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SENT BY REGISTERED MAIL

May 31, 2007

Mr. Sunny Ning Bai
President
Pattison College Inc., o/a Pattison College of Business and Technology
150 Eglinton Avenue East
7th Floor
Toronto, ON M4P 1E8

Attn: Sunny Ning Bai

Dear Mr. Bai:

Re: An Order to Pattison College Inc., o/a Pattison College of Business and Technology (“Pattison”), made pursuant to subsection 46 (2) of the *Private Career Colleges Act, 2005* (“PCCA, 2005), to Comply with the Conditions of Registration and the Provisions of the and the regulations made under the PCCA, 2005.

I am advised that Pattison is not operating in compliance with the PCCA, 2005, and the regulations made under that Act, nor was it operating in compliance to the predecessor to the PCCA, 2005, the *Private Career Colleges Act*, R.S.O. 1990, c. P. 26 (“Old Act”).

Decision

I am writing to you to direct Pattison to **immediately comply with the conditions of Pattison’s registration and the provisions of the PCCA, 2005 and Ontario Regulation 415/06 as made under the PCCA, 2005 (“O. Reg 415/06”)**.

The legal framework and the facts in support of that decision are set out below.

Authority

The cease and desist order is issued pursuant to my authority under subsection 46 (2) of the PCCA, 2005, which provides that:

If the Superintendent believes that a registrant has breached a condition of the registrant’s registration or has otherwise contravened or failed to comply with a

provision of this Act or the regulations, the Superintendent may order the registrant to comply with the conditions of the registration or with the provisions of this Act or the regulations.

Information on the legal framework governing the operations of all private career colleges is set out in Schedule "A", attached to this letter.

Facts in Support of the Decision

Inspections of Pattison by ministry staff on October 26, 2006 and November 21, 2006 of the institution's premises, files and a review of the colleges advertising including the colleges website revealed the following:

1. General failure to comply with legislation governing private career colleges and not operating the college with integrity and honesty or in accordance with the law.

This failure has included:

- Pattison staff obstructing the inspector during the inspection of the college on November 21, 2006.
- Pattison providing instruction, advertising, charging and collecting fees for unapproved programs;
- Pattison failing to properly administer the private career college by not contracting students properly, not employing qualified instructors, not maintaining records on the qualifications of its instructors or not maintaining prescribed information in student files and in advertising files and misleading students and potential international students regarding Pattison's degree granting authority in Ontario;
- and not operating the college in accordance with all provincial and federal laws that apply to its operation.

Further particulars of these various breaches of the PCCA, 2005 are set out below.

2. Contravening subsection 38 (10) of the PCCA, 2005 by obstructing the Superintendents designate ("inspector") conducting an inspection of the college.

Pattison's accounting general ledgers were requested by the inspector during the inspection of November 21, 2006. [REDACTED] refused to provide the information to the inspector in contravention of subsection 38 (6) of the PCCA, 2005.

- 3. Contravening subsections 8 (1) and 23 (1) of the PCCA, 2005 by delivering instruction in vocational programs without the approval of the Superintendent.**
- 4. Charging and collecting fees for vocational programs without the approval of the Superintendent in contravention of subsection 9 (1) of the PCCA, 2005 and Pattison's terms of registration under the Old Act, and Ontario Regulation 939, as made under the Old Act ("Regulation 939").**

Student files retrieved from Pattison during the inspection on November 21, 2006 contained student contracts, applications, letters of acceptance, correspondence from students, internal emails, program timetables and invoices indicating students were receiving instruction in the following unapproved programs:

- One-Year Business Administration Program
- One-Year Post-Graduate Business Administration Program
- One-Year Post-Graduate Diploma in Small Business Management
- Bachelor of Business Administration
- Bachelor of Science / Bachelor of Science in Computer Science
- Master of Business Administration
- Co-op Education Diploma Program in Computer Science
- C-op Education Diploma Program in Business Administration
- Computer Science / Diploma in Computer Science
- Networking Degree
- Computer Programmer Analyst Degree
- Science and Business Administration Degree

Pattison is only authorized to offer the approved programs listed in Schedule “B” of this letter.

