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INDEXED AS: Claude McCardle v. UOPLUS Inc. and Akshay Bhaskar 2025 PEIRAC 50 (CanLII) Order No: LR25-46

**BETWEEN:** 

Claude McCardle ("McCardle")

**Appellant** 

AND:

UOPLUS Inc. (the "Landlord")

and

Akshay Bhaskar ("Bhaskar")

Respondents

# **ORDER**

Panel Members:

Gordon MacFarlane, Commissioner Pamela J. Williams, K.C., Chair

Compared and Certified a True Copy

(Sgd.) Michelle Walsh-Doucette

Commission Clerk
Island Regulatory and Appeals Commission

## A. INTRODUCTION

1. This appeal was heard by the Commission on September 9, 2025, and asks the Commission to determine whether the Residential Tenancy Office (the "Rental Office") erred in Order LD25-309.

### B. BACKGROUND

- 2. This appeal concerns a rental unit located at Unit 303, 19 Ashburn Crescent, Charlottetown, PEI (the "Rental Unit"). The Rental Unit is an apartment in a multi-unit building.
- 3. Akshay Bhaskar ("Bhaskar") showed Claude McCardle ("McCardle") the Rental Unit and provided McCardle with a written fixed-term tenancy agreement for the Rental Unit, from June 1, 2025, to November 30, 2025 (the "Agreement"). The Agreement was between ACC-AK Corporation and McCardle. Rent of \$1,800.00 was due on the first day of each month.
- 4. On May 8, 2025, McCardle paid Bhaskar a security deposit of \$1,800.00.<sup>1</sup> On that same day, McCardle also pre-paid rent for the month of June.<sup>2</sup> McCardle's employees moved into the Rental Unit on May 13, 2025, and on May 12, 2025, McCardle paid \$900.00 in pro-rated rent for the remainder of May 2025.<sup>3</sup>
- 5. Additionally, Bhaskar offered McCardle a discount if rent was prepaid.<sup>4</sup> The offer was \$1,500/month for the next five months and a credit of \$300 toward June's rent. On June 11, 2025, McCardle sent an e-transfer to Bhaskar of \$7,200.00 as payment for five months' rent,<sup>5</sup> from July to November 2025.
- 6. On July 10, 2025, the Landlord, represented by Ming Zhang, served a *Form 4(A) Eviction Notice* in respect of the Rental Unit, with an effective date of July 30, 2025 (the "Notice") for non-payment of rent of \$1,800.00 for July 2025. The Notice was in the name of both Bhaskar and McCardle.
- 7. On July 15, 2025, McCardle filed a *Form 2(A) Tenant Application to Determine Dispute* with the Rental Office seeking to dispute the Notice.
- 8. On July 23, 2025, the Landlord filed a *Form 2(B) Landlord Application to Determine Dispute* with the Rental Office seeking vacant possession of the Rental Unit. This application was determined in Order LD25-309, which is the subject of this appeal. The Landlord Application also sought and order for rent owing and to keep the security deposit. This application was determined in Order LD25-310.
- 9. On August 13, 2025, the Landlord's representative Ming Zhang (Zhang), McCardle, and McCardle's witness Lynn MacDonald (MacDonald) participated in a teleconference

<sup>&</sup>lt;sup>1</sup> Commission Exhibits, pg. 55.

<sup>&</sup>lt;sup>2</sup> Commission Exhibits, pg. 54.

<sup>&</sup>lt;sup>3</sup> Commission Exhibits, pg. 48.

<sup>&</sup>lt;sup>4</sup> Commission Exhibits, pg. 51.

<sup>&</sup>lt;sup>5</sup> Commission Exhibits, pg. 53.

- hearing before the Rental Office. Bhaskar messaged the Rental Office prior to the hearing stating that he would not be participating in the hearing.
- 10. On August 19, 2025, the Rental Office issued Order LD25-309, which ordered the tenancy terminated effective August 26, 2025, at 5:00 pm. The Rental Office found the Agreement between McCardle and ACC-AK Corporation was a subletting agreement and that there was insufficient evidence to establish that the Landlord, UOPLUS Inc. and McCardle had entered into an agreement. The Order went on to conclude that because McCardle only had a "subletting agreement" with Bhaskar, he was unable to validly challenge the Landlord's Notice and Application for possession of the Rental Unit.
- 11. McCardle appealed Order LD25-309 on August 25, 2025.
- 12. The parties were all provided a Notice of Hearing from the Commission on August 29, 2025, notifying them that a tele-conference hearing had been scheduled for September 9, 2025, starting at 2:30 p.m.
- 13. The Commission heard the appeal on September 9, 2025. McCardle along with MacDonald attended the telephone hearing. Bhaskar also attended the telephone hearing. Neither Zhang nor any other representative of the Landlord attended the telephone hearing.
- 14. At the start of the appeal hearing when it became apparent that there was no representative present for the Landlord, Commission staff attempted to call Ming Zhang using the telephone number on file for her. The telephone message received by staff was that the number had been disconnected. A review of the Commission's documents indicates that ample notice of the date, time and method of participation for the appeal hearing was sent to two emails associated with Zhang and the Landlord. For this reason, the hearing proceeded in the absence of a Landlord representative.
- 15. We note that on September 15, 2025, Ming Zhang contacted the Commission advising that the emails attaching the Notice of Hearing had been delivered to her junk mail. She requested the hearing be rescheduled. The Commission advised Zhang that the hearing had proceeded as scheduled on September 9, 20225, and would not be rescheduled.

