



Order under the Residential Tenancies Act, 2006

Citation: Hassira v Saleh, 2025 ONLTB 54427

Date: 2026-01-22

File Number: LTB-L-092168-23, LTB-T-070654-23
and LTB-T-076889-23

In the matter of: 48, 1095 JALNA BLVD
LONDON ON N6E2Y7

Between: Mohammed Abou Hassira Landlord

And

Emad Mr Saleh Tenant

Mohammed Abou Hassira (the 'Landlord') applied for an order to terminate the tenancy and evict Emad Mr Saleh (the 'Tenant') because the Tenant did not pay rent—LTB-L-092168-23.

LTB-T-070654-23 and LTB-T-076889-23 are based on the assertion by the Tenant that he paid a rent deposit of \$30,000.00, which equates to two years of rent.

The Tenant asserted, under section 82 of the *Residential Tenancies Act, 2006* (the 'RTA'), that: (a) he paid \$2,861.97 in utilities that were, under the tenancy agreement, the responsibility of the Landlord; and (b) the Landlord was responsible for paying \$250.00 for cleaning the unit.

These applications were heard by videoconference over multiple days, including August 19, 2024 and June 2, 2025. The Landlord and the Tenant attended the hearing. David Price represented the Landlord.

I heard evidence from the Landlord and the Tenant, and considered the documents filed by the parties.

The Tenant testified through a translator. It is difficult to assess credibility where a person testifies through a translator. However, the Tenant's evidence was consistent with the documentation. The Landlord, on the other hand, was not credible. His testimony was not consistent with the documentation.

Determinations:

I. L1 Application—Unpaid Rent

1. In addition to being the owner of the unit, the Landlord operates a jewelry business. The jewelry business is operated as a sole proprietorship.
2. The Landlord and the Tenant signed a tenancy agreement for the unit in October of 2022. **[DOC-5701949 Tab 1]**
3. The Landlord delivered an N4 notice of termination dated October 2, 2023 that indicated the Tenant had not paid rent for October of 2023. **[DOC-2323756]**
4. There was no dispute that, in the Summer of 2022, the Tenant paid \$40,000.00¹ to the Landlord and this money was deposited into the Landlord's personal bank account. **[DOC-5701969 Tabs 3 and 4]** The Landlord asserted, and I accept, that he uses his personal account to receive rent and for his jewelry businesses.
5. There was no receipt for \$30,000.00 of the \$40,000.00. There was a receipt from the Landlord acknowledging that \$10,000.00 had been applied to rent for October of 2022 to May of 2023. **[DOC-5701949 Tab 2²]**
6. The Tenant asserted that the money was paid to the Landlord as a rent deposit demanded by the Landlord to secure the unit.
7. The Landlord asserted that the \$40,000.00 was paid by the Tenant in connection with a (aborted) transaction in which the Tenant requested that the Landlord manufacture jewellery for him.
8. The L1 application is resolved by determining whether the Tenant paid the \$40,000.00 as a rent deposit. If the \$40,000.00 was a rent deposit it was an illegal rent deposit and the L1 application must be dismissed because subsection 83(3) of the RTA requires that the LTB dismiss the application—a \$40,000.00 rent deposit would, in my view, constitute a serious breach of the RTA.
9. The RTA permits a landlord to collect a rent deposit equal to one month of rent—\$1,250.00 in this case.
10. The relevant sections of the RTA say:

105 (1) *The only security deposit that a landlord may collect is a rent deposit collected in accordance with section 106.*

¹ The Tenant asserted the rent deposit was \$30,000.00. However, the Landlord agreed that he received \$40,000.00. The difference, which appears to be \$10,000.00 that the parties acknowledge was paid by the Tenant and 'consumed' by rent for October of 2022 through May of 2023, is not particularly relevant to the outcome of this application. Assuming the money was paid in the context of the land-tenant relationship—which I find it was—the Landlord did not dispute the accounting provided by the Tenant.

