

TICO takes over *Canada 3000 Airline Refunds*

Following the official March 17 announcement by Canada 3000 Airline's Trustee in Bankruptcy, PricewaterhouseCoopers LLP, that there would be no payments from the airline's estate, TICO commenced its own process for claims against the airline.

Based on information provided by the Trustee, TICO distributed claim forms to individuals who filed a claim with the Trustee, and who TICO could identify as possibly having an eligible claim against the Compensation Fund. If you filed a claim against Canada 3000 Airlines with the Trustee, the claim number assigned to you will not have a letter in front of it. (Claims against Canada 3000 Holidays start with the letter "V", and Canada 3000 Tickets claims start with the letter "T".)

Anyone who has a claim against the airline and has not received a TICO claim form should contact TICO's toll-free line - **1-866-773-7755** - to request one. The deadline for filing a claim is September 18, 2003.

Who may have an eligible claim?

✈ Consumers who purchased their Canada 3000 Airlines travel services from an Ontario registered travel agency and who did not receive



all or part of the travel services purchased, and who have not received a full

reimbursement from the Trustee for the unused portion of the travel services purchased.

✈ Ontario registered travel agencies and travel wholesalers who reimbursed or provided alternate travel services to their clients for Canada 3000 Airline services that were not provided.

The Compensation Fund does not cover the cost of alternate travel services purchased and received due to the cessation of Canada 3000 Airlines. Nor does it cover taxes and insurance premiums.

Consumers will be required to submit the receipt

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LETTER FROM THE CEO



The recent filing for bankruptcy protection by Air Canada, Canada's national carrier, has once again focused attention on the gaps in consumer protection at the air carrier level and has exacerbated the concerns of the Travel Industry Council of Ontario (TICO) and its registrants, who stand to be liable if the airline fails to provide the services paid for by the consumer. The fact that travel agents and travel wholesalers in Ontario may be required to shoulder the burden of refunding consumers, if an end-supplier airline or cruise line fails, is a huge cause of concern for the industry. It raises questions regarding how business is transacted, what the Travel Industry Compensation Fund should be covering and the ongoing responsibility of travel agents and wholesalers once they have passed funds to the end supplier in good faith.

These issues surrounding end-supplier failure have been raised by TICO in its submissions to both the federal and provincial governments. Since well before the failure of Canada 3000 Airlines, TICO has been actively lobbying the federal government to put some protections in place at the federal level to protect consumers. As well, TICO has been asking the provincial government to re-examine the burden placed on registrants by section 13 of the *Travel Industry Act*, which provides that travel agencies and wholesalers registered with TICO are liable to compensate consumers if end-suppliers fail to provide the travel services. Concerns have been raised that the onus placed on registrants is unfair, as they have no control over the solvency of an end-supplier.

In February 2003, TICO and the Ministry of Consumer & Business Services partnered to commission a study by an independent consultant to identify gaps in consumer protection and options to deal with those gaps. A Request for Proposals was posted on the government website. An Advisory Committee comprised of industry experts was formed to assist with the selection of the independent consulting firm and to provide advice on issues over the course of the project. The Committee includes representatives from all facets of the travel industry, including retailers and wholesalers, airlines, tourism groups, the Consumers Association of Canada, the Provincial Government, Industry Canada, Transport Canada, the Air Travel Complaints Commissioner, the Canadian Transportation Agency and the Air Transport Association of Canada, as well as members of consumer groups. The target date for completion of the study is June 2003. The results of the study will be used to determine what options are available to address issues so that informed decisions can be made in the best interests of all stakeholders. As the process unfolds, stakeholders will be kept informed through updates on TICO's website.

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issued to them by their travel agent and proof of payment for the Canada 3000 travel services purchased. As a result, consumers may be asking their travel agents for assistance in obtaining this documentation. Those consumers who paid by credit card will be asked to provide a letter from their credit card company confirming that their accounts have not been credited for this payment.

Now that TICO has commenced the refund process, please encourage any of your clients who may have an eligible claim to file it as soon as possible. For further updates, check www.tico.on.ca.

