



Order under Section 135 Residential Tenancies Act, 2006

Citation: Murray v Megna Property Management, 2026 ONLTB 36092

Date: 2026-05-21

File Number: LTB-T-085915-23

In the matter of: 103, 644 GREY ST
BRANTFORD ON N3S4Y3

Between: Julian Murray
Kayla Duncan
Tenants

And

Megna Property
Paul Megna
Landlords

Julian Murray and Kayla Duncan (the 'Tenants') applied for an order determining that Megna Property Management and Paul Megna (the 'Landlords') collected or retained money illegally.

This application was heard by videoconference on February 9, 2026.

The Landlords' legal representative Lawrence Pomfret, Landlord Paul Megna, Tenants' legal representative Angela Rivet, and the Tenants attended the hearing.

Determinations:

Preliminary issue:

Request to amend

1. The application is amended at the Tenants' request to correct a clerical error in the date that they vacated the rental unit, from October 23, 2023 to October 23, 2022. The date was not disputed by the Landlords.
2. The Tenants also requested to amend the application to include additional remedies including reimbursement for a credit check, general damages, costs, and an administrative fine. A further request to amend filed January 20, 2026 requests an award for Small Claims Court fees.
3. These are not remedies that are available on a T1 application made under section 135 of the *Residential Tenancies Act, 2006* (the "Act") such as this one. To allow such an amendment would in effect be allowing the Tenants to argue a new application which they

did not file which permits remedies under section 29 of the Act. This would be prejudicial to the Landlords and procedurally unfair.

4. The request to amend to add the remedies is denied.
5. The Tenants' legal representative submitted that sections 234(l) and 238 of the Act confer jurisdiction on me to impose an administrative fine for this application. I disagree. Section 234 of the Act lists the possible offences under the Act, including collection of an illegal charge. Section 238 outlines penalties for committing an offence. Offences under the Act are investigated by the Rental Housing Enforcement Unit, not the LTB.

Background of the proceeding

6. The application was first before the Board on May 29, 2024. The Member dismissed the application at the hearing on the basis that the money was collected by a third party, not the Landlord, and also because it was collected or retained after the Landlord-Tenant relationship had ended.
7. Subsection 135(4) of the Act requires that the application be made within one year after the person collected or retained money in contravention of the Act. The date that the Landlord is alleged to have collected or retained money through his agent, the collection agency, is September 18, 2023, and therefore the Tenants filed their application within the prescribed period as it was filed on October 31, 2023.
8. By Interim Order LTB-T-085915-23-IN dated January 29, 2025, the Member reversed their decision, found that the Board has jurisdiction, and ordered that the hearing be reconvened for reasons of procedural fairness to be heard on its merits.

T1 application

9. The parties agree that the Tenants vacated the rental unit on October 23, 2022, but the date of termination of the tenancy is disputed. The last month's rent deposit was applied to the month of October 2022.
10. The Tenants claim that they terminated the tenancy effective October 31, 2022 based on an N9 Notice to End Tenancy, in accordance with subsections 95(4)(b) and 96(2) of the Act. In their submission, the Landlord refused their request to assign the tenancy when he informed them that they needed to find a new tenant to sign a one-year lease at a higher monthly rent and then failed to respond once they directed the Landlord to the LTB information on assignments.
11. The Landlords' position is that the Tenants were not entitled to rely on section 96 of the Act because he didn't refuse the assignment, and therefore despite vacating the rental unit on October 23, 2022, the Tenants were liable for rent until the unit was re-rented. Landlord Paul Megna (PM) first testified that he "lost a month of rent and utilities" and needed to advertise the unit and do credit checks. Later in his testimony, he stated that the unit was re-rented for February 1, 2023.
12. The Tenants' application is based on the Landlords sending what they deemed to be arrears of rent to a collection agency after the Tenants moved out. Doing so was improper,

as the Landlord did not first obtain an order from the LTB determining that rent was owed, but the issue to be determined is whether the Landlord was entitled to any rent after the Tenants vacated the unit.

13. As explained below, the Tenants proved the allegations contained in the application on a balance of probabilities. Therefore, the Landlords must pay to the Tenants \$2,548.00, which represents the money collected and retained by the collection agency on the Landlords' behalf and the application filing fee.

Were the Landlords entitled to collect rent after October 31, 2022?

14. The Tenants became aware on January 24, 2023 that the Landlords had forwarded a claim for \$3,082.50 to a collection agency. It was unclear on the evidence how the Landlords arrived at this number. After several months of trying to work with the collection agency to have the charge removed, the Tenants paid \$2,500.00 to the collection agency on September 19, 2023 to settle the debt. They claim that the Landlords thereby retained or collected money in contravention of the Act.
15. The parties entered into a tenancy agreement beginning April 1, 2022 for a one-year term ending March 31, 2023. The lawful monthly rent was \$1,550.00.
16. On August 28, 2022, the Tenants advised Landlord Paul Megna (PM) by email that, due to a change in their personal circumstances, they wanted to vacate the unit by November 1, 2022.
17. PM replied to the Tenants by email on August 29, 2022 stating that: "Unless you are able to find a suitable candidate to sign a new 1 year lease you will be responsible until next March." On August 30, 2022, PM sent the Tenants an email stating: "Forgot to mention that the new market rent will be \$1,750.00."
18. On August 31, 2022, the Tenants informed PM by email that they would find a tenant to take over the remaining 5 months of the lease with the current conditions, or he could find a new tenant for whatever conditions he desired. PM responded:

It doesn't quite work that way. We are trying to help you both out. If you are looking for a prospective tenant they need to be fully aware that they would be signing a brand new lease for a minimum of 1 year with the new price. If you cannot find anyone for those terms unfortunately you will be responsible March 31st/2023 [sic]."

