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SERVED BY FAX, EMAIL, AND REGISTERED MAIL

July 26, 2007

Aztech D.I. Ltd.
o/a York College of Industry and Technology
519 Jarvis Street
Toronto
ON M4Y 2H7

Attn: Bret Snider

Dear Sir:

**Re: York College of Industry and Technology (“YCIT”)
Notice of Immediate Suspension of Registration and
Notice of Proposal to Revoke Registration**

For the reasons set out in Schedule A, attached, I am of the view that YCIT is not operating in compliance with the *Private Career Colleges Act 2005* and Ontario Regulation 415/06 made thereunder. As such, I am writing to you to advise you of **my decision to both immediately suspend YCIT’s registration and to propose to revoke its registration as a private career college under the Act, pursuant to subs.20(1) and clause 19(1)(b) of the *Private Career Colleges Act, 2005, respectively.***

In correspondence from the Superintendent over the last few months, it has been brought to your attention that YCIT’s current and past conduct, and the current and past conduct of its officers and senior management, have not met the legal obligations required of all private career colleges under the *Act*. The grounds for my belief that the operation of YCIT will not be carried on in accordance with law and with integrity and honesty and that, in carrying on these activities YCIT will continue to contravene the *Act* and the regulations made thereunder, are set out in Schedule A. The reasons in support of the immediate suspension are also contained in Schedule A.

As a result of my decision, and effective immediately, YCIT:

- **Is prohibited from enrolling any new students in programs that require registration under the PCCA, 2005;**
- **Is prohibited from advertising that it is offering approved programs; and**
- **Must surrender its certificate of registration to the Superintendent.**

In addition, **AZTECH D.I. LTD. O/A York College of Industry and Technology** is required to inform the Superintendent of the following, in writing, by **August 10, 2007**, by an authorized officer or other official of the school:

- a) confirmation that the school is no longer in operation or, if it is in operation, that it is not providing training which requires registration under the PCCA, 2005;
- b) confirmation that students will receive all supplies, transcripts and diplomas that may be owing to them pursuant to their contract(s) with the school and confirmation of the time period when this will occur;
- c) confirmation that the school does not hold, directly or indirectly, any monies owing to students with contracts with the school; and
- d) of the names and addresses of all of YCIT's current students, together with copies of all student contracts, attendance records, and proofs of payment on account of tuition and related supplies.

The original and all copies of YCIT's registration certificate should accompany its response. In this regard, our records show that the school's approved programs are:

Advanced Information Technology Diploma
Business Administration Diploma
Business Administration Program
Business GIS Diploma
Clinical Research Associate
Computer Accounting Diploma
Computer Graphics/ Web Design Diploma
Data Mining & Marketing Diploma
Database Administration Diploma
Database Developer/ Administrator Diploma
Diagnostic Cardiac Sonography
Diagnostic Vascular Sonographer
Digital Media Production Management Diploma
Executive Assistant/ Office Administrator Certificate
Financial Planning/ Investment Services Diploma
Geographic Information Systems Diploma

Immigration Consultant Diploma
Information Technology Program
Legal Assistant/ Paralegal Diploma
Net Programming Diploma
Network Administrator/ Webmaster Diploma
Programming
System Engineer Diploma
Teaching English as a Second Language

Please note that failure to comply with any of the above requirements will place the school in violation of the Act and subject to prosecution under section 48 of the Act.

Please be advised that the status of **AZTECH D.I. LTD. O/A York College of Industry and Technology** will be changed immediately on the website of the Private Institutions Branch, as well as any other relevant information sources, to reflect the change in status. As a result, **AZTECH D.I. LTD. O/A York College of Industry and Technology** will be removed from the on-line listing of the registered career colleges; the college will also be denied access to re-registration function in the on-line RICC system.

The current legislation applicable to the Superintendent's decision is the *Private Career Colleges Act, 2005* and Ontario Regulation 415/06 made thereunder. The legislation and regulation is available on the government's e-laws website at www.e-laws.gov.on.ca.