As yet, this process does not apply to claims against Canada 3000 Holidays, Canada 3000 Sales Ltd. or Canada 3000 Tickets. TICO claim forms will not be provided for these until the Trustee has distributed any funds it has available. ▲

To cancel or not?



Not surprisingly, with the daily news full of stories on the war in Iraq and the spread of Severe Acute Respiratory Syndrome (otherwise known as SARS), travellers are concerned about safety and health issues. TICO has received many calls from both consumers and registrants who want to know what their rights and responsibilities are with respect to the cancellation of travel plans.

TICO is advising everyone who calls that they are subject to the terms and conditions of their booking. The current legislation does not require travel agents or travel wholesalers to reimburse consumers who decide they do not wish to travel. Consumers may wish to check their insurance coverage to see whether they will be reimbursed if they voluntarily decide to cancel their trip.

We would like to draw your attention to an invaluable link on our web site, which will take you to the Government of Canada's Travel Advisories. These in-depth, up-to-date country reports include crucial information on areas of danger (due to crime, political unrest or war), and common scams that tourists face, as well as a lot of "useful to know" content. Some Advisories either advise caution or strongly recommend steering clear of a particular destination. Within this website - which is located at www.dfait-maeci.gc.ca/travelreport/menu_e.htm - there is also a Travel Update section. This covers the most recent events that may impact travellers, such as civil unrest in Guatemala, security issues in Bangladesh, and SARS in a number of countries, including Canada.

Travelling knowledgeably, even in more peaceful times, is always the best way to go. ▲

New concerns on end-supplier failure

Over the past few weeks, TICO has received many phone calls from travel agents who are concerned whether the Compensation Fund covers their clients, in the unfortunate event that Air Canada ceases operating. As a result of the collapse of Canada 3000, the *Travel Industry Act* Regulation was amended to cover end suppliers such as airlines and cruise lines. Consumers are eligible to claim against the Compensation Fund provided they purchased travel services from and paid their money to an Ontario registered travel retailer, and did not receive these travel services due to the cessation of an airline or cruise line.



TICO suggests that retail agents always

offer insurance to consumers that includes coverage in the event of an airline failure.

Business plan and annual report

The Business Plan for 2003 and Annual Report for 2002 - 2003 are currently being prepared for presentation at the AGM on June 24, 2003. Copies of both will be made available to all registrants.

Check those Documents

Due to the current upheaval in global travel, travel documentation requirements to various destinations are constantly changing. TICO would like to remind travel agents of the absolute importance of the requirement under Section 21(1)(d) of the Regulation, to “advise the customer in writing about the information and documents that will be needed for each person for whom travel services are being purchased”. As we have mentioned before, occasionally a travel agent overlooks checking the nationality and/or citizenship of each person travelling, which can have dire consequences.

In addition, TICO recommends that you consider advising all customers who purchase their travel documents well in advance of their departure date of the importance of ensuring that the travel documentation and entry requirements have not changed. Once the purchase has been made, it becomes the consumer’s responsibility to ensure that they have proper documentation.



Fred Angus, CGA *Financial Inspector*



For a “big picture” look at the travel industry, a conversation with Fred Angus is a good place to start. A public accounting and auditing practitioner for over 25 years, Fred has acquired extensive practical experience and theoretical knowledge of accounting practices and procedures, as they relate to the travel retail and wholesale industry. During that time, he has been involved in closures and amalgamations, comptrollership, commodity and sales tax issues, systems development and training, and internal and external audit.

“Basically, my experience comes from both working as a staff auditor with an accounting firm and as a self-employed consultant. And it’s certainly all come in useful since I joined TICO as a financial inspector in 1999,” says Fred.

