



Order under Section 69 Residential Tenancies Act, 2006

Citation: Yazdani v 10263478 CANADA INC., 2026 ONLTB 28726

Date: 2026-04-08

File Number: LTB-L-102256-25

In the matter of: 45 PARK LANE CIR
NORTH YORK ON M3C2N3

Between: Afshin Yazdani Landlord
Tina Barooti

And

10263478 CANADA INC. Tenant

Afshin Yazdani and Tina Barooti (the 'Landlord') applied for an order to terminate the tenancy and evict 10263478 CANADA INC. (the 'Tenant') because the Tenant did not pay the rent that the Tenant owes.

This application was heard by videoconference on February 24, 2026.

The Landlord Afshin Yazadani, the Tenant's Legal Representative Robert Wood and the Tenant Oxana Nurse attended the hearing.

At the hearing the Tenant raised the following issues pursuant to section 82 of the *Residential Tenancies Act, 2006* (the 'Act'): utility bills and other services.

Procedural History:

1. This application was adjourned by the Board on December 23, 2025, as there was not enough remaining on the docket to complete the matter.

Preliminary Issue:

1. Upon review of the N4 Notice of Termination, I find that the rental period is unclear. Section 43(1) of the *Residential Tenancies Act, 2006* ("RTA") requires a landlord to clearly indicate the amount owing and the rental period to which the arrears relate. In this case, the rental period information in the Notice states "7th to the 7th," which makes it impossible to determine the correct rental period or the precise amount of arrears owing.

2. Section 43 of the RTA sets out the mandatory requirements for a notice of termination, including that the notice must “set out the reasons and details respecting the termination.” In the context of an N4 Notice of Termination, the reasons and details necessarily include an accurate description of the rent owing and the specific rental periods for which that rent is claimed.
3. In the present case, the N4 Notice of Termination states that rent was owing for the period from October 7, 2025, to November 7, 2025, and describes each rental period as beginning on the 7th day of the month.
4. However, based on the evidence presented at the hearing, including the tenancy agreement submitted by the Landlord, I find that the rental period runs from the 7th day of each month to the 6th day of the following month, with rent due on the 7th. As a result, the rental periods identified in the N4 Notice of Termination are incorrect. I therefore find that the Notice fails to comply with section 43 of the Act because the reasons and details respecting the termination are inaccurate.
5. I also considered section 212 of the Act on my own initiative. Section 212 provides that substantial compliance with the Act respecting the contents of forms, notices, or documents is sufficient. This provision is intended to prevent minor or technical deficiencies from invalidating an otherwise valid notice. However, I find that the principle of substantial compliance cannot be used to cure defects relating to mandatory statutory requirements. Section 43 expressly requires that a notice of termination set out the reasons and details respecting the termination. This requirement is fundamental, not discretionary. Applying section 212 to excuse non-compliance with such a core requirement would, in my view, constitute an error in law. Such an interpretation would undermine the legislative intent of ensuring transparency and fairness in the eviction process and could lead to unreasonable outcomes, including permitting eviction based on misleading or inaccurate notices. Accordingly, while section 212 may apply to minor deficiencies, it cannot override compliance with essential statutory obligations.
6. I therefore find that the Landlord has not met the mandatory requirements set out in section 43 of the *Residential Tenancies Act, 2006*. As a result, I cannot find the N4 Notice of Termination to be valid, nor can these defects be remedied through the substantial compliance provision
7. Finally, the Landlord elected to proceed on the basis of rent arrears only. It was made clear to the Landlord that eviction would not be ordered, and that if the application were successful, the remedy would be limited to monetary compensation with the tenancy continuing. The Landlord acknowledged and agreed to proceed on that basis.

Determinations:

1. The Landlord served the Tenant with a valid Notice to End Tenancy Early for Non-payment of Rent (N4 Notice). The Tenant did not void the notice by paying the amount of rent

arrears owing by the termination date in the N4 Notice or before the date the application was filed.

