Nfld. & Labrador

Decades later, the truth of Career Academy’s abrupt closure is on trial in St. John's

Former owners allege misfeasance, negligence and various breaches of contract on the part of the province

Ashley Fitzpatrick · CBC News · Posted: May 25, 2026 4:12 PM NDT | Last Updated: May 25

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Lorraine Mastropietro, seen here in court Monday, and John Mastropietro allege the province acted unlawfully in its handling of the student loan program in 1997. (CBC)

Almost 30 years later, the facts behind the sudden shuttering of Career Academy are being heard in a St. John's courtroom.

It was the largest private college in Newfoundland and Labrador at the time of its closure in August 1998, serving roughly 2,000 students. The college entered

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They claim the province acted unlawfully in its handling of the student loan program in 1997, in changing the timing for the distribution of funds to the college and later in de-certifying the college without due process.

After years of case management hearings and procedural work, a trial has finally begun on the claims. It is expected to run over about two, non-consecutive weeks, continuing in June.

Opening statements were heard Monday morning at the Supreme Court of Newfoundland and Labrador by Justice Peter O'Flaherty.

Lawyer Will Hiscock, who is representing the plaintiffs, mentioned he was in high school when the events at the root of the case were taking place.

He spoke to the tangled details of the case but also highlighted the time the case has been ongoing.

"It's been a goal of them for over two decades, almost three decades... to have the court declare they were wronged in this process, the process they went through," Hiscock told the court.

Before the day's start, Hiscock told CBC News the case has gone beyond just the financial considerations, with a desire to see the facts aired for the public record. Lorraine is now 80 years old, John 79.

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"The evidence will show the province acted carefully and lawfully in response to a situation involving real risk to students and public funds," he said in court.

Chao said the plaintiff claims of inappropriate conduct will not be substantiated. He also said the provincial Limitations Act applies in cases of economic loss from alleged malfeasance, saying the window for filing key grievances in this case would have ended in 2000.

The Mastropietros did not file until 2004.

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Former premier Roger Grimes, who was the province's education minister at the time, is set to testify as part of the proceedings, alongside other government officials.

The Mastropietros are also to take the stand, beginning with Lorraine, who began today, following the opening statements.

Causation and damages separate

The proper means of approaching the entire case has been at issue for years now, contributing to the time in getting to trial.

A summary trial before the COVID-19 pandemic determined the case could not itself be settled by a summary trial. In 2020, Justice Vikas Khaladkar determined there must be, among other things, a weighing of credibility for testimony of government officials and others involved. There must be direct testimony.

The parties are now proceeding with the case in two main parts, with the current trial only to speak to the question of fault and liability — is the government liable?

Causation and damages would follow with a separate trial, if and as needed.

None of the allegations have been proven in court.

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