



## Order under Section 21.2 of the Statutory Powers Procedure Act and the Residential Tenancies Act, 2006

**Citation:** LEUNG v ZHANG, 2026 ONLTB 42761

**Date:** 2026-05-28

**File Number:** LTB-T-090083-25-RV

**In the matter of:** 7 FIREBRACE RD  
SCARBOROUGH ON M1W2Z3

**Between:** YUK KI OBADIAH LEUNG Tenant  
MING YAN LI

**And**

CAIYUN ZHANG Landlord

### Review Order

YUK KI OBADIAH LEUNG and MING YAN LI (the 'Tenant') applied for an order determining that CAIYUN ZHANG (the 'Landlord') collected or retained money illegally.

This application was resolved by order LTB-T-090083-25 issued on April 28, 2026.

On May 26, 2026, the Landlord requested a review of the order.

A preliminary review of the review request was completed without a hearing. In determining this request, I reviewed the materials in the LTB's file as well as the audio recording for this hearing.

### Determinations:

1. The order under review directs the Landlord to return \$500.00 to the Tenants because these funds were paid either as (a) a fee to secure the unit, which is prohibited by s.134 of the *Residential Tenancies Act, 2006* (the 'Act'), or (b) a rent deposit paid by a prospective tenant who was not given possession of the unit.
2. The review request submits that the funds were not paid as an illegal fee and that they were paid as a rent deposit. The review request submits that this rent deposit was not returned because the parties had entered into a tenancy agreement and so the Landlord was entitled, as per s. 88 of the Act, to retain these funds.
3. The order finds that the parties entered into an oral tenancy agreement. However, the order also notes that after the parties entered into the oral agreement, when the Landlord presented a written agreement for the Tenants' signatures, the amount of rent was different. The Tenants then refused to sign the written agreement. The review request submits that it is immaterial that the parties did not sign a written agreement and that the

oral agreement is sufficient. I do not agree. When the Landlord presented a lease that changed an essential term of the oral agreement, the Tenants were entitled to rescind the oral agreement. When the Tenants rescinded the oral agreement, the agreement was void. Once there was no agreement, there was no tenancy and so s.88 of the Act did not apply. Instead, as per the Divisional Court's decision in *Benedetto v. Dineen et al.*, (September 8, 2005) Toronto Docket No. 325/05 (Div. Ct.), 2006 CarswellOnt 3233, because there was no tenancy agreement, the Tenants were prospective tenants and as per s. 107 of the Act the Tenants were entitled to a refund of the deposit.

4. Given the above, I am not satisfied that the Member erred by directing the Landlord to return \$500.00 to the Tenants.
5. On the basis of the submissions made in the request, I am not satisfied that there is a serious error in the order or that a serious error occurred in the proceedings.

**It is ordered that:**

1. The request to review order LTB-T-090083-25 issued on April 28, 2026 is denied. The order is confirmed and remains unchanged.

**May 28, 2026**  
**Date Issued**

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**Renée Lang**  
Vice Chair, Landlord and Tenant Board

15 Grosvenor Street, Ground Floor  
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If you have any questions about this order, call 416-645-8080 or toll free at 1-888-332-3234.