2. As of the hearing date, the Tenant was still in possession of the rental unit.
3. The lawful rent is \$37,500.00. It is due on the 7th day of each month, which the parties agreed
4. The Tenant has not made any payments since the application was filed.
5. The rent arrears owing to March 6, 2026, are \$183,287.76.
6. The rent arrears owing to the Landlord are more than the LTB's monetary jurisdiction. Under subsection 207(1) of the Residential Tenancies Act, 2006 (the 'Act') the LTB may order payment up to \$50,000.00. Proceeding with this application at the LTB extinguishes any rights the Landlord may have to claim the full amount owing at the LTB or a court. The Landlord was made aware of the LTB's monetary jurisdiction and chose to proceed with this application.
7. The Landlord incurred costs of \$202.15 for filing the application and is entitled to reimbursement of those costs.
8. The Tenant paid the first and last month's rent at the start of the tenancy in the amount of \$75,000.00. The Landlord has retained the last months rent deposit of \$37,500.00.

Arrears

9. Mr. Yazadani testified that no rent has been paid by the Tenants since October 2025.
10. The Landlord acknowledged receiving \$28,777 but asserted it was for September. However, documentary evidence and the Landlord's own concessions support that this amount was received in respect of October rent.
11. I find that partial payment in the amount of \$28,777.00 was made towards October's rent, but there was a balance of \$8,723.00, remaining. Given there was no evidence provide by the Landlord to reject this amount for October 2025, rent.
12. He testified that no rent payments were made from November 2025, onward.
13. During cross-examination, Mr. Wood referred the Landlord to his own documentary brief (Evidence ID 739-8037), consisting of approximately 113 pages.
14. At page 8 of the Landlord's brief, shows an Enbridge utility statement showing a total owing of \$9,132.70, page 10 shows a partial payment of \$3,052.50. The Landlord confirmed he made the \$3,052.50 payment and that a balance outstanding remains thereafter.
15. At page 11, a hydro bill for 45 Park Lane Circle shows an amount of \$5,530.75, owing, and on page 13, a payment of \$2,000.00, was made. The Landlord confirmed he made the \$2,000.00 payment and that a balance outstanding remains thereafter.
16. Mr. Wood elicited that both electricity and gas are essential service for residential occupancy, particularly during winter months. The Landlord acknowledged this but

maintained that his obligation to pay utilities was frustrated by the Tenant's non-payment of rent and he could no reasonably be expected to continue paying utilities while rent remains unpaid.

17. Mr. Wood questioned if the Landlord was experiencing financial difficulty in 2025, resulting in the Landlord requesting prepaid rent in May, June, and July 2025. The Landlord denied that he provided two of "free rent" at the end of the term and he denied being in mortgage default. Lastly, Mr. Yazadani denied requesting the Tenant's assistance in preventing enforcement of a power of sale.
18. The Landlord confirmed that his mortgage renewed on or about October 4, 2025. A power a sale process was commenced in November 2025 but did not proceed. Further, payments were received in the amounts and on the dates reflected in the Tenant's ledger, though he disputes the allocation of those payments to specific rental months.
19. I find that even if rent was prepaid in earlier months, that fact does not establish a continuing right to withhold rent indefinitely absent clear evidence of a binding agreement altering the lease terms. There is no written agreement in evidence establishing a two-month rent waiver, a standing authorization to deduct all expense or a permanent modification of rent obligations.
20. The Landlord admitted the dates and amounts of payments but disputes their allocation and purpose. Regardless, the uncontested evidence establishes that no full monthly rent payments were made after October 2025, and no going rent payments were made from November 2025, forward.

The Tenant's evidence Rent Payment Spreadsheet (Tenant's Evidence Brief #1 – ID 702-4412)

21. Ms. Nurse testified that she prepared the nine-page rent payment spreadsheet contained in the Tenant's Evidence Brief #1. She confirmed that the payment of \$75,000.00 dated March 3 represented the first and last month rent deposit. Also, the Landlord remains in possession of the LMR deposit.
22. Ms. Nurse testified that payments dated April 15, April 28, and April 30 were prepayments of May rent. She stated that these prepayments were made following communications with the Landlord via WhatsApp.
23. According to Ms. Nurse:
 - The Landlord advised the Tenant that he was experiencing financial difficulties.
 - He requested that the Tenant prepay rent to assist with his cash flow.
 - In exchange, he allegedly promised two months of free rent at the end of the lease term.
 - This agreement was verbal and made through WhatsApp communications.
24. Ms. Nurse further testified that shortly after moving into the rental unit, individuals allegedly attended the property seeking payment from the Landlord. She stated the Landlord directed the Tenant to pay various third parties on his behalf, including a gardener, an electrician, and a contractor who had not completed shower work.

