



Judgment of the USC Appeals Board in the matter of:

***Nova Scientia v Clubs Governance Board, 2025:11 Clubs***

**Hearing Date:** May 9, 2025

**Judgment Released:** May 15, 2025

**Panel:** William Fawcett (Chair), Lydia Tzianias, Paul Zhao

**Reasons:** Fawcett (Tzianias, Zhao)

**PART I: INTRODUCTION**

1. In February 2025, the USC received a complaint from Omax regarding Nova Scientia (“**Nova**”). Omax is a corporation that provides immigration and related services. Nova Scientia is a USC-ratified club. Omax’s complaint was that Nova had allegedly breached a sponsorship agreement.

2. In due course, that complaint was forwarded to the Clubs Governance Board (the “**CGB**”) for investigation. In the course of its investigation into Omax’s complaint, the CGB uncovered several violations of USC policies and procedures. As a result, the CGB provided notice to Nova on March 31, 2025 that Nova was being de-ratified. It is from this decision that Nova appeals.

3. On this appeal, Nova disputes that it was in breach of its contract with Omax. That is irrelevant. Nova was not de-ratified because of an alleged breach of its contract with Omax.

4. Rather, the CGB decided to de-ratify Nova because it had entered into the contract with Omax in violation of, *inter alia*, the *Clubs and Faculty Council Event Approval Procedure*. The existence of the contract, and the fact that Nova executed it without approval from the USC, is not disputed. More generally, none of Nova's additional breaches of USC policies and procedures are in dispute.

5. Instead, on this appeal, Nova makes submissions that the penalty imposed by the CGB is too severe. Rather than de-ratifying the club, Nova suggests that the CGB ought to have imposed a probationary period. Typically, such submissions do not lead to success before the Appeals Board. On an appeal, the Board must determine whether the sanctions imposed on a club were reasonable, not whether other sanctions were available (*Western Punjabi Association v Clubs Governance Board*, 2025:1 Clubs).

6. However, this case is unusual in that the process followed by the CGB did not comply with the requirements of the *Club Hearings and Sanctions Procedure* (the "***Procedure***"). In particular, Nova was not given notice of the sections of USC policies and procedures it had allegedly violated, such that it was not provided an opportunity to make before the CGB the submissions that it now makes before this Board. Those submissions, if Nova had chosen to make them, may not have affected the outcome of the CGB's decision making. Or they may have. We do not know. However, Nova was entitled to make them, but it did not have an opportunity to do so.

7. Accordingly, for the reasons outlined more fully below, Nova's appeal is granted. The CGB's decision to de-ratify Nova is set aside. Nova will be permitted five days to submit a written response to the CGB, following which the CGB may decide whether to sanction Nova and, if so, what sanction(s) it may impose.

## PART II: FACTS

8. In August 2024, Nova entered into a contract with Omax by which Nova would promote Omax to club members. Additionally, Omax agreed to provide certain benefits to Nova's executives, including two free consultation slots and a 12% discount. In exchange, Omax was to pay the sum of \$4,500 to Nova.

9. Only \$3,838.77 was paid by Omax. Those funds were transferred by Omax to a personal account controlled by one of Nova's executives. Those transfers, made in renminbi, occurred between August 8 and August 16, 2024.

10. Nova did not seek approval for the contract prior to executing it. It alleges that it did not know whether the USC would be able to review the contract during the summer break.

11. Nova's executive did not transfer the funds into Nova's USC-controlled bank account. In its submissions before this Board, Nova indicated that it wanted to return the funds to Omax after a dispute arose with Omax related to a September 7, 2024 event and suggested that this was why the funds were not deposited into Nova's USC-controlled bank account. No explanation was provided as to why Nova's executive did not transfer the funds into Nova's USC-controlled bank account in the several weeks between receiving the funds and that event.

12. At the time that it entered into the contract with Omax, Nova had already entered into a contract with TopOffer.<sup>1</sup> TopOffer is a competitor to Omax. A freshman orientation event held by

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<sup>1</sup> Before this Board, neither Nova nor the CGB were able to say whether Nova's TopOffer contract had been approved by the USC. Given that the contract provides that members of Nova's "presidium", presumably its executives, are to receive a discount on TopOffer's services, it seems unlikely that this contract was approved by the USC. Section 13.1 of the *Clubs Operating Policy* restricts club executives from receiving benefits.

Nova on September 7, 2024 resulted in conflict. Nova alleges that Omax “publicly provoked TopOffer” during the event and distributed promotional materials that advertised services it was not authorized to distribute under the contract. Omax alleges that Nova unilaterally replaced Omax’s logo and failed to meet other requirements under the contract.