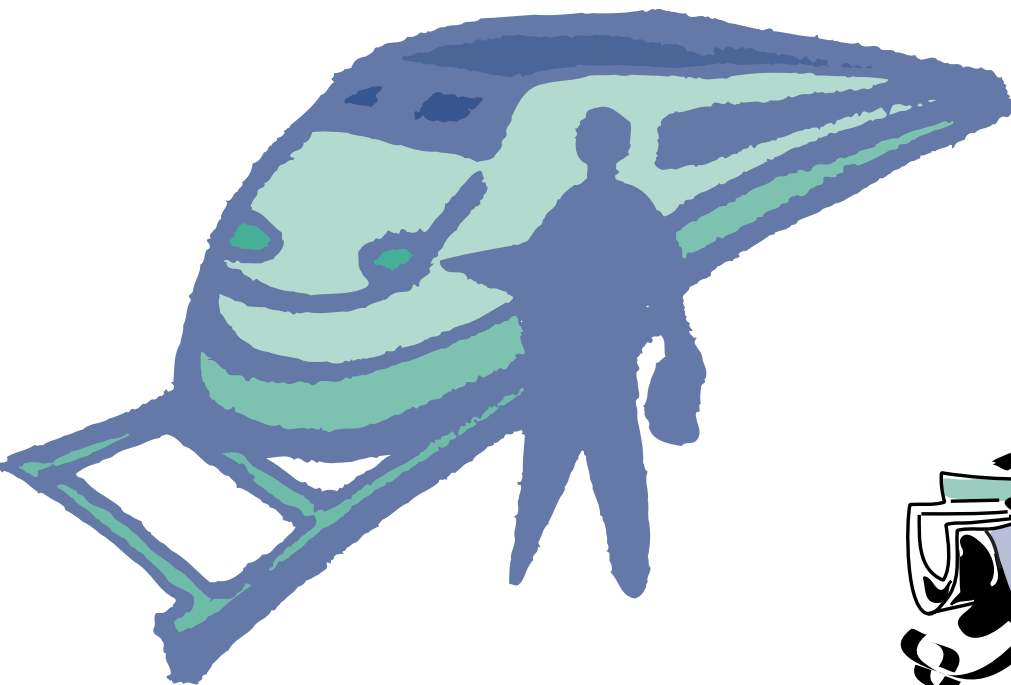
TICO’s financial inspection team visits new registrants, to help them understand the importance of abiding by the legislation of the *Travel Industry Act*, and visits registrants who have experienced a history of losses, working capital or other risk issues. Although their focus is financial, the inspectors do look into other problems - such as registration or complaints - when they are on location visits, and will try to resolve them.

The inspectors cover every corner of the province. Fred travels to northern Ontario and to Ottawa occasionally, but he focuses largely on the Greater Toronto Area. “People often look on us as policemen, enforcing the legislation, but really we’re not - we want to try and help them as much as we can.”

Fred is the first to acknowledge that applying the rules of the Act during these difficult times is challenging. With his travel industry background, he is well aware of their impact on all travel businesses, large and small. He first worked with the industry during the days of Laker Airlines and its legendary founder, Freddy Laker, in the late '60s and early '70s, and has witnessed the cyclical nature of the industry over the years. "This business is always one of the first impacted by recessions, war and acts of terrorism."

Although Fred puts in long hours on the job, one of his most enduring hobbies is travel-related: riding the trains. When VIA Rail drastically cut its service in the early '90s, his wife Fay gave him a Christmas present of 18 days of unlimited travel on VIA Rail. Armed with a backpack, he flew to Nova Scotia and spent the next few weeks travelling across the country - even up to Churchill, Manitoba - on every line that was due to be axed.

Surfing the Internet and learning- first hand - about wines, and Canadian wineries in particular, are other ways Fred likes to push his horizons. On or off the job, he continues to enjoy the world of travel. ▲

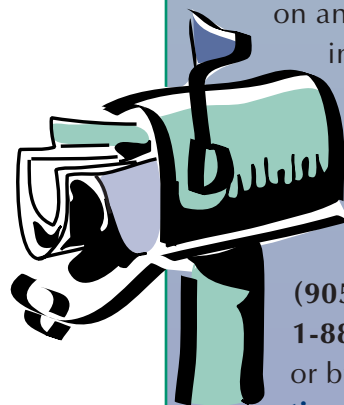


Upcoming AGM

TICO recently invited all registrants to submit nominations for one elected position on the TICO Board of Directors. This position is open to either a retail or wholesale registrant. April 25th, 2002 was set as the deadline for submitting nominations. Ballots will be sent out in May to every registrant, and the results of the election will be announced at the AGM. For more information on the criteria to be eligible for this position, please check TICO's website.

