

## INTRODUCING THE 2014-2015 Consumer Awareness Campaign

Early in the New Year, consumers will begin to see and hear a lot about TICO, as most of the advertising budget is to be invested in airtime during the month of January – to the extent of 150 gross rating points (GRPs) per week. This will be money well spent, since January is the most cost-effective time to buy advertising. As well, it is during this quieter month of the winter that consumers research and purchase travel services for the busier months of February and March. Television will be the main focus of the advertising, and TICO will continue to feature the wild suitcases.

A slight change to the ending of the commercial may be made, to clarify TICO's message. The recent omnibus survey found that while a considerable majority (more than 75 percent) fully understood the intent of the commercial, a small number of consumers did not. TICO recognizes the challenge of getting consumers to pay attention to its key message, since promoting a fair, safe and informed marketplace as it relates

to travel is not an attention-grabbing topic, despite its fundamental importance.

Acting upon feedback from the recent roundtable discussions across the province, TICO will be running an even more aggressive social media campaign than it has conducted in the past. Part of the perceived problem is that many of the younger generation rarely even think about using a travel agent to make their travel arrangements, as they are mostly inclined to book their own travel online. This puts them in the category of consumers who are most at risk—yet for the most part, they are completely unaware that they might be at risk.



Ontario travel agents are  
**FANTASTICO.**

Still on the topic of social media, TICO will again incorporate pay per click advertising into its social media campaign. And we encourage registrants to "Like" TICO's Facebook page.

*Continued on page 7...*

### IN THIS ISSUE...

Letter From the CEO . . . . .	2	Rules on Outside Sales Representatives . . . . .	4
Report on the 17th Annual General Meeting . . . . .	3	Ceasing to Trade With a Registrant. . . . .	6
Court Matters. . . . .	4	Handy Access to Registrant Guidelines. . . . .	7

## TICO BOARD OF DIRECTORS 2013/2014

### 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 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

Lorraine Nowina  
Toronto

## LETTER FROM THE CEO

I had expected that the last issue of *TICO Talk* would be my final message to the industry after serving as Registrar and CEO of TICO for the past 17 years. I am still planning to retire when my successor has been hired and a transition complete.

Taking a look back to when TICO started “self-managing” the industry in June 1997, we were operating under a loan guarantee from the government. *The Compensation Fund* had paid out a significant amount in claims in the late ‘80s and early ‘90s. Therefore, the industry-financed fund was in recovery mode. There was a lot of work to be done in order to stabilize and bring credibility to the industry. The new working capital and trust accounting requirements were just starting to see results and the Fund balance stood at \$4 million. The Compensation Fund Contribution Rates were \$1.60/\$1,000 in sales for wholesalers and 40 cents/\$1,000 in sales for retailers. At that time, wholesalers were seen to be a much greater risk than retailers.

Over the next few years, there were major improvements in the financial viability of wholesalers and retailers alike. Mass consolidation in the industry, higher financial criteria and stricter monitoring of registrants led to a reduction in claims. Over time, the Compensation Fund balance grew to \$30 million. TICO, in turn, was able to give money back to the industry by reducing contribution rates three times. The last adjustment brought rates to 15 cents/\$1,000 of sales for both retailers and wholesalers, which should stabilize the Fund at \$20 million for a couple of years. A further adjustment to 20 or 25 cents/\$1,000 of sales may be necessary in the future to maintain the Fund at the required level, but this is still significantly less than the rates being levied 17 years ago.

Industry self-management has been a joint effort. There have been many dedicated board members who have volunteered their time and talents to making TICO a success. Without proactive boards over the years, TICO would not have been able to accomplish its many initiatives, including the successful *Consumer Awareness Campaign*, which commenced in 1998, and the introduction of *Education Standards* in 2009.

Keeping ahead of the curve will be crucial in the years to come. The industry has evolved and there are many global influences impacting this business that must be considered. There will certainly be new obstacles to be faced but I am confident that the Board and TICO staff will rise to the challenge and that there is even more that TICO can achieve in the future.