13. As indicated above, it is not necessary for this Board to determine whether either Nova or Omax is in breach of the contract. We are told that Omax has threatened litigation with respect to what it claims are Nova’s breaches. Nova, and its executives, would be well advised to seek legal advice.

14. In February 2025, Omax sent a letter of complaint to the USC alleging Nova had breached its contract. On March 5, 2025, the CGB wrote to Nova to notify the club that it was investigating the complaint.

15. The CGB’s email described the complaint as follows.

One of NOVA's sponsorship partners, Omax, filed a formal complaint against NOVA, alleging that NOVA breached the terms of the sponsorship contract. In short, Omax alleges that NOVA received \$4,500 in exchange for advertisement of the Omax brand throughout NOVA's operations, as specifically outlined in the sponsorship contract. Omax further alleges that NOVA has failed to deliver on numerous agreed-upon contract terms, most notably that Omax's logo was unjustly modified and displaced by the logo of another corporate sponsor, Top International. A copy of the formal complaint and supporting documentation are attached.

16. Nova provided its written response on March 9, 2025. The focus of that written response was on Omax’s alleged violations of the contract.

17. On the same date, the CGB met with members of Nova’s executive team via Zoom. Minutes of that meeting have been entered into evidence before this Board. Those minutes indicate

that the majority of the meeting was spent discussing the details of the contract with Nova, the events that had transpired, and details of Omax's alleged breaches of the contract.

18. The minutes also indicate that the issue of Nova's failure to get USC approval for the contract was discussed, as indicated in the following quotation from those minutes.

- In August 2024, when OMAX contract was signed, Nova executives were not familiar with USC sponsorship system
  - VP finance is aware of sponsorship proposal forms, but was waiting until academic year began to submit the form
  - After September 7 event, Nova wanted to terminate the sponsorship, thus did not submit a sponsorship proposal form

19. On March 31, 2025, the CGB notified Nova of its decision to de-ratify the club. Two breaches USC policies and one breach of Nova's constitution were identified.

- a. Section 7.4 of the *Clubs and Faculty Council Event Approval Procedure* provides that all sponsorship or co-promotion agreements must be approved in advance of signature by the USC's Student Organizations Support Staff.
- b. Section 13.1 of the *Clubs Operating Policy* provides that no club executive or family member shall gain monetary compensation or other benefits.
- c. Article 14 of Nova's constitution provides that Nova and its members are not permitted to sign contracts on behalf of the club of the USC.<sup>2</sup>

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<sup>2</sup> This clause is mandatory under section 2.2 of the *Clubs Constitution Template*. Section 5.4 of the *Procedure* requires all members of any USC-ratified club to comply with that club's constitution.

20. In its notice of de-ratification, the CGB also notified Nova that the sum of \$3,838.77 would be paid to Omax from Nova's USC-controlled account.<sup>3</sup> At the time of the hearing of this appeal, the CGB's representative was uncertain as to whether that payment had yet been made.

21. Nova appealed from the CGB's decision to de-ratify. Following the receipt of written submissions, the Board's chair notified the parties that those submissions indicated that the CGB may have failed to have followed sections 2.2.4 and 4.3.1 of the *Procedure*. This notification was delivered to the parties on May 6, 2025. As part of that notification, the parties were invited to make submissions regarding this issue at the oral hearing of the appeal.

### **PART III: ISSUE**

22. The issue on this appeal is whether the CGB's decision to de-ratify Nova was reasonable.

### **PART IV: SUBMISSIONS**

23. On appeal, the majority of Nova's written submissions and a significant portion of its oral submissions focussed on its contract dispute with Omax.

24. With respect to the issue of its de-ratification, Nova suggested that other de-ratified clubs were placed on probation before de-ratification. It argues that it provides a valuable service to its members. It submits that it has changed its executive, and it submits that probation coupled with increased training to be provided by the CGB would be an appropriate penalty.

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<sup>3</sup> Under section 2.3 of the *Clubs De-Ratification Procedure*, the funds in a de-ratified club's USC-controlled account will be used by the USC for clubs training. Notwithstanding the fact that the funds are to be used to fund clubs training, the CGB acknowledged that it would be unfair to Nova's executives, who face potential litigation by Omax, if this payment to Omax was not made. The funds paid by Omax to Nova's executive's personal account were eventually transferred into Nova's USC-controlled account on February 24 and 25, 2025.

25. The CGB's submissions focussed on the seriousness of Nova's infractions. It submits that its decision to de-ratify was reasonable based on the seriousness of these infractions.

