

Ministry of Training
Colleges and Universities
Student Support Branch
900 Bay Street
10th Floor, Mowat Block
Toronto ON M7A 1L2
Tel (416) 314-0500
Fax (416) 314-0499

Ministère de la Formation
et des Collèges et Universités
Direction du Soutien aux Etudiants
900, rue Bay
10^e étage, édifice Mowat
Toronto ON M7A 1L2
Tél (416) 314-0500
Télééc (416) 314-0499



SENT BY REGISTERED MAIL

November 5, 2007

Mr. Hoi Ming Chan
Cambridge Institute of Science and Technology Inc., o/a Cambridge Institute of Science
and Technology
501 Alliance Avenue
3rd Floor
Toronto, Ontario M6N 2J1

Dear Mr. Hoi Ming Chan:

**Restraining and Compliance Order – Section 46 of the Private Career Colleges Act,
2005 and Superintendent’s Notice of a Change to the Conditions of Registration –
Section 15 of the Private Career Colleges Act, 2005**

I am advised that Cambridge Institute of Science and Technology Inc., o/a Cambridge
Institute of Science and Technology (“Cambridge”) is not operating in compliance with
the Private Career Colleges Act, 2005 (the “PCCA, 2005”) and the regulations made
thereunder.

**This letter is an order restraining Cambridge from continued contravention of the
PCCA, 2005, and requiring Cambridge to comply with the PCCA, 2005. This order
is effective immediately. This order is made under section 46 of the PCCA, 2005.
As a result of the serious nature of the contraventions of the PCCA, 2005 and in
order to protect the financial interests of potential students of Cambridge I have
added a condition of registration to Cambridge’s registration under the Act
pursuant to my authority under Section 15 of the PCCA, 2005.**

You may obtain a copy of the legislation referenced in this order on the e-laws website at
www.e-laws.gov.on.ca. If you require a hard copy of the legislation, please contact
Cambridge's Program Consultant, Brian Duce at 416-314-6801 or by email at
brian.duce@ontario.ca.

PARTICULARS OF CONTRAVENTION/FAILURE TO COMPLY WITH PCCA, 2005

Cambridge's website was reviewed on November 7, 2006, February 6, 2007, June 18, 2007, and September 28, 2007. Cambridge's advertising as published in brochures obtained from the college and in the Sing Tao newspaper dated December 1, 2006 and in the American Life News dated December 29, 2006 was also reviewed. Finally, Cambridge's premises and files were inspected on December 7, 2006 and on October 1, 2007. Contraventions of the PCCA, 2005 were discovered at each instance.

- 1. Cambridge has delivered instruction in vocational programs that have not been approved by the Superintendent, contrary to subsections 8 (1) and 23 (1) of the PCCA, 2005. Cambridge has also charged and collected fees for vocational programs that have not been approved by the Superintendent, contrary to subsection 9 (1) of the PCCA, 2005 and terms of registration under the Private Career Colleges Act, R.R.O. 1990, and Ontario Regulation 939 made thereunder.**

Cambridge is currently approved to deliver the following programs:

- a. Business Administration
- b. E-Commerce Web Development
- c. Diploma in International Business Administration
- d. Personal Support Worker
- e. Diploma In Business Information Technology
- f. Diploma in Accounting
- g. Diploma in Fine Arts
- h. Diploma in Performing Arts Administration
- i. Hospitality and Tourism Management
- j. Diploma in Film Production

Student files retrieved from Cambridge during the inspection on December 7, 2006 contained student contracts, applications, offers of admission, letters of acceptance, and invoices admitting students into the following unapproved programs:

- Bachelor of Hospitality and Tourism Management Program
- Bachelor of Business Administration Program
- Bachelor of Management Program
- Master of Business Administration Degree Program
- Pre-MBA Program
- Executive Fellow of Business Administration

Advertisements by Cambridge in the Sing Tao newspaper dated December 1, 2006 and in the American Life News newspaper dated December 29, 2006 indicated that Cambridge was also delivering the following unapproved programs:

- a. MBA Degree Program
- b. BBA Degree Program
- c. BTech Degree Program

Information posted on Cambridge's website on February 6, 2007 and on June 18, 2007 indicated that Cambridge was also delivering the following unapproved programs:

- d. Bachelor of Management Degree Program
- e. Masters of Business Administration Degree Program

This order requires Cambridge to immediately stop delivering these programs.