TICO TALK feedback

More than ever before, the significant transition that the travel industry is experiencing requires the strength of legislation such as the Ontario *Travel Industry Act* combined with the ever-increasing level of professionalism that exists within Ontario's travel agency and wholesaler communities. Your comments, concerns or questions on anything that you read in TICO TALK... or on any other travel industry matter, are important to us. Please feel free to contact us at (905) 624-6241, or at 1-888-451-TICO, or by e-mail to tico@tico.on.ca



Some background on the bylaws

An item on this year's AGM includes a request by TICO's Board of Directors to consider and approve three by-law changes, to amend Sections 5.03(a) and (c), 7.09 and 7.10(c) of TICO By-Law No. 1 regarding board composition, board election procedures and attendance of board members.

Under the current by-laws, the Ontario chapters of ACTA and CIRC nominate representatives for TICO's Board. ACTA-Ontario has disbanded and has become part of its national organization. CIRC is in the process of doing the same.

Traditionally, elections for the TICO Board of Directors are held prior to the Annual General Meeting (AGM), at which the results are announced. The Board has proposed that, in the event of a tie, the run-off vote be conducted by mail after the AGM and the result be announced both on TICO's web site and in the travel trade press.

In addition, a Board member is currently required to attend a minimum of two-thirds of TICO's Board meetings. If they are unable to do so, they must vacate their position. The Board has proposed to increase the attendance requirement to three-quarters of the meetings.



Notice to Members ANNUAL GENERAL MEETING

TAKE NOTICE THAT the Annual General Meeting of the members of the Travel Industry Council of Ontario will be held at 4:00 p.m. on Tuesday, June 24, 2003 at the Board of Trade of Metropolitan Toronto (Airport Location), 830 Dixon Road, Etobicoke, 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 sections 5.03(a) and (c), 7.09 and 7.10(c) of TICO By-Law No. One regarding board composition, procedure for the election of an elected Director and attendance of board members;
- (e) transacting such other business as may properly come before the meeting.

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 June 6, 2003, 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, 2003 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 may be obtained by calling (905) 624-6241 or 1-888-451-TICO.

DATED at Mississauga this 29th day of April, 2003.

On behalf of the Board of Directors

Tracey McKiernan
Secretary

2700 Matheson Boulevard East, Ste 402,
West Tower, Mississauga, Ontario L4W 4V9
Tel: (905) 624-6241
Fax: (905) 624-8631
Toll-free: 1-888-451-TICO
e-mail: tico@tico.on.ca

Court Matters

► CHARGED

Robert Davies was charged with one count of acting as a travel agent without registration, contrary to Section 3(1) of the *Travel Industry Act (Act)*. The first court appearance is set for April 23, 2003 in Sault Ste. Marie.

EMI Travel Management Inc. was charged with one count of acting as a travel agent without registration, contrary to Section 3(1) of the *Act*. The first court appearance is set for April 30, 2003 in Orangeville.

Cynthia Stren was charged with two counts of acting as a travel agent without registration, contrary to Section 3(1) of the *Act*. These charges are in addition to two previous charges. A trial date is set for June 20, 2003 in Toronto.

► CONVICTIONS

Danh Lam o/a Vicapass Travel was convicted of one count of acting as a travel agent without registration, contrary to Section 3(1) of the *Travel Industry Act*. Lam was given a suspended sentence and placed on a 24-month probation order, which includes 200 hours of community service and the condition that he not be able to act as a travel agent.

Kamral Kahn of Sunkiss Travel Agency was convicted of breaching the terms of his February 9, 2001 probation order, by failing to pay restitution to consumers within nine months, contrary to Section 75 of the *Provincial Offences Act*. Kahn was given a suspended sentence and placed on a 24-month probation order, which includes 75 hours of community service.

