

## INTRODUCING

# RICHARD SMART

## PRESIDENT & CEO, TRAVEL INDUSTRY COUNCIL OF ONTARIO

After joining TICO on December 1, 2014 as designate CEO for a one-month period, Richard Smart was immersed in a comprehensive internal orientation. At the beginning of January, he assumed full responsibility for the position, including as Registrar, with outgoing CEO Michael Pepper staying on as an advisor until January 31, 2015. The following interview took place in early February.



The TSSA was the first not-for-profit I'd worked for, and our mandate was to promote and support public safety. Not-for-profits demand much more financial stewardship than private organizations, and we had to display public accountability and consistently demonstrate high standards of business ethics. During my five years there, I worked with three main stakeholders, the government, industry groups and the public. This presented me with a new set of challenges, and I especially enjoyed the broad mandate.

Consequently, when TICO first announced that it was looking for a new President/CEO, I felt that my financial and travel industry background, along with my experience with the TSSA, all made me a good fit for the position. Fortunately, TICO's Board of Directors agreed!

### What attracted you to TICO?

When I was CFO at Air Canada Vacations, it was the most fun I'd had in a job. It allowed me to travel extensively—in Europe, the UK and to sun destinations—as I was also responsible for product contracts. Besides the travel aspect, I enjoyed the people I worked with, so it was a very rewarding job from many perspectives.

Until I joined the Technical Standards and Safety Authority (TSSA) in 2009 as its CFO, I primarily worked for large public, blue-chip companies that were focused on the bottom line. While I enjoyed the pace, I was ready to try something entirely different.

### How have you found TICO's CEO succession plan?

This has been by far the best introduction to a new role I've had during my 30-year career. Michael Pepper

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## TICO BOARD OF DIRECTORS 2014/2015

### INDUSTRY REPRESENTATIVES

Ray DeNure  
CEO  
DeNure Tours  
Lindsay

Jeff Element  
President  
The Travel Corporation (Canada)  
Toronto

Mike Foster  
President  
Nexion Canada  
London

Louise Gardiner  
Senior Director, Leisure Travel - Canada  
Carlson Wagonlit Travel  
Toronto

**Daryl McWilliams – Vice Chair**  
Vice President of Business Development  
Sunwing Travel Group  
Toronto

Paul Samuel  
Manager, Overseas Travel Division  
Vision 2000 Travel Group  
Toronto

Richard Vanderlubbe  
President  
Travel Superstore Inc.  
Hamilton

Brett Walker  
General Manager, Canada  
Collette Vacations  
Mississauga

### MINISTERIAL APPOINTMENTS

**Michael Janigan, J.D., LL.M. – Chair**  
Special Counsel,  
Consumer and Regulatory Affairs  
Public Interest Advocacy Centre  
Ottawa

Jean Hébert  
Senior Consultant  
Raymond Chabot Grant Thornton & Co.  
Ottawa

Patricia Jensen  
Member  
Consumers Council of Canada  
Toronto

Ian McMillan  
Executive Director  
Tourism Sault Ste. Marie

Lorraine Nowina  
Toronto

## MESSAGE FROM THE REGISTRAR



*I*t's been just over two months since I joined TICO, and only since the start of the New Year that I officially transitioned to the role of Travel Registrar. As I've said to those I've been fortunate to meet so far, during these early days, I am honoured and feel privileged to serve as your Registrar. My predecessor, Michael Pepper, has accomplished so much over the years and it was nice to meet many of you at his recent retirement reception.

I am grateful for the strong team he has cultivated, and for an industry regulatory model which, on the whole, is working well for Ontario, providing consumer protection to the travelling public.

