



Order under Section 94.7 Residential Tenancies Act, 2006

Citation: SCARBOROUGH BLUFFS CO-OPERATIVE INC. v A.K.A PAULA NICHOLSON, 2026
ONLTB 48713

Date: 2026-06-22

File Number: LTB-C-013901-26

In the matter of: 10, 4 PELL ST
SCARBOROUGH ON M1N1N1

Between: SCARBOROUGH BLUFFS CO-OPERATIVE INC. Co-op

And

PAULA CRANDELL A.K.A PAULA NICHOLSON Co-op Member

SCARBOROUGH BLUFFS CO-OPERATIVE INC. (the 'Co-op') applied for an order to end the occupancy of the member unit and evict PAULA CRANDELL A.K.A PAULA NICHOLSON (the 'Co-op Member') because the Co-op Member:

- did not pay the regular monthly housing charges that the Co-op Member owes. (C1 application)
- persistently paid the monthly housing charges late. (C2 application)

The Co-op Member filed a Response to a Co-op Application on March 13, 2026.

A Case Management Hearing was held on March 31, 2026. The Parties were unable to resolve the application. Therefore, the matter proceeded to a merits hearing.

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

The Co-op's Legal Representative Jamuna Bhatnager, the Co-op Member, and the Co-op Member's Legal Representative Vidy Matadeen, attended the hearing.

Determinations:

1. As of the hearing date, the Co-op Member was still in possession of the member unit.

2. The Co-op Member filed a response to the application as required by Rule 12.4 of the LTB's Rules of Procedure. The Response submitted that the quantum on the N4C is inaccurate as it does not separate pre-bankruptcy and post-bankruptcy arrears, and the ledger attached to the application demonstrates that the Co-op Member has paid housing charges in full January 1, 2025 through June 30, 2025. When viewed chronologically, the payment history reflects fluctuation during periods of hardship due to medical and financial insecurity, not an ongoing disregard for housing charges obligations.
3. The regular monthly housing charge, including \$40.00 for cable, is \$941.00. It is due on the 1st day of each month.
4. Based on the regular monthly housing charges, the daily compensation is \$30.94. This amount is calculated as follows: monthly regular monthly housing charge \$941.00 x 12 months, divided by 365 days.
5. The Co-op Member is owed \$1,182.00 for refundable deposits; \$300 for a damage deposit, and \$882.00 for the housing charge deposit.

C1 application

6. The Co-op Member's Legal Representative raised as a preliminary issue that the Member filed for bankruptcy on December 11, 2024, and the Co-op was listed as a creditor for the amount of \$3,000.00. The Co-op's application aggregates housing charges beginning July 1, 2024, however, housing charges that came due prior to the date of bankruptcy constitute provable claims under the Bankruptcy and Insolvency Act and cannot form the basis of eviction for non-payment of housing charges. Therefore, the N4C is fatally flawed and the C1 application should be dismissed. The Co-op had the opportunity to issue a new N4C upon learning they were listed as a creditor in the bankruptcy but chose not to.
7. The Co-op's Legal Representative submitted that when the N4 was issued, the Co-op was not aware of the bankruptcy, therefore, at the time of issuance it was correct. The Co-op understands they can only collect money that is recoverable. Further, the Co-op Member should have responded to the Co-op. The Co-op only received notice of the bankruptcy just prior to the Case Management Hearing.
8. Section 94.4(2) of the *Residential Tenancies Act, 2006* (the 'Act') says the N4C notice of termination must
 - a. provide a termination date not earlier than the 14th day after the notice is given;
 - b. set out the amount of the regular monthly housing charges that is due; and
 - c. specify that the member may avoid the termination of the occupancy by paying, on or before the termination date specified in the notice, the amount as set out in the notice and any additional regular monthly housing charges that have become due as at the date of payment by the member.

A notice that does not meet the requirements under the Act, is fatally flawed/invalid.

9. Here, the N4C says the Co-op Member can void the notice by paying \$7,060.00 by the termination date, February 5, 2026. The ledger attached to the N4C calculates the housing charges in arrears from July 1, 2024 through January 1, 2026, therefore the amount

includes the arrears that formed part of the bankruptcy. As the Co-op Member cannot be required to pay money captured by the bankruptcy, therefore, the amount indicated on the N4 is not accurate because it includes the full amount. The Co-op was advised of the Bankruptcy in the Co-op Member's Response filed on March 13, 2026, and discussed at the Case Management Hearing held on March 13, 2026; the Co-op had more than enough time to serve an accurate N4C notice.