Greater Hamilton Tours Inc. and Alistair Brown Hamilton were convicted of one count each of acting as a travel agent without registration, contrary to Section 3(1) of the *Act*. Hamilton was fined \$4,000 and the company was fined \$5,000.



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Closing doors

Don Armstrong Tours Ltd. operating as Don Armstrong Tours voluntarily terminated its retail registration under the *Travel Industry Act* on March 21, 2003. This company was located at 88 King Street West in Oshawa and sold mainly air and hotel packages.

TICO is currently contacting consumers who are affected by the closure, and who have bookings with future departures, in order to notify them of the closure and the process for filing a claim against the Ontario Travel Industry Compensation Fund. Any consumers who have purchased travel services from Don Armstrong Tours and who may be at risk of not receiving the travel services purchased are asked to contact TICO for assistance. You may contact TICO at **1-888-451-8426** or **(905) 624-6241** to request a claim form.

New registrant listing

Monthly listings of new TICO registrants are now appearing on TICO's redesigned web site, within the Travel Agent & Wholesalers section. These lists are intended for general information only. If you require further information regarding the registration status of a particular company, please contact TICO's office at **1-888-451-TICO** or email tico@tico.on.ca.

Upcoming Issues

In future issues of TICO TALK we plan to include:

- Election Results
- Report on the AGM
- Update on the Legislative and Regulatory Review
- Update on Canada 3000
- Profiles on TICO staff and much, much more!

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This newsletter is published by the Travel Industry Council of Ontario and is provided to all Travel Industry Act registrants. The information provided in this newsletter is provided for general knowledge purposes only and is not intended to be legal advice.



TRAVEL INDUSTRY COUNCIL OF ONTARIO

2700 Matheson Boulevard East,
Ste 402, West Tower,
Mississauga, Ontario L4W 4V9.

Tel: (905) 624-6241
Fax: (905) 624-8631
Toll-free: 1-888-451-TICO
web site: www.tico.on.ca
e-mail: tico@tico.on.ca

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Golden Globe Travel Inc. and Hooshang Arashi were convicted of two counts each of acting as a travel agent without registration. Golden Globe Travel Inc. was fined \$20,000 and Arashi was given a suspended sentence with a two-year probation order that includes restitution to consumers in the amount of \$25,889.57 and 200 hours of community service.

Premier Holidays Ltd. was convicted for failure to maintain proper trust accounting contrary to Section 36 of Regulation 806/93 made under the *Act*. The company was fined \$20,000 plus a \$5,000 victim of crime surcharge and placed on a two-year probation order, which includes paying \$209,000 to the Ontario Travel Industry Compensation Fund.

A& F African Travel and Tours Agency Inc. and Father Irlhman Eliman Saad were convicted of one count each of acting as a travel agent without registration, contrary to Section 3(1) of the *Act*. The company was fined \$10,000 and Saad received a suspended sentence and placed on a 24-month probation order that includes 100 hours of community service.

➤ REVOKED REGISTRATION

Between January 16, 2003 and April 2, 2003, five companies have had their registration revoked: Diplomat Travel Inc.; EMI Travel Management Inc. (Wholesale division); 591578 Ontario Inc. o/a Hansa Travel; 1075361 Ontario Ltd. o/a Solarex Travel; and Value Vacations Ltd. ▲

Letter from the CEO continued from page 2

There are many issues affecting the travel industry today that may be of concern to stakeholders. I would like to take this opportunity to remind everyone that TICO's AGM will take place on June 24, 2003. We encourage all registrants to attend. As well, TICO will be holding an election for one position on the Board of Directors. The position is open to an individual who is associated with a retail or wholesale registrant in good standing or with a marketing group of registrants. Nomination Forms have already been sent out to registrants. Ballots will be sent out in May and the results will be announced at the AGM. We encourage all registrants to vote. Attending the AGM and voting in the election are all opportunities for you to get involved and make your views known. We at TICO look forward to seeing and hearing from you!

A handwritten signature in orange ink, appearing to read "Michael Pepper".

Michael Pepper
CEO