19. The Tenants responded by email the same day stating: "The RTA outlines our obligations clearly as to find a tenant to take over the remainder of the current lease," and providing a link to the LTB website information on assignment of a tenancy.
20. On September 8, 2022 the Tenants emailed PM an N9 Notice to End Tenancy effective October 31, 2022 and referred to his "lack of response within seven days to allow us to assign our current lease (with current terms)." PM's September 9, 2022 response was that "there has been plenty of correspondence" but they have been waiting for the Tenants to find a new tenant. The Tenants confirmed their position in an email on September 13, 2022 to which PM responded "We have yet to receive any candidates that you agreed to find to take over your tenancy. You have responsibilities, abide by them."

Analysis

21. Section 95 of the Act governs assignment of a tenancy. When a tenant requests to assign the tenancy, a landlord may consent to or refuse the assignment. Under section 95(4) of the Act:
- (4) A tenant may give the landlord a notice of termination under section 96 within 30 days after the date a request is made if,
- (a) the tenant asks the landlord to consent to an assignment of the rental unit and the landlord refuses consent;
- (b) the tenant asks the landlord to consent to an assignment of the rental unit and the landlord does not respond within seven days after the request is made;
- (c) the tenant asks the landlord to consent to an assignment of the rental unit to a potential assignee and the landlord refuses consent to the assignment under clause (3) (c); or
- (d) the tenant asks the landlord to consent to an assignment of the rental unit to a potential assignee and the landlord does not respond within seven days after the request is made.
22. Subsection 95(8) states that “If a tenant has assigned a rental unit to another person, the tenancy agreement continues to apply on the same terms and conditions.”
23. Subsection 96(2) permits the tenant to give notice of termination of the tenancy at least a number of days after the date of the notice that is the lesser of the notice period otherwise required under this Act and 30 days.
24. The Landlords’ legal representative attempted to characterize the communications between the parties as a “clear miscommunication” about PM’s permission to allow assignment of the tenancy. I do not agree. The emails in evidence are clear that PM required the Tenants to find another tenant at a higher rent for a one-year term. That is not an assignment of a tenancy under subsection 95(8) of the Act, but rather a requirement for the Tenants to find a new tenancy for the Landlord. The Tenants provided PM with information from the LTB on the nature of an assignment. PM’s testimony that he had misunderstood the law about the requirements of an assignment does not make this a miscommunication.
25. I find that PM’s requirement that the Tenants find a new tenant to sign a new one-year lease at a higher monthly rent was not a consent to assign under the Act. I find that the Landlords therefore refused an assignment of the tenancy on August 31, 2022 and therefore the Tenants were permitted to give notice on September 8, 2022 to end the tenancy effective October 31, 2022. Even if PM reversed his position after receiving the N9 Notice and informed the Tenants that they could assign their unit, as he suggested in his testimony, this does not invalidate the N9.

26. I find that the tenancy is terminated as of October 31, 2022.

27. Subsection 134(1.1) of the Act states:

No landlord shall, directly or indirectly, with respect to any rental unit, collect or require or attempt to collect or require from a former tenant of the rental unit any amount of money purporting to be rent in respect of,

(a) any period after the tenancy has terminated and the tenant has vacated the rental unit; or

(b) any period after the tenant's interest in the tenancy has terminated and the tenant has vacated the rental unit.

(2) No superintendent, property manager or other person who acts on behalf of a landlord with respect to a rental unit shall, directly or indirectly, with or without the authority of the landlord, do any of the things prohibited under clause (1) (a), (b) or (c) or subsection (1.1) with respect to that rental unit.

28. Given that I have found that the tenancy terminated October 31, 2022, the Landlords collected \$2,500.00 through the collection agency in September 2023 for a period after the tenancy was lawfully terminated and the Tenants had vacated the rental unit. The Landlords therefore collected a charge of \$2,500.00 which is not allowed by the Act.

It is ordered that:

1. The total amount the Landlords shall pay the Tenants is \$2,548.00. This amount represents:
 - \$2,500.00 for the illegal charge collected.
 - \$48.00 for the cost of filing the application.
2. The Landlords shall pay the Tenants the full amount owing by June 1, 2026.
3. If the Landlords do not pay the Tenants the full amount owing by June 1, 2026, the Landlords will owe interest. This will be simple interest calculated from June 2, 2026 at 4.00% annually on the balance outstanding.

May 21, 2026
Date Issued

Margo den Haan
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.