5. Advertisements do not comply with the standards prescribed under section 33 of the PCCA, 2005 and advertising was not submitted to the ministry for the Superintendent’s approval in contravention of subsection 12(2) of Regulation 939. The particulars of the non-compliance are as follows:

- Advertising records are not maintained at the school in contravention of section 17 of O. Reg. 415/06.
- A review of Pattison’s website at <http://www.pattisontoronto.com> on October 24, 2006 and on May 9, 2007 revealed that the college advertises the following unapproved programs in contravention of subsection 11 (2) of the PCCA, 2005:
 1. One-Year Business Administration Program
 2. One-Year Post-Graduate Business Administration Program
 3. One-Year Graduate Certificate Program in Human Resources Management
 4. Computer Science / Diploma in Computing Science
 5. Internet Application Developer
 6. Accounting

In addition, Pattison brochures advertise unapproved programs in Accounting, Computer Science, TOEFL and Co-op Education programs in contravention of subsection 11 (2) of the PCCA, 2005. The brochure also advertises affiliations with Upper Iowa University (“UIU”) and the New York Institute of Technology (“NYIT”)

when no such affiliations exist in Ontario in contravention of subparagraph 2i of subsection 16 (1) of O. Reg. 415/06. This brochure continues to be available on the college's website.

Copies of the college's brochure and relevant extracts from the college website are included with this letter as Schedule C and D, respectively.

- Internal documents and student files retrieved from Pattison contain student complaints indicating that it is a common practice of the college to use misleading statements regarding Pattison's degree granting authority in Ontario for the purpose of inducing students and prospective international students to enroll in a program or to enter into a contract with the college in contravention of subsection 18 (1) of O. Reg. 415/06.

6. General failure to properly administer the private career college including breaches of section 20 (contract terms) and section 42 (instructor information and section 45 (student files) of O. Reg. 415/06, as made under the PCCA, 2005 and terms of registration under the Private Career Colleges Act, R.R.O. 1990, Ontario Regulation 939 ("O. Reg. 939") made thereunder.

- The October 26, 2006 inspection revealed that student contracts signed following September 18, 2006 do not contain the required terms pursuant to subsection 20 (1) of O. Reg. 415/06.
- The subsequent inspection on November 21, 2006 revealed;
 - That students are not contracted to Pattison – Toronto, but rather, Pattison-Vancouver, NYIT or UIU in contravention of subsection 28 (1) of the PCCA, 2005;
 - Where a Pattison, Toronto student contract is on file, information required under the current and previous legislation, namely the program of study, the date of the contract, the date of the programs commencement and completion date, student and school official signatures and dates were not contained on the majority of contracts reviewed;
- Student contracts are not signed, contrary to O. Reg. 415/06, subsection 45(1), and paragraph 3.
- Students have entered into contracts for unapproved programs, contrary to subsections 8 (1) and 23 (1) of the PCCA, 2005.
- Students have entered into contracts for unapproved programs contrary to subsection 4.1 (1) of Regulation 939.

- Students are contracted for fees other than those approved by the Superintendent in contravention of subsection 8 (2) of Regulation 939.
- Contracts are incomplete: they are missing the start and completion dates of the program and program fees as required by paragraphs 3 and 6 of subsection 20 (1) of O. Reg.415/06.
- Contracts are incomplete and missing the start and completion dates of the program in contravention of subsection 18 (1) of Regulation 939.
- The private career college's refund policy is in contravention of section 24 of O. Reg. 415/06. Every private career college is required to adopt the provisions set out in sections 25 to 33 of O. Reg. 415/06.

The following is an excerpt from Pattison's website at <http://www.pattisontoronto.com/English/apply.php>:

Refund Policy

If a student must cancel their program, it is possible to receive a refund depending on how much of the program has been completed but only if the refund/cancel request is reasonable according to Pattison's policy:

- *100% refund if cancelled 14 days prior to start date.*
- *80% refund if cancelled 13 days or less prior to start date.*
- *30% refund if student has completed between 1 and 10% of programs.*
- *15% refund if student has completed between 11 and 29% of programs.*
- *No refund if student has completed over 30% of program.*
- A review of all student files where the student had withdrawn from the program either had no record of the required refund being issued or the refund was not issued or the refund was not calculated correctly in contravention of section 21 of Regulation 939. Failure to maintain copies of the withdrawal letters, refund calculations and a copy of the refund cheque in the student files is in contravention of paragraph 5 of subsection 45 (1) of O. Reg. 415/06.

One student file indicated that an international student paid \$15000 in fees to Pattison in August 2005 and was seeking a refund because the student's application for a Study Permit was rejected. A Pattison internal email dated October 18, 2006 indicates the refund continues not to be issued to the student because business is slow and there are insufficient funds in the Pattison bank account to cover the refund. Pursuant to subsection 25 (4) of O. Reg. 415/06 a refund is payable by the private career college within 30 days of a demand for the refund. The inability of Pattison to provide a student refund from its general operating accounts also raises questions surrounding the financial viability of the college and may provide grounds for refusing the renewal of Pattison's registration pursuant to clause 14 (1) (d) of the PCCA, 2005.