Our Annual General Meeting is planned for June 23, and I'm optimistic that TICO will be reporting another strong year. I am pleased with TICO's progress with its business objectives and financial goals for the current fiscal year. Of particular note, this includes a year in which claims against the Compensation Fund remain low by historical standards at time of writing. Of course, TICO's performance is a reflection of an industry that also appears to be enjoying another strong year. We acknowledge that external factors, including oil prices, interest rates and currency, not to mention social-economic uncertainty, all have an impact on travellers, and therefore on our registrants, as well. However, the learning's from the 2008-2009 great recession are evident, as many of our registrants have much healthier balance sheets reflecting strong risk management practices, new innovations and even greater efficiencies. I am optimistic that despite this "new normal" (i.e. sustained volatility), 2015 will be positive for the industry as a whole.

While the future remains bright, there is always room for improvement, and my team at TICO remains as committed as ever to innovation and efficiencies in support of TICO's long-term mandate. We are currently preparing our multi-year Business Plan, which I look forward to sharing with you at TICO's Annual General Meeting. It is important that TICO remains visible in the travel community and that our regulatory model provides value to your business. We are also working diligently with the Ministry to ensure that the industry's needs are understood in the context of a strong consumer protection model. Equally, I am committed (and excited) to be working with the broader travel community for the health of the travel industry. To this end, in the coming months and year, I plan to meet many more registrants through roundtable meetings and similar forums, and with our partners. It's through this joint approach that we are collectively at our "best" in ensuring that Ontarians understand the benefits of interacting with the many professionals throughout our travel agency and wholesale network.

Thank you for your continued support and I look forward to meeting you soon.

A handwritten signature in blue ink that reads "Richard Smart".

Richard Smart  
President and CEO

provided excellent guidance on TICO's internal workings as well as introducing me to key industry contacts.

As importantly, the staff have been hugely welcoming. Each department prepared a detailed overview of its policies and procedures, and spent from a half to full day presenting their roles and responsibilities to me. They are incredibly dedicated; there are many experienced people here who've worked in the travel industry or for government, so the breadth of knowledge is unparalleled.

### **How does your approach to business fit the TICO environment?**

TICO's mandate is to be accountable to stakeholders, transparent and accessible. I believe that one of the key ways to achieve this is by continuing to build relationships, and I'm a firm believer in the importance of relationship-building. We're a small organization working in a large province, with lots of registrants, from small to multinational businesses. Therefore, we have to rely on relationships. That said, as TICO is primarily a regulator, we also have to be steadfast in overseeing and enforcing the legislation. It's a fine balance.

Given how the industry is changing, I also consider the modernizing of our technology and processes to be crucial. TICO has to find innovative ways to be efficient yet able to deal with a complex marketplace.

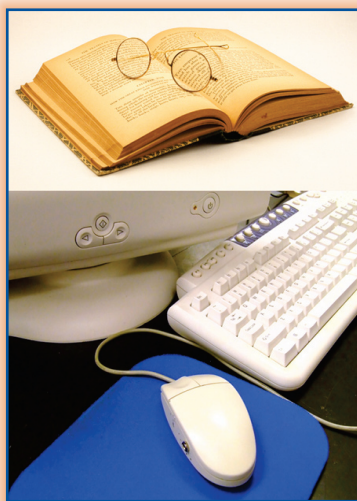
### **Where do you envision TICO heading?**

There are many opportunities. One is by continuing to support registrants through the Consumer Awareness Campaign, educating consumers on the benefits of dealing with TICO registrants.

Another key area is education. Travel industry professionals should be proud of their work and keen to continue upgrading their skillsets. This is an opportunity for TICO to provide continuing education that will assist registrants – especially new ones – in best business practices and understanding the legislation.

Despite e-commerce, this is still a very paper-intensive industry. I believe there are ways to streamline, and I'll be reviewing TICO's internal processes as well, specifically how we engage with registrants.

Although TICO has not grown significantly, it has managed to keep apace through very hard work. However, there are better ways to achieve our goals, by investing in training and professional development that will help staff acquire new skills and perform in their various roles even better.



