



Order under Section 57 Residential Tenancies Act, 2006

Citation: Frederick v Kanha Holdings Inc, 2026 ONLTB 20353

Date: 2026-03-20

File Number: LTB-T-074840-23

In the matter of: 1, 103 ORCHARD DRIVE
BELLEVILLE ON K8P2K6

Between: Wendy Frederick Tenant

And

Kanha Holdings Inc Purchasers
Kunal Aggrawal

And

Carmine Diruscio Landlord

Wendy Frederick (the 'Tenant') applied for an order determining that Kanha Holdings Inc and Kunal Aggrawal (the 'Purchasers'), and Carmine Diruscio (the 'Landlord') gave a notice of termination in bad faith.

This application was heard by videoconference on March 2, 2026.

Only the Tenant and the Tenant's representative, Dara Saunders, attended the hearing.

As of 9:30 a.m., the Landlord and the Purchasers were not present or represented at the hearing although properly served with notice of this hearing by the LTB. There was no record of a request to reschedule the hearing. As a result, the hearing proceeded with only the Tenant's evidence.

Determinations:

1. As explained below, the Tenant proved most of the allegations contained in the application on a balance of probabilities. The Landlord and the Purchasers are jointly ordered to pay to the Tenant \$9,457.88 on or before March 31, 2026 and an administrative fine in the amount of \$5,000.00.

Request to Amend Granted

2. The Tenant seeks to amend the application to add the Landlord as a respondent party. The Tenant's representative says she mailed the amended application to both the Landlord and the Purchasers on November 15, 2024. The Board's records show that the Landlord and Purchasers were mailed notice of hearing by the Board.
3. Pursuant to Rule 15, the requested amendment is granted. The Landlord and Purchasers have had adequate notice of the amended application and the notice of hearing. The amendment is appropriate and necessary and was filed in a timely manner.

T5 Application

4. Subsection 57(1)(b) of the *Residential Tenancies Act, 2006* (the 'Act') requires the Tenant to prove each of the following on a balance of probabilities:
 - 1) The Landlord gave the Tenant an N12 notice of termination under section 49 of the Act on behalf of the Purchasers;
 - 2) The Tenant vacated the rental unit as a result of the N12 notice of termination;
 - 3) No person referred to in subsection 49(1) or 49(2) of the Act occupied the rental unit within a reasonable time after the Tenant vacated; and
 - 4) The Landlord served the N12 notice of termination in bad faith and/or the Purchasers caused the Landlord to serve the notice of termination in bad faith.
5. The residential complex is a detached house comprising of two units, one upstairs where the Tenant used to live, and one downstairs.
6. The Landlord served the Tenant with a first N12 notice on or about March 30, 2022, with a date of termination of June 30, 2022. The N12 notice claimed the rental unit was required for a purchaser. The Tenant testified the rental unit was never listed for sale therefore she did not vacate in accordance with the N12 notice.
7. The Landlord served the Tenant with a second N12 notice on July 21, 2022, with a date of termination of September 30, 2022. Again, the N12 notice claimed the rental unit was required for a purchaser's own use. This time, the rental unit was listed for sale and the Tenant noticed a "sold" sign on the property on July 21, 2022.
8. The Tenant did not want to vacate the rental unit. The Tenant tried to pay her rent on both August 1 and September 1, 2022 but both payments were returned by the Landlord. The Landlord told her that the August rent would be waived as she was being compensated with one month's rent for the Landlord issuing the N12, which is a requirement under section 49 of the Act, and that the September rent was her last month's rent and she had to vacate by September 30.
9. The Tenant moved out of the rental unit on October 31, 2022. Given the Tenant's behaviour in attempting to pay the rent despite the N12 notice being served on her, and her testimony before the Board, I am satisfied that the Tenant moved out because the Landlord served the second N12.

10. A document from the Land Registry Office shows the property was transferred on August 10, 2022 from the Landlord to the Purchasers.
11. The Tenant says the Purchasers never moved into the rental unit and believes they never intended to. In August of 2022, the Purchasers and the Purchasers' real estate agent, started showing the Tenant's rental unit to prospective renters. In May of 2023, the Tenant's former next door neighbour told the Tenant the personally named Purchaser never moved in. Instead the unit was rented initially to a woman and a small child and by May of 2023, two older gentlemen were living in the rental unit.
12. The Tenant was aware of who the personal Purchaser is as she met him at the rental unit in July of 2022. He drove a white Honda Civic and she wrote his license plate number down. During the year following the Tenant vacating she drove by the rental unit on occasion and never saw the vehicle that was driven by the Purchaser parked at the rental unit. She is aware that the Purchaser lives approximately 5 minutes away from the rental unit on North Park Street in Belleville because she overheard him say this during a visit at her rental unit. The Tenant consistently drives by the Purchaser's house as it is on her usual route, and notices the same white Honda Civic at that address.
13. In September of 2022, both the personal Purchaser and the Landlord attended the rental unit. The Landlord attempted to remove the washer and dryer while the Tenant was still living in it. They both threatened to call the police because they felt she was trespassing as she had stayed passed the date of termination on the N12 notice.

