



Order under Section 135 Residential Tenancies Act, 2006

File Number: LTB-T-100032-24

In the matter of: 5A Above Store, 7086 Airport Road
Mississauga ON L4T2G8

Between: Saeed Maqsood Tenant

And

Sony Jewellers Landlord
Zia Mohammad

Saeed Maqsood (the 'Tenant') applied for an order determining that Sony Jewellers and Zia Mohammad (the 'Landlord') collected or retained money illegally.

This application was heard by videoconference on April 14, 2026.

The Landlord, and the Landlord's representative, Rama Gavisetty, and the Tenant and the Tenant's representative, Syashu Pesswani, attended the hearing.

Determinations:

1. As explained below, the Tenant did not prove the allegations contained in the application on a balance of probabilities. Therefore, the application is dismissed.

Illegal Rent

2. The application alleges that the rent increases on August 2023 to July 1, 2024, were illegal because they were contrary to section 116 of the Residential Tenancies Act, 2006 ("Act"). The Tenant seeks a return of illegally collected rent payments.

3. This application was filed under section 135(1) of the Act. Section 135(4) states:

No order shall be made under this section with respect to an application filed more than one year after the person collected or retained money in contravention of this Act or the Tenant Protection Act, 1997.

4. The Tenant filed their application on November 20, 2024. On the basis of section 135(4) of the Act, the Board does not have jurisdiction to make an order with respect to any illegal rent collected by the Landlord more than one year before the Tenant filed the application.

Therefore, I have only made a determination on the lawfulness of the rent increase charged and rent collected by the Landlord from the period starting November 1, 2023 to January 2024.

5. Section 135.1 of the Act, effective July 21, 2020, as a result of amendments to the Act made by the Protecting Tenants and Strengthening Community Housing Act, 2020, states the following:

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.

(2) Subsection (1) does not apply with respect to an increase in rent if the tenant has, within one year after the date the increase was first charged, made an application in which the validity of the rent increase is in issue.

(3) For greater certainty, if subsection (1) applies with respect to an increase in rent, section 116 is deemed to have been complied with.

(4) For greater certainty, nothing in this section limits the application of section 136.

(5) This section applies with respect to an increase in rent even if it was first charged before the day the Protecting Tenants and Strengthening Community Housing Act, 2020 receives Royal Assent, provided the validity of the rent increase was not finally determined by the Board before that day. (Emphasis added)

6. As a result of section 135.1, even if a landlord increased the rent without serving the tenant with any notice of rent increase as required by Act, the otherwise unlawful rent increase is deemed to be valid if the tenant pays the increased rent for 12 consecutive months without filing an application with the Board challenging the lawfulness of the increase.
7. Subsection 135.1(5) of the Act states that section 135.1 applies to rent increases levied prior to enactment of the Residential Tenancies Act, 2006 amendments, provided the validity of the rent increase was not finally determined by the Board before that day.
8. The Tenant asserts that she has been charged an illegal rent increase on February 1, 2022, through to July 31, 2024, and that he is entitled to be refunded the illegal rent paid.
9. However, the Tenant also testified that the Landlord began charging the Tenant a monthly rate of \$400.00 effective February 1, 2022, and the Tenant paid this amount from February 1, 2022, to until the Tenant moved out on July 31, 2024, more than a 12 month consecutive period, and continued to pay that amount thereafter. As noted, the Tenant filed this application on November 20, 2024. The Tenant asserts that no notice of rent increase was served for this increase and that this amount is more than the 2021 Guideline amount.
10. In accordance with section 135.1 of the Act, \$400.00 is deemed to be the lawful rent despite the fact no notice of rent increase was served for this increase and that this

amount is more than the 2022 Guideline amount. The Tenant paid \$400.00 per month for 12 consecutive months during the period of February 2022 to February 2023 and did not file this application within one year after the date the increase was first charged on February 1, 2022.

11. As set out above, pursuant to section 135(4) the Board cannot consider any allegedly illegal rents collected more than one year before the application was filed.
12. As the 2022 rent increase is deemed lawful by section 135.1 of the Act, I cannot find that the Landlord illegally collected rent and the Tenant's application must be dismissed.
13. The Tenant also asserted that he worked for the Landlord's jewellery store and there was a verbal agreement to offset rent with wages owed. The Tenant submits that when the wages stopped, the Tenant stopped paying rent.
14. The Landlord disputes that this is the case.
15. I do not find that the Tenant's employment with the Landlord is connected to the Tenant's tenancy. I find that they are two separate agreements.
16. *Royal Bank of Canada v. MacPherson*, [2009] O.J. No. 3806 (Div. Ct.). *MacPherson Act* prohibits prepayment of the rent by way of the rent deposit provisions in sections 105 and 106. The bank argued that because prepayment is arguably illegal under the Act the tenant should not be able to rely on it as a defence to the bank's demands for payment of the rent. The essential thrust of *MacPherson* is that the provisions that prohibit a landlord from demanding prepayment of the rent are in the Act to protect tenants against landlord demands for excessive deposits and "to treat an agreement under which a tenant has prepaid rent to his or her landlord as unenforceable would penalize the very party the provisions of the Act are meant to protect". I would observe that here, like in *MacPherson*, the Landlord is prohibited to collect without the Tenant's authorization rent from his pay.
17. I also find the Landlord filed a previous application with the Landlord and Tenant Board and the Board issued its decision (file number LTB-L-019927-25) dated July 31, 2025. The order requires the Tenant to compensate the Landlord for unpaid rent. Both parties attended the hearing that resulted in that order, and the Tenant raised the issue of the Landlord withholding rent payment from the Tenant's wages. However, the Board exercised their jurisdiction and found that was not the case. I find it curious that the Tenant is now challenging the issue. In any event, it does not change my decision in that regard.

It is ordered that:

1. The application is dismissed.

May 20, 2026
Date Issued

Vinuri Sivalingam
 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.