² This receipt was from 'ATRA Jasmine Properties LTD'.

106 (1) *A landlord may require a tenant to pay a rent deposit with respect to a tenancy if the landlord does so on or before entering into the tenancy agreement.*

(2) *The amount of a rent deposit shall not be more than the lesser of the amount of rent for one rent period and the amount of rent for one month.*

11. I wish to begin by acknowledging that there **might have been** a legitimate explanation for what took place in June of 2022.
12. As was noted in *Corvers v. Bumbia* [2013 CanLII 92049 (ON SC)], the RTA does not prohibit a tenant from **voluntarily** pre-paying rent and a **voluntary** pre-payment of rent does not necessarily violate subsection 105(1)³. [TNT-11436-18 (Re), 2021 CanLII 88294 (ON LTB)]
13. However, when the issue arose between the parties, the Landlord was represented by a lawyer and that lawyer did not assert that the Tenant made a voluntary pre-payment of rent and, instead, asserted that the money paid by the Tenant to the Landlord was in connection with a 'separate business transaction'⁴. [See DOC-5701949 Tab 11] The Landlord never varied from that position—he never asserted that the Tenant voluntarily pre-paid rent and that would, of course, have not been consistent with his assertion that the Tenant did not pay rent.
14. Considering all of the documentation provided and the testimony of the Tenant and the Landlord, I find that it is more likely than not that the Landlord collected an illegal rent deposit. I am unable to conclude that the Tenant requested that the Landlord manufacture jewelry and provided a \$40,000.00 deposit in connection with that transaction.
15. There was no list of the general nature of the jewelry that the Landlord asserts he was contracted to manufacture. There were no 'concept' drawings. There was no bill of sale or purchase order for the manufacture of jewelry. There were no written communications giving the Tenant updates.
16. I do not accept the Landlord's testimony that the jewelry was completed in August of 2022 but the Tenant refused to return his communications concerning the jewelry. I note that there is no evidence of a 'final' bill for the completed jewelry and, when the Landlord's lawyer wrote to the Tenant in October and December of 2023, there was no reference to the jewelry order being completed by the Landlord or to the Tenant having 'aborted' the transaction. [DOC-5701949 Tabs 8 and 11]
17. The Landlord filed pictures of miscellaneous pieces of jewelry that he asserted were manufactured for the Tenant. [DOC-5701969 Tab 5] I do not accept that these pictures in and of themselves support a finding that the \$40,000.00 was paid as a deposit for the manufacture of jewelry. They are just pictures of various pieces of jewelry, some of which appear to be in display cases.

³ The LTB would have to be satisfied that the real substance of what took place was a voluntary pre-payment of rent: RTA, s. 202(1).

⁴ This was, of course, consistent with the position that the Tenant had not paid rent. At the time the letter was written, an N4 notice of termination had been delivered. However, the assertion that the Tenant had not paid rent was not inconsistent with the Landlord holding a rent deposit.