10. As such, the application must be dismissed.

C2 application

11. As explained below, the Co-op has proven on a balance of probabilities the grounds for termination of the occupancy and the claim for compensation in the application. The Co-op Member shall be granted conditional relief from eviction as set out below.
12. On January 15, 2026, the Co-op gave the Co-op Member an N8C notice of termination with a termination date of March 31, 2026. The notice of termination contains the following allegations: The Member has failed to pay their regular monthly housing charge on time and in full on the first of the month during the period February 1, 2025, to January 1, 2026. A ledger was attached to the notice. The ledger indicates that the Co-op Member paid the housing charges late 11 months out of the 12 month period February 1, 2025 through January 1, 2026.
13. The updated ledger indicates that the Co-op Member has paid the housing charges late 5 months out of the 5-month period February through June 2026.
14. The Co-op's Legal Representative submitted that it does not appear that the tenancy is viable based on the continual late payment of housing charges. The Co-op Member has not made any effort to pay the housing charges on time since served the N8C notice of termination; . The Co-op is seeking termination of the membership plus the application filing fee. The Co-op is amenable to extending the termination date July 31, 2026.
15. The Co-op Member testified she can pay the rent in full and on time going forward. She is fully employed now; she had to take leave because of her mother's passing, physiotherapy and psychiatrist appointments. Her daughter is taking over her finances because of her mental health issues. She has bi-polar II, panic disorder, and PTSD which affected her ability to fully function on a daily basis; she is now working with a specialist, and her daughter does weekly check-ins. She did not put any medical documentation into evidence because it is of such a personal nature. Her daughter will ensure the rent is paid properly; part of her medical release from the doctor permitting her to return to work included this as a requirement. She started back to work the 1st week of May 2026. The only reason June's housing charge was not paid on time is because she was behind on car payments also and the bank took this money out of her account, which did not leave her with enough money to pay the housing charging. If evicted, she would end up on the street. Her children live with their in-laws; therefore, she cannot move in with them.
16. The Co-op Member's Legal Representative submitted the Member fell behind due to the passing of her mother; she was her mother's primary care giver which affected her work hours. The Co-op Member was also involved in an accident which further attributed to her monetary difficulties. She could not ask her daughter for assistance until medically cleared

by the doctor. The Co-op Member has every intention of paying the rent in full and on time moving forward. She moved into the co-op approximately 27 years, living in different buildings; she has lived in this building since 2021, therefore, approximately 4 years. The Co-op Member also intends on paying the housing charges she lawfully owes and is in the process of seeking emergency help. Eviction would destabilize the Co-op Member, affecting her health.

17. The Co-op Member is owed \$1,182.00 for refundable deposits. The total refundable deposit shall be deducted from any amount owing by the Co-op Member.
18. I have considered all of the disclosed circumstances in accordance with subsection 94.12(2) of the *Residential Tenancies Act, 2006* (the 'Act'), and find that it would not be unfair to grant relief from eviction subject to the conditions set out in this order pursuant to subsection 94.12(1)(a) and 204(1) of the Act. Although the Co-op Member appears to have waited until the last hour to institute safety measures to ensure her rent is paid on time, I accept that she has suffered physical and mental issues that affected her ability to pay the rent on time. Although a distinct issue from the N8C, I also accept that the Co-op Member intends on addressing any arrears to preserve her membership/occupancy right. To deprive her of the chance to do so, considering the challenges she has faced and is now addressing, is not reasonable or fair outcome. The Co-op Member shall be placed on a pay-on-time order for an 18-month period. As the payment condition is subject to a breach clause, the Co-op is not further prejudiced.
19. As the Co-op was successful in their C2 application, they are entitled to reimbursement of the application filing fee.

It is ordered that:

1. The Co-op's C1 application is dismissed.
2. The Co-op Member shall pay the lawful housing charges to the Co-op in full and on time for the period July 1, 2026 through December 1, 2027.
3. If the Co-op Member fails to comply with the conditions set out in paragraph 2 of this order, the Co-op may apply under section 78 of the *Residential Tenancies Act, 2006* (the 'Act') for an order terminating the tenancy and evicting the Co-op Member. The Co-op must make the application within 30 days of a breach of a condition. This application is made to the LTB without notice to the Co-op Member.
4. The Co-op Member shall pay to the Landlord \$186.00 for the cost of filing the application on or before July 1, 2026.
5. If the Co-op Member does not pay the Co-op Member the amount from paragraph 4 owing as required, then starting July 2, 2026, the Co-op Member will owe interest. This will be

simple interest calculated from July 2, 2026, at 4.00% annually on the outstanding balance.

June 22, 2026

Date Issued

Diane Wade

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.

