Order under Section 135
Residential Tenancies Act, 2006

File Number: LTB-T-105346-24

In the matter of: 4311, 87 PETER ST
TORONTO ON M5V0P1

Between: Abdelrahman Elzoka — Tenant

And

Lisa Alfar — Landlord

Abdelrahman Elzoka (the 'Tenant') applied for an order determining that Lisa Alfar (the 'Landlord') collected or retained money illegally.

This application was heard by videoconference on June 25, 2025.

The member who presided at the hearing is on leave. The Associate Chair of the Landlord and Tenant Board has determined that the Member who heard the application is unable to issue a decision in this matter. The matter has therefore been reassigned to me on the Associate Chair's own initiative under the authority of subsection 4.4(1) of the *Statutory Powers Procedure Act*. As the reassigned adjudicator, I have reviewed the evidence and submissions provided by the parties during the hearing held on June 25, 2025 and have listened to the hearing recording. I am satisfied that I am able to decide based on the existing evidentiary record as permitted by subsection 4.4(6) of the *Statutory Powers Procedure Act*. Therefore, a new hearing was not held for this matter.

The Landlord, the Landlord's Representative, Jimmy Gangadin, and the Tenant's Agent, Abir Helal attended the hearing. The Tenant did not attend the hearing.

Preliminary Issue:

1. The Landlord's Representative claims the Tenant's application is moot because of an L1 application that was withdrawn. In that case, the Tenant paid rent into the Board in trust and once the application was withdrawn, the Board returned those funds to the Tenant. Based on the submissions made, the Board was not prepared to dismiss the Tenant's application and the merits of the Tenant's application proceeded.

Determinations:

2. As explained below, the Tenant proved the allegations contained in the application on a balance of probabilities. Therefore, the Landlord must pay the Tenant $1,983.52.

3. The Tenant moved into the rental unit on February 1, 2021, and vacated on November 22, 2024, by agreement stemming from an N12 Notice.

Key deposit:

4. The Landlord acknowledges that she collected a key deposit from the Tenant paid on March 1, 2021. The keys were returned to the Landlord's Representative on November 22, 2024 when the Tenant and the Landlord's representative conducted an inspection. The key deposit is still being held by the Landlord.

5. The collection of a refundable key deposit is permitted pursuant the Ontario Regulations 516/06 section 17 (3) which includes deposits for "payment of a refundable key, remote entry device or card deposit, not greater than the expected direct replacement costs". However, the Landlord can only retain that key deposit if the keys are not returned. Since the Tenant returned the keys to the Landlord's Representative on November 22, 2024, the deposit retained by the Landlord is unlawful. The Landlord owes the Tenant $200.00 for the refundable key deposit.

Last Month Rent deposit (LMR):

6. I find the Landlord did not use the Tenant's rent deposit to pay for the last rental period of the tenancy and did not return the deposit to the Tenant. This is prohibited by the *Residential Tenancies Act, 2006* (the 'Act').

7. There's no dispute the Tenant paid the Landlord a LMR in the amount of $1,700.00 when the tenancy started.

8. Section 105(1) of the Act states that the "only security deposit that a landlord may collect is a rent deposit collected in accordance with section 106 of the Act..." The deposit held by the Landlord cannot be used for any other purpose such as damage or applied to any other rent period. The LMR must be applied to last month of the tenancy in accordance with section 106(10) of the Act which, in this case, is November 2024.

9. The Landlord testified she did not receive an e-transfer from the Tenant for November 2024 rent charges, and she applied the last month rent deposit to the Tenant's November 2024 rent period. The Tenant's Agent challenged the Landlord's evidents and submits that November 2024 rent charges was paid and referenced the Tenant's bank statement as proof. The Tenant's bank statement (Doc-4747368, page 97) for November 2024 shows that on November 1, 2024, $1,764.00 was withdrawn from the Tenant's account and it also has the Landlord's name on the Tenant's bank statement. I'm satisfied that the Tenant paid November rent charges to the Landlord by e-transfer on November 1, 2024, and the last month rent deposit was not used for the last month of the tenancy. As such, the Landlord owes the Tenant, $1,700.00.

Interest on the deposit:

10. The Landlord testified she paid no interest on the LMR collected on March 1, 2021.

11. Pursuant to section 106 (6) of the Act, the Landlord must pay interest to the Tenant annually on the amount of the rent deposit at a rate equal to the guideline determined under section 120 of the Act that is in effect at the time payment becomes due. However, section 135(4) of the Act states, " no order shall be made under this section with respect to an application filed more than one year after the person collected or retained money in contravention of this Act". Given the one-year limitation period, the Board has authority to order interest held one year from the date the application was filed which is calculated from December 26, 2023 to October 31, 2024. The Landlord owes the Tenant $35.52 which represents the interest on the last month rent deposit.

12. The total amount the Landlord owes the Tenant is $1,983.52 which is inclusive of the application. There's no Landlord application that is properly before me to consider the Landlord's alleged claims of rent arrears the Tenant owes. The Board has no authority to off set this amount against any claim the Landlord may have against the Tenant without due legal process.

It is ordered that:

1. The total amount the Landlord shall pay the Tenant is $1,983.52. This amount represents:
    - $1,700.00 for the last month's rent deposit.
    - $200.00 key deposit
    - $35.52 interest on the last month rent depost
    - $48.00 for the cost of filing the application.

2. The Landlord shall pay the Tenant the full amount owing by January 27, 2026.

3. If the Landlord does not pay the Tenant the full amount owing by January 27, 2026, the Landlord will owe interest. This will be simple interest calculated from January 28, 2026 at 4.00% annually on the balance outstanding.

4. The Tenant has the right, at any time, to collect the full amount owing or any balance outstanding under this order.

January 16, 2026
Date Issued

Sandra Macchione
Vice Chair, Landlord and Tenant Board

15 Grosvenor Street, Ground Floor
Toronto ON M7A 2G6

If you have any questions about this order, call 416-645-8080 or toll free at 1-888-332-3234.