

**LICENCE APPEAL  
TRIBUNAL**

**Safety, Licensing Appeals  
and Standards Tribunals  
Ontario**

**TRIBUNAL D'APPEL EN  
MATIERE DE PERMIS**

**Tribunaux de la sécurité, des appels  
en matière de permis et des normes  
Ontario**



Citation: Payless Travel (Toronto) Inc. v. Registrar, *Travel Industry Act, 2002*, 2017 ONLAT TIA 10886

Date: 2018-05-16  
File Number: 10886/TIA

Appeal from a Notice of Proposal by the Registrar, *Travel Industry Act, 2002*, c. 30, Sch. D. to Revoke Registration.

**Between:**

Payless Travel (Toronto) Inc. o/a Corporate Travel Management Solutions

Appellant

-and-

Registrar, *Travel Industry Act, 2002*

Respondent

**CONSENT ORDER**

**Order Made by:** Patricia McQuaid, Vice- Chair

**Date of Order:** May 16, 2018

- [1] The hearing of the appeal of the Notice of Proposal to revoke registration issued by the Registrar, *Travel Industry Act, 2002* commenced on March 12, 2018. An Agreed Statement of Facts was filed at the start of the hearing. The Registrar did not call any evidence. Two persons testified on behalf of the appellant corporation. As a result of evidence heard and further discussions between the parties, they requested an adjournment of the hearing, both to allow the appellant additional time to comply with the outstanding regulatory requirements and to determine if the matter might be resolved on the basis of conditions on registration.
- [2] The hearing was scheduled to resume on May 16, 2018. However, on May 14, 2018 the parties submitted Minutes of Settlement to the Tribunal and jointly asked the Tribunal to issue a Consent Order whereby the appellant will continue to be registered (Registration number 3326977 - Retail), subject to conditions of registration as set out in the Minutes of Settlement.
- [3] Having reviewed the written settlement signed by the appellant and the Registrar, *Travel Industry Act, 2002* as to the disposition of these proceedings which is filed and attached hereto as Schedule "A";

NOW THEREFORE, upon the consent of the parties, this Tribunal orders that the proceedings in this matter are concluded and disposed of on the basis of the terms set out in the said Schedule "A", which are incorporated into and made part of this Order.

LICENCE APPEAL TRIBUNAL

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Patricia McQuaid, Vice-Chair

Released: May 16, 2018

LICENCE APPEAL TRIBUNAL

BETWEEN:

PAYLESS TRAVEL (TORONTO) INC.  
o/a  
CORPORATE TRAVEL MANAGEMENT SOLUTIONS  
Registration No. 3326977- Retail

Appellant

- and -

REGISTRAR, TRAVEL INDUSTRY ACT, 2002

Respondent

**MINUTES OF SETTLEMENT**

Whereas **PAYLESS TRAVEL (TORONTO) INC. o/a CORPORATE TRAVEL MANAGEMENT SOLUTIONS** ("Registrant") is a travel agent registered under the *Travel Industry Act, 2002*, ("the Act", which term includes Regulation 26/05 to the Act);

And in a Notice of Proposal to Revoke Registration dated June 29, 2017 ("Proposal") the Registrar under the Act ("Registrar") proposed to revoke the registration of the Registrant under the Act (which term includes Ontario Regulation 26/05 made under the Act ("Regulation");

And the Registrant requested a hearing in respect of the Proposal to Revoke Registration by appealing to the Licence Appeal Tribunal ("Tribunal");

And the hearing in this matter scheduled to proceed December 14, 2017, was adjourned on consent pursuant to a Tribunal Order released January 11, 2018 setting out Conditions of Registration of the Registrant pending the conclusion of the hearing;

And the hearing continued on March 12, 2018, in part on the basis of an Agreed Statement of Facts signed by the Parties on March 18, 2018, in which the registrant admitted the allegations set out in the Proposal as proven;

And as a result of proceedings on March 12, 2018, the hearing was adjourned pursuant to Tribunal Order released March 19, 2019. The hearing was scheduled to continue May 16, 2018.

**THE PARTIES hereby agree to settle this matter on the basis of these Minutes of Settlement, including the Conditions of the continued registration of the Registrant set out below.**

- A. The Parties hereby agree to submit these Minutes of Settlement to the Tribunal as a joint submission asking the Tribunal to issue a Consent Order ordering that the Registrant continue to be registered, subject to conditions of registration set out below.**
- B. The Registrant hereby admits the reasons, particulars and background allegations set out in the Proposal as proof, for all purposes including as evidence in any future administrative action, including if there is any future proposal to refuse or refuse to renew or to revoke the application or registration of the Registrant under the Act.**
- C. Conditions of Continued Registration**

In addition to and without limiting the Registrants obligation to comply with all requirements of the Act, and in addition to and without limiting its obligation to comply with all voluntary conditions of its registration including but not limited to those undertaken at the time of its registration and/or renewal of registration, the Registrant hereby undertakes to comply with the following conditions of its registration:

