

# C3 claims: ready, get set.... **FILE!**

**F**inally, TICO is able to begin the claims process for Canada 3000 Tickets, Canada 3000 Holidays and Canada 3000 Sales!

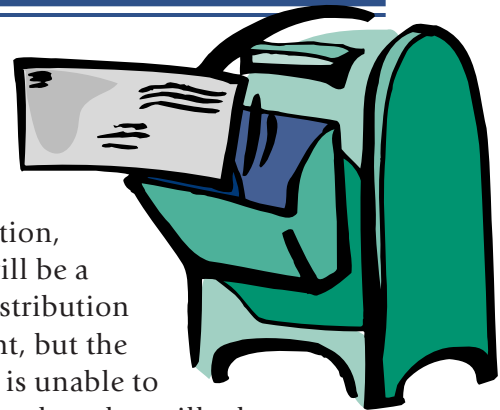
### **Canada 3000 Tickets**

The Judicial Trustee, PricewaterhouseCoopers LLP, recently announced it would be making a final distribution payment on July 25, 2003 - in the amount of 70 cents on the dollar - to beneficiaries listed for Canada 3000 Tickets who had not previously been approved for distribution. The remaining 30 percent owing will not be paid out, since there are no further funds available for distribution.

TICO will begin to distribute claim forms to all Canada 3000 Ticket claimants on July 25, with a six-month filing deadline of January 26, 2004. Claimants will be asked to provide a copy of their receipt with their claim, which will assist with the calculation of the tax deduction.

### **The lowdown on Canada 3000 Holidays**

An interim distribution payment of 40 cents on the dollar will be made by the Trustee to a number of beneficiaries who have not yet received a distribution and a further interim distribution of 10 cents on the dollar will be paid to all claimants, including those who have already received 40 percent of their claim. This will also take place on July 25, 2003.



In addition, there will be a final distribution payment, but the Trustee is unable to confirm when that will take place. To facilitate TICO's claims process, the Trustee will distribute TICO's Canada 3000 Holidays claim forms with its interim distribution on July 25. TICO's form will advise claimants that a further distribution will be coming from the Trustee and that TICO will not reimburse the balance of any eligible amount outstanding until the Trustee has completed its process.

By commencing its claims process at this juncture, TICO should be able to determine what its total exposure will be against the Compensation Fund - a necessary step before TICO is able to pay out claims in relation to this or any other Canada 3000 company. It also means that TICO will be prepared to pay out claims as soon as the Trustee has made its final payment, rather than just starting the process. The claim filing deadline is also set for January 26, 2004.

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## TICO BOARD OF DIRECTORS 2003-2004

### INDUSTRY REPRESENTATIVES

Richard Vanderlubbe - Chair  
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Travel Superstore Inc.  
Hamilton

Jill Wykes

Vice President, Sales

Sunquest, AlbaTours, The Holiday Network  
Toronto

Michael Foster

General Manager

Uniglobe Instant Travel Inc.  
London

Nigel Jenkins

President

Signature Vacations  
Toronto

John Kennedy

Vice President

GIANTS Travel

Toronto

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McTavish Travel

Oakville

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Air Canada Vacations

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President

G. Stewart Travel Services Ltd.

Peterborough

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Collette Tours Canada Ltd.

Etobicoke

Kathleen Warren

Manager

Meconi Travel Agency Ltd.

Windsor

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Sue Corke

Acting Deputy Minister

Ministry of Consumer

and Business Services

Toronto

W.H. Bruce Fraser, C.A.

Management Consultant

Toronto

Robert Pentland

Retired Educator

Ottawa, Ontario

Edward Warren, QC

Solicitor

Warren & Jensen

Kemptville

## LETTER FROM THE CEO



I hope everyone has been enjoying the summer months. Things have been busy at the Travel Industry Council of Ontario (TICO). TICO's 6th Annual General Meeting (AGM) was held on June 24th, 2003 at the Board of Trade, Airport Centre. At that meeting, TICO introduced its new Business Plan and provided its Annual Report for the past year. For those individuals who were unable to attend the AGM, this issue of TICO Talk provides a synopsis. Both the Business Plan and Annual Report, which are referred to, are available on TICO's website and copies can be obtained by calling TICO's office. At the AGM, a number of new Board members were welcomed to the TICO Board. I look forward to working with them over the next year.