26. Regarding the issue of the CGB's failure to follow sections 2.2.4 and 4.3.1 of the *Procedure*, the CGB submits that Nova was provided notice of potential infractions at the March 9, 2025 meeting and it was provided an opportunity to respond to them then.

## **PART V: ANALYSIS**

### ***i. Nova Breached a Number of USC Policies and Procedures***

27. The undisputed facts laid out above are such that Nova breached a number of USC policies and procedures.

28. By executing the contract with OMAX, Nova violated section 7.4 of the *Clubs and Faculty Council Event Approval Procedure*. It also violated article 14 of Nova's constitution, which in turn was a violation of section 5.4 of the *Procedure*.

29. The terms of the contract with Omax (and seemingly also with TopOffer), which provide for benefits to Nova's executives, are a violation of section 13.1 of the *Clubs Operating Policy*.

30. The transfer of funds from Omax to the club's executive in August 2024 violated section 8.5 of the *Clubs Operating Policy*, which requires a club to use its USC-controlled bank account for all transactions. While this specific section of the policy was not identified in the CGB's March 31, 2025 notice of de-ratification, the facts underlying this breach are clearly established by Nova's own admissions, and these events were raised by the CGB in their written submissions on this appeal.

31. In short, Nova has committed a series of breaches of USC policies and procedures. In its written submissions, the CGB described these as “multiple and serious breaches” that “reflect a repeated pattern of disregard for mandatory policies”. This Board agrees with that description.

***ii. The CGB’s Failure to Notify Nova of the Sections of Policy and Procedure it was Accused of Violating Amounted to Procedural Unfairness***

32. The Appeals Board reviews decisions of the CGB on the reasonableness standard (*Appeals Board Terms of Reference*, section 2.3). The Appeals Board follows the principles of natural justice (*Appeals Board Terms of Reference*, section 2.2). One of the ways in which a decision of the CGB may be found to be unreasonable is if the process leading to that decision does not embody the principles of natural justice (*The University of Western Ontario Ski & Snowboard Club v Clubs Governance Board*, 2023:5 Clubs, para 49).

33. One of the principles of natural justice is that a party must know the case that it has to meet (*The University of Western Ontario Ski & Snowboard Club v Clubs Governance Board*, 2023:5 Clubs, para 50).

34. This principle of natural justice is embodied in sections 2.2.4 and 4.3.1 of the *Procedure*. The combined operation of these sections requires the CGB to notify a club facing a complaint of the “section(s) of Clubs Policy and Procedure that the Club has allegedly violated.” This is a key step of the process. It allows a club to know the specifics of what policies and procedures it is accused of violating. This allows a club to know the case that it has to meet.

35. Sections 2.2.4 and 4.3.1 of the *Procedure* operate in conjunction with section 4.4. This section permits a club facing a complaint to submit a written response to that complaint within five



days of receiving notification. This allows a club time to consider the complaint made against it and to respond in a thoughtful manner. In other words, once the club is made aware of the case that it has to meet, it has time to prepare a thoughtful response.

36. The notice given by the CGB to Nova on March 5, 2025 did not notify Nova of the specific policies the club was accused of violating. This is understandable, as the CGB did not then know the facts of the matter. The extent of the complaint known to the CGB was that Omax had alleged that Nova was in breach of its contract, and that was the complaint communicated by the CGB to Nova at that time. The CGB was then not in a position to notify Nova of the sections of policy and procedure the club was accused of violating.

37. Crucially, Nova's written response to the CGB focussed on the complaint as it was framed to the club, i.e., it attempted to argue that it was Omax that was in breach of the contract.

38. Through Nova's written response to the complaint and the discussion at the March 9, 2025 meeting, the CGB became aware of facts that eventually led the CGB to decide that Nova had breached a variety of policies and procedures. The CGB fell into error when, having become aware of those facts, it proceeded to sanction Nova as part of the initial complaint process focussed on the alleged breach of contract. The circumstances by which the CGB fell into error are understandable, but that does not eliminate the error or its impact.

39. Once the CGB's investigation expanded from the issue of whether Nova was in breach of its contract with Omax to the issue of whether Nova was in violation of any USC policies or procedures, sections 2.2.4 and 4.3.1 of the *Procedure* required the CGB to provide Nova with a second notice of complaint. The CGB was required to give Nova notice of the specific sections of

the policies and procedures the club was accused of violating. The CGB's failure to do so amounts to a breach of the principle that a party is entitled to know the case that it has to meet.

40. The CGB submits that Nova had the opportunity to respond to these allegations at the March 9, 2025 meeting. However, this opportunity was not sufficient for two reasons. First, the minutes of that meeting reveal that Nova was able to make only a minimal response at this meeting. Second, and more significantly, section 4.4 of the *Procedure* grants a club accused of a complaint five days to prepare a written response to that complaint. That affords the club time to prepare a thoughtful and considered response. Nova did not have that opportunity here.