Analysis

14. As stated above, I am satisfied that the Tenant was served with an N12 notice of termination for purchaser's own use and moved out because of that notice.
15. Based on the uncontested evidence before me I am further satisfied that the personal Purchaser never moved in. Instead, the unit was re-rented on at least two occasions to people other than the personal Purchaser within the one year after the Tenant vacated.
16. That leaves the question of bad faith. The failure of the personal Purchaser to move in, and the immediate re-renting of the unit is circumstantial evidence that the Purchasers never intended to move in which would support a finding of bad faith. But here there is additional evidence.
17. The fact that the first N12 was served without a purchase and sale agreement being entered into suggests the Landlord at least, was acting in bad faith at the time when the first notice was served. The behaviour of both the Landlord and the personal Purchaser in bullying the Tenant by attempting to remove the washer and dryer and threatening to call the police when she did not vacate the rental unit by the date of termination in the notice supports the conclusion that the Landlord and the Purchasers either did not know or did not care about the Tenant's rights which also is suggestive of bad faith. (A tenant has the right to overhold a notice of termination – it is up to the landlord to enforce that notice by filing an application with the Board which did not happen here.) Finally, the fact that when the property changed hands the Purchasers immediately started showing the unit to prospective tenants, strongly suggests bad faith on the part of the Purchasers.

18. The Court found in *Elkins v. Van Wissen*, 2023 ONCA 789, that if the Board finds that an N12 for purchaser's own use was served in bad faith, s. 57(3)4 of the Act gives the Board the power to also make an order against the purchaser. In this case, I am satisfied that both the Landlord and the Purchasers acted in bad faith for the reasons stated above.
19. I would further note that because title transferred to the Purchasers on August 10, 2022, while the Tenant was still in possession, the Purchasers became the landlord under the Act and the Landlord became a former landlord.
20. As a result, I am satisfied there is no question the Board has the jurisdiction to order remedies against both respondents here as they are both former landlords.

Remedies

21. The Tenant's application seeks abatement of the rent, an administrative fine, rent differential, moving and storage costs, and compensation for the additional expenses the Tenant has incurred because the rent for her new rental unit does not include hydro and internet. The application also requests "the first right of refusal of the rental unit should it be vacated (sic) at the original rent at the time of termination".
22. The application does not seek general compensation or pain and suffering.

The Right of First Refusal

23. With respect to the request for the right of first refusal, I do not believe the Board has the jurisdiction to grant such an order. I say this because the right of first refusal is explicitly mentioned in the Act as a right a tenant has who has been served an N13 for extraordinary renovation and repair pursuant to s. 50(1)(c). As it is not mentioned in the context of N12s served for purchaser's own use, I do not believe the remedy is available to the Board to grant under the general heading of "any other remedy" the Board considers appropriate. Where a specific remedy is available in one context in a statute it is contrary to normal statutory interpretation rules to read it into a general provision in another context in the same statute.

Rent Differential

24. In accordance with s. 57(3)1 of the Act, the Tenant seeks an order for the increase in rent that she has incurred for one year after vacating the rental unit.
25. The rent the Tenant was paying at the rental unit was \$1,720.21, which included all utilities and the internet. Her new rent is \$279.79 higher per month, not including utilities and the internet, which means that the rent differential for a period of 12 months totals \$3,357.48.
26. Although the Tenant did not provide a copy of her lease agreements, I do not find this fatal to the claim. I found her testimony to be credible, the amount is reasonable and there is no reason to doubt the accuracy of her claim. Therefore, I am satisfied the Tenant is entitled to her claim for rent differential for the 12 months.

27. Pursuant to the Divisional Court's decision in *Akbari et al. v. Blenkinsop et al.*, 2024 ONSC 1184, the Board is not required to allocate responsibility between the Purchasers and the Landlord for the purpose of awarding remedies, so I decline to do so.
28. The Landlord and the Purchasers shall be ordered to pay to the Tenant rent differential in the amount of \$3,357.48.

Rent Abatement

29. The Tenant's application seeks rent abatement in the amount of \$4,500.00 representing approximately 50% of the rent charged for the period June 1, 2022 to October 31, 2022.
30. The problem that arises from this request is that before the Board can grant a remedy it must be satisfied that the remedy requested flows from the breach complained of. The Tenant here is not requesting abatement because after the N12 was served her use and enjoyment of the unit was impacted due to the bad faith service of the N12; rather, the Tenant is requesting abatement due to the harassing and threatening incidents involving the Landlord and the Purchasers during the month of September 2022 and the Landlord's refusal to accept her rent for August and September, 2022. Those events are not the subject of this application. The harassing incidents in September, 2022, could probably be the subject of an application in form T2 alleging substantial interference or harassment, but those provisions of the Act are not before the Board on this application.
31. To succeed on a request for abatement on a T5 the Tenant must show that the service of the N12 requiring the Tenant to move out resulted in a decrease in her enjoyment or use of the unit. For example, the Tenant may have had to use one of the rooms as a place to store boxes resulting in a loss of enjoyment of that room, or the Tenant may have been unable to enjoy evenings at home because she was spending her time viewing new potential rental units. As that kind of evidence was not led here, I am not prepared to grant abatement of the rent.