Sections of the previous statute, the *Private Career Colleges Act* and the Regulation thereunder, R.R.O. 1990, Reg.939, which were in force until September 18, 2006, may also be applicable to portions of the Superintendent's decision. This legislation and regulation can also be found at the e-laws website, under the heading "Repealed, Revoked and Spent Law."

In the event that you are unable to access any relevant information on e-laws, please contact Margot Devlin to request that copies of the relevant legislation be sent to you.

If YCIT disagrees with the Superintendent's decision to immediately suspend its registration and/or revoke its registration, it is entitled to appeal pursuant to subsections 20(3) and 19(3) of the Act. Information on the appeals process is set out in Schedule B attached. Letters to the Superintendent are to be sent by registered mail or courier to the address set out above.

Should you have any questions regarding this matter, please contact Margot Devlin at 416-314-0497.

Sincerely,

ORIGINAL SIGNED BY

Richard Jackson
Superintendent
Private Career Colleges

Attachments:

Schedule A – Decision for Immediate Suspension and Revocation of Registration of Aztech D.I. Ltd. operating as YCIT Technology College of Canada

Schedule B – Entitlement to Hearing by Licence Appeal Tribunal

SCHEDULE "A"

DECISION TO IMMEDIATELY SUSPEND THE REGISTRATION OF AZTECH D.I. LTD. O/A York College of Industry and Technology ("YCIT") As A Private Career College Under The *Private Career Colleges Act, 2005* and To Revoke its Registration Under The *Private Career Colleges Act,* 2005

FACTS IN SUPPORT OF DECISION TO REVOKE REGISTRATION

In my opinion, the following facts support my decision to revoke YCIT's registration.

No Reasonable Expectation of Financial Responsibility

1. On or about July 4, 2007, a number of students contacted the Superintendent's office to advise that YCIT had been closed. Ministry staff visited YCIT's premises on July 4, 2007, and observed that it was closed, that all signage relating to it had been removed, and that there was a "for lease" sign posted. YCIT left no information indicating a new address, and subsequent telephone calls and emails to YCIT by Ministry staff have not been answered. To date, the Superintendent is unaware of YCIT's whereabouts.
2. On June 1, 2007, YCIT filed a Proposal to their creditors pursuant to the *Bankruptcy and Insolvency Act*. In the Statement of Affairs, the Trustee in Bankruptcy estimated the secured claims at about \$120,000; unsecured claims (which would include the students) are estimated at about \$692,000; and contingent claims are estimated at about \$111,000, for a total approximately \$923,000. The value of the assets of YCIT as set out in the Proposal amount to \$40,000. Pursuant to YCIT's proposal, unsecured creditors would be paid thirty (30) cents on the dollar, over a three year period commencing in June of 2008. This proposal has not yet been accepted by creditors or approved by the court, and may be amended. The next creditors' meeting is to occur in August, 2007.
3. Over the past several months, YCIT has failed to pay refunds to students who have either withdrawn from it or who were unable to attend as a result of being refused student visas. On June 26, 2007, the Superintendent had delivered to YCIT a Compliance Order requiring it, among other things, to pay refunds to 15 students by July 6, 2007. YCIT has failed to comply with, or even respond to, the Compliance Order. Since issuing the Compliance Order, further requests from students for refunds have been received by the Superintendent.

4. The bond posted by YCIT with the Superintendent is in the amount of \$70,000. The outstanding student refunds significantly exceed this amount. The enrolment of additional students may not only place their funds at risk, but also erodes the financial protection provided by the bond for students currently owed funds by, or enrolled with, YCIT.
5. Due to an increased number of student complaints involving refunds from YCIT (including those made by international students) and the information which the Superintendent had concerning YCIT's Proposal under the *Bankruptcy and Insolvency Act*, the Superintendent concluded that international students or prospective international students were at risk of not receiving fee refunds from YCIT as required under the *Act* and the Regulation. Accordingly, on June 26, 2007, the Superintendent had delivered to YCIT a Compliance Order requiring it, among other things, to establish a trust account to hold fees paid by or on behalf of international students. YCIT was to establish a trust account for this purpose by July 6, 2007. YCIT has failed to comply with, or even respond to, the Compliance Order.