Wishing you a bountiful fall season,

Michael Pepper,  
President and CEO



# Report on the 17th ANNUAL GENERAL MEETING

TICO'S 17TH ANNUAL GENERAL MEETING TOOK PLACE ON JUNE 18TH AT THE TORONTO CONGRESS CENTRE, AT WHICH THE 2014 ANNUAL REPORT & BUSINESS PLAN WERE TABLED (THEY CAN ALSO BE REVIEWED AND DOWNLOADED FROM [www.tico.ca](http://www.tico.ca)). THE MEETING WAS CHAIRED BY MICHAEL JANIGAN, CHAIR OF TICO'S BOARD OF DIRECTORS.

## Highlights from the Chair's Report

Michael Janigan reported that the Board of Directors is currently working towards **changing the Board composition**, due to the recent dissolving of the Canadian Institute of Travel Counsellors. The Board proposes to replace the CITC seat with a third elected position that will be open to an individual associated with a retail or wholesale registrant, or a with a marketing group of registrants. The process will necessitate a change to the by-laws, and TICO will be presenting the by-law change to registrants, for approval, before the end of this year.

TICO also plans to **enhance its Education Standards Program** over the upcoming year, by reviewing the study materials and resources. It also aims to improve the performance and oversight of the online process by integrating it with TICO's database and systems. As well, TICO will explore the development of a new financial course and exam to focus on registrant obligations in relation to the financial requirements under the legislation.

## Highlights from the President and CEO's Report

Michael Pepper presented the 2014 Annual Report, summarizing key areas of TICO's operations, including that the total number of wholesale and retail registrants is 2,512, compared with 2,550 the previous year.

Mr. Pepper focused particularly on TICO's financial outlook. Some key points included:

Over the 2014 fiscal year, **contributions into the Compensation Fund** totalled \$1,213,336. \$2,140,054 was paid out in claims from registrant failures and \$51,960 was paid for end supplier claims. With recoveries in 2013/14 of \$17,074, total net claims paid in 2013/14 were \$2,174,940.

456 **financial site inspections** were completed. 56% of these inspections were for issues around working capital and trust accounting.

**Non-financial compliance statistics** revealed there were 219 invoicing warnings, 116 advertising warnings, 95 unregistered warnings, and 23 proposals to revoke registration were issued.

*Continued on page 6...*

## News From the Board

At the Board of Directors' meeting following the Annual General Meeting, **Jim Diebel, President of Hanover Holiday Tours**, was elected as Vice Chair. The Board also welcomed back **Mike Foster, President of Nexion Canada** as one of ACTA's three representatives. Sincere appreciation and thanks were extended to **Thanushka Nanayakkara, President, NARAT Incorporated**, whose term as an ACTA delegate on the Board had come to an end. On the Ministerial appointee front, TICO welcomed back **Jean Hébert, Senior Consultant, Raymond Chabot Grant Thornton & Co.** Since the AGM, a new Ministerial appointee has been appointed, and TICO is pleased to welcome **Lorraine Nowina** to the Board.



## Outside Sales Representative and the rules!

Many registrants count Outside Sales Representatives (OSRs) as invaluable members of their team. As individual travel counsellors can only sell travel in Ontario provided they work through a TICO registrant, the registrant is wholly responsible for the actions of the OSR as they relate to the sale of travel. The registrant must ensure that the OSR complies with all aspects of the *Travel Industry Act, 2002* and Ontario Regulation 26/05, including:

- An OSR must be an employee of a registrant, or have a signed contract with a registered agency, and must have passed the TICO Travel Counsellor Exam.
- All consumer monies received by an OSR must be made payable to the registrant.
- Registrants should maintain sufficient controls to ensure that consumer payments are processed properly, including any credit card payments direct to the supplier.
- If an OSR accepts cash on behalf of a registrant, the agency must have proper procedures in place to ensure that the funds are handled correctly.
- A registrant is responsible for the actions of its OSR if funds are not properly deposited or are misused by those individuals; have checks and balances in place to safeguard your agency.

Comprehensive guidelines on hiring OSRs can be found at: [www.tico.ca/industry-info/outside-sales-reps.html](http://www.tico.ca/industry-info/outside-sales-reps.html).

## Court Matters

### CHARGES

**Maria Rowena Santiago Belen** has been charged with one count of operating as a travel retailer without registration, contrary to **Section 4(1)(a)** of the *Travel Industry Act, 2002*. Ms. Belen offered travel services in Toronto and elsewhere in Ontario.

**Maher Jaber and Global Events Management Group Inc.** have each been charged with one count of operating as a travel retailer without registration, contrary to **Section 4(1)(a)** of the *Travel Industry Act, 2002*. Mr. Jaber and Global Events offered travel services in Toronto and elsewhere in Ontario.