On July 25, 2003, TICO commenced its claims process for Canada 3000 Tickets, Canada 3000 Holidays and Canada 3000 Sales. Please note the claims filing deadline of January 26th 2004. As well, anyone who wishes to make a Compensation Fund claim in relation to Canada 3000 Airlines should get their claim forms in as soon as possible, as the filing deadline is September 18th 2003. We know that many registrants and consumers are frustrated with the length of time that the claims process is taking. Please be patient. We will do our best to assist claimants.

In previous issues of TICOTalk, I have made reference to proposed changes to the *Travel Industry Act and Regulation*. TICO endeavours to propose changes, which it believes will be beneficial to consumers and the industry. TICO understands that many registrants have concerns with respect to how Compensation Fund contributions are currently assessed, based on gross sales. The TICO Board of Directors recognizes these concerns and is committed to looking at the issue to determine if there is a more equitable way to assess rates.

In the interim, please understand that the government is the only body that has the authority to change the rates. Until new legislation is proclaimed, TICO is obligated to continue assessing rates under the present rules. Any stakeholders who wish to express their views on this issue or any other issue are encouraged to contact TICO. It is TICO's intention to consult with stakeholders regarding any changes to Compensation Fund contributions or other fees, so stakeholders will have an opportunity to comment on proposed changes.

Sincerely,  
Michael Pepper C.E.O.

# A valuable disclosure

One of the most effective ways to reinforce TICO's values and principles is to display your laminated copy of the Code of Ethics. Place it prominently, where your staff, your suppliers and, most importantly, your clients, can easily see it.

## CODE OF ETHICS

The Travel Industry Council of Ontario (TICO) strives to provide a fair and informed marketplace for consumers. TICO strongly encourages all Ontario registrants to comply with the following Code of Ethics, which targets the values and principles that are in keeping with this objective.

**INTEGRITY:** Conduct our activities with honesty, dignity and fiscal responsibility, always protecting and promoting the best interests of our clients.

**DISCLOSURE:** Communicate material facts to our clients; supply accurate and complete information in a clear and understandable manner to assist consumers to make informed decisions in their choice of travel services.

**MARKETING:** Refrain from using any form of misleading advertising or innuendo in marketing products and services.

**COMPETITION:** Practice fair and open competition and refrain from unjustly criticizing competitors, their products and services or their business methods.

**ACCOUNTABILITY:** Fulfill all contractual obligations promptly and completely. Respond to legitimate complaints without delay. Maintain accurate and complete records of all client transactions and safeguard consumer monies.

**COMPLIANCE:** Abide by applicable laws and regulations and never knowingly do business with those operating outside those laws. Registrants are required to ensure that all employees and other sellers of travel associated with the Registrant are conversant with all aspects of the *Travel Industry Act*, the Regulations and this Code of Ethics.

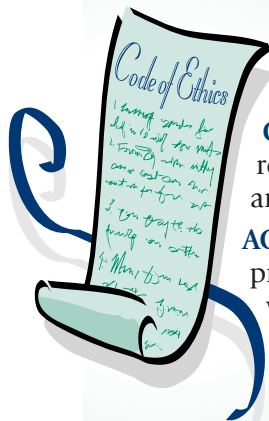
**COOPERATION:** Cooperate with any investigation/inquiry by the Registrar or TICO staff to resolve any problems or disputes as soon as possible.

**COMPETENCY:** A registrant is responsible for the competency of all staff.

**RESPECT:** Treat all people with equality and respect.

**CONFIDENTIALITY:** Treat every client transaction confidentially. Do not disclose any information without permission of the client, unless required to do so by law.

**CONFLICT OF INTEREST:** A Registrant's first responsibility is to its clients and the clients' best interests. Any commercial gain and/or preferred relationships between a Registrant and suppliers will at all times be secondary. ▲



## Dates to note

### November 6 - 9, 2003:

Travel & Leisure Show\*  
International Centre,  
6900 Airport Road  
Mississauga

### November 18, 2003:

CITC Students in Travel,  
Conference & Trade Show  
The Old Mill, 21 Old Mill Road  
Toronto

### February 20 - 22, 2004:

Outdoor Adventure Show  
International Centre,  
6900 Airport Road  
Mississauga

\*Please note that the opening night, November 6, is open to the trade only.

TICO will be distributing informational material at all of the above shows.

