

Ministry of Training,
Colleges and Universities
Private Career Colleges Branch
9th Floor, Mowat Block
900 Bay Street
Toronto ON M7A 1L2

Ministère de la Formation
et des Collèges et Universités
Direction des collèges
privés d'enseignement professionnel
9^e étage, édifice Mowat
900, rue Bay
Toronto ON M7A 1L2



SERVED BY FAX and COURIER

February 17, 2010

TAIE College of Arts, Science and Commerce Inc.
o/a TAIE College of Arts, Science and Commerce Inc.
296 Parliament Street
Toronto, ON
M5A3A4

Attention: Michael Wong, President

Dear Sir,

Re: **Notice of Refusal to Renew Registration under subsection 18 (2) of the Private Career Colleges Act, 2005**

Pursuant to clause 19(1)(a) of the *Private Career Colleges Act, 2005*, I hereby give notice in writing of the refusal to renew TAIE College of Arts, Science and Commerce Inc.'s registration as a private career college. As Superintendent of Private Career Colleges, I am refusing to renew registration under subsection 18(2) of *Private Career Colleges Act, 2005*.

DECISION – Refusal to Renew

I am writing to advise you of my decision pursuant to s.18(2) of the *Private Career Colleges Act, 2005* ("PCCA, 2005") to refuse to renew TAIE College of Arts, Science and Commerce Inc.'s registration as a private career college, due to TAIE's failure to meet the conditions of registration and to enrol students for more than two years. The facts supporting my decision are set out in Schedule A (attached), and are summarized below.

Criteria for grounds for proposal to refuse to renew registrant's registration

For the reasons set out below and detailed in Schedule A (attached), it has been determined that TAIE College of Arts, Science and Commerce Inc. ("TAIE"):

- has breached a condition of registration (clause 18(2)(b)) as TAIE can not be expected to be financially responsible in the operation of a private

career college as required by clause 14(1)(e) of the *Private Career Colleges Act, 2005*;

- has had no students enrolled in any vocational programs for at least two successive periods of the college's registration under this Act (clause 18(2)(d)).

If you disagree with the Superintendent's decision to refuse to renew the registration of TAIE, you are entitled to appeal pursuant to subss. 20(3) and 19(3) of the Act. Information on the appeals process is set out in Schedule B (attached).

Appeal Process

If you disagree with the Superintendent's decision to refuse to register, you are entitled to appeal pursuant to subss. 20(3) and 19(3) of the Act. Information on the appeals process is set out in Schedule B (attached).

Letters to the Superintendent must be sent by registered mail or courier to the address above.

Obtaining a Copy of the *PCCA, 2005*

The legislation applicable to this Order is the *Private Career Colleges Act, 2005* and Ontario Regulation 415/06 made thereunder. The legislation and regulation is available at www.e-laws.gov.on.ca.

In the event that you are unable to access any relevant information on e-laws, or if you have questions regarding this Order, you may contact Margot Devlin at 416-314-0500.

Sincerely,

Allan Scott
Superintendent
Private Career Colleges

Attachments:

- | | |
|------------|---|
| Schedule A | Reasons for Decision <ul style="list-style-type: none">▪ Legal Framework▪ Background▪ Legal and Operating Entities▪ Chronology of Events▪ Refusal to Renew Registration |
| Schedule B | Entitlement to Hearing by Licence Appeal Tribunal |

Schedule A – Reasons for Decision

Legal Framework

Registration

Subsection 14(1) of the Act provides that:

The Superintendent shall register an applicant to operate a private career college and shall renew an applicant's registration if the Superintendent is satisfied that,

- (a) it is in the public interest to grant the registration or to renew the registration;*
- (b) the applicant will operate the private career college in compliance with this Act and the regulations;*
- (c) the vocational programs that are provided, or are proposed to be provided, by the private career college meet, or are likely to meet, the requirements of this Act and the regulations;*
- (d) having regard to the applicant's financial position, the applicant can be expected to be financially responsible in the operation of the private career college;*
- (e) the past conduct of the applicant or, if the applicant is a corporation, of its officers and directors, provides grounds for the belief that the private career college will be operated in accordance with the law and with integrity and honesty; and*
- (f) the applicant is not carrying on activities that are, or will be, if the applicant is registered, in contravention of this Act or the regulations.*

