninterrupted.

The Resolution also calls for: the Executive Council to be renamed the Executive Committee; the revised by-law to take into account new technologies as acceptable forms of communication – specifically e-mail and video conferencing; the Secretary and Treasurer roles to be clarified; and the role of the Chief Executive Officer to be more clearly defined as an advisor to the Board rather than a Board member.

As stated by Minister McMeekin, "the purpose of the increase in ministerial appointments is to ensure the board carries an optimal blend of expertise and skills to manage the obstacles that continue to face the travel industry. The goal is to strike an appropriate balance of consumer and industry representation that adequately covers the full range of views and interests." ▲

Court Matters

► CHARGES

Lifedream Travel & Tours Inc. and **Lidya Pashanov** have been charged with 38 counts of failing to maintain trust accounting, contrary to **Section 27** of Ontario Regulation 26/05 made under the *Travel Industry Act, 2002*. **Lifedream Travel & Tours Inc.**, **Lidya Pashanov** and **Alexander Pashanov** have been charged with two counts each of failing to advise the Registrar of a change in bank accounts, contrary to **Section 17** of the Ontario Regulation.

Vacation 2000 Ltd. and **Mary Lebiedz** have been charged with two counts each of making a false statement when submitting financial information to TICO, contrary to **Section 31 (1) (a)** of the *Travel Industry Act, 2002*.

Caravan 4U Travel Inc. and **Muhammad Moin Warsi** have been charged with 11 counts each of failing to maintain trust accounting, contrary to **Section 27** of Ontario Regulation 26/05 made under the *Travel Industry Act, 2002*. Additionally, **Muhammad Moin Warsi** has

been charged with three counts of acting as a travel agent without registration, contrary to **Section 4(1)(a)** of the *Act*.

Terry Engesser and **Consolidated Travel Activities Ltd. o/a Canadian Tours International** have been charged with one count each of operating as a travel wholesaler without registration, contrary to **Section 4(1)(b)** of the *Travel Industry Act, 2002*.

Brian Watt and **Caledonian Holdings Inc. o/a Christian Journeys & Tours** have been charged with one count each of operating as a travel agent without registration, contrary to **Section 4(1)(a)** of the *Travel Industry Act, 2002*.



► CONVICTIONS

Cathy Lucia Hollub, president of **Dillon Travel Services Ltd.**, was convicted of one count of failing to maintain trust accounting, contrary to **Section 27** of Ontario Regulation 26/05 made under the *Travel Industry Act, 2002*. The Justice of the Peace fined Ms. Hollub \$1,000, after taking into consideration the fact that she had reimbursed the Ontario Travel Compensation Fund in the amount of \$11,027.07. This totalled the claims paid to consumers from the Ontario Travel Compensation Fund. The charge of failing to

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Upcoming Issues

In future issues of **TICO TALK** we plan to include:

- Report on the Annual General Meeting
- Update on Conquest Vacations
- Update on the Consumer Awareness Campaign

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maintain trust accounting against Dillon Travel Services Ltd. was withdrawn.

Serwat Naz Ahmed, president of Dreamworld Travel & Vacations Inc., was convicted on one count of failing to maintain trust accounting, contrary to Section 27 of Ontario Regulation 26/05 made under the *Travel Industry Act, 2002*. Dreamworld Travel & Vacations Inc. had been previously registered under the *Travel Industry Act, 2002* and the registration was terminated on August 15, 2007. Claims to consumers totalling \$1,620 were paid from the Ontario Travel Compensation Fund, and this was reimbursed by Ms. Ahmed, who was fined \$1,000. The charge of failing to maintain trust accounting against Dreamworld Travel & Vacations Inc. was withdrawn.

Kailayanathan (Nathan) Kanapathi was convicted of one count of failing to advise the Registrar within 30 days of the transfer of 100 % of the equity shares of Aero Canadian Tours & Travel Inc., contrary to Section 15(1) of the *Travel Industry Act, 2002*.

Mr. Kanapathi was president of Aero Canadian Tours & Travel Inc. at the time of the transfer of shares. He was fined \$1,000 and given 365 days to pay the fine.

Iftexhar Hussain was convicted on one count of operating without registration, contrary to Section 4(1) of the *Travel Industry Act, 2002*. Mr. Hussain was fined \$1,000 and given 180 days to pay the fine.

George Norman Street was convicted on one count of failing to maintain trust accounting, contrary to Section 27(6) of Ontario Regulation 26/05 made under the *Travel Industry Act, 2002*. Mr. Street was the President of Hillcrest Tour Group Ltd., which failed in September 2006. The Ontario Travel Compensation Fund subsequently paid claims to consumers. Mr. Street was fined \$500 and ordered to pay restitution to the Ontario Travel Compensation Fund in the amount of \$10,000. The charges against Hillcrest Tour Group Ltd. were withdrawn.

► REVOCATIONS

Between February 17 and August 12, 2009, eighteen companies had their registrations revoked: Arrow Travel Agency Ltd., The Village Travel Shoppe Ltd o/a Carlson Wagonlit Travel; Gambol Adventures Inc o/a World Casinos/Las Vegas Getaway/Atlantic City Getaway/JRP Escapade International Travel; Coconuts Travel & Tours Company Ltd.; 1174235 Ontario Inc o/a Budapest Travel 2000, Y2K Travel; Caravan 4U Travel Inc.; P & T Travel and Services Inc.; O Canada Travel Service Inc.; Eveson Travel Inc. o/a Millionaire Travel; Donald Canning o/a Four Seasons Travel Service; Air Express Travel Inc; 1303861 Ontario Inc o/a Canadian Express Travel; 1195798 Ontario Inc o/a Sonalis Travel; Travel Sensations Etobicoke Inc.; Christina Lorraine Saunders o/a Worldclass Travel Services; Canada Youngsun Travel Ltd.; and Robert Morgason & Lillian Burgess o/a Cap'n Bob and Lil's Tours. ▲