41. Because the CGB did not provide Nova with notice of the specific sections of policy and procedure the club was accused of violating, the CGB's decision to de-ratify Nova breached both the *Procedure* and the fundamental principles of natural justice. As a result, the CGB's decision was unreasonable.

### ***iii. The Impact of this Procedural Unfairness***

42. Given the fact that this Board has found that Nova breached USC policy and procedure as identified above – indeed, given that Nova's own evidence confirms these violations – one might reasonably question what practical difference may have arisen from Nova having been afforded the opportunity to respond to a second complaint identifying the specific sections of policy and procedure in issue. After all, it seems unlikely that Nova could have plausibly denied the existence of the violations.

43. That said, when faced with a complaint, a club has numerous options in how it may respond. Denial of the alleged violation(s) is only one option. For example, a club may admit the

violations but argue that they are not serious. A club may attempt to show that it has acknowledged the violations but attempted to rectify the situation. A club may elect to propose certain penalties and to argue for their appropriateness. A club may simply beg for mercy. All of these options, and more, are available to a club when faced with a complaint.

44. While the CGB is not bound to accept any of a club's submissions in reaching a disciplinary decision, it is required by the *Procedure* to give the club the opportunity to make those submissions. If it receives such submissions, it is required to consider them.

45. It is unclear what submissions, if any, Nova would have made if it had been given the opportunity to respond to a second notice of complaint detailing the alleged violations of USC policy and procedure. It is unclear what effect, if any, such submissions might have had on the CGB in its decision to de-ratify the club. This is unclear because Nova was not provided that opportunity. As Nova must be provided this opportunity, its appeal must be sustained.

## **PART VI: OUTCOME**

46. For the reasons outlined above, the appeal is granted. The CGB's decision to de-ratify Nova is set aside.

47. Setting aside the CGB's decision does **not** entail that Nova will continue as a USC-ratified club. Rather, the complaint against Nova shall be remitted to the CGB to reach a decision following the process laid out in the *Procedure*.

48. This decision shall serve as the notice of complaint required by section 4.3 of the *Procedure*.

49. The specific information required by the notice is as follows.

- a. The name of the club is Nova Scientia.
- b. The complainant is the CGB.
- c. The alleged violations in connection with Omax occurred initially in August 2024, as detailed above, and continued thereafter. The alleged violation with respect to the TopOffer contract occurred on or around February 20, 2024, which is the date on the TopOffer contract entered into evidence before this Board.
- d. The sections of USC policy and procedure Nova is alleged to have violated are as follows:
  - i. section 7.4 of the *Clubs and Faculty Council Event Approval Procedure*;
  - ii. article 14 of Nova's constitution, which in turn was a violation of section 5.4 of the *Procedure*;
  - iii. section 13.1 of the *Clubs Operating Policy*; and
  - iv. section 8.5 of the *Clubs Operating Policy*, which requires a club to use its USC-controlled bank account for all transactions.
- e. Particulars of the allegations may be found above and in the documentation submitted by the parties on this appeal. The full text of these policies and procedures may be found here: <https://westernusc.ca/wp-content/uploads/2024/10/CLUBS-POLICY-MANUAL.pdf>.

- f. The documentation and other material substantiating the alleged violations is the documentation submitted by the parties on this appeal.
50. Nova will have five days to submit a written response to the complaint to the Chair of the Clubs Governance Board. A “day” is defined in the *Procedure* as a business day, not including holidays. So, for greater clarity, Nova shall have until 5:00 p.m. on Friday, May 23, 2025 to submit its written response to the complaint as outlined above.<sup>4</sup> If Nova does not submit a written response by that deadline, the CGB may continue as per section 4.4.1 of the *Procedure*.
51. Either after Nova has submitted a written response or the deadline for it to do so has passed, the CGB shall proceed according to the *Procedure*. For greater clarity, the CGB may decide, if it so chooses, to impose any penalty permitted under the *Procedure*, including Nova’s de-ratification.
52. The CGB will be required to give notice of its decision to Nova as required under the *Procedure*. While this Board does not have the authority to order the CGB to do so, it requests that the CGB provide a copy of its notice of decision to the Appeals Board chair as a courtesy.
53. Should any of the above require any further clarification, a party requesting clarification may contact the Appeals Board chair by email, copying the other party.

W. Fawcett

P. Zhao

L. Tzianias

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<sup>4</sup> Monday, May 19, 2025 is the Victoria Day holiday.