



Order under Section 135 Residential Tenancies Act, 2006

Citation: PENG v Quaresima, 2026 ONLTB 28597

Date: 2026-04-14

File Number: LTB-T-057463-25

In the matter of: 5, 325 Van Norman St.
Thunder Bay ON P7A4C1

Between: MINGFANG PENG Tenants
NAN GAO

And

Joe Quaresima Landlords
D.J. Quaresima

MINGFANG PENG and NAN GAO (the 'Tenants') applied for an order determining that Joe Quaresima and D.J. Quaresima (the 'Landlords') collected or retained money illegally.

This application was heard by videoconference on February 26, 2026.

The Landlord, Joe Quaresima (J.Q) and the Tenant Mingfang Peng (M.P) attended the hearing.

Determinations:

1. As explained below, the Tenants proved the allegations contained in the application on a balance of probabilities. Therefore, the Landlords shall return the last month's rent deposit to the Tenants with interest.
2. There is no dispute between the parties with respect to the following:
 - The Tenants entered into a fixed term lease agreement with the previous landlord from September 1, 2023, to August 31, 2024.
 - At the end of the fixed term tenancy became a monthly tenancy.
 - In March 2025, the Landlords purchased the property from the previous landlord.
 - The Tenants paid a last month's rent deposit to the former landlord on August 30, 2023, in the amount of \$1,800.00.
 - The Landlords currently retain the Tenants last month's rent deposit in the amount of \$1,800.00.
 - On April 30, 2025, the M.P advised the Landlords via email that the Tenants wanted to terminate their lease for May 31, 2025. The Landlords advised that this was not

a 60-day notice, and that the Tenants are responsible for paying their rent for May 2025, and June 2025. The Landlords will attempt to secure a new tenant for June 2025. If a new tenant is found, then the Landlords will return the Tenants their last month rent deposit.

- Near the end of May 2025, the Landlords informed the Tenants that they found a new tenant for the rental unit, and the parties later agreed that the Tenants would vacate the rental unit on June 4, 2025.
 - The Tenants vacated the rental unit on June 4, 2025, and the keys were returned to the Landlords. The last month's rent deposit was not returned to the Tenants.
 - A new tenant moved into the rental unit in June 2025.
 - On June 15, 2025, M.P requested the return of the Tenants' last month's rent deposit from the Landlords. The following day, the Landlords responded that they would return only a \$1,000.00 as the Landlords will deduct \$800.00 from the last month's rent deposit for cleaning costs.
3. M.P testified that the rent is due on the 1st of the month, and the rent for May 2025 was paid to the Landlords. Her position is that since the parties agreed to terminate the tenancy for June 4, 2025, and the fact that the Landlords found a new tenant for the rental unit for June 2025, the Landlords must return the last month's rent deposit. The Tenants also seek interest on the last month rent deposit.
 4. J.Q testified that that Landlords agreed to terminate the tenancy for May 31, 2025, and that the Landlords attempted to re-rent the unit for June 1, 2025. He confirmed that the Landlords entered into a lease agreement with a new tenant sometime at the end of May 2025, with a move in date scheduled for June 1, 2025. On May 28, 2025, the Tenants advised the Landlords that they would vacate June 4, 2025. J.Q confirmed that the Landlords "accepted" that move out date. The Tenants vacated the rental unit on June 4, 2025, and returned the keys to the Landlords. J.Q advised that the new tenant did not move into the rental unit early June 2025 due to the unsanitary condition of the rental unit. He confirmed that the new tenant moved into the rental unit in the middle of June 2025 (either June 15, 2025, or June 16, 2025).
 5. Section 37 of the Act provides that a tenancy may be terminated only in accordance with the Act. In accordance with sections 44(2) and 47 of the Act, the earliest termination date the Tenants could have specified on a notice of termination was June 30, 2026. While the Tenants assert that they gave the Landlords a notice of termination via email, this could not have been a valid notice as the Tenants were attempting to terminate the tenancy before June 30, 2026.
 6. However, Section 37(3) of the Act stipulates that a notice of termination need not be given if a landlord and a tenant have agreed to terminate a tenancy.
 7. The word "agreed" is not defined in the Act, but the meaning of an agreement is well established in the common law of contract. An agreement is formed when one party communicates an offer to the other, and the offeree communicates its acceptance.
 8. I agree with the analysis in *Dadiala v Griffin*, [2001] O.R.H.T.D. No 84, in which the Ontario Rental Housing Tribunal recognized that while a notice of termination under the Act must be in a form prescribed by the Act, an otherwise deficient notice of termination provided by