2. Cambridge's advertisements and advertising records do not comply with the standards prescribed under section 33 of the PCCA, 2005.

The inspections on December 7, 2006 and on October 1, 2007 revealed that advertising records are not maintained at Cambridge, contrary to section 17 of O. Reg. 415/06.

Cambridge has advertised unapproved vocational programs, contrary to subsection 11 (2) of the PCCA, 2005. Advertisements in the Sing Tao newspaper on December 1, 2006 and in the American Life News newspaper on December 29, 2006 advertised an MBA Degree Program, BBA Degree Program and a BTech Degree Program and Cambridge's website as viewed on February 6, 2007 and on June 18, 2007 advertised a Bachelor of Management Degree Program and a Masters of Business Administration Program.

Cambridge's advertisements are published in Chinese. No translation of the text into English or French has been prepared by an appropriate translator, contrary to paragraph 3 of subsection 17 (1) of O. Reg. 415/06.

Cambridge's advertisements in the Sing Tao newspaper dated December 1, 2006 and in the American Life News newspaper dated December 29, 2006 and Cambridge's website as viewed on February 6, 2007 and on June 18, 2007 contain statements that misrepresent Cambridge's arrangements with degree granting institutions in and out of Ontario and that mislead potential students and the public, contrary to subsection 18 (2) of O. Reg. 415/06. The Sing Tao advertisement also guarantees international students a study permit and a Degree credential in 12 months, contrary to paragraph 2 of subsection 16 (1) of O. Reg. 415/06.

Cambridge's website continues to advertise the acceptance of United States Dollars for the payment of fees, contrary to subsection 44 (6) of O. Reg. 415/06.

Cambridge's website advertising does not use the wording required by law when referring to Cambridge's registration and program approval under the PCCA, 2005, contrary to paragraph 3 and 4 of subsection 16 (1) of O. Reg. 415/06.

Cambridge's website advertises program fees other than those approved by the Superintendent, contrary to subsection 23 (2) of the PCCA, 2005 and subsection 43 (1) of O. Reg. 415/06.

This order requires Cambridge to immediately remedy these contraventions of the advertising provisions of the PCCA, 2005.

3. Cambridge has generally failed to properly administer its business records and the business as a whole as required by the PCCA, 2005, as revealed by the inspection of its records on December 7, 2007.

Student contracts entered into following September 18, 2006 do not contain the required terms pursuant to subsection 20 (1) of O. Reg. 415/06.

Student contracts are not signed, contrary to O. Reg. 415/06, subsection 45 (1), paragraph 3.

Students have entered into contracts for unapproved vocational programs, contrary to subsections 8 (1) and 23 (1) of the PCCA, 2005.

Students have entered into contracts requiring payment of fees other than those approved by the Superintendent, contrary to subsection 8 (2) of O. Reg. 939 and subsection 43 (1) of O. Reg. 415/06.

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 they missing the start and completion dates of the program in contravention of subsection 18 (1) of O. Reg. 939.

Cambridge's instructor files do not contain an Instructor Qualification Form and the other supporting documentation required for each instructor employed by the college, contrary to section 42 of O. Reg. 415/06.

Instructor files do not contain a Personal Data Form and supporting documentation required for each instructor employed by the college pursuant to subsection 5 (1) of O. Reg. 939.

Cambridge is delivering vocational training in hospitality and tourism management without having qualified instructors on staff in contravention of section 41 of O. Reg. 415/06.

One student file did not contain a contract at all, contrary to sections 23 and 45 of O. Reg. 415/06. Therefore, the Inspector was unable to determine whether or not any contract

was entered into with the student, and whether any contract was in writing as required by subsection 28 (1) of the PCCA, 2005.

This order requires Cambridge to immediately remedy these contraventions of the various provisions of the PCCA, 2005, as set out above.

4. The subsequent inspection of Cambridge on October 1, 2007 revealed that Cambridge continues to fail to properly administer its business records and the business as a whole as required by the PCCA, 2005.

