



Order under Section 135 Residential Tenancies Act, 2006

File Number: LTB-T-100088-25

In the matter of: 908, 7 GOLDEN LION HTS
NORTH YORK ON M2M0C1

Between: Honlam Lung Tenant

And

Michael Lai Landlord

Honlam Lung (the 'Tenant') applied for an order determining that Michael Lai (the 'Landlord') collected or retained money illegally.

This application was heard by videoconference on April 28, 2026.

Only the Tenant, who was joined by the other Tenant not named in the Application, Liying Qu, attended the hearing.

As of 9.31 a.m., the Landlord was 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 adjourn the hearing. As a result, the hearing proceeded with only the Tenant's evidence.

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 Tenant's claim for the return of 5.5 months rent paid upfront is granted as collection of a rent deposit for an amount that is more than one month's rent is in direct contravention of section 106(2) of the Act.
3. The Tenant's claim for the return of the Key Deposit is granted.
4. Notwithstanding the fact that the Landlord did not serve the Tenant with an N13 Notice to vacate the rental unit for repairs to take place, the fact that the Landlord and his agent through email communications asked the Tenant to vacate the unit in order for repair work to be carried out confirms that the Tenant was asked to leave the premises. The Tribunal is satisfied as per section 202 of the Act that the real substance of the matter effectively

removed the Tenant from the rental unit. The Landlord did not provide the Tenant with one month's compensation and the Tenant's claim for this amount is also granted.

5. As the Tenant was successful on his application, the Tenant is awarded his costs of filing this application.

T1 Application – Determinations

6. The Landlord and Tenant entered into a one-year lease agreement commencing on September 10, 2025.
7. The monthly rent is \$2,100.00. On September 8, 2025, the Tenant made two payments to the Landlord totalling to an amount of \$12,900.00. This amount is for first and last month's rent, 4 months rent upfront and includes a \$300 refundable Key Deposit.
8. The Tenant also made monthly rent payments of \$2,100.00 on October 10, 2025, and November 10, 2025.
9. Subsection 106(2) of the Act provides:

106(2) The amount of a rent deposit shall not be more than the lesser of the amount of rent for one period and the amount of rent for one month.
10. In total, the Tenant paid the Landlord \$17,100 and only lived in the unit for 2.5 months before the Landlord's Agent asked the Tenant to vacate the unit in order for repair works to be carried out.
11. Consequently, the Tenant claims the Landlord owes him 5.5 months of rent out of the 8 months rent that he paid upfront.
12. The Tenant relied upon Exhibit 1 – DOC ID 6887636 with respect to confirmation of the payments made to the Landlord and the Lease Agreement itself.
13. Hence, the Landlord is in direct contravention of section 106(2) of the Act as he collected 4 months rent upfront from the Tenant in addition to the first and last months' rent payment at the commencement of the tenancy.
14. Despite attempts made to communicate with the Landlord and his Agent, the Tenant has yet to receive a response from the Landlord.
15. Subsections 135(1) and (1.1) of the Act provide:

135(1) 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*.

(1.1) Without limiting the generality of subsection (1), a landlord is deemed to have retained money in contravention of this Act, if the landlord is required to

compensate a tenant under section 48.2, 49.1, 52, 54, or 55 and fails to compensate the tenant as required.

Key Deposit

16. Section 17 of the Lease Agreement states that “The keys and Fobs will be provided to tenant before closing. \$300 for Key Deposit will be collected before closing and shall be returned to Tenant without deduction if all keys are returned to the Landlord.”
17. The Landlord has failed to return the \$300 Key Deposit to the Tenant despite the Tenant asking him to do so.

Compensation for N13 Notice owing

18. Between November 5, 2025, and November 10, 2025, the Tenant received an email asking him to vacate the unit by November 25, 2025. Consequently, the Tenant vacated on November 24, 2025.
19. The Landlord’s Agent did provide the Tenant options with respect to other units they could live in but because the Agent could not provide a firm date as to when the Tenant could return to the unit, he chose not to accept any of those options.
20. The Tenant claims the Landlord failed to pay him one month’s compensation when he was asked to vacate the premises as required under section 54.3 of the Act.
21. Even though no formal N13 Notice was served on the Tenant, the communication exchange that took place between the Landlord’s Agent and the Tenant does amount to an N13 for the purposes of section 57 of the Act. A tenant should not be deprived of the remedies available when a bad faith notice is served just because the Landlord failed to serve the notice in the proper form and in compliance with the Act. To decide otherwise would defeat the purpose of section 57 and produce an unjust result.
22. I am satisfied that the Tenant moved out as a result of the communication exchange between the Landlord’s Agent and himself.
23. As a result, I find that the Tenant is owed one month’s rent as compensation.

It is ordered that:

1. The total amount the Landlord shall pay the Tenant is \$13,998.00. This amount represents:
 - \$11,550.00 for the 5.5 months of rent paid upfront;

- \$300.00 for the refundable Key Deposit owing;
 - \$2,100.00 for the compensation owing; and
 - \$48.00 for the cost of filing the application.
2. The Landlord shall pay the Tenant the full amount owing by May 25, 2026.
 3. If the Landlord does not pay the Tenant the full amount owing by May 25, 2026, the Landlord will owe interest. This will be simple interest calculated from May 26, 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.

May 14, 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.