**Nellie Pedro**, operating as **Gente Tours**, has been charged with one count of operating as a travel retailer without registration, contrary to **Section 4(1)(a)** of the *Travel Industry Act, 2002*. Ms. Pedro offered travel services in Toronto and elsewhere in Ontario. Gisela Terencio has been charged with one count of operating as a travel retailer without registration, contrary to **Section 4(1)(a)** of the *Act*. Ms. Terencio offered travel services in connection with Gente Tours. **Gente da Nossa Inc.** has been charged with one count of operating as a travel retailer without registration, contrary to **Section 4(1)(a)** of the *Act*. Gente da Nossa Inc. offered travel services in connection with Gente Tours.

**Kimberly Rourke** has been charged with one count of operating as a travel retailer without registration, contrary to **Section 4(1)(a)** of the *Travel Industry Act, 2002*. Ms. Rourke offered travel services in the Regional Municipality of Waterloo and elsewhere in Ontario.

### CONVICTIONS

Following a hearing, **Mazdak Anvari's** (Anvari) Application to Extend Time to File an Appeal was denied and the sentence of 18 months incarceration was affirmed. On June 25, 2008, Anvari and **1091873 Ontario Inc.**, operating as **One Step Travel, Student Escape Tours and Parsia Travel** (One Step Travel) were convicted of three counts each of trust accounting violations. Anvari was sentenced to 18 months in jail and 1091873 Ontario Inc. was fined \$50,000. The closure of One Step Travel resulted in approximately \$1,000,000 in claims being paid by the Ontario Travel Industry Compensation Fund. On May 13, 2014, Anvari made an Application to Extend Time to File an Appeal on his own behalf. Pursuant to **Section 5(2)** of **Ontario Regulation 723/94** made under the *Courts of Justice Act*, the appeal should be filed within 30 days from the date of the decision being appealed. The Honourable Justice V. Loignon, of the Ontario Court of Justice, denied the Application, stating that Anvari did not satisfy the test for granting the Application. As the conviction and the sentence imposed on One Step Travel have not been appealed, the \$50,000 fine imposed against One Step Travel also remains in force.

Nazimuddin Kazi plead guilty to seven counts of operating as a travel agent without registration, contrary to **Section 4(1)(a)** of the *Travel Industry Act, 2002*. Mr. Kazi operated in Toronto and elsewhere in Ontario. The guilty plea by the Defendant was accepted and convictions registered. Prior to the sentencing hearing, Mr. Kazi paid restitution to all but one consumer. The following sentence was imposed on Mr. Kazi: 30 days imprisonment, served intermittently, starting July 4, 2014; and probation for a period of six months, with the following conditions: a) to report to the probation officer; b) to pay restitution of \$3,325.00 to the consumer by December 31, 2014; and c) not to sell travel services or otherwise be employed in the travel industry, in any capacity whatsoever.

Mr. Kazi has also been charged with fraud under the *Criminal Code of Canada*. Those charges are still before the Court. This is the second conviction of Mr. Kazi under the *Act*. On July 19, 2006, he was convicted of seven counts of failing to properly maintain a trust account and two counts of operating without registration. Mr. Kazi was sentenced to pay a fine and restitution.

After an extensive trial, **Sunrise International Travels Inc. (Sunrise)** has been convicted of one count under **Section 31(1)(c)** of the *Travel Industry Act, 2002* of failing to keep customer funds in a designated trust account until payment was made to the supplier of the travel services or a refund was provided, contrary to **Section 27(6) of Ontario Regulation 26/05** made under the *Act*. **Ramnarine Tiwari**, an officer and director of Sunrise, has been convicted of one count under **Section 31(2)** of the *Act*, of failing to take reasonable care to prevent Sunrise from committing the offence of failing to keep customer funds in a designated trust account, contrary to **Section 27(6)** of the Regulation. The Ontario Travel Industry Compensation Fund has paid claims in excess of \$1 million in relation to the closure of Sunrise on December 18, 2009.

Sunrise was sentenced as follows: a fine of \$20,000 payable by July 17, 2014; and a Restitution Order for \$23,310.86, payable to TICO by July 17, 2014.