The integrity of Cambridge's student files is questionable. Attempts by the Inspector to review the student files reviewed and copied during the inspection on December 7, 2006 revealed that documents and complete student files were unaccounted for. Failure to maintain student files with the required documentation and maintain this information for 3 years contravenes section 45 of O. Reg. 415/06. Additionally, pursuant to section 23 of O. Reg. 415/06, a private career college that enters into a contract for the provision of a vocational program must retain a copy of the contract for at least three years after the date the student ceases to be a student at the private career college. Mr. Liu was not able to provide the Inspector with a satisfactory explanation as to what had happened to the missing documents and missing student files as outlined below and speaks to the integrity and honesty as required by clause 14 (1) (e) of the PCCA, 2005.

- One of the missing student files contained a student contract enrolling the student into the Fine Arts Program at Cambridge commencing in September, 2006 and ending in September, 2009. The file had contained an official receipt from Cambridge confirming the student had paid 9,500 in United States Dollars. Mr. Liu indicated to the Inspector that the student had withdrawn from the program, but was unable to provide any documentation to support this claim, contrary to paragraph 45 (1) (5) of O. Reg. 415/06.
- Another missing student file contained an Offer of Admission and three Letters of Acceptance confirming enrolment into a business administration program, delivered jointly by Cambridge and Cape Breton University ("CBU"). The first two years of the program was delivered by Cambridge and the second two years was delivered by CBU. The program purportedly led to a Degree. The file did not contain a student contract. Therefore, the Inspector was unable to determine whether or not any contract was entered into with the student, and whether any contract was in writing. Mr. Liu indicated that the student had been expelled from the program because he had never paid tuition. The file retrieved from the inspection on December 7, 2006 contained an official receipt for the payment of program fees from Cambridge confirming that the student had paid 17,550 in United States Dollars on May 19, 2005. Mr. Liu could not explain this discrepancy nor could he provide any documentation to the Inspector to support this claim.

- Another missing student file contained a vocational program student contract enrolling the student into a Pre-MBA program at Cambridge, commencing in September, 2006 and ending in August, 2007. Mr. Liu looked through the Inspector's copy of the file retrieved during the inspection on December 7, 2006 and he indicated that the student was now studying at CBU. Mr. Liu indicated that he did not know where this student's file is.
- A student file that was reviewed and copied during the December 7, 2006 inspection contained a vocational program contract enrolling the student into an unapproved Bachelor of Hospitality and Tourism Management Program at Cambridge and official receipts issued by Cambridge for the payment of program fees in the amount of 8,500 in United States Dollars, contrary to subsections 8 (1) and 23 (1) and 9 (1) of the PCCA, 2005, respectively. A review of this student's file on October 1, 2007 revealed that documents were missing from the student's file, including the student contract. Mr. Liu indicated that the student had withdrawn from the program and returned to Korea eight months ago. The file did not contain any documentation to support Mr. Liu's claim nor could Mr. Liu provide the withdrawal documentation upon demand of the Inspector, in contravention of subsection 45 (1), paragraph (5) of O. Reg. 415/06.

Twenty-one active student files were reviewed during the inspection on October 1, 2007. Deficiencies in content resulting in a contravention of subsection 45 (1) of O. Reg. 415/06 were observed in all twenty-one student files reviewed. In addition, current student files did not contain attendance records. Although not explicitly stated within the legislation, attendance records are required to be maintained by the private career college in order to measure compliance with various provisions of the PCCA, 2005.

- Student contact information required under paragraph 45 (1) (1) of O. Reg. 415/06, such as, the student's residential address while enrolled, permanent address, phone numbers at the residential and the permanent address, cell phone numbers and e-mail addresses were missing from the vocational student contract and the student files.
- A record of the results of any academic evaluations of the student by the college were not contained in the student files, contrary to paragraph 45 (1) (2) of O. Reg. 415/06.
- The student contracts contained in the student files are missing either the student's or the college administration's signatures, contrary to paragraph 45 (1) (3) of O. Reg. 415/06.
- Student files where the student has withdrawn from the program do not contain copies of the withdrawal or expulsion letter, any refund calculation and a copy of any refund cheque, contrary to paragraph 45 (1) (5) of O. Reg. 415/06.

The student files also revealed that only one student has ever withdrawn from a program at Cambridge despite Mr. Liu's statements to the contrary.

Charging Fees

The student files revealed that Cambridge is charging and collecting fees in excess of the allowable maximum of \$500 or 20% of the total fees payable with respect to the program, whichever is less, for processing an application or conducting admission tests or assessments before entering into a written contract for the provision of a vocational program, contrary to subsections 44 (2) and 44 (3) of O. Reg. 415/06. The student files also revealed that Cambridge is charging and collecting fees from international students prior to entering into a contract for the provision of the program, contrary to subsection 44 (4) of O. Reg. 415/06.