18. The only written communication referring to jewellery was an email from the Landlord's lawyer that was sent on October 2, 2023 **[DOC-5701949 Tab 8]** and a letter from the Landlord's lawyer to the Tenant dated December 5, 2023 **[DOC-5701949 Tab 11]** These communications were sent after the dispute arose and do not, in my view, support the position advanced by the Landlord.
19. The Landlord filed an (undated and translated) text message asking about the price of gold and saying 'we want to make an order'. **[DOC-5701969 Tab 6 and DOC-5196889]** The Tenant was not able to identify this message and the Landlord could not establish that it was sent by the Tenant. Moreover, even if it was sent by the Tenants, the message does not do anything to establish that the \$40,000.00 was a deposit for jewelry.
20. The Landlord asked me to infer that there was no rent deposit because there was evidence that the Tenant paid the monthly rent for certain months. I accept the Tenant's evidence that he paid the monthly rent because he was requested to do so by the Landlord. I do not think that a tenant paying rent for certain months of a long-term tenancy establishes that an illegal deposit was not collected by the landlord. I also note that the receipt by a landlord of monthly rent in circumstances where a tenant has provided a lump sum to the landlord supports a finding that the 'real substance' of the lump sum payment is a rent deposit.
21. I find it extremely hard—impossible in fact—to believe that at about the same time as the parties were entering into a tenancy, the Landlord took an undocumented \$40,000.00 'deposit' from the Tenant to manufacture jewelry. The assertion that \$40,000.00 was a deposit for a business transaction is also inconsistent with the Landlord having given **a rent receipt** for \$10,000.00 of this \$40,000.00. **[DOC-5701949 Tab 2]**
22. While the Landlord and the Tenant may be related—they are cousins—they are not so close that I would expect business transactions between them to be done without any documentation whatsoever. It simply beggars belief that the Tenant would provide a person he first met in the Fall of 2020 with \$40,000.00 to manufacture jewelry without any sort of documentation. To be clear, I do not accept the Landlord's assertion that the money was paid without documentation based on 'trust'. I think it is far more likely than not that the Landlord 'decided' the money was a deposit to manufacture jewelry after he realized that a rent deposit in excess of one month was illegal.
23. The Landlord returned \$20,000.00 to the Tenant. This, in and of itself, does not establish whether the \$40,000.00 was a rent deposit or a deposit for the manufacture of jewelry.
24. I do not accept the Landlord's explanation that the money was returned because he thought the Tenant was cancelling the order for jewelry. There is no documentation whatsoever to support this assertion. I note that the assertion by the Landlord that \$20,000.00 was returned because he considered the Tenant to have effectively aborted the transaction is not consistent with the Landlord's testimony that, in 2025, all of the jewelry remained in his possession and was 'set aside' for the Tenant.
25. The Tenant filed an accounting of what he asserts is left of the deposit that he paid to the Landlord. **[DOC-5728776]** I accept that this accounting is accurate. In particular, I find that, as at August of 2024, the Landlord was holding an (illegal) rent deposit of \$5,000.00.

II. Utilities

26. I am satisfied that the Tenant paid for the supply of gas (\$1,668.95) and electricity (\$1,193.02) to the unit.
27. I am also satisfied that the tenancy agreement [DOC-5701949 Tab 1] required that the Landlord pay these utilities.
28. I do not think that the Landlord is responsible for the cleaning-related expenses.

III. Possible RTA Offences

29. I have made findings above that could support a finding that the Landlord has committed offences under the RTA. The RTA says:

234 A person is guilty of an offence if the person,

...

(d) requires or receives a security deposit from a tenant contrary to section 105;

...

(v) furnishes false or misleading information in any material filed in any proceeding under this Act or provided to the Board, an employee in the Board, an official of the Board, an inspector, an investigator, the Minister or a designate of the Minister;

...

238 (1) A person, other than a corporation, who is guilty of an offence under this Act is liable on conviction to a fine of not more than \$50,000.

30. I am, for that reason, directing that this order be provided to the relevant authorities so that they can consider whether it might be appropriate to charge the Landlord.

It is ordered that:

1. LTB-L-092168-23 is dismissed.
2. The Landlord shall pay \$2,861.97 to the Tenant. If the Landlord does not pay the Tenant the full amount on or before February 15, 2026, the Landlord will start to owe interest. This will be simple interest calculated from February 16, 2026 at 4.00% annually on the balance outstanding.
3. The Landlord may retain a rent deposit equal to one month of rent—\$1,250.00—and shall pay any amount in excess of that to the Tenant⁵. If the Landlord does not pay the Tenant

⁵ On August 19, 2024, I ordered the Tenant to pay the rent beginning September 1, 2024 so there should be no arrears.

the full amount on or before February 15, 2026, the Landlord will start to owe interest. This will be simple interest calculated from February 16, 2026 at 4.00% annually on the balance outstanding.

January 28, 2026

Date Issued

E. Patrick Shea

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.