Ramnarine Tiwari was sentenced as follows: a period of incarceration for 60 days, served intermittently, commencing on July 20, 2014; and a probation order for the duration of the jail sentence.

## ● **REVOCATIONS**

Between May 17 and July 21, 2014, three companies had their registration revoked: **Have Bus Will Travel Tours Ltd. o/a Have Bus Will Travel Racing Tours**; **99 Travel & Tours Inc.**; and **1338771 Ontario Corp o/a Yoyo Travel**. ▲

## Check those **TICO** Documents

As a registrant, whenever you hire a new travel agent it is your responsibility to ensure that the potential employee meets the requirements of TICO's Education Standards. This is required of anyone who is selling travel services or providing travel advice to the public in Ontario. Before employing someone new, TICO recommends that you always ask them to provide a copy of their Education Standards Certificate for your files.



## Get in Touch

Once again, we would like to remind you that you may contact us with comments or questions on anything that you read in **TICO TALK**, or on any other travel industry matter. Your opinions and concerns matter.

We can be reached at



**(905) 624-6241, or at  
1-888-451-TICO,  
or by e-mail to  
[tico@tico.ca](mailto:tico@tico.ca).**

## Update on Hiring New CEO

The Board of Directors' Selection Committee encourages interested and qualified applicants to submit their applications (consisting of a resumé and cover letter) to the executive search firm, Odgers Berndtson, by September 22, 2014.

More information with respect to the TICO President & CEO/Registrar position is available from Amanda Bugatto at [amanda.bugatto@odgersberndtson.ca](mailto:amanda.bugatto@odgersberndtson.ca)

## Changes at TICO

Congratulations are in order for **Dorian Werda**, who the Board of Directors has appointed to be an officer of the Travel Industry Council of Ontario. She has also been promoted to the newly created position of **Vice President, Operations**. Dorian has been with TICO since its inception in 1997. Prior to TICO's delegation, she was Claims Coordinator for the Ontario Travel Industry Compensation Fund Corporation. According to Michael Pepper, TICO's President and CEO, Dorian has been an integral member of the management team, providing support to the Board of directors, government, staff, and the industry. Most recently the Director of Customer Service and Stakeholder Relations, her new position includes additional duties undertaken since a recent restructuring of management responsibilities.

# Important to Know: Your Obligations When Ceasing to Trade With a Registrant

A registrant may decide to stop dealing with another TICO registrant for any number of reasons. Occasionally the dispute may be over a non-financial issue that is not covered by Ontario's travel legislation. More often, however, the reason for discontinuing to conduct business with another registrant is financial. Should that be the case, **Section 21 of Ontario Regulation 26/05** states: "A registrant who ceases to trade with another registrant by reason of the other registrant's apparent lack of financial responsibility shall promptly notify the Registrar in writing of the fact and of the reasons for ceasing to trade."

The Regulation goes on to state, in **Section 27**, that a registrant must maintain a trust account for all money received from customers for travel services, and that the money held in the trust account may only be disbursed or withdrawn to make a payment to the supplier of the travel services for which the money was received, or to make a refund to a customer.

More information can be found in TICO's Trust Accounting Guidelines. There are guidelines for Travel Retailers and Travel Wholesalers. They outline a registrant's rights and obligations with respect to customer funds.

TICO understands that registrants may occasionally extend credit to other registrants, and if not paid, there may be a trade debt owing. However, in these situations, the consumer must not be held responsible or penalized for transactions that are unrelated to the travel services they have purchased. If a consumer is owed a refund or travel services, they should not be withheld as part of a registrant to registrant dispute for an unrelated trade debt. ▲

---

### Report on the 17th Annual General Meeting *continued from page 3*

TICO received 250 **consumer complaints** during the fiscal year, up from 222 in the previous year. 272 written consumer complaints were resolved, some from the prior year. TICO successfully assisted consumers in obtaining \$64,739 in restitution.

TICO's **Business Plan** outlines strategic priorities for the period April 1, 2014 to March 31, 2017. More detailed information on TICO's strategic priorities may be found on TICO's website, at [www.tico.ca](http://www.tico.ca). ▲

## Use TICO's electronic resources

Don't forget that there is a wealth of material on our website, which has been designed to promote you and your business just as much as TICO. If you visit us at <http://www.tico.ca/industry-info/tico-logo.html>, you will find:

- Five videos on how to connect TICO to your business;
- 15 banners in various formats with TICO's logo and the **FANTASTICO** message for use in print;
- Six banners in various formats for digital use;
- Four email signatures;
- Three e-ticket stuffers (in various languages); and
- Two web banner ads.



