



**Order under Section 135
Residential Tenancies Act, 2006**

File Number: LTB-T-077774-25

In the matter of: 1, 26 Armitage Pl
Brampton Ontario L6W4M6

Between: William Joseph Clements Tenant

And

Chalapathi Gudimella Landlord

William Joseph Clements (the 'Tenant') applied for an order determining that Chalapathi Gudimella (the 'Landlord') collected or retained money illegally.

This application was heard by videoconference on March 26, 2026.

The Landlord and the Tenant 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 the Tenant a total of \$257.98, which represents the interest owing on the deposit and the Tenant's filing fee.
2. The Tenant seeks the interest on his last month rent deposit that was collected and retained by the Landlord during his approximate 17 years tenancy at the rental unit. The Tenant also seeks return of the illegal rent that the Landlord collected and retained contrary to subsection 116 (1) of the *Residential Tenancies Act, 2006* (the 'Act')
3. In his application, the Tenant also alleges that the Landlord gave him an N13 notice in bad faith and seeks remedies in connection to his moving costs and rent. The Tenant filed a T1 application under section 135 of the Act. The remedies sought by the Tenant in connection to bad faith can not be awarded under section 135. A claim for bad faith for a notice of termination under section 50 is brought under section 57 of the Act, which is a T5 application. As such, the portion of the Tenant's application pertaining to the N13 notice will not be considered.

Interest Owing on the Last Month's Rent Deposit

4. It is undisputed that the Landlord did not pay the Tenant interest on his last month's rent deposit as required in subsection 106 (6) of the Act which reads, *A landlord of a rental unit shall pay interest to the tenant annually on the amount of the rent deposit at a rate equal to the guideline determined under section 120 that is in effect at the time payment becomes due. 2006, c. 17.*
5. The Landlord held that the Tenant was not entitled to interest because he had not increased the Tenant's initial rent of \$750.00 for 11 years and was not charged rent for the last 15 days of his tenancy. He also submits that the Tenant is not entitled to interest because he never charged the Tenant for utilities, internet, and television and because the Tenant was permitted to use the Landlord's garage for storing personal items.
6. The Act does not permit a landlord to refuse to pay interest owing on a deposit for any reason. Accordingly, the Landlord shall be ordered to pay the Tenant **\$204.98** which is determined by adding the interests that accrued over the Tenant's years of tenancy pursuant to subsection 106 (6) of the Act.

Illegal Rent Increases

7. Based on the uncontested evidence before me, I am satisfied the Landlord illegally collected and retained rent increases over the years of the tenancy without providing the Tenant with at least 90 days written notice. However, as the Tenant paid each rent increase for at least 12 months, the increase in rent is deemed to be valid pursuant to subsection 135.1 (1) of the Act.
8. The only exception to this relates to the rent increase on February 1, 2024, where the Landlord increased the rent from \$950.00 to \$1,100.00 without providing the Tenant with at least 90 days written notice. In accordance with subsection 116(4), the increase in rent is void as the Landlord did not give the Tenant the required notice. While the Tenant paid the illegal rent increase from February 2024 to August 2024, he did not file his application until September 13, 2025. In accordance with subsection 135(4), the Board cannot make an order with respect to an application filed more than one year after money was illegally collected or retained. Accordingly, this portion of the Tenant's claim is dismissed as he is outside the time limitation.
9. The Tenant incurred costs of \$53.00 for the application filing fee and is entitled to reimbursement of these costs.

It is ordered that:

1. The total amount the [Landlord, shall pay the Tenant is \$257.98 which represents:
 - \$204.98 for interest on the last month's rent deposit.
 - \$53.00 for the cost of filing the application.
2. The Landlord shall pay the Tenant the full amount owing by June 13, 2026.

3. If the Landlord does not pay the Tenant the full amount owing by June 13, 2026, the Landlord will owe interest. This will be simple interest calculated from June 14, 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.

June 02, 2026
Date Issued

Douglas Malanka
Member, 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.