25. She testified that the Tenant made such payments at the Landlord's direction and deducted certain expenses from rent owing. Further she stated that at the time the lease was entered into, the Tenant was unaware that the Landlord had allegedly stopped making mortgage payments approximately one year earlier. She indicated that this information was only discovered months later. Ms. Nurse confirmed that similar payments were made in June and July for the same reasons.
26. Ms. Nurse testified that the payment of \$28,777 on October 10 represented October rent.
27. She stated the payment was delayed because:
- The Landlord's Scotiabank account had allegedly been garnished.
 - The Landlord instructed the Tenant to wire funds to a Wells Fargo account.
 - The Landlord initially failed to provide complete wiring information.
28. Ms. Nurse testified that the reduced amount of \$28,777 reflected deductions for expenses the Tenant allegedly paid on the Landlord's behalf, including utility payments.
29. She stated the Tenant began receiving disconnection notices for utilities. According to her testimony the Landlord was advised that billing issues were being resolved, some utility arrears predated their occupant, and she (the Tenants) paid the outstanding amounts to avoid service disruption. Ms. Nurse stated payments she had paid towards the outstanding utilities were deducted from the rent.
30. Ms. Nurse referred to page 33 (bookmark "H") of Tenant's Evidence Brief #3, which she identified as a notice posted on the Tenant's door on November 4. (Tenant's Evidence Brief #3 – ID 702-4425)
31. She testified that this was the first time the Tenants became aware of Apex, a property management company. She stated that an Apex representative advised her that the property was in foreclosure and that the Landlord had not made mortgage payments since April 1, 2024. She further testified that Apex posted a "For Sale" sign on the property and that the Apex representative advised the Tenants not to pay rent to the Landlord but instead suggested that rent be paid to Apex.
32. Additionally, she confirmed:
- No rent was paid for December 7 through January 6.
 - No rent was paid for January 7 through February 6.
 - The Tenant continued paying operating expenses.
 - The Landlord retained the last month's rent deposit.
 - The Tenant maintains that two months of free rent were owed pursuant to the alleged prepayment agreement.
33. Ms. Nurse testified that nothing materially changed during December or January regarding the mortgage enforcement situation. She stated that lender representatives attended the property, attempted to change the locks, and showed the property to prospective purchasers.

34. The Tenant relies on a CRA letter dated February 12, 2026. Ms. Nurse confirmed she had seen the letter previously and testified that she received it by regular mail at the company's Concord mailing address. She described the envelope as bearing a red "urgent" sticker.
35. The letter was addressed to 103-15427 Canada Limited. Ms. Nurse testified that she is the Vice-President of that corporation, has signing authority, and manages its accounts. She stated that this corporation paid the rent and expenses relating to 45 Park Lane since the Tenant took possession.
36. When asked why she believed the Canada Revenue Agency issued the letter, Ms. Nurse testified that, to her understanding:
- The CRA had registered liens against the property and garnished bank accounts associated with Mr. Yazdani.
 - The CRA may have identified that the numbered company was depositing funds into Mr. Yazdani's accounts.
 - The letter constituted a third-party demand requiring payment of monies otherwise payable to Mr. Yazdani.
37. Ms. Nurse testified that she and Jeff Nurse participated in a conference call with a CRA collection agent, whom she identified as Mr. Trottier, described as a senior collection's agent. She stated that he advised a further third-party demand would be issued in relation to tax debts allegedly owed. She claims if monies were owed to the Landlord payments must be made to the CRA. Lastly, failure to comply could result in liability to the numbered company.
38. Mr. Yazadani cross-examined Ms. Nurse on the evidence presented.
39. Mr. Yazdani questioned the timing of the Tenant's knowledge of alleged mortgage default. Ms. Nurse stated that in June or July, she became aware that the Landlord's property insurance had been cancelled and that she was asked to provide the Tenant's certificate of insurance to lenders. She viewed this as a "red flag."
40. On November 4, a notice was posted by Apex Property Management requesting occupancy confirmation. After contacting Apex, she learned the mortgage was allegedly unpaid and that the property was subject to power of sale proceedings. She testified after November the magnitude of the Landlord's financial issues became clear.
41. Mr. Yazdani put to the witness the contents of the November 4 notice (Tenant's Evidence Brief #3, page 33), which stated that Apex had been instructed by the mortgage holder to conduct an occupancy check and that locks would be changed if no response was received. Ms. Nurse acknowledged reading the notice and confirmed that she contacted Apex. She maintained that during subsequent communications she was advised not to pay rent to the Landlord. She acknowledged there was no recording or documentary evidence filed confirming those alleged statements.
42. When questioned about her statement that the Landlord's Scotiabank account had been garnished, Ms. Nurse clarified that this was her assumption based on instructions to wire funds to an alternate account.