S. 14(1) should be read in conjunction with s. 18(2) of the Act, which provides that:

Refusal to renew

S. 18 (2) of the Act provides that:

Subject to section 19, the Superintendent may refuse to renew a registration or may suspend or revoke a registration if,

- (a) the Superintendent believes that a requirement described in subsection 14 (1) is no longer met;*
- (b) the registrant has breached a condition of the registration;*
- (c) the registrant has failed to comply with a provision of this Act or the regulations;*
- (d) no students have enrolled in any vocational programs at the private career college for at least two successive periods of the college's registration under this Act; or*

(e) the registrant has failed to pay a penalty imposed by notice of contravention under section 39. 2005, c. 28, Sched. L, s. 18 (2).

Background

1. TAIE College of Arts, Science and Commerce Inc. first registered as a private career college with the Ministry in June 2005.
2. The only approved program is Business Administration.
3. TAIE has reported zero enrolment since their registration, more than 4 years ago.

Legal and Operating Names

TAIE College of Arts, Science and Commerce Inc. was registered as a corporation on June 22, 2001. Michael Wong is the President of record for the corporation. There is no other Business or Operating Name for this Corporation.

Chronology of Events

July 23, 2004	MTCU responds to initial application to operate a private career college with notice of deficiencies.
May 4, 2005	Documentation submitted including Pro Forma financial statement dated May 4, 2005 projected \$96,000 tuition fees which would be 10 students at \$9,600 tuition each. Application includes one program which is Business Administration. A Government of Canada Bond was posted in the amount of \$53,000 as their financial security.
June 28, 2005	Facility inspection dated June 28, 2005 – Arthur Wang was on site – Executive Vice Principal
June 30, 2005	TAIE registered as a private career college.
January 27, 2006	Order from Universities branch requiring TAIE to cease and desist advertising bachelor degree programs.
November 7, 2006	Advertising unapproved programs – Website advertised PST programs – Professional Skills Training programs are designed to, through both academic study and on the job practice, provide students professional knowledge in the areas of technology, hospitality management, computer science and other applied skills. Business Administration is TAIE’s only approved program.
November 27, 2006	Universities Branch confirmed that TAIE complied with their Order.
January 31, 2007	Inspection of TAIE – they confirmed zero enrolment. Inspection revealed unapproved programs – TESL, Hospitality Management, Computer Science.
March 13, 2007	Letter from TAIE stating that after they received letter from Universities branch requiring them to stop offering programs leading to degree, they decided to delay running the college. “That means we never ran this college.”