Reasonable Belief that YCIT is not Carrying on Business in Accordance with Law, Integrity and Honesty

6. YCIT misled students enrolled in its Diagnostic Cardiac Sonography program in the following ways:
 - Based on the program submissions made by YCIT, which the Superintendent approved, the maximum class size for its Diagnostic Cardiac Sonography program was to be twenty (20) students. However, the class list provided by YCIT for this program showed twenty-three (23) students in the program.
 - This program, as approved by the Superintendent, has a duration of 50 weeks which includes a 6 month practicum. A number of students completed the theory portion of the program in July of 2006, but are still waiting a year later to be placed in a practicum by YCIT. YCIT has advised the Superintendent that, of the twenty-three (23) students, only eight (8) have received placements for their practicum.
 - YCIT advertised in its website that the students of this program would be eligible to write the American Registry for Diagnostic Medical Sonography examination. However, the pre-requisites for writing this examination include twelve (12) months of full-time practical work. Since the duration of the practicum offered by YCIT is only six (6) months, the students are not eligible to write this examination.

- YCIT has advised the Ministry that it informed its students at an orientation meeting in January of 2006 that the practicum might not occur immediately after the “didactic portion” of the program. This information was not provided to the students, some of whom were international students, in writing prior to their enrolment so that they could make an informed decision.
7. In the context of YCIT’s Proposal under the *Bankruptcy and Insolvency Act*, the Report to Creditors contained the following information:

The Company’s insolvency resulting [sic] was from three distinct factors:

- A recent change in government legislation governing the private education system and enrolment of foreign students which now requires that requests for tuition refunds to be paid directly to foreign students. Previously, foreign students requesting transfers to another educational institution would make an application through the Ontario Ministry of Education. As part of the process, the former education institution would transfer any unused tuition amounts directly to the new education institution.
- The failure of a new partnership with Universities located in Mexico and Costa Rica...
- The move to a new and substantially more expensive facility.

In the Proposal, it was indicated that YCIT would “build on its ability to deliver high-quality distance education programs.”

The Superintendent makes the following observations regarding the information provided in YCIT’s Proposal, which appears to be misleading:

- In fact, apart from the Superintendent’s ability to require a private career college to establish a trust fund in which to hold funds from international students (which the Superintendent ordered *after* YCIT made its Proposal), there have been no changes to the requirements regarding refunds to international students. In other words, under both the the current and predecessor legislation, refunds were to be made directly to students (whether international or domestic) within thirty (30) days of notice of their withdrawal.
- YCIT has not obtained approval under the *Private Career Colleges Act, 2005* or the predecessor legislation to deliver distance education programs.
- As indicated above, the Superintendent is unaware of any new location for YCIT (as are its students), and its premises at 519 Jarvis St. are presently closed. Under the *Private Career Colleges Act, 2005*, a private career college is required to notify the Superintendent of any proposed change of address at least ten (10)

days prior to the change occurring. The change occurred on or about July 4, 2007, and as of the date of writing, July 26, 2007, no notice has been received.

Reasonable Belief that YCIT will not be operated in compliance with the Act and the Regulations

8. The way that YCIT has handled the provision of the practicum component of its Diagnostic Cardiac Sonography program has raised a number of issues under the governing legislation. Subsection 23 (6) of the *Act* provides that a private career college shall not make a “substantial change” to a vocational program that has been approved by the Superintendent without the Superintendent’s further approval of the change (a similar provision was found in ss.8(2) of R.R.O. 1990, Reg. 939, made under the previous *Private Career Colleges Act*). “Substantial change” is defined in paragraph 4 of ss.13(1) of the Regulation to include the “introduction or deletion of a practicum.” By failing to provide for a practicum for some of the students enrolled in its Diagnostic Cardiac Sonography program, YCIT has failed to comply with ss.23(6) of the *Act* (or ss.8(2) of the previous regulation).

