



Order under Section 135 Residential Tenancies Act, 2006

Citation: Penney v Cornman, 2026 ONLTB 38318

Date: 2026-05-18

File Number: LTB-T-081132-25

In the matter of: 2, 431 KRUG ST
KITCHENER ON N2B1K9

Between: Sara Penney Tenant

And

1000592727 Ontario Inc. Landlord

Sara Penney (the 'Tenant') applied for an order determining that 1000592727 Ontario Inc. (the 'Landlord') collected or retained money illegally.

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

The Tenant and the owner of the Corporate Landlord, Brandon Cormon, attended the hearing.

Determinations:

1. As explained below, the Tenant proved the allegations contained in the application on a balance of probabilities. Therefore, the Landlord must pay to the Tenant \$1,232.76.
2. The parties agree that the Tenant entered into a tenancy agreement with the Landlord on August 4, 2025, to commence a tenancy on September 1, 2025 for a fixed term period ending on August 31, 2026.
3. The parties further agree that the Tenant paid to the Landlord a last month's rent deposit of \$2,195.00 at the time of entering into the tenancy agreement.
4. The Tenant testified that on August 5, 2025 she reached out to the Landlord indicating that she was reconciling with her husband and wanted to cancel the tenancy agreement. The Tenant further stated that the Landlord agreed that would be a valid reason to cancel the tenancy agreement.
5. Brandon Cormon ('B.C.') disputes that he agreed to cancel the tenancy agreement and return the Tenant's rent deposit. He stated that he wanted the Tenant to be sure that she wished to cancel the Tenancy agreement and told her to take some time to think about it. He further stated that on August 18, 2025, after the Tenant confirmed she wanted to

proceed with cancelling the tenancy agreement, he advised the Tenant she would need to sign an N11 Agreement to End the Tenancy and that if the Landlord was unable to rent the unit by the 1st of September, that she would not be entitled to the return of the last month's rent deposit.

6. In an attempt to mitigate the Landlord's losses, the Landlord listed the rental unit for rent on August 18, 2025.
7. The parties signed an N11 agreement on August 23, 2025 agreeing to end the tenancy on August 31, 2025. The parties agree that the N11 Agreement to End Tenancy was effective August 31, 2025 as the Landlord was not sure how to date it as the Tenant hadn't moved in and the Landlord was looking to find a new tenant to commence a tenancy on September 1, 2025 the same period the Tenant's tenancy had been set to commence.
8. The Tenant never moved into the rental unit nor was she provided with keys to the unit prior to the parties agreeing to end the tenancy.
9. On September 7, 2025, the Landlord found another tenant and entered into a new tenancy agreement to rent the unit commencing September 15, 2025, but claims that the Landlord incurred costs for credit checks on potential new tenants and advertising fees for the unit totalling \$246.53.

Analysis

10. Section 202(1) of the *Residential Tenancies Act*, 2006 ('Act') states:

In making findings on an application, the Board shall ascertain the real substance of all transactions and activities relating to a residential complex or a rental unit and the good faith of the participants and in doing so,

(a) may disregard the outward form of a transaction or the separate corporate existence of participants; and

(b) may have regard to the pattern of activities relating to the residential complex or the rental unit.

11. On its face the N11 Agreement to End Tenancy entered by the parties contained a termination date of August 31, 2025, a date prior to the commencement of the tenancy.
12. However, based on the testimony of the parties it becomes clear that the Tenant was attempting to end the tenancy and potentially see the return of her rental deposit and the Landlord was attempting to let the Tenant out of the tenancy while still protecting itself from the potential loss of rental income, if the unit was to remain unrented for the month of September.
13. Based on the testimony and evidence before me, I find the Tenant is responsible for rent for the period of September 1 to September 14, 2025 totalling \$1,010.24 as the Landlord was able to mitigate its losses and re-rent the unit commencing September 15, 2025. The daily compensation for the rental unit is calculated as follows; \$2,195.00 monthly rent amount x 12 months divided by 365 day equalling \$72.16 per day x 14 days equalling \$1,010.24.

14. The Tenant is entitled to compensation in the amount of \$1,184.76 being the one month rent deposit of \$2,195.00, less \$1,010.24 for September 1 to 14, 2025.
15. Any expenses potentially incurred by the Landlord for credit checks and advertising are the cost of doing business by the Landlord and the Landlord is not entitled to offset this amount from any compensation granted to the Tenant.

It is ordered that:

1. The total amount the Landlord shall pay the Tenant is \$1,232.76. This amount represents:
 - \$1,184.76 for 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 May 31, 2026.
3. If the Landlord does not pay the Tenant the full amount owing by May 31, 2026, the Landlord will owe interest. This will be simple interest calculated from June 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.

May 20, 2026
Date Issued

Sean Ramage
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.