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## **Opportunity to Participate!**

There will be three elected positions available on the Board of Directors, commencing at the **Annual General Meeting, to be held on June 23, 2015.** (Please see Notice on Page 5.) The positions are:

### **One Retail, Wholesale or Marketing Group position**

- This is a newly elected seat that replaces the seat that was formerly held by an appointee from the Canadian Institute of Travel Counsellors.
- The term of office for this position will be three years, ending at the Annual General Meeting to be held in 2018.

### **One Retail position**

- The elected retail position is to replace Paul Samuel, whose term will be completed on June 23, 2015.
- The term of office for this position will be for two years, ending at the Annual General Meeting to be held in 2017.

### **One Wholesale position**

- The elected wholesale position is to replace Jim Diebel, who resigned from the TICO Board in August 2014. The successful candidate will replace Mr. Diebel and serve the remainder of his term.
- The term of office for this position will be for one year, ending at the Annual General Meeting to be held in 2016.

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**Opportunity to Participate**  
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The Nomination packages have been sent out to all registrants. Candidates wishing to run for election must ensure that they meet the qualifications for the position. First, they must be nominated by two registrants. The completed Nomination Form must be submitted with candidates' biographical information and Criminal Record Check. **Deadline for nominations to be received at TICO is no later than 5.00 pm Eastern Time on April 24, 2015.**

Ballots will then be sent to Member Registrants in May and the results will be announced at the Annual General Meeting on June 23, 2015.

As always, TICO encourages anyone who feels qualified to seriously consider running for these positions. Being a Board member of TICO is a great way to share your knowledge and expertise, while making an important contribution to the future of Ontario's travel industry. We also encourage all registrants to take advantage of the election process, by considering carefully any of the nominees for whom you are able to cast a vote, in order to ensure that the Board of Directors is truly representative of your industry and your interests.



# The Consumer Awareness Campaign: Charging Into 2015!

TICO's Wild Suitcases had a busy four weeks, mid-January to mid-February, galloping across TV screens throughout Ontario. A 33-million impression stampede saw the cheetahs, gazelles and zebras appearing in prime time shows (including NCIS, Hawaii Five-O and The Blacklist), late-night shows (such as Jimmy Fallon and the nightly news) and in daytime programs (such as Marilyn Denis, Canada AM and Steven & Chris). The goal, as always, was to underline the importance of Ontario travellers looking for the TICO logo and booking their trip with a TICO registered travel agency—no matter whether it is done on-line or in person—to ensure their trip is **FANTASTICO**.

*"As we enter 2015, TICO is excited over the prospect of a vibrant travel season and looks forward to supporting all its travel agencies and wholesalers in the year ahead. We trust this commercial added a little levity to the vital role our registrants provide to the travelling public",* said Richard Smart, TICO's President & CEO.

To celebrate the campaign, TICO ran a contest asking travel agents to look at the commercial and count the number of zebras that appeared in the commercial from beginning to end. Entrants were asked to go to TICO's Facebook page to enter their count.

## And the winner is.....

There were a total of 13 entries that correctly counted the 37 zebras and from these the selected winner was Tracy Gaudreau from Marlin Travel Peterborough, who won a complete set of Zebra designed luggage. ▲



## The lucky luggage winner!

From left to right:  
Mary LaRocque,  
President  
Marlin Travel in  
Peterborough;  
Tracy Gaudreau,  
Travel Consultant  
Marlin Travel in  
Peterborough; and  
Richard Smart,  
President & CEO  
for TICO.



## NOTICE ANNUAL GENERAL MEETING

TAKE NOTICE THAT the Annual General Meeting of the members of the Travel Industry Council of Ontario ("TICO") will be held at 4:00 p.m. on Tuesday, June 23, 2015 at the Toronto Congress Centre, 650 Dixon Road, Toronto, Ontario for the purpose of:

- Receiving the financial statements for the previous financial year, together with the Auditor's Report;
- Receiving and considering the Annual Report;
- appointing the auditors for the next year and authorizing the Board of Directors to fix the auditor's remuneration;
- 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 May 8, 2015, 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, 2015 will be available at the Annual General Meeting and may be requested in writing prior to the meeting.