43. Mr. Yazdani put to the witness that no rent was paid for November, December, or January. Ms. Nurse responded stating that November rent was offset by expense paid and that the LMR was held by the Landlord. Also, she claims entitlement to two months' free rent pursuant to an alleged WhatsApp agreement tied to earlier prepayments.
44. When asked whether proof existed of the alleged agreement for two months' free rent, Ms. Nurse stated that the proof existed in WhatsApp communications but acknowledged that those messages were not filed in evidence.
45. Mr. Yazdani put to the witness that the CRA letter was not addressed to the corporate tenant named in the lease but to a different numbered corporation. Ms. Nurse agreed it was addressed to a different corporation but testified that the principal of that corporation was the same individual as the tenant and that the corporation paying rent had received the demand. Also, Ms. Nurse confirmed she did not know the basis for the alleged CRA tax debts and had not inquired further.
46. Mr. Yazdani suggested that the Tenant intended to remain in the property without paying rent. Ms. Nurse denied this and testified that rent was prepaid, and they paid approximately \$70,000.00 in expense on the Landlord's behalf. She acknowledged that not all of these records had been filed in evidence.
47. I find that the Tenants did not produce evidence made to the Landlord after October 2025 partial payment.
48. The CRA letter is dated February 4, 2026, and does not explain non-payment from October 2025 onward. There is no evidence that rent was paid to the CRA, nor that the Board authorized payment to a third party.
49. The issue before the Board on this portion of the hearing is arrears of rent. The Landlord's partial payment of utilities does not reduce rent owing unless the Tenant establishes a lawful set-off under the Act. No separate tenant application seeking an abatement, repair order, or compensation under s. 82 or other provisions has yet been adjudicated in this phase of the hearing.
50. This evidence does not displace the rent obligation unless and until a lawful remedy is established under the Act.

Section 82 Issues

51. Mr. Wood directed the Board to Section 6 of the Lease (Services and Costs), which contains checkboxes identifying responsibility for:
- Gas/Oil
 - Electricity
 - Hot water heater rental
 - Other related services (Patrol security services)
52. Ms. Nurse testified that It was her understanding, based on the Lease and communications at the outset of the tenancy, that rent included all utilities. The Landlord was responsible not only for utilities but also for maintenance and related services.