Another file indicated a student was misled into believing that the Toronto campus offered the NYIT MBA program and was refused a refund because the student refused to attend the Vancouver campus. This particular student was intimidated with threats of “Immigration being notified” if the student did not agree to attend the Vancouver campus.

- Fees are being collected in US dollars in contravention of section 33 of O. Reg. 415/06.
- Pattison is charging and collecting fees from international students in excess of the allowable \$500 or 20 per cent of the total fees payable, whichever is less, with respect to the program for processing an application or conducting admission tests in contravention of subsection 44 (3) of O. Reg. 415/06.

Pattison is charging and collecting fees from prospective international students exceeding the allowable 25 per cent of the total fees payable in relation to the program before entering into a contract with the student in contravention of subsection 44 (4) of O. Reg. 415/06.

The following is an excerpt from Pattison’s website at <http://www.pattisontoronto.com/English/apply.php>:

Fill out the [registration form](#) and send it to Pattison College, Toronto (via fax, mail or in person) with the following documents attached:

- *passport copy*
- *transcript and diploma (only if you need to receive a letter of acceptance to apply for a Student Visa).*
- *Pay the full fee by cash, money order, bank draft or check payable to Pattison College or wire transfer to:*

*0443-1100677
Bank of Montreal
Yonge and Eglinton Branch
2210 Yonge Street
Toronto, ON
M4S 2B8
Canada*

When your payment is received Pattison will issue a letter of acceptance upon request.

Confirm arrival at least three weeks prior.

- The Business Administration and Computer Technology programs were approved with an off-site practicum component, but the private career college is unable to provide evidence that the program is being delivered with a practicum. The college was unable to provide the inspector with evidence of Workplace Safety Insurance Board coverage, Placement Host Agreements or progress and attendance sheets to be completed by the host employer. The deletion of the practicum constitutes a substantial change to a vocational program pursuant to subsection 13 (1) of O. Reg. 415/06 and Pattison’s failure to obtain the approval of the Superintendent before making this change is in contravention of subsection 23 (6) of the PCCA, 2005. Failure to maintain the results of

student evaluations in the student files is in contravention of paragraph 2 of subsection 45 (2) of O. Reg. 415/06.

- The admission requirements for the Business Administration and Computer Technology programs have changed since the programs received approval. The approved admission requirements were a high school diploma or GED but these programs now require a post-secondary credential. A change in the admission requirements to the program constitutes a substantial change to a vocational program pursuant to paragraph 5 of subsection 13 (1) of O. Reg. 415/06 and Pattison's failure to obtain the approval of the Superintendent before making this change is in contravention of subsection 23 (6) of the PCCA, 2005. Not all student files reviewed contained the required documentation to verify that the student has met the admission requirements of the program in contravention of subsection in contravention of paragraph 4 of subsection 45 (1) of O. Reg 415/06.
- Student attendance records are not maintained by the college. The school could not provide evidence of attendance records on the inspection of October 26, 2006. On the subsequent inspection on November 21, 2007 the inspector was provided with forms titled Pattison Toronto Campus Student Attendance Sheet, but these forms consisted of enrolment records by academic semester and not daily student attendance information.
- Students are enrolled in the Computer Technology program without qualified instructors on staff to deliver the program. During the course of both inspections the college could not produce any documentation to confirm the college has qualified instructors employed to deliver instruction in the approved Computer Technology program or the unapproved programs referenced earlier in this letter in contravention of section 41 of O. Reg. 415/06 and section 5 of Regulation 939.
- Instructor files do not contain a completed Personal Data Form and supporting documentation required for each instructor employed by the college as required under subsection 5 (1) of Regulation 939 or a completed Instructor Qualification Form and supporting documentation required for each instructor employed by the college pursuant to section 42 of O. Reg. 415/06..

7. Pattison is not operating in accordance with all other provincial and federal laws that apply to its operation or with integrity and honesty pursuant to clause 14 (1) (e) of the PCCA, 2005. In addition to the violations of the PCCA, 2005 outlined above, Pattison is in contravention of the Postsecondary Education Choice and Excellence Act, 2000 ("PSECEA").

I have reviewed a letter to you from Mr. Hick's, Director of the Ministry's Post-Secondary Education Division, dated April 20, 2007, which is attached to this letter. The facts set out in Mr. Hick's letter raise serious issues under the PCCA, 2005.