## A look at Non-Financial Inspections

Advertising guidelines, invoicing and operating without registration were the main three reasons for 50 compliance site inspections performed by TICO during the 2002/2003 fiscal year. As a result, 155 warnings for operating without registration and 169 advertising warnings (an increase of 52% over the prior year) were issued to registrants and/or individuals who appeared to be carrying on business in contravention of the *Travel Industry Act* and Regulation. In addition, 135 warnings were issued for the non-provision of proper invoices and/or receipts.



## Ten top complaints

The past year saw a satisfactory 30% decrease in consumer complaints. During 2002/2003, TICO processed 206 written complaints and helped consumers to obtain \$61,226 in restitution. In addition, 100 to 150 telephone and walk-in complaint inquiries were received each month. The top ten issues were:

- ① Incomplete or incorrect information on required travel documents provided to the consumer by the registrant.
- ② Misrepresentation of travel services by registrant, advertisement or brochure.
- ③ Cancellation of bookings and outstanding refunds.
- ④ Incorrect ticketing.
- ⑤ Dissatisfaction with services, accommodation or quality of service in destination.
- ⑥ Dissatisfaction with quality of service provided by registrant.
- ⑦ Cancellation of travel services by the travel wholesaler or travel agency.
- ⑧ Changes to accommodation or the standard of accommodation that was purchased by the consumer.
- ⑨ False and misleading advertising.
- ⑩ Terms and conditions of travel services not being communicated to consumer at time of booking.

## Josie Pereira, Complaints Officer

If you were to list the ideal credentials for TICO's Complaints Officer, Josie Pereira fits the bill perfectly. Her previous experience in customer service with two tour operators provided plenty of exposure to the general public, travel agents, airlines and destinations.



After graduating from Toronto's Humber College in Tourism and Travel, Josie joined Sunflight Holidays as a reservations agent and then moved into customer service.

Two years later, when Sunflight was acquired by Signature Vacations, Josie was hired by the newly formed Canada 3000 Holidays. After assisting the Reservations Manager put together the reservations team, she again moved into customer service. In short order, she was promoted to a senior customer service representative and then became one of the company's youngest supervisors.

Her job included attending the Small Claims Court to file a dissent whenever a consumer filed a complaint about Canada 3000 Holidays. "This was pretty unnerving for someone who had no legal training whatsoever," comments Josie.

Besides attending court, she responded to consumer complaints, liaised with hotels and destinations around the world, and authorized refunds when it was deemed appropriate.

Coincidentally, when Canada 3000 Holidays closed in mid November, 2001, the position of Complaints Officer at TICO was vacated. Two weeks later, Josie joined the TICO team. Once again she is working very closely with the general public, this time ensuring that there has been no contravention of the *Travel*



Industry Act committed by either a retail or wholesale registrant.

While she mainly deals with consumers and registrants, from time to time she will liaise with a third party, such as an airline, if - for example - a tour operator feels that a carrier caused a particular situation. Although carriers are not covered by the Act, TICO will sometimes contact them in an attempt to alleviate a complaint.

"One of my main challenges," says Josie, "is to obtain information when a consumer has already been trying to get satisfaction from a registrant for a year or more. It can be very frustrating when a registrant is unwilling to cooperate on a specific issue that is covered by the legislation. On the other hand, it's always rewarding when we can work something out and the consumer feels that they have been dealt with fairly."

Documentation is one problem that crops up time and again. Travel agents are, of course, required to advise the consumer, in writing, regarding visa requirements. As these often change, she says, "You can't emphasize too strongly to your clients - especially when tickets have been booked a month or two in advance - that they must check again, a week or so prior to their departure, with either the tourist board or the consulate."

Having the right mentors in any line of business can make a huge difference, and Josie readily credits the guidance and support she has received throughout her career, up to and including TICO. "One of the best pieces of advice I was given by a former manager was that no matter how bad one phone call may be, I must not let it affect the rest of my day. Working in customer service, that's something that's been really important to keep in mind."

When Josie isn't handling complaints, she may be dreaming about her newly purchased cottage, on a lake just north of Toronto. She loves the outdoors and plans to go there as often as possible. When in Toronto, this avid hockey fan likes to spend time with her family and her two Yorkshire terriers, and to watch the Maple Leafs. ▲



## C3 - proof of payment required

**TICO** established September 18, 2003 as the deadline for accepting claims against Canada 3000 Airlines, and, as reported above, is launching the claims process for the remaining Canada 3000 companies imminently. Please remember that whether claims are submitted by registrants or by consumers, it is a non-negotiable legal requirement that the claims are accompanied by proof of payment, whether it is a copy of the cheque or a receipt.