DATED at Mississauga this 27th day of January, 2015.

On behalf of the Board of Directors  
Tracey McKiernan  
Secretary

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**Introducing Richard Smart, President & CEO, Travel Industry Council of Ontario** continued from page 3

Regarding the legislation, I intend to work collaboratively with our registrants and government to find ways to enhance the regulations so that they continue to support improved consumer protection, but are more attuned to new and emerging business models.

### *What aspects of Ontario's travel industry are you hoping to influence in some way?*

One long-term goal relates to the wider industry, which is interconnected, complex, and ruled by many different regulations and legislation. Michael Pepper started, and I hope to continue, looking at a national set of standards. By engaging specifically with BC and Quebec (who each have consumer protection legislation and similar organizations to TICO), I'd like to help develop national standards in consumer protection that the travel industry can follow. TICO is viewed as a leader in the Canadian marketplace, so we have much to bring to the table.

Fraud is a significant issue for the industry, characterized by an accelerating pace of occurrence and sophistication. We're considering the best options moving forward, including dialogue with credit card processors and other industry players, looking at ways to combat it. There is no silver bullet; it requires a collaboration of business and government to develop a means to deal with fraud.

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**Michael Pepper addresses attendees at his Retirement Reception at The Old Mill on February 25, after congratulatory speeches and best wishes for a Happy Retirement.**

Introducing Richard Smart, President & CEO, Travel Industry Council of Ontario continued from page 5

### What drives you?

I like a challenge, and I like dealing with multi-faceted business problems in which you need to look at alternatives, in a collaborative, team-based environment, to reach a solution. I like the fact that at TICO our mandate is much broader than providing shareholder value. Through consumer protection, we're working towards societal good. Most registrants are responsible business people but there are some bad apples preying on consumers. Being able to take action against individuals perpetrating those frauds against innocent consumers is both important and satisfying.

I also enjoy working with boards and committees, and benefitting from their insights. Hardly a day goes by that I don't learn something new!

### What are some exciting challenges that you have met – professional or personal?

On a personal level, raising three kids through university (two have graduated, one is half-way through), has been a great challenge that has also made me very proud.

Professionally, one of my most demanding challenges took place early in my career, when I was involved in mergers and acquisitions for Nortel. I got to travel the world and was exposed to many different business practices and cultures, in both developed and developing countries. It gave me a new appreciation for global business and understanding different business cultures around the world.

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## Court Matters

### CHARGES

**Judy Jackson** has been charged with four counts of operating as a travel agent without registration, contrary to **Section 4(1)(a)** of the *Travel Industry Act, 2002*. Ms. Jackson operated in Toronto and elsewhere in Ontario.

**6097472 Canada Inc. o/a ASAP Travel & Tours ("ASAP Travel")** and **Carolyn Bella** have each been charged with one count of carrying on business with **Maria Rowena Santiago**, who was required to be registered as a travel agent but was not in fact so registered, contrary to **Section 20** of Ontario Regulation 26/05. ASAP Travel is a travel agent registered under the *Act* and it operates in Toronto and elsewhere in Ontario. Carolyn Bella is President/Manager of ASAP Travel.

**Gerardo Calderon** and **Gladys Calderon**, carrying on business as **Smartchoice Travel & Tours**, have each been charged with one count of furnishing false information, contrary to **Section 31(1)(a)** of the *Travel Industry Act, 2002*.

In addition, Gerardo Calderon and Gladys Calderon have been charged with 13 and 11 counts respectively, of failing to deposit and hold customer funds in a trust account, contrary to **Section 27(3)** of Ontario Regulation 26/05. Smartchoice Travel & Tours was a registered travel agent that operated in Toronto and elsewhere in Ontario. Its registration under the *Act* was voluntarily terminated on June 13, 2014.



