



Order under Section 135 Residential Tenancies Act, 2006

File Number: LTB-T-000092-26

In the matter of: 435 ELLERSLIE AVE
NORTH YORK ON M2R1C1

Between: L. Furtado Tenant

And

Ana Katic Landlord

L. Furtado (the 'Tenant') applied for an order determining that Ana Katic (the 'Landlord') collected or retained money illegally.

This application was heard by videoconference on March 25, 2026.

The Landlord and the Tenant attended the hearing.

Determinations:

Overview

1. The Tenant's application is filed under section 135 of the Residential Tenancies Act, 2006 (the "Act") and claims the Landlord illegally collected or retained money.
2. The Landlord unlawfully retained monies based on an unlaw rent increase.
3. The Tenant's claim for the interest payable on the last month's deposit for the years 2022, 2023, 2024 and 2025 is granted.
4. As the Tenant was successful on her application, the Tenant is awarded her costs of filing this application.

Preliminary Issue

1. At the outset of the hearing, the Landlord requested her property manager, Eszter Sebok, represent her at the hearing. The letter written to the Board authorizing Eszter Sebok to represent the Landlord is presented as Exhibit 1 -DOCUMENT ID 7557493.
2. By-law 4, s.30 of the Rules of Conduct for lawyers and paralegals established by the Law Society of Ontario (LSO) states that: "A person who is not licensed by the LSO may not

represent a party at an LTB proceeding unless that person falls within one of the specific licencing exemptions in the LSO By-Laws.”

3. Ms. Sebok does not fall into the specific licencing exemptions as she is not an in-house legal services provider, nor employed by a clinic within the meaning of the *Legal Aid Services Act, 1998*, that is funded by Legal Aid Ontario. Furthermore, Ms. Sebok was to receive compensation for acting on behalf of the Landlord. Having taken all these facts into consideration, I explained to the Landlord that Ms. Sebok could not represent her at the hearing.
4. The Landlord then confirmed that she would represent herself but would like to call upon Ms. Sebok as a witness during the proceeding. Ms. Sebok was then asked to leave the hearing room and was told she would be called back when it was time for her to testify.

T1 Application – Determinations

5. The Tenant claims the Landlord:
 - a) Charged her illegal rent from 2023 to present; and
 - b) Owes her interest on her last month's deposit.
6. In accordance with s.116 of the *Residential Tenancies Act, 2006* (the “Act”), the Landlord must serve a notice of rent increase at least 90 days prior to the effective date of the increase, it needs to be served on a prescribed form such as N1 or N2 Board form and a rent increase cannot happen more than once in a 12-month period.
7. In accordance with s135(1) of the Act, a Tenant or former Tenant of a rental unit may apply to the Board for an order that the Landlord, superintendent or agent of the Landlord pay to the Tenant any money the person collected or retained in contravention of this Act or the *Tenant Protection Act, 1997*.
8. Although the Tenant claims that the 2023 and 2024 rent increases were not lawful, she did not claim for the overpayment to be refunded in her application because she did not file any applications with the Board disputing the rent increase for those 2 years. She is out of time for the purpose of such claims because section 135.1 of the Act addresses when an increase in rent that would otherwise have been void under subsection 116(4) for failure to serve a Notice of Rent Increase does not apply.

135.1 (1) An increase in rent that would otherwise be void under subsection 116 (4) is deemed not to be void if the tenant has paid the increased rent in respect of each rental period for at least 12 consecutive months.
9. By virtue of section 135.1 the rent increases of 2023 and 2024 are deemed not to be void.
10. The Tenant testified that upon receipt of the notice of rent increase effective June 1, 2025, she paid the new rent amount from June 1, 2025 – December 31, 2025. After this, she filed an application with the Board disputing the rent increase.

The 2025 rent increase of \$66.95 per month is deemed unlawful

15. The Tenant testified that she received a letter from the Landlord on April 21, 2025, stating that as of June 1, 2025, her rent would be increased by \$66.95 per month to \$2,744.95. She stated that she was not provided with the lawful 90-day notice and nor was the notice provided on the prescribed N1 or N2 form. The Landlord did not dispute these facts.
16. For these reasons, I find the April 21, 2025, increase in rent to be unlawful.
17. As a result, the Landlord shall be ordered to pay the Tenant the overpayment in rent from June 1, 2025 – December 31, 2025.

Interest on the last month's rent

18. The parties agree that the Tenant paid the Landlord a last month's rent deposit in the amount of \$2,550.00.
19. The Tenant seeks interest on the last month's rent deposit for the years 2022, 2023, 2024 and 2025.
20. Interest on a last month's rent deposit is due once a year. The Tenant testified interest on her last month's rent deposit was due on June 1, 2022, June 1, 2023, June 1, 2024, and June 1, 2025. If a Landlord fails to pay interest to the Tenant on the annual anniversary date, then an illegal retention has begun.
21. This illegal retention is deemed to be an ongoing action. *626114 & 626115 Ontario Ltd. v. Tirado*, 2005 CanLII 36461 (ON SCDC) tells us that a tenant is allowed to assert their rights under s118 of the Tenant Protection Act, 1997 with respect to interest owed on an annual basis and that there is no one year limitation period in which a tenant can bring forward their claim.
22. Therefore, the Tenant's claim for interest on last month's rent for the years 2022, 2023 and 2024 is granted.
23. Notably, under section 106(9) a Tenant may at any time deduct the interest the Landlord did not pay on the last month's rent deposit from a subsequent rent payment. Therefore, where a tenant owes rent, they have a remedy without the need to bring an application.
24. As a result, the Landlord shall be ordered to pay the Tenant the interest owed on the last month's rent deposit as of June 1, 2022, June 1, 2023, June 1, 2024, and June 1, 2025.

It is ordered that:

1. The total amount the Landlord shall pay the Tenant is \$738.50. This amount represents:

- \$468.65 for excess rent collected.
 - \$221.85 for interest owing on 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 April 24, 2026.
 3. If the Landlord does not pay the Tenant the full amount owing by April 24, 2026, the Landlord will owe interest. This will be simple interest calculated from April 25, 2026, at 4.00% annually on the balance outstanding.
 4. If the Landlord does not pay the Tenant the full amount owing by April 24, 2026, the Tenant may recover this amount by deducting \$369.25 from the rent each month for the months of April and May 2026.
 5. The Tenant has the right, at any time, to collect the full amount owing or any balance outstanding under this order.

April 13, 2026
Date Issued

Farzana Kanji
Member, 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.