April 26, 2007	Email from TAIE to Ministry staff which stated: "You told me in early February when you came in for the inspection that if the PCC had not been in operation the school will be unregistered by the end of the second year. I'd like to confirm with you that how much time left for our school (TAIE College of Arts, Commerce and Science), which has not been run since it was approved by the Ministoty(sp)."
July 13, 2007	Enquiry by email from TAIE as to process for having a program approved.
February 26, 2008	Re-registration documentation received for 2007. Confirmation of zero enrolment
March 28, 2009	Financial statement received for fiscal years ended August 31, 2007 and August 31, 2006. Zero enrolment reported.
July 28, 2008	Received Application for Accounting Certificate program from TAIE.
January 28, 2009	Financial statement for year ended August 31, 2008. Zero enrolment reported.
April 9, 2009	Ministry staff emailed list of deficiencies found following review of Accounting Certificate program
May 31, 2009	Email from Ministry staff to TAIE indicating that second renewal package is incomplete.
June 1, 2009	Email from TAIE to Ministry staff stating that they will speak to accountant.
June 6, 2009	Status Incomplete: No response to email of April 9, 2009. Follow up send June 6, 2009. There was no response to this email.
July 9, 2009	Email from Ministry staff to TAIE indicating that second renewal package is incomplete.
July 9, 2009	Email from TAIE to Ministry staff stating that their accountant just faxed a letter to the Ministry requesting information.
July 10, 2009	Email from TAIE accountant indicating that fiscal year end was changing from August 31 to May 31 effective for the fiscal year end May 31, 2008. May 31, 2008 fiscal report was due November 2008.
August 4, 2009	Financial Statement received for fiscal years ended May 31, 2008 and May 31, 2007. Zero enrolment both fiscal years.
November 30, 2009	Ministry staff emailed TAIE and asked for a business plan which demonstrates that TAIE can be a profitable business.
December 7, 2009	TAIE emailed Ministry staff with response to business plan request.
December 21, 2009	Status Incomplete: Ministry staff received response to email of Accounting program deficiencies. The letter was dated September 16, 2009 but was received on December 21, 2009
February 2, 2010	Status Incomplete: TAIE submitted new program application – Live-In Caregiver.

Refusal to Renew Registration under s. 18 of the PCCA, 2005

TAIE College of Arts, Science and Commerce Inc. has:

- breached a condition of registration (clause 18(2)(a)). They can not be expected to be financially responsible in the operation of a private career college as required by clause 14(1)(e) of the *Private Career Colleges Act, 2005*;
- had no students enrolled in any vocational programs for at least two successive periods of the college's registration under this Act (clause 18(2)(d)).

Criteria for grounds for proposal to refuse to renew registration:

- **Clause 18(2)(a) - A requirement described in subsection 14(1) is not met:**

Private Career Colleges must be expected, in regard to their financial position, to be financially responsible in the operation of the private career college.

As there is no revenue from vocational programs, there is a net loss in each year reported, as expenses exceed revenue. TAIE has reported a net loss in its financial statements for the following fiscal periods:

	May 31, 2008	May 31, 2007	August 31, 2006
Interest Income	\$1,988	\$1,723	\$1,723
Expenses	\$11,508	\$4,510	\$5,858
Net Loss	-\$9,520	-\$2,787	-\$4,135
Assets (includes financial security bond of \$53,928)	\$61,393	\$63,024	\$64,679
Liabilities	\$84,475	\$78,978	\$77,676
Equity	\$-29,385	-\$18,671	-\$15,884

Assets include the financial security bond required to be filed at date of registration of the private career college; consequently assets for the college are nominal. Reported revenue is only the interest income on the financial security bond. There has been no tuition revenue.

Expenses and liabilities have increased on each of the financial statements. The information contained in the financial statements demonstrates TAIE's inability to be financially responsible in the operation of a private career college as required by clause 14(1)(e) of the *Private Career Colleges Act, 2005*.

On November 30, 2009, Ministry staff emailed TAIE and asked them to remit a business plan which would address the issue of financial viability.

In response to the request for the business plan, TAIE wrote to Ministry staff by letter dated December 3, 2009, and indicated that their Business Administration program had been designed to operate in coordination with Coker College, an American University. TAIE stated that “the program stopped right before we launched into operation due to the leading to degree problem.” (Ministry staff had written to TAIE in January 2006, ordering TAIE to cease and desist in offering degrees.)

In their December 3, 2009 letter, TAIE stated that they applied for another program – Accounting. This program was sent to the Ministry in late 2008 and they received the email of deficiencies in April 2009. TAIE stated that they took this opportunity to revise the program and in December 2009, they state that “now we’re almost ready to file the additional parts of the application package.” They remitted a revised Accounting program which was increased from 384 hours to 528 hours, which is an increase of almost 50%. An increase of more than 10% content is considered a new program application. TAIE made no response to either of Ministry staff’s emails in regard to the Accounting Certificate program until the email in November 2009 questioning their continued registration.

