



Order under Section 135 Residential Tenancies Act, 2006

Citation: 12740362 Canada Inc. v Mitchar Ent Ltd., 2026 ONLTB 44541

Date: 2026-06-17

File Number: LTB-T-018605-26

In the matter of: 301, 75 KENSINGTON AVE
TORONTO ON M5T2K2

Between: Gregory Guevara Tenants
12740362 Canada Inc.

And

Mitchar Ent Ltd. Landlord

Gregory Guevara and 12740362 Canada Inc. (the 'Tenants') applied for an order determining that Mitchar Ent Ltd. (the 'Landlord') collected or retained money illegally.

This application was heard by videoconference on June 3, 2026.

Only the Tenant, Gregory Guevara, attended the hearing.

As of 9:33 a.m., the Landlord was not present or represented at the hearing although properly served with notice of this hearing by the LTB. There was no record of a request to adjourn the hearing. As a result, the hearing proceeded with only the Tenant's evidence.

Determinations:

1. The Tenant alleges that the Landlord illegally retained his damage security deposit, his key deposit and the accrued interest on his last month rent (LMR) deposit. The Tenant also alleges that the Landlord overcharged him rent over the past 12 months.

Illegally Retention Of Money

2. Based on the uncontested evidence before me, I am satisfied the Tenant paid the Landlord a damage security deposit in the amount of \$2,290.00, a key deposit of \$200.00, and a last month's rent deposit of \$2,290.00.
3. The Landlord did not return the key deposit or the security damage deposit to the Tenant after the Tenant vacated. Text messages from the Landlord admitted into evidence

indicate the Landlord was retaining both deposits to cover alleged damages and cleaning costs.

4. Subsection 105(1) of the *Residential Tenancies Act, 2006* (the 'Act') provides that the only security deposit that a landlord may collect is a rent deposit collected in accordance with section 106. Subsection 106(2) states that the amount of a rent deposit shall not be more than the rent for one month. The Landlord was not entitled to require the Tenant to provide a damage security deposit in addition to a last month's rent deposit. I am satisfied the Landlord illegally collected a damage security deposit. The Landlord shall be ordered to pay the Tenant \$2,290.00.
5. The Landlord was also not legally entitled to retain the key deposit as the key was returned upon vacant possession being provided to the Landlord. There seems to be some indication that the Landlord retained these deposits because of damage to the rental unit. However, the Landlord is not entitled to retain any deposit for damages. Accordingly, the Landlord shall also be ordered to pay the Tenant \$200.00.

Interest on LMR

6. Based on the uncontested evidence before me, I am satisfied the Landlord failed to pay the Tenant interest on the last month's rent deposit, as required by subsection 106(6) of the Act. The Landlord will be ordered to pay the Tenant \$138.35 of LMR interest calculated as follows:

LMR Interest on \$2,290 from Sept 1, 2023, to January 31, 2026

Period	LMR	Interest	Accrued Interest
2023 (4 months Sept-Dec)	\$2,290	$\$2,290 \times 2.5\% \times 4 / 12$	\$19.08
2024 (12 months)	\$2,290	$\$2,290 \times 2.5\%$	\$57.25
2025 (12 Months)	\$2,290	$\$2,290 \times 2.5\%$	\$57.25
2026 (1 Month) Jan	\$2,290	$\$2,290 \times 2.5\% \times 1 / 12$	\$ 4.77
Total Accrued Interest =			\$138.35

Overpayment of Rent

7. The Tenant's application included an allegation that the Landlord overcharged him illegal rent. However, the Tenant withdrew this part of his application at the hearing because he lacked documentation to prove this allegation.
8. The Tenant incurred costs of \$48.00 for the application fee and is entitled to reimbursement of these costs.

Finding

9. The Landlord will be ordered to pay the Tenant \$2,676.35 which includes \$2,290.00 for damage security deposit, \$200.00 for the key deposit, \$138.35 for interest on the last month's rent deposit, and \$48.00 for the cost of filing the application.

It is ordered that:

1. The total amount the Landlord shall pay the Tenant is \$2,676.35 which represents:
 - \$2,290.00 for the illegal damage deposit collected.
 - \$200.00 for the key deposit.
 - \$138.35 for interest on 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 June 28, 2026.
3. If the Landlord does not pay the Tenant the full amount owing by June 28, 2026, the Landlord will owe interest. This will be simple interest calculated from June 29, 2026 at 4.00% annually on the balance outstanding.

June 17, 2026
Date Issued

Douglas Malanka
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.