Vocational Student Contracts

Although the vocational student contract on file contained the terms required under subsection 20 (1) of O. Reg. 415/06, other information was not completed on the contract and this failure was in contravention of the PCCA, 2005. In fact, one student contract did not even contain the student's name. The following contract deficiencies were noted in the active student files reviewed.

- The student's address and telephone number and his or her e-mail address was not filled out on the contract. The majority of student files reviewed contained the address for Cambridge rather than the addresses for the student. The start and expected completion date for the program was not filled out on the contract.
- The language of instruction for the program was not filled out on the contract.
- The total program fees and a completed payment schedule indicating the time and amount of each payment was not filled out on the contract.
- The student had not acknowledged receipt of a copy of the Statement of Student Rights and Responsibilities, the college's student complaint procedure, the college's student expulsion policy and a college document entitled, International Student Fee Schedule.

Collection of Fees

The student files revealed that Cambridge continues to charge and collect fees in relation to vocational programs in United States Dollars in contravention of subsection 44 (6) of O. Reg. 415/06.

Instructors

Cambridge is delivering vocational training in hospitality and tourism management without having qualified instructors on staff in contravention of section 41 of O. Reg. 415/06. During the inspection on December 6, 2007 the Inspector provided Cambridge, through Mr. Liu, with clear direction to immediately cease enrolling students and

providing instruction in the Hospitality and Tourism Management Program until such time as a qualified instructor was on staff at the college. Despite this direction, Cambridge has continued to enrol students and deliver vocational training without having a qualified instructor on staff in contravention of the Act. Mr. Liu advised the Inspector during the inspection on October 1, 2007 that an employee of Cambridge, Ms. [REDACTED] satisfied the instructor provisions of the Act because she has previously taught at another private career college that provided vocational training in travel and tourism. The Inspector's review of Ms. [REDACTED] file during both inspections revealed that she had taught English at this college. Ms. [REDACTED] credentials do not satisfy the qualifications of instructional staff provisions of the Act under section 41 of O. Reg. 415/06.

This order requires Cambridge to immediately remedy these contraventions of the various provisions of the PCCA, 2005, as set out above.

5. Cambridge is not operating in accordance with all other provincial and federal laws that apply to its operation 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, Cambridge has contravened the Postsecondary Education Choice and Excellence Act, 2000 ("PSECEA").

Documents contained in the student files and copied during the December 7, 2006 inspection are missing from the current student files. The files contained a copy of the student's Offer of Admission and Letter of Acceptance. These documents revealed that Cambridge is undertaking or participating in unauthorized direct and indirect activities associated with providing a program or part of a program of post-secondary study leading to a degree.

I have reviewed Mr. Hicks' letter to you dated June 21, 2007, a copy of which is attached to this letter. The facts set out in Mr. Hicks' letter raise serious issues under the PCCA, 2005. Cambridge has conducted activities that, pursuant to the PSECEA, require either legislative authority or the consent of the Minister of Training, Colleges and Universities.

I have also reviewed your letter dated June 26, 2007 to Virginia Hatchette in response to Mr. Hicks' letter. Even if you have ceased holding out the affected programs as leading to a degree, if you continue to offer the programs in some form, vocational programs must be approved by the Superintendent.

The Inspector requested to see a copy of documents during the inspection on October 1, 2007 for the 21 active students of Cambridge in order to ensure compliance with the PSECEA, but Mr. Liu indicated that the college only maintains documents in the student files that are required under the PCCA, 2005. Furthermore, Mr. Liu claims that the Cambridge does not maintain a copy of these documents, electronically or otherwise.

The continued registration of Cambridge under the PCCA, 2005 requires you as an officer of the corporation to operate the college in accordance with all provincial and

federal laws that apply to its operations with integrity and honesty pursuant to clause 14 (1) (e). In this case, the law in question is the PSECEA in addition to the PCCA, 2005.

This order requires Cambridge to operate in accordance with the PSECEA.