TAIE’s business plan of December 3, 2009, was based on the future Ministry approval of two new programs - the revised Accounting program and a new program, Live-In Caregiver which TAIE did not remit to the Ministry until February 2010. The programs have not been entered into the RICC system as required. The Live-in Caregiver program was incomplete and TAIE failed to use the requisite government forms in their hard copy submission.

The business plan is based on two new program submissions, neither of which is complete, neither of which has been entered into the Ministry’s registration system as required. As the business plan is based on two new programs and not on the currently approved program, there would be a delay in enrolment and revenue.

Ministry staff raised the issue zero enrolment in 2007. In response, in 2008, TAIE submitted a new program application for Accounting Certificate but did not respond to deficiencies identified in that program until the zero enrolment issue was raised again in 2009. Their response to the issue was to respond to deficiencies identified in the first program application and to submit another new program application for Live-In Caregiver.

The TAIE “business plan” does not appropriately address the question of financial responsibility. They have not analyzed their competitive position and ability to generate income in the future. TAIE has not presented a business strategy to strengthen current business strategies, identify new business opportunities and manage business risks.

- **Clause 18(2)(d) No students have enrolled in any vocational programs at the private career college for at least two successive period of the college's registration under this Act:**

TAIE has reported zero student enrolment in vocational programs for more than two successive periods of the college's registration under this Act as set out below:

Source of information	Vocational Program Revenue	Students enrolled
Fiscal year ended August 31, 2006	0	
Ministry inspection January 31, 2007		0
Fiscal year ended May 31, 2007	0	
Fiscal year ended August 31, 2007	0	
Fiscal year ended May 31, 2008	0	

When Ministry staff attended at TAIE to conduct an inspection on January 31, 2007, staff were advised that there were no students and there were no student files. Ministry staff asked for past or old student files and were told there were none.

TAIE has indicated on at least 5 occasions that they have no vocational students enrolled for at least two successive period of the college's registration under this Act.

Financial statements provide evidence of zero enrolment. As the business plan, which TAIE submitted, is based on two new programs and not on the currently approved program, there would be continued zero enrolment.

Conclusion:

It is the finding of the Superintendent of Private Career Colleges that TAIE College of Arts, Science and Commerce Inc. has failed to meet the registration requirements set out in the *Private Career Colleges Act, 2005*.

SCHEDULE “B”

ENTITLEMENT TO HEARING BY LICENCE APPEAL TRIBUNAL

If TAIE College of Arts, Science and Commerce Inc. disagrees with the Superintendent’s decision to refuse to renew its registration as a private career college pursuant to the *Private Career Colleges Act, 2005*, it is entitled to a hearing by the Licence Appeal Tribunal (“the Tribunal”) if it mails or delivers to both the Superintendent of Private Career Colleges and the Tribunal a notice in writing, requesting such a hearing.

Such notice must be delivered, **by registered mail or courier**, to the Superintendent and to the Tribunal **by Thursday, March 4, 2010**.

If TAIE College of Arts, Science and Commerce Inc. does not require a hearing by the Tribunal as set out above, the Superintendent’s decision to refuse TAIE College of Arts, Science and Commerce Inc.’s application for renewal of registration will as of **Friday, March 5, 2010**, be final.

If TAIE College of Arts, Science and Commerce Inc. does choose to request a hearing by the Tribunal, the notice to the Tribunal should be addressed to:

Licence Appeal Tribunal
CIBC Building, 12th Floor
1 St. Clair Avenue West
Toronto, ON M4V 1K6

Service of the required notice on the Superintendent should be to:

Superintendent of Private Career Colleges
Ministry of Training, Colleges and Universities
9th Floor, Mowat Block
900 Bay Street
Toronto, ON M7A 1L2

Please note that the Tribunal has its own required forms for filing applications. You may contact the Tribunal directly at 416-314-4260 or 1-800-255-2214 for information on the Tribunal and its application forms. You may also obtain such information from the Tribunal’s website at: www.lat.gov.on.ca.