53. Since the tenancy began, the Landlord has not paid any of the utilities listed in Section 6 and the Tenant has paid all such expenses.
54. Mr. Wood referred the witness to Schedule "A" (page 29 of the brief; page 4 of the Lease). Ms. Nurse testified that the Landlord has not paid for maintenance, repairs, landscaping, or pool services since occupancy, but she (the Tenant) has covered these expenses. She paid directly related to maintenance, repairs, landscaping, utilities, and pool services.
55. Ms. Nurse testified that She created the spreadsheet after realizing she was incurring numerous expenses on the Landlord's behalf. It logs utilities, maintenance, landscaping, pool services, and HVAC-related expenses. Lastly, cash payments were not included due to lack of bank record evidence/proof.
56. The spreadsheet reflects:
- October rent paid: \$20,776
 - Deduction: \$1,723
 - Reason: expenses paid on the Landlord's behalf
57. Ms. Nurse testified that the deduction represented utilities and maintenance expenses paid by the Tenant and that the Landlord did not object at the time.
58. The spreadsheet reflects expenses paid between October 7, 2025, and early February 2026. She testified that the black-font amounts reflect expenses already paid but the red-font amounts reflect outstanding invoices not yet paid. Additional recent invoices (Hydro, Enercare, Enbridge) had been received but not yet added. She did confirm red-font amounts had not yet been paid.
59. The Tenant presented supporting documentation, including:
- Bell invoices
 - HVAC invoices (including service following an Enbridge-related compliance issue)
 - Credit card statements reflecting pool service payments (Gibson Pool Services)
 - Landscaping invoices
 - E-transfer records for landscaping vendors
 - Plumbing and driveway heating repairs
60. Ms. Nurse testified that all black font expense reflected in the spreadsheet were paid by the Tenant, and the total paid expenses From October 8 onward total \$16,925.02. She reiterated again ref-font items represent outstanding essential service bills.
61. Further, Ms. Nurse testified that red-font amounts are claimed because the Lease obligates the Landlord to pay utilities and maintenance. She recalls receiving an email from Mr. Yazdani stating he would not pay utilities or expenses. If disconnection occurred, she stated that the Tenant would be required to pay in order to remain in possession. I will note she confirmed that these red-font amounts again have not yet been paid.

62. The Tenants entered into evidence an Enbridge Collection Notice (November 2025) and a Toronto Hydro disconnection notice. The Tenant testified that some notices were paid, but others remain outstanding. She tracked payments through the spreadsheet due to volume and frequency of bills.
63. The Landlord repeatedly questioned why the Tenant did not establish Hydro, Enbridge, and other utility accounts in its own name, suggesting that it is “standard process” for a tenant to do so.
64. I find that the starting point is the lease agreement. Section 6 (Services and Costs) and Schedule “A” expressly allocate responsibility for utilities, maintenance/repairs, seasonal pool opening and closing, and landscape upkeep. The Lease places these expense on the Landlord
65. The Landlord testified that it is common practice for tenants to open utility accounts. He expected the Tenant to manage utilities. Under section 4 of ‘Act’, any term inconsistent with the Act is void. Where a lease clearly assigns responsibility for utilities to the landlord, that allocation governs unless lawfully amended.
66. I find There is no provision in the Lease requiring the Tenant to:
- Open accounts in their name.
 - Convert service accounts.
 - Act as billing intermediary.
67. The Landlord’s argument that it is “standard process” is unsupported by evidence. Even if it were common practice in some tenancies, contractual allocation governs.
68. His Financial hardship arose because the Tenant did not pay rent. He did not intentionally withhold services and no final disconnection occurred due to non-payment. Maintaining that any expenses incurred were either voluntary or excessive.
69. The Landlord admitted:
- He did not arrange direct billing access.
 - He did not contact utility providers to obtain statements.
 - He did not pay full outstanding balances.
 - He lacked funds to do so.
70. Mr. Wood cross-examined the Landlord on the evidence presented.
71. During cross examination the Landlord acknowledged that the lease assigns responsibility for utilities and maintenance to him.
72. Mr. Yazdani admitted he did not amend the lease, nor did he formally notify the Tenant of a transfer of responsibility. Lastly, he did not reimburse the Tenant for the expenses paid.