Moreover, in the Superintendent’s Compliance Order dated June 26, 2007, she required YCIT to arrange practicum placements for those YCIT students who had not sought a refund but remained enrolled in the Diagnostic Cardiac Sonography program. YCIT was to provide copies of the applicable placement host agreements by July 6, 2006; YCIT failed to provide this information. In fact, YCIT failed to respond to the Compliance Order in any way.

9. “Substantial change” is also defined in paragraphs 2 and 8 of ss.13(1) of the Regulation to include a “change in the duration of the program” and a “reduction or loss of equipment, facilities and learning resources,” respectively. As such, YCIT also contravened ss.23(6) of the *Act* when it failed to provide students in its Diagnostic Cardiac Sonography program with a practicum in a timely fashion (that is, within the 50 week approved duration of the course), and also when it closed its premises to the students.
10. In addition, the Superintendent has learned that YCIT is offering distance education programs on the internet. Subsection 23(1) of the Act requires that vocational programs only be provided by private career colleges after such programs have been approved by the Superintendent. No distance education programs have been approved by the Superintendent for YCIT. This issue has been specifically raised in correspondence from the Superintendent to YCIT dated November 30, 2006.

Subsection 13(1), paragraph 3 of the Regulation also defines “substantial change” to include a change in the mode of delivery of a vocational program. The Superintendent has learned that YCIT is offering at least one of its vocational programs over the internet, although approval was not sought or granted for this mode of delivery.

11. Pursuant to s.38 of the *Act*, the Superintendent may make inquiries into the affairs of a registrant to ensure that the registrant is complying with the requirements of the *Act*, and the Regulations. In the Superintendent’s Compliance Order dated June 26, 2007, and in previous correspondence, she sought copies of the placement host agreements relating to the practicum components for YCIT’s Diagnostic Cardiac Sonography program. YCIT failed to provide this information. This failure is a breach of ss.38(6) of the *Act* which requires a person to answer questions and produce records or documents required by the Superintendent.
12. Subsection 6(1) of the Regulation provides that a private career college that has been advised in writing by the Superintendent to do so shall establish a trust account to hold fees paid by or on behalf of international students. On June 26, 2007, the Superintendent advised YCIT of her concern that international students and prospective international students may be at risk of not receiving required fee refunds from YCIT, and ordered it to establish a trust account for this purpose by July 6, 2007. YCIT failed to establish the trust account or to respond to the Superintendent’s Compliance Order in any way.
13. Paragraph 2 of ss.16(1) of the Regulation provides that a private career college shall ensure that its advertisement does not contain a statement that misleads or is likely to mislead the public. In addition, ss.18 (1) of the Regulation states that no person, operator, officer, director, employee or agent acting on behalf of a private career college shall make a false or misleading statement, written or oral, or any statement described in paragraph 2 of ss.16(1) for the purpose of inducing a student or prospective student to enrol in a program or to enter into a contract with a private career college. It is the position of the Superintendent that by advertising that students of the Diagnostic Cardiac Sonography program would participate in a practicum and would be eligible to write the American Registry for Diagnostic Medical Sonography examination, YCIT not only violated ss.16(1) of the Regulation, but also committed a fundamental breach of its contracts with the students, rendering such contracts void pursuant to ss.18(2).
14. YCIT has failed to comply with the refund provisions contained in ss. 25, 26, 27, and 32 of the Regulation by failing to provide the refunds required by the Superintendent in her Compliance Order dated June 26, 2007, and

requested in other correspondence, and by failing to provide the refunds requested in writing by a number of students.