In a letter dated February 3, 2007, Mr. Hicks directed Pattison to cease all direct and indirect activity associated with offering a degree program unless and until such time as Pattison had either obtained passage of an act of the Legislature or the consent of the Minister of Training, Colleges and Universities. In a subsequent letter to Pattison dated March 23, 2006, you were advised that recruitment activities undertaken on behalf of UIU and NYIT by Pattison in Toronto are a breach of the PSECEA and would require UIU and NYIT to obtain ministerial consent and both UIU and NYIT were requested to cease and desist recruitment activities at Pattison in Toronto. On April 4, 2006, Pattison confirmed that all advertising and recruitment on behalf of UIU and NYIT would be discontinued in Ontario. Despite this assurance Pattison in Toronto has continued these activities.

A meeting was held at the Private Institutions Branch of the Ministry with the colleges Program Consultant and Pattison College staff on March 11, 2005 to discuss Pattison's compliance with the Old Act and the PSECEA. The meeting had been called due to complaints received by the Ministry from the public, competitors and students regarding misleading advertising. Pattison was advised to immediately cease activities that violated the PSECEA, including acting as a recruiting agent for Pattison - Vancouver, UIU or NYIT programs.

The inspections of Pattison on October 26, 2006 and November 21, 2006 revealed that no student's have graduated from the Business Administration or Computer Technology programs since the school was registered on August 26, 2004. The program durations are 78 and 65 weeks, respectively. Annie Huang, the Admissions Officer of the college explained that students either transfer to Pattison in Vancouver to continue their studies in NYIT or UIU degree programs or withdraw from the college.

Your apparent violation of the PSECEA involves the offering and advertising of unapproved programs, charging and collecting fees, and issuing unapproved credentials under the PCCA, 2005 contrary to sections 8, 33, 9 and 10 of the PCCA, 2005, respectively, and is evidence of a lack of law abiding conduct, honesty and integrity that under clause 14 (10) (e) of the PCCA, 2005 is required of all registrants.

As a result of my decision;

Pattison will deliver to me by registered mail or courier and by no later than **Friday, June 15, 2007** a written confirmation signed by an authorized officer of or other official of Pattison confirming the following:

1. that Pattison has ceased offering and advertising of unapproved programs, charging or collecting fees, and issuing credentials without obtaining approval of the Superintendent pursuant to sections 8, 23, 11, 9 and 10 of the PCCA, 2005, respectively;
2. that Pattison has ceased the distribution of any advertisements, in whatever form, that contravene section 33 of the PCCA, 2005 or section 16 of O. Reg. 415/06;

3. that Pattison is maintaining a copy of the required material related to each advertisement specified in section 17 of O. Reg. 415/06;
4. that each contract entered into by Pattison and a student for the provision of a vocational program is in writing pursuant to section 20 of the PCCA, 2005;
5. that each student contract includes the mandatory requirements specified in section 20 of O. Reg. 415/06;
6. that Pattison has implemented a refund policy that satisfies the provisions set out in sections 25 to 33 of O. Reg. 415/06;
7. that Pattison is maintaining an Instructor Qualification Form and a copy of the supporting documentation required for each instructor employed by the college pursuant to section 42 of O. Reg. 415/06;
8. that Pattison has ceased all activities contravening the PSCECA.
9. and provide an immediate refund and evidence of payment of the refund for the following students:



All of the foregoing will also be subject to verification through on-going inspections of Pattison.

Conclusion

It is my finding as the Superintendent of Private Career Colleges that Pattison, its officers, directors and senior management have failed to carry out their legal obligations under the PCCA, 2005, the regulations made thereunder and under predecessor legislation. Such conduct places Pattison's registration in jeopardy and may provide grounds for the immediate suspension of Pattison's registration under subsection 20 (1) of the PCCA, 2005 and eventually the revocation of its registration under subsection 18 (2) of the PCCA, 2005.

Failure to comply with this order by Friday, June 15, 2007, may result in the suspension and/or revocation of Pattison's registration.

Please note that failure to comply with this direction also constitutes an offence under section 48 of the PCCA, 2005 and may lead to the prosecution of Pattison and its officers and directors who knowingly concurred in the commission of the offence.

Sincerely,

ORIGINAL SIGNED BY

Susan Hoyle-Howieson
Superintendent of Private Career Colleges

Attachments:

Schedule A – Legal Framework

Schedule B – Approved Vocational Programs

Schedule C – Pattison Brochure

Schedule D – Excerpts from Pattison’s Website

Schedule E – Cease and Desist Order – Martin Hicks, Universities Branch