- 1. The Registrant must file with the Registrar semi annual financial statements for the six month period ending June 30, 2018, due on or before August 15, 2018 (the “semi annual financial statements”). **The semi annual financial statements must be filed with an audit opinion from a licensed public accountant.** The semi annual financial statements must comply with the requirements of the Regulation, including disclosing:
  - a) A statement of gross sales in Ontario made during the period to which the financial statements refer.
  - b) A balance sheet.
  - c) An income statement.
  - d) A cashflow statement.
  - e) Disclosing a reconciliation of the Registrant’s *Travel Industry Act* trust account (the “trust account”), including customer deposits liability balance and trust account balance.
- 2. The Registrant shall at all times maintain the required minimum working capital required by the Regulation, which currently is \$100,000. If based on the financial statements submitted by the Registrant, the Registrar concludes that the working capital of the Registrant is not in compliance with the Regulation, the Registrant must take the necessary steps to come into compliance with the Regulation within the due date stated by the Registrar and the Registrant must submit proof that it has come into compliance in the manner stated by the registrant within the due date provided by the Registrar.
- 3. The Directors and Officers of the Registrant shall ensure that loans and/or advances to the Registrant will not be withdrawn until such time as it can be done without reducing working capital below the minimum amount required by the Regulation, which currently is \$100,000.

4. Hereafter, all financial statements and other documents required to be submitted under the Regulation shall be submitted on or before the applicable due date and in compliance with all of the requirements of the Regulation applicable to that filing, without exception.
5. At all times, the Registrant shall submit the form required to participate in the Ontario Travel Industry Compensation Fund, ("FORM 1") on or before the due date applicable to that submission. At all times FORM 1 shall be accompanied by the full amount of the required payment applicable to that submission in order to participate in the Ontario Travel Industry Compensation Fund.
6. The Registrant shall at all times comply with the requirements about trust accounts set out in Section 27 of the Regulation. Without limiting that obligation, the Registrant must maintain monthly trust reconciliations of customer deposits (a reconciliation showing total receipts on hand from customers for travel services sold compared with reconciled trust account balance). The Trust Reconciliations shall comply with the following requirements:
  - a) Each Trust Reconciliation shall include a list of consumer deposits on hand by customer name/Invoice number and amount held for each customer. **If prepaid travel is recorded, a listing by date and amount the customer paid to the Registrant, date and amount supplier paid for that particular customer.** (Note: prepaid travel is not a requirement, rather an optional method of accounting for outstanding balances).
  - b) Each Trust Reconciliation shall include a complete copy of the Travel Industry Act Trust bank account statements for the particular month and signed by a Director or Officer or Supervisor/Manager or Finance Manager of the Registrant.
7. The Registrant shall submit to the Registrar its monthly trust reconciliation (a reconciliation showing total outstanding receipts from customers for the related travel services compared to trust funds held in the Trust Account) for the months of June, July and August, or until such other time as the Registrar indicates. Each reconciliation is due on or before 30 days after the last day of the month covered by that reconciliation.
8. The Registrant shall at all times comply with the requirements about business records set out in Section 29 of the Regulation
9. Without limitation to Section 17 of the Act, the Registrant acknowledges and understands that the Registrar (including a person designated in writing by the Registrar) will conduct an Inspection of the Registrant within six months of the date of these Minutes of Settlement, in order to ensure compliance with the Act, including without limitation working capital and trust accounting compliance. The Registrant shall respond to any inspection related request from the Registrar within five business days of the date of the request or no later than the due date indicated by the Registrar.
10. The Registrant shall respond to all requests for information from the Registrar for any reason in a timely and fulsome manner and is responsible for ensuring that all Directors, Officers and Supervisor/Managers of the Registrant respond in a fulsome and timely manner if inquiries are specifically directed to them. All requests for information from the Registrar shall be responded to within five business days from the request or no later than

the due date indicated by the Registrar.

- D. **The Registrant and the undersigned on behalf of the Registrant acknowledge they have read, understand and will comply with these Minutes of Settlement and any resulting Consent Order of the Tribunal, including the conditions of registration set out above.**
- E. **The Registrant and the undersigned on behalf of the Registrant have been made aware of their right to obtain independent legal advice with respect of these Minutes of Settlement and this matter.**

SIGNED THIS 14<sup>th</sup> DAY OF MAY 2018

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Galia Osovitzki, Director  
**PAYLESS TRAVEL (TORONTO)  
INC. o/a CORPORATE TRAVEL  
MANAGEMENT SOLUTIONS**  
I have the authority to bind the  
Corporation.

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Richard Smart  
**Registrar, *Travel Industry Act,*  
2002**

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Yair Osovitzki, President  
**PAYLESS TRAVEL (TORONTO)  
INC. o/a CORPORATE TRAVEL  
MANAGEMENT SOLUTIONS**  
I have the authority to bind the  
Corporation.