**C3 claims: ready, get set.... file!**  
*continued from page 1*

### And on Canada 3000 Sales....

The Trustee will make full payments, of 100 cents on the dollar, to Canada 3000 Sales claimants. Currently TICO's exposure is unknown, as claims that have been rejected by the Trustee because they don't meet its criteria may be considered eligible by TICO, based on the legislation. Claim forms will be forwarded by TICO to any possible claimant, commencing July 25, 2003. Again, the deadline for filing claims will be January 26, 2004.

Anyone who believes they may have a claim against Canada 3000 Sales should contact TICO's Canada 3000 Claims Centre at 1-866-773-7755 or e-mail: [tico@tico.on.ca](mailto:tico@tico.on.ca). ▲

## Dedicated to the good of all

The travel industry as a whole benefits greatly from the commitment and hard work of many individual TICO Board members. Over the past year, six members of the 15-member Board retired. Great appreciation and thanks to **Simon Bala, Ray DeNure, Paul Foster, Moe Jeppesen, Robert McClery** and **Martin Taller** for their contributions.

Congratulations are also extended to **Richard Vanderlubbe** and **Jill Wykes**, who have been elected as TICO's new Chair and Vice-Chair respectively, each for a one-year term commencing June 24, 2003.

## Keeping informed

The Annual Report for 2003 is being distributed to all registrants. If you would like to receive a copy of the 2003 Business Plan, please contact us at [tico@tico.on.ca](mailto:tico@tico.on.ca) or phone **1-888-451-TICO** and it will be sent to you. Both the Annual Report and the Business Plan may also be viewed on our web site, at [www.tico.on.ca](http://www.tico.on.ca)



## Synopsis of the 6th ANNUAL GENERAL MEETING

The sixth Annual General Meeting of TICO took place on June 24th at the Board of Trade, Airport Centre, and the Annual Report 2002-2003 and the 2003 Business Plan were presented.

### From the Chair

Paul Foster, Chair of TICO's Board of Directors, summarized the progress made on the objectives established in last year's Business Plan. These were: assessing the efficiency and effectiveness of the Board of Directors; continuing the Legislative Review Process; working towards meeting any national e-commerce standards; developing Minimum Education Standards; reviewing and updating all TICO policies with respect to privacy issues; and liaising with other jurisdictions to eliminate gaps in consumer protection.

### From the President and CEO

Michael Pepper presented the operating structure of TICO, which consists of 20 dedicated employees. He then described the make-up of the 15-member Board, and provided an update on the main activities of the Board's nine committees.

Business accomplishments for the past year included establishing a Board evaluation process, setting out a skill set for Board members, and developing and implementing a Board Governance Work plan; working with the Ministry of Consumer and Business Services on specific proposals for reform; enhancing TICO's website by providing more on-line information services; drafting a curriculum for minimum education standards; monitoring developments in privacy law to ensure TICO is ready to comply with anticipated changes to federal - and possibly provincial - legislation; and partnering with the Ministry on a market place study to identify gaps in consumer protection in the travel industry with respect to airline failures.

Despite ongoing challenges, the number of registrations over the past 12-months is only down 15 from the previous year, from 2,968 to 2,953. The breakdown remains 84% retail, 16% wholesale registrants. Industry contributions on gross sales have only decreased by 4%.

Claims paid out by the Compensation Fund totalled \$732,725. With recoveries of \$426,958, net claims paid totalled \$305,767, a decrease of 27% from the previous year. The pay outs were largely due to five significant closures: The Ultimate Travel Brokers, Travel Search Inc., Amral's Travel, Farah Travel and one end-supplier, Renaissance Cruises. These figures do not include any of the Canada 3000 companies as the claims were being handled solely by the Trustee in Bankruptcy, Pricewaterhouse Coopers, during this fiscal year.

*Continued on page 7...*

*Synopsis of the 6th Annual General Meeting continued from page 6*

Seventeen investigations over the past year led to 14 new prosecutions, 44 charges laid and 33 convictions. Fines imposed included 975 hours of community service and a remarkable \$680,811 in restitution.

The audited Financial Statements for the year ended March 31, 2003 were presented and approved by the membership. Revenue totalled \$5,043,063, while expenditures totalled \$2,816,974, resulting in a surplus of \$2,226,089. A copy of the Financial Statements is included in TICO's 2003 Annual Report.