15. YCIT has also failed to provide students with copies of their transcripts. Copies of transcripts were requested of YCIT by the students and also by the Superintendent, most recently in the Compliance Order dated June 26, 2007. In that Order, the Superintendent required that she be provided with, among other things, copies of the transcripts for the two students in question by July 6, 2007. YCIT has failed to comply with, or even respond to, the Compliance Order. In failing to provide the transcripts, YCIT has contravened s.30 of the *Act* (and ss.29(3) of R.R.O 1990, Reg.939, made under the previous *Private Career Colleges Act*).
16. Contracts signed by YCIT with at least two students on or after September 18, 2006 did not comply with the requirements of section 20 of the Regulation, which came into effect on that date. More particularly, these contracts did not comply with subsection 20(1), paragraphs (3) to (10), (12), (14), and (15). When a contract does not contain any of the required terms under section 20 of the Regulation, that contract is voidable at the option of the student, pursuant to section 22 of the Regulation.
17. More generally, as has been indicated a number of times above, YCIT has failed to comply with any of the requirements set out in the Superintendent's Compliance Order dated June 26, 2007, which was issued by the Superintendent pursuant to s.46 of the *Act*. Under s.48 of the *Act*, it is an offence to fail to "comply with any order, direction or other requirement made under this Act." Based on YCIT's refusal to comply with, or even acknowledge, the Superintendent's Compliance Order, it is reasonable to believe that YCIT will not be operated in compliance with the *Act* and the Regulations.

FACTS IN SUPPORT OF DECISION TO IMMEDIATELY SUSPEND REGISTRATION

In my opinion, the following facts support my decision that the immediate suspension of YCIT's registration is needed in order to protect the interests of the students or prospective students of YCIT, and also to prevent contraventions of the legislation.

1. Although YCIT's premises at 519 Jarvis St. have been closed on or about July 4, 2007, its website remains operational. As a result, the Superintendent is concerned that the recruitment of students or prospective students by YCIT is continuing. YCIT has not responded to emails or telephone calls from Ministry staff since the closure of the 519 Jarvis St. premises. Therefore, the Superintendent is unable to verify YCIT's intentions as to any continued operations.

2. In fact, the Superintendent recently learned that, although it has no approval to do so, YCIT is offering at least one distance education program on the internet. It appears that this unapproved program is currently ongoing despite the closure of YCIT's physical premises. This is in direct conflict with the Superintendent's previous letter to YCIT dated November 30, 2006, which provided:

If York College of Industry and Technology would like to offer any of its 'full time' programs as distance learning, then a complete program submission would be required that identifies the program as 'distance learning'. The application must include all applicable appendices and the \$480.00 fee.

3. Over the past several months, YCIT has failed to pay required refunds to students who have either withdrawn from it or who were unable to attend as a result of being refused student visas. On June 26, 2007, the Superintendent had delivered a Compliance Order requiring YCIT, among other things, to pay refunds to 15 students by July 6, 2007. YCIT has failed to comply with, or even respond to, the Compliance Order. In the meantime, however, further requests from students of YCIT for refunds have been received by the Superintendent.
4. The Superintendent's Compliance Order dated June 26, 2007, also required YCIT to establish a trust account to hold fees paid by or on behalf of international students. The Superintendent imposed this requirement based on information received by her which raised concerns over YCIT's financial viability, and also based on an increased number of student complaints involving refunds from YCIT (including from international students). YCIT has not established a trust account or responded to the Order in any way. Therefore, the Superintendent's concerns in this regard remain unaddressed.
5. The bond posted by YCIT with the Superintendent is in the amount of \$70,000. The outstanding student tuition refunds significantly exceed this amount. The enrolment of additional students may not only place their funds at risk, but also erodes the financial protection provided by the bond for students who are currently owed funds by, or are enrolled with, YCIT.