### CONVICTIONS

**Kimberly Rourke** plead guilty to one count of operating as a travel agent without registration, contrary to **Section 4(1)(a)** of the *Travel Industry Act, 2002*. A fine of \$6,000 was imposed. The fine is payable within two years. Ms. Rourke operated in Kitchener and elsewhere in Ontario.

**Gente da Nossa Inc.** plead guilty to one count of operating as a travel agent without registration, contrary to **Section 4(1)(a)** of the *Travel Industry Act, 2002*. A fine of \$3,000 was imposed. The fine is payable within one year. Gente da Nossa Inc. operated in Toronto and elsewhere in Ontario. The charges against Nellie Pedro trading as Gente Tours and Gisela Terencio were withdrawn.

**Christopher Greenwood**, an Officer of **MKI Travel and Conference Management Inc. ("MKI")**, a former TICO registrant, plead guilty to one count of failing to take reasonable care to prevent MKI from committing the offence of failing to keep customer funds in a designated trust account, contrary to **Section 27(6)** of Ontario Regulation 26/05. Mr. Greenwood also plead guilty to one count of failing to take reasonable care to prevent MKI from committing the offence of failing to obtain the Registrar's

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consent prior to opening a trust account at the HSBC Bank of Canada, contrary to **Section 27(4)** of the Regulation.

Mr. Greenwood was sentenced to pay a fine of \$8,000 for both counts. The other two counts against him were withdrawn. The Ontario Travel Industry Compensation Fund has paid claims in excess of \$2 million in relation to the closure of MKI on May 13, 2013. The charges against Mr. Ronald Greenwood and MKI are still before the Court.

## ● **REVOCATIONS**

Between October 7, 2014 and January 15, 2015, two companies had their registration revoked: **Stellar Travel Inc. o/a MyStellar Tours and Travel** (retail) and **MyStellar Tours and Holidays** (wholesale); and **735704 Ontario Inc., o/a Intercontinental Travel Bureau**. ▲

## **Introducing Richard Smart, President & CEO, Travel Industry Council Of Ontario** *continued from page 6*

### ❓ **How do you relax?**

I have two passions – one is photography, and the other is cooking. I’ve taken various courses at Humber College and enjoy exploring many different cuisines. I’m also fairly active in sports, but that’s not relaxing!

### ❓ **Any final thoughts?**

With global interconnectedness, and political and societal instability worldwide, travel organizations need a strong will to survive, and to focus on innovation and excellence in service delivery. At TICO we must ensure that we’re robust internally, always striving to do better, providing registrants with a strong sense of purpose and a focus on the consumer. I look at this as an opportunity to see what we can do, rather than as a reason why we can’t. ▲



**TICO staff welcome Richard Smart**

## **All that You Need to Know...**

**F**or ease and convenience, a brand new section has recently been created under the **Enforcement/Compliance** tab on the home page of [www.tico.ca](http://www.tico.ca).

Industry Info | **Enforcement / Compliance** | Legislation & Resources | News | Contact

## **Enforcement/Compliance**

**Investigations and Prosecutions**

Its intent is to provide a convenient “one-stop shop” for registrants who require any information pertaining to enforcement and compliance from a legal and/or financial perspective. The eight areas included within the Enforcement/Compliance section are:

- Financial and Compliance Inspections
- Investigations and Prosecutions
- Licence Appeal Tribunal (LAT)
- Revocation List
- Suspension List
- Charges & Convictions
- Industry Guidelines
- E-Commerce Code of Practice

Industry Guidelines cover Disclosure, Advertising, Outside Sales Representatives, Event Planners, School Trips, Special Interest Travel, Trust Accounting – Retail and Trust Accounting – Wholesale.

# Upcoming Issues

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

- Update on the AGM and Election
- Update on the Consumer Awareness Campaign
- Trade Shows and upcoming events

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*TICO's Board of Directors is committed to providing this annual reminder of the Registrants' Code of Ethics.*

## 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, 2002*, 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. ▲