### By-law Amendment

The membership approved changes to the Travel Industry Council of Ontario's By-Law No. One. The amendments were to reflect the changes in the organizational structure of the Association of Canadian Travel Agencies and the Canadian Institute of Travel Counsellors; to increase the attendance requirement for Board Members; and to recognize the procedure that will be followed in the event that the election for an elected director results in a tie vote.

### Board of Directors

One industry-wide elected position was open to a retail, wholesale or marketing group candidate. Congratulations were offered to John Kennedy of GIANTS Travel, Toronto, who was elected to this position for its three-year term. A warm welcome was also extended to Nigel Jenkins of Signature Vacations and Scott Stewart of G. Stewart Travel who recently joined the Board as representatives for CATO and the OMCA respectively. ▲



**Front Row** (Left to Right): Sue Corke, Michael Pepper, Paul Foster, Trish McTavish, Mike Merrithew

**Back Row** (Left to Right): Moe Jeppesen, Brett Walker, Mike Foster, Richard Vanderlubbe, Ray DeNure, Robert Pentland, Kathleen Warren, Ted Warren

**Absent:** Simon Bala, Bruce Fraser, Jill Wykes

## A business plan evolves

The past year has been extremely challenging for the travel industry, particularly the airline sector.

The sharp slump in global travel resulting from the September 11, 2001 terrorist attacks has been exacerbated by the war in Iraq, the SARS outbreak and the downturn in the US economy. Several major air carriers have gone out of business and others are operating under bankruptcy protection, including Air Canada.

Recognizing the importance of having legislation that is responsive to current problems and that proactively anticipates issues that are likely to arise, TICO's 2003 Business Plan is focused on making the right decisions during these changing times.

With the aim of creating a stronger, healthier travel industry, TICO's Business Objectives continue to focus on Board Governance, the Legislative Review Process, E-Commerce, developing and implementing Minimum Educational Standards, evaluating TICO's policies on privacy issues, and addressing gaps in consumer protection by lobbying all levels of government to establish an alternate protection plan in the event of the failure of a federally regulated air carrier.

# Upcoming Issues

In future issues of TICO TALK we plan to include:

- Overview of the marketplace study on consumer protection
- Update on the Legislative and Regulatory Review
- Update on Canada 3000
- Profiles on TICO staff and much, much more!

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## Court Matters

### ► CHARGED

Caribbean Trip N Tours and its principals, Keith Bolender and Antonio Avella, were charged with operating without registration, contrary to Section 3(1) of the *Travel Industry Act (Act)*. These are in addition to previous charges, and a trial date is set for January 2004.

Cinetrans Associated Services Team (C.A.S.T.) Inc., and its principals, Jason Konstantos and James T. Girard, were charged with operating without registration, contrary to Section 3(1) of the *Act*. The next court appearance is set for September 4, 2003.

591578 Ontario Inc. o/a Hansa Travel and Roderick Neil McArthur were charged with operating without registration contrary to Section 3(1) of the *Act*.

Nicholas H. Ramesh was charged with one count of operating without registration, contrary to Section 3(1) of the *Act*. The next court appearance is set for August 14, 2003.

Jasen Plunkett was charged with breaching probation, contrary to Section 75 of the *Provincial Offences Act* by failing to make restitution to several consumers as required by the terms of his probation order. His next court appearance is scheduled for August 13, 2003.

### ► CONVICTIONS

Raul Grijalva was convicted of two counts of operating without registration, contrary to Section 3(1) of the *Act*. Sentencing is scheduled for July 25, 2003.

Following the charges above, 591578 Ontario Inc. o/a Hansa Travel and Roderick Neil McArthur were convicted of one count each of operating without registration, contrary to Section 3(1) of the *Act*. McArthur was fined \$5,000 and the company was fined \$10,000.

Value Vacations Ltd. and Charles Pinnock were convicted of acting as a travel agent while the registration of Value Vacations Ltd. was under suspension, contrary to Section 7 of the *Act*. The company was fined \$20,000. Pinnock's sentence was suspended and he was directed to comply with a two-year probation order that includes restitution to consumers and travel suppliers in the amount of \$8,171, and that he not own a travel agency or administer consumer trust funds.

### ► REVOKED REGISTRATION

Between April 3, 2003 and July 8, 2003, five companies have had their registration revoked: Syed M. Hasam o/a 2-B Travel Agency; 1042164 Ontario Inc. o/a Bon Voyage Holidays; Aldeen Lue Fung o/a Fung's Travel & Tours; Questours Inc.; and Travel Shoppe.Com Inc. ▲