a tenant can support a finding of the existence of an agreement to terminate a tenancy if it is accepted by the landlord. However, the landlord's acceptance must be "unequivocal", and it must also be clear that there is a meeting of the minds.

9. Based on the evidence adduced at the hearing, I am satisfied on a balance of probabilities that the parties agreed to terminate the tenancy for May 31, 2025. J.Q confirmed that the Landlords accepted/agreed to terminate the tenancy for May 31, 2025, and attempted to find a new tenant for June 1, 2025. The Landlords were successful in finding a new tenant, and the parties later agreed that the Tenants would vacate the rental unit for June 4, 2025. Keys were returned to the Landlords on this date. Pursuant to subsection 106(10) of the Act, the last month's rent deposit is to be applied to the last period of the tenancy. In this case, the last period would be May 2025. Since the Tenants paid rent for the period of May 2025, I find that the Landlords have illegally retained the last month's rent deposit in contravention of the Act. Accordingly, I will return the last month's rent deposit to the Tenants with interest.
10. In the event, I am wrong in my analysis that the parties agreed to terminate the tenancy for May 31, 2025, I would arrive at the same conclusion that the Landlords have illegally retained the last month's rent deposit. As indicated above, the earliest termination date the Tenants could have specified on a notice of termination would be June 30, 2026, and any notice provided by the Tenants could not have been a valid notice as the Tenants were attempting to terminate the tenancy before June 30, 2026. In accordance with section 88(1) of the Act, the Tenants could be responsible for paying the rent all the up to June 30, 2026, as this is the earliest date that could have been specified on a notice. However, sections 16 and 88(4) of the Act requires landlords or tenants to take reasonable steps to minimize their losses they may suffer a result of another party's breach of the Act. In this case, I am satisfied that the Landlords mitigated their loss for June 2025 as they entered into a new lease agreement for June 2025. Thus, the last months rent deposit ought to have been returned to the Tenants.
11. The Landlords' justification for not returning the full last month's rent deposit to the Tenants is due to cleaning costs which the Landlords incurred or will incur to clean the rental unit. What I gather from this is that the Landlords are treating the last month's rent deposit as a "security deposit" to mitigate against any loss which may have resulted from the tenancy. This is not permissible under subsections 134(1)(a) of the Act, and the Landlords are not entitled to retain the last month's rent deposit for reasons related to cleaning costs.
12. For the above noted reasons, I find that the Landlords have illegally retained the last months rent deposit in the amount of \$1,800.00 and it must be returned to the Tenants.
13. Interest is owing to the Tenants from August 30, 2023, to June 4, 2025, in the amount of \$79.53.
14. The Tenants incurred costs of \$53.00 for filing the application are entitled to reimbursement of those costs.
15. The total amount the Landlords owe the Tenants is \$1,932.53 (\$1,800+ \$53.00+\$79.53). I will award this amount.

16. This order contains all the reasons for my decision within it. No further reasons shall be issued.

It is ordered that:

1. The total amount the Landlords shall pay the Tenants is \$1,932.53. This amount represents the return of the last month's rent deposit, the interest on the last month's rent deposit, and the cost of filing the application.
2. The Landlords shall pay the Tenants the full amount owing by April 25, 2026.
3. If the Landlords do not pay the Tenants the full amount owing by April 25, 2026, the Landlords will owe interest. This will be simple interest calculated from April 26, 2026, at 4.00% annually on the balance outstanding.
4. The Tenants have the right, at any time, to collect the full amount owing or any balance outstanding under this order.

April 14, 2026
Date Issued

Inderdeep Padda
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.