STEPS YOU MUST TAKE TO COMPLY WITH THIS ORDER

Cambridge will deliver to me by registered mail or courier no later than **Thursday November 22, 2007** a written confirmation signed by an authorized officer or other official of Cambridge confirming the following:

1. that Cambridge 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;
2. that Cambridge 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 Cambridge has ceased advertising that it accepts currencies other than Canadian dollars for payment of vocational program fees;
4. that Cambridge has ceased charging and collecting fees in excess of the allowable maximum of \$500 or 20% of the total fees payable with respect to a vocational program, whichever is less and that the fees collected are for processing an application or conducting admission tests or assessments before entering into a contract for the provision of a vocational program;
5. that Cambridge has ceased charging and collecting fees from international students prior to entering into a contract for the provision of a vocational program;
6. that Cambridge is maintaining a copy of the required material related to each advertisement specified in section 17 of O. Reg. 415/06;
7. that each contract entered into by Cambridge and a student for the provision of a vocational program is in writing pursuant to section 20 of the PCCA, 2005;
8. that each student contract includes the mandatory requirements specified in section 20 of O. Reg. 415/06;
9. that Cambridge has ceased delivering vocational training in the Hospitality and Tourism Management Program;
10. that Cambridge has provided full program fee refunds to all students presently enrolled in the Hospitality and Tourism Management Program;
11. that Cambridge has ceased accepting or collecting vocational program fees in currencies other than Canadian dollars;
12. that each student file contains the information and documents prescribed under section 45 of O. Reg. 415/06;

13. and that Cambridge is maintaining a completed 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;

Cambridge will deliver to me by registered mail or courier no later than **Thursday November 22, 2007** the following documents:

1. a list of students presently enrolled in the Hospitality and Tourism Management Program with complete student contact information;
2. proof that a refund of all program fees have been issued to all students presently enrolled in the Hospitality and Tourism management Program;
3. and a copy of Cambridge's Accounting General Ledgers for the years, 2005, 2006 and 2007.

NOTICE OF A CHANGE TO THE CONDITIONS OF REGISTRATION

Due to the serious nature of the contraventions of the PCCA, 2005 as outlined in this order, reasonable grounds have been established for the belief that Cambridge has students and/or prospective international students who may be at risk of not receiving a fee refund as required under Part VII of O. Reg. 415/06. Due to the fact that the student body of Cambridge is comprised entirely of international students I have determined that it would be in the best interests of the public to impose additional conditions of registration on Cambridge under my authority as the Superintendent of Private Career Colleges pursuant to subsection 15 (2) of the PCCA, 2005. In order to protect the financial interests of international students and prospective international students Cambridge is required to immediately establish a trust account to hold fees paid by or on behalf of International students in respect of vocational programs pursuant to section 6 of O. Reg. 415/06.

Cambridge is required to establish a trust account with a bank or financial institution that is supervised or examined by the central bank of Canada or another governmental authority in Canada. This trust account shall hold all money received from its international students or prospective international students. Cambridge shall not disburse or withdraw any money in the fund until;

- the student commences the vocational program for which he or she has paid a fee;
- or a refund is required under Part VII of O. Reg. 415/06.

Information on the particulars of establishing this trust fund may be obtained from the college's Program Consultant, Brian Duce.

Cambridge will deliver to me by registered mail or courier no later than **Thursday**

November 22, 2007 the international student trust fund particulars.

CONCLUSION

It is my finding as the Superintendent of Private Career Colleges (PCC) that Cambridge's current and past conduct and the current and past conduct of its officers, directors and senior management is contrary to its legal obligations under the PCCA, 2005 and under predecessor legislation.

Such conduct places Cambridge's registration under the PCCA, 2005 in jeopardy.

Failure to comply with this order by Thursday November 22, 2007, may result in the immediate suspension and/or revocation of Cambridge's registration under subsection 20 (1) and/or under subsection 18 (2) of the PCCA, 2005, respectively.

Failure to comply with this order may also be found to be an offence under section 48 of the PCCA, 2005, and may lead to the prosecution of Cambridge, and any of its officers and directors who knowingly concurred in the commission of the offence.

Sincerely,

ORIGINAL SIGNED BY

Richard Jackson
Superintendent of Private Career Colleges

Attachments:

- Schedule A – Approved Vocational Programs
- Schedule B – Advertisement – Sing Tao Newspaper
- Schedule C – Advertisement – American Life News Newspaper
- Schedule D – Excerpts from Cambridge's Website
- Schedule E – Letter from Martin Hicks