



**Order under Section 135
Residential Tenancies Act, 2006**

File Number: LTB-T-053085-25

In the matter of: 475 MILTON ST
OSHAWA ON L1H6S4

Between: Keona Cabral Wallace Tenant
Christopher Payne

And

Sohail Tahir Landlord

Keona Cabral Wallace and Christopher Payne (the 'Tenant') applied for an order determining that Sohail Tahir (the 'Landlord') collected or retained money illegally.

This application was heard by videoconference on February 5, 2026.

The Landlord and both named Tenants attended the hearing.

When the capitalized word "Landlord" is used in this order, it refers to all persons or companies identified as a Landlord at the top of the order. When the capitalized word "Tenant" is used in this order, it refers to all persons identified as a Tenant.

Determinations:

1. As explained below, the Tenant proved the allegations contained in the application on a balance of probabilities. Therefore, the Landlord must pay to the Tenant \$2423.00.
2. 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').
3. The Tenant moved into the rental unit on November 1, 2024, and signed a one year lease that was sent to end October 31, 2025. Prior to taking possession the Tenant paid a last month rent deposit of \$2375.00.
4. The parties agreed that the Tenant's wished to vacate the rental unit before the end of the lease because of noise, and other issues from another Tenant in the complex.
5. The Landlord agreed to search for new Tenants for the rental unit, as they did not wish to keep the Tenant's in the unit against their will, and agreed to sign a N11 with the Tenant's

terminating the tenancy May 1, 2025, with the understanding that if the Landlord secured a new Tenant sooner the N11 would be amended to terminate the tenancy the day before the new Tenant's took possession.

6. The Tenant's vacated the rental unit February 28, 2025, and the Landlord secured a new tenant for April 1, 2025. Therefore, the N11 was amended to terminate the tenancy March 31, 2025, and signed by the parties. It was agreed that the Tenant paid the lawful monthly rent for the month of March 2025.
7. The Landlord testified that the Tenant agreed to surrender their last months rent in exchange for the early termination, to offset the Landlord's marketing costs from listing the unit in October 2024. In support of this the Landlord relied on an email from their realtor to the Tenant's dated February 19, 2025, wherein the realtor outlines that in order for the Landlord to sign the N11 and terminate the tenancy May 1, 2025 the Tenant shall agree to forgo their last months rent. The Landlord also relied on a text message from the Tenant dated February 19, 2025 wherein the Tenant indicates that they are ok with the Landlord taking keeping their last month rent for March, and moving out at the end of the month.
8. The Section 106(10) of the Act requires that a last month rent deposit must be applied to the last month of a tenancy.

Rent deposit applied to last rent

(10) A landlord shall apply a rent deposit that a tenant has paid to the landlord or to a former landlord in payment of the rent for the last rent period before the tenancy terminates. 2006, c. 17, s. 106 (10).

9. In this case the last month of the tenancy was March 2025, in accordance with the N11 signed by the parties. Therefore, I am not satisfied that the Landlord has applied the last month rent to the last month of the tenancy, as the Tenant paid rent for the month of March 2025. While the Landlord suggests that this was agreed to between the parties, I note that Section 4(1) does not permit parties contract out of the Act and find that the Landlord's withholding of the last month rent would constitute such a contracting out.
10. I am also not satisfied that there was a clear meeting of the minds between the parties. The realtors email to the Tenant suggests that the Landlord is prepared to terminate the tenancy effective May 1, 2025 in exchange for the Tenant forgoing the last month rent, while the Tenant's text, sent shortly thereafter, indicates that the Tenant would be prepared to forgo the last month rent in exchange for termination of the tenancy effective March 31, 2025 with the last month rent being applied to March 2025. Therefore, I am not satisfied that parties agreed that the Tenant should pay rent for the month of March 2025, the tenancy should terminate March 31, 2025 and the Tenant forgo the last month deposit, as occurred.
11. I also note that the Landlord was able to secure a new Tenant for April 1, 2025, and therefore did not incur losses as a result of the early termination. Had the parties not signed an N11 Notice of Termination, the Landlord would have a had a duty to mitigate their losses, and the Tenant's obligation to pay rent would therefore have ended on March 31, 2025 as the new Tenant took possession April 1, 2025.

12. Therefore, I find that 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.

It is ordered that:

1. The total amount the Landlord shall pay the Tenant is \$2423.00. This amount represents:
 - \$2,375.00 for the last month's rent deposit.
 - \$48.00 for the cost of filing the application.
2. The Landlord shall pay the Tenant the full amount owing by March 1, 2026.
3. If the Landlord does not pay the Tenant the full amount owing by March 1, 2026, the Landlord will owe interest. This will be simple interest calculated from March 2, 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.

February 18, 2026
Date Issued

Reid Jackson
Member, Landlord and Tenant Board

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