Analysis

73. This matter arises from a landlord's L1 application for rent arrears. In response, the Tenant raises issues of unpaid utilities and maintenance pursuant to section 82 of the *Residential Tenancies Act, 2006* ("RTA"). Section 82 permits a tenant to raise any issue that could form the basis of a tenant application, including alleged breaches of sections 20 and 21 of the RTA and lease obligations relating to services.
74. The Landlord submitted that the Tenant's failure to pay rent prevented him from paying utilities and maintaining services. I do not accept this submission. The Board has consistently held that a landlord's financial hardship, including rent arrears, does not relieve the landlord of statutory obligations under sections 20 or 21 of the 'Act'. These obligations are independent of the tenant's rent payment obligations. Accordingly, the Tenant's non-payment of rent does not extinguish the Landlord's obligation to pay utilities where responsibility is assigned by the lease, and financial hardship is not a legal defence.
75. The evidence includes an Enbridge collection notice, a Toronto Hydro disconnection notice, and notices relating to potential gas interruption associated with HVAC compliance issues. Although the Landlord argued that there was no actual service disconnection for non-payment, section 21 of the RTA prohibits the withholding of vital services, which include heat, electricity, and fuel. The issuance of disconnection notices, particularly during winter months, is serious. I am not required to find that a disconnection ultimately occurred to conclude that the Landlord's conduct created a real risk to the continued provision of vital services.
76. The Landlord acknowledged that he did not arrange for direct utility billing access, did not obtain account statements from the utility providers, did not pay the full outstanding balances, and lacked the funds to do so. I find that this approach exposed the Tenant to an unjustified risk of service interruption and constitutes a failure to meet the Landlord's statutory obligations.
77. With respect to security services provided by Avante, the lease does not expressly require the Landlord to provide patrol security services. While the evidence establishes that the security system was installed by the Landlord and operational at the commencement of the tenancy, there is no provision in Schedule "A" obligating the Landlord to maintain patrol services. I find that while the alarm infrastructure forms part of the premises, optional patrol services are not established as contractual obligations or services included in the rent. Accordingly, Avante patrol charges are not recoverable under section 82.
78. Schedule "A" to the lease expressly assigns responsibility for pool opening and closing and regular landscaping maintenance to the Landlord. The Tenant submitted invoices, payment records, and reconciliation documents in support of these expenses. The Landlord's objections focused on calculations but did not establish fabrication or duplication. Where documentary evidence is produced and not meaningfully challenged, it may be relied upon. I find that the Tenant has proven payment of \$16,925.02 for maintenance and utilities incurred from October 8 onward.

79. The Tenant acknowledged that certain claimed amounts were unpaid. The Board cannot order reimbursement for expenses not yet incurred or paid unless they are clearly due and payable. Recovery is therefore limited to amounts actually paid and proven. Any unpaid invoices may form the basis of a separate application if subsequently paid.
80. Turning to arrears, the Landlord has proven rent arrears totaling \$150,186.00. The Tenant did not materially dispute this calculation. I therefore find that arrears exceed \$150,000.00.
81. Although section 82 permits the Tenant to raise maintenance and service issues in response to an L1 application, the burden of proof rests with the Tenant. Only expenses that were actually paid, supported by reliable documentation, and contractually recoverable may be set off against rent arrears. On the evidence before me, I find that the Tenant has proven recoverable expenses totaling \$2,615.00. All other claimed amounts are dismissed as unpaid, unproven, or not demonstrated to be included in the rent.
82. While financial hardship is not a defence to a breach of statutory maintenance obligations, the Tenant must still establish a quantifiable loss. In this case, the Tenant has not proven losses beyond \$2,615.00.
83. Based on the above, the Tenant's claim for set-off under section 82 is allowed in part in the amount of \$2,615.00. The Tenant's remaining claims are dismissed.
84. The Landlord's application for arrears of rent is granted in part.
85. I find that total arrears of rent owing are \$150,186.00.
86. After applying the Tenant's set-off, the net arrears are \$147,571.00.
87. Pursuant to section 207(1) of the Residential Tenancies Act, 2006, the Board's monetary jurisdiction is limited.
88. The Board therefore orders the Tenant to pay the Landlord the sum of \$50,000.00, being the maximum amount permitted under the Act. This amount is inclusive of the Board's jurisdictional limit and reflects the statutory cap.

It is ordered that:

1. The tenancy between the Landlord and Tenant continues.
2. The Tenant shall pay the Landlord \$50,000.00, which is the maximum amount permitted under the 'Act'.
3. If the Tenant does not pay the Landlord the full amount owing on or before April 19, 2026, the Tenant will start to owe interest. This will be simple interest calculated from April 20, 2026, at 4.00% annually on the balance outstanding.

April 8, 2026
Date Issued

Anthony Bruno
Member, Landlord and Tenant Board

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