And finally, TICO would like to remind you that it has a good supply of informational booklets about TICO for you to share with your clients. If you would like to receive some copies, please contact us at (905) 624-6241, 1-888-451-TICO or by email at [tico@tico.ca](mailto:tico@tico.ca) and we will forward them to you. ▲

## Handy Guidelines: Some Great Reference Tools @tico.ca

User-friendly guidelines covering virtually every aspect of operating a travel business in Ontario have been designed to assist TICO registrants meet the requirements of the *Travel Industry Act, 2002*. They address the following areas:

- Disclosure
- Advertising
- Outside Sales Reps
- Event Planners
- School Trips
- Trust Accounting for Retail Registrants
- Trust Accounting for Wholesale Registrants

They have been written in a way that should answer most questions that you might have about any of these topics, and they can be found at: [www.tico.ca/publications-resources/industry-guidelines.html](http://www.tico.ca/publications-resources/industry-guidelines.html).

Continued on page 8...

## Save the Dates

**October 16-19,  
2014**



### Toronto Snow Show

International Centre  
6900 Airport Road, Hall 5  
Mississauga

**October 25-26,  
2014**



### Zoomer Show - Toronto

Direct Energy Centre, Hall A  
100 Princes Boulevard  
Toronto

**November 7-9,  
2014**



### National Women's Show – Toronto

Metro Toronto Convention  
Centre

South Building,  
222 Bremner Boulevard  
Toronto

**TICO** will be distributing  
informational material at the  
above shows.

# Upcoming Issues

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

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

Copyright © 2014 Travel Industry Council of Ontario. All rights reserved. Contents of this newsletter may be reproduced in whole or in part provided the intended use is for non-commercial purposes and the Travel Industry Council of Ontario is acknowledged as the source on all copies. Some materials in this newsletter may be subject to copyright from an outside source and therefore there may be different restrictions on the reproduction of this material. 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  
e-mail: [tico@tico.ca](mailto:tico@tico.ca)  
web site: [www.tico.ca](http://www.tico.ca)

## Closing Doors

### Mexicana Airlines



Mexicana Airlines was officially declared bankrupt as of April 4, 2014. The airline suspended flights in 2010 due to financial difficulties and was processing refunds. Consumers who purchased Mexicana Airlines travel services from an Ontario registered travel agency and who did not receive the travel services purchased or a refund may have an eligible claim against the Travel Compensation Fund.

There is no provision for a consumer to claim on the Compensation Fund when they purchased travel services directly from an airline.

Consumers who purchased Mexicana Airline travel services from an Ontario travel retailer (agency) but did not receive their services or a reimbursement are advised to contact TICO to request a claim form at 1-888-451-8426 or (905) 624-6241, or email: [tico@tico.ca](mailto:tico@tico.ca). Please note that there is a legislated 6-month claim filing deadline, which is October 6, 2014.

### Smartchoice Travel & Tours



Gerardo Calderon & Romeo Lascano Jr. o/a Smartchoice Travel & Tours, located at 4675 Steeles Avenue East, Unit 2D10, Scarborough has voluntarily terminated its *Travel Industry Act, 2002* registration to do business as a travel retailer, effective June 13, 2014.

Consumers with future departures who purchased their travel services directly from Smartchoice Travel & Tours and who will not be receiving their future travel services are advised to contact TICO directly at 1-888-451-8426 or (905) 624-6241, or email: [tico@tico.ca](mailto:tico@tico.ca). The deadline to file a claim is December 15, 2014. ▲



**Handy Guidelines: Some Great Reference Tools @tico.ca** continued from page 7

Another invaluable referral source on our website is TICO's **Code of Practice for Electronic Commerce**, which can also be found within the Publications-Resources section. The Code has been developed for all registrants who have websites and operate in an online environment. It covers information on websites that only provide information as well as those that have online booking capabilities and are able to carry out commercial transactions with consumers. Although this Code is voluntary, many of the sections are based on the requirements of the *Act* and its Regulation. As a useful clarification, the Appendix at the back of the Code indicates which sections are based on the legislation and which sections are recommended as best practices. This should be a "must-read" for every registrant who conducts business online. ▲