Moving Expenses

32. The Tenant's application seeks \$2,500.00 for the cost of moving. The Tenant submitted a receipt from Jason's Moving Inc, dated October 25, 2022, for \$1,954.50. Absent evidence of additional moving expenses, I find the Tenant is entitled to an order requiring the Landlord and the Purchasers to pay \$1,954.50 for moving expenses.

Compensation for Increased Costs related to Hydro and Internet at the new Unit

33. Under "any other order the Board considers appropriate" the Tenant claimed compensation in the amount of \$4,098.00.
34. The rent for the rental unit was all inclusive of utilities and the internet. At her new rental unit the Tenant is required to pay additional separate charges for those things. The Tenant is asking for compensation for the separate charges for a period of one year which are: \$2,298.00 in electricity costs, \$1,200.00 for internet, and \$600.00 for baseboard heating.

35. In *Equity Builders Ltd. et al. v. Landlord and Tenant Board et al.*, 2025 ONSC 759 (leave to appeal to the Court of Appeal denied), the Divisional Court found at paragraph 93 that awarding out-of-pocket expenses without supporting documentation was permissible so long as they are reasonable and supported by other evidence before the Board. I would adopt that reasoning in this case.
36. As I have no reason to doubt the Tenant's evidence with respect to these expenses, and they seem to me to be reasonable, I am satisfied the Tenant is entitled to an order for \$4,098.00 as claimed.

The Request for an Administrative Fine

45. The Tenant's application also seeks an administrative fine.
46. Pursuant to the Board's non-binding Interpretation Guideline 16 on Administrative Fines:
- An administrative fine is a remedy to be used by the Board to encourage compliance with the *Residential Tenancies Act, 2006* (the "RTA"), and to deter landlords from engaging in similar activity in the future. This remedy is not normally imposed unless a landlord has shown a blatant disregard for the RTA and other remedies will not provide adequate deterrence and compliance.
47. The remedies awarded to the Tenant above total \$9,409.98. As the Landlord and the Purchasers did not attend the hearing there is no evidence before the Board as to whether that amount will be a deterrent to them or not, but it would be contrary to public policy if non-attendance by respondents could defeat a tenant's request for an administrative fine.
48. I am satisfied that the pattern of their behaviour throughout suggests the Landlord and the Purchasers routinely feel entitled to disregard their legal obligations. The Landlord served an N12 without entering into a purchase and sale agreement. The Purchasers started showing the unit immediately upon closing. Both the Landlord and the Purchasers threatened the Tenant with the police when she was merely exercising her right to live in the unit until an order of the Board was obtained, and the Landlord harassed the Tenant by trying to remove the washer and dryer. All of that behaviour suggests that these respondents need to be deterred from disregarding the Act in the future.
49. As a result, I am satisfied that an administrative fine is appropriate. Given the behaviour with respect to the serving of the bad faith notice, the fact that the Board's records suggest this is the first time these respondents have been before the Board, it seems to me a reasonable administrative fine would be \$5,000.00. An order shall issue accordingly.
50. Finally, the Tenant incurred costs of \$48.00 for filing the application and is entitled to reimbursement of that cost.
51. This order contains all of the reasons for the decision within it. No further reasons shall be issued.

It is ordered that:

1. The Landlord and the Purchasers shall pay to the Tenant \$9,457.98. This amount represents:
 - \$3,357.48 for increased rent the Tenant has incurred for the one year period from November 1, 2022, up to October 31, 2023;
 - \$1,954.50 for the reasonable moving, storage and other like expenses that the Tenant has incurred as a result of having to move out of the rental unit;
 - \$4,098.00 for other compensation claimed; and
 - \$48.00 for the cost of filing the application.
2. The Landlord and the Purchasers shall pay the Tenant the full amount owing by March 31, 2026.
3. If the Landlord and the Purchasers do not the Tenant the full amount owing by March 31, 2026, the Landlord and the Purchasers will start to owe interest. This will be simple interest calculated from April 1, 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.
5. The Landlord and the Purchasers shall pay to the Landlord and Tenant Board an administrative fine in the amount of \$5,000.00 by March 31, 2026.

March 20, 2026
Date Issued

Paula West Oreskovich
Member, Landlord and Tenant Board

15 Grosvenor Street, Ground Floor
Toronto ON M7A 2G6

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

Payment of the fine must be made to the LTB by the deadline set out above. If not paid, the outstanding amount may be sent to a collection agency and/or the party owing the money may not be permitted to file a new application until it is paid in accordance with section 196 the Act.

The fine can only be paid by money order, bank draft or certified cheque payable to the "Minister of Finance". The payment can be mailed or couriered to the LTB at 25 Grosvenor Street, Ground Floor, Toronto, ON M7A 2G6 or dropped off at most Service Ontario locations.