### C. DISPOSITION

- 16. The appeal is allowed and Order LD25-309 is reversed.
- 17. The Commission finds that the Agreement entered into between Bhaskar and McCardle was not a subletting agreement. Instead, the Commission accepts that Bhaskar was an agent of the Landlord, such that he entered into a "tenancy agreement" with McCardle on behalf of UPLUS Inc.
- 18. The Commission also finds that McCardle paid rent up to and including November 2025. Therefore, the tenancy should not have been terminated.
- 19. In terms of a remedy, the Commission awards McCardle \$4,400.00 for a return of rent for September, October and November 2025.

## D. ISSUES

- There are several issues the Commission must consider in this Order:
  - 1. Was the Agreement a subletting agreement?
  - 2. Was the termination of the tenancy valid?
  - 3. What is the appropriate remedy?

## E. SUMMARY OF EVIDENCE

- 21. MacDonald and McCardle are spouses and together operate a family business. MacDonald testified that McCardle entered into the tenancy agreement for the Rental Unit to provide accommodation for workers for their business. She stated that McCardle paid rent in advance for the tenancy up to and including the month of November 2025. This money was paid directly to Bhaskar, who they understood was acting as the Landlord.
- 22. MacDonald testified that McCardle is appealing Order LD25-309 because the Rental Office did not take into account that Bhaskar was working with the Landlord and thus did not have a "tenant and landlord relationship". She noted that Bhaskar had up to 10 units with the Landlord. MacDonald also testified that the matter is currently being investigated by Charlottetown Police Services.
- 23. MacDonald testified that the Rental Unit was vacated on or about September 2, 2025. She testified that McCardle seeks a return of rent in the amount of \$6,300.00 rather than a continuation of the tenancy. This amount is the discounted rent of \$1,500.00 a month for September, October and November, as well as the \$1,800.00 security deposit.
- 24. MacDonald confirmed that McCardle paid the \$1,800.00 security deposit, pro-rated rent in the amount of \$900.00 for the last half of May 2025, \$1,800.00 for the month of June and an advance payment of \$7,200.00, for the months of July to November.
- 25. McCardle and MacDonald had previously filed a written statement with the Rental Office dated August 5, 2025, which was included in the Commission's Exhibits.
- 26. Bhaskar testified he was acting on behalf of the Landlord. He testified that his company, ACC-AK Corporation, was working with the company owned by Ming Zhang (Zhang) and that both he and Zhang were acting for the Landlord. He stated that he had been working with her for the last three or four years. He understood from Zhang that UOPLUS Inc. was the property owner and Zhang was the manager. Bhaskar testified that he represented the Landlord on a number of units.
- 27. Bhaskar testified that he never presented himself personally as the actual landlord. However, he testified that Zhang told him he could use his company name on the tenancy agreement. He testified that in his verbal agreement with Zhang, he was to show apartments and get leases signed and would then be paid a commission by Zhang's company.
- 28. Bhaskar testified that he received the payment of \$7,200.00 in June 2025 from McCardle. He said he then e-transferred \$7,000.00 to Zhang and paid the remaining \$200.00 in cash.

He explained to the Commission that the e-transfer to Zhang had to be made in three separate transactions because of his bank's daily transfer limit. The three e-transfers from Bhaskar to Zhang are found at pages 93 to 95 of the Commission's Exhibits.

- 29. Bhaskar testified he last spoke with Zhang on July 7 or 8, 2025 shortly before he flew to India. Bhaskar testified that he has never been paid a commission by Zhang or the Landlord.
- 30. Bhaskar had also provided documentary evidence to the Rental Office in the form of written statements and emails that is included in the Commission's Exhibits.

# F. ANALYSIS

# Issue 1: Was the Agreement a subletting agreement?

31. Bhaskar testified before the Commission to the effect that he was working with Zhang and representing the Landlord through Zhang and her company. In the conclusion of his written statement at page 92, Exhibit E-35, he states:

#### Conclusion:

I acted under full authorization from Ming Zhang, followed her instructions in good faith, and forwarded all funds received to her or the landlord's designated accounts. I neither benefited from nor initiated this disputed transaction. I ask the Commission to consider the full context and sequence of events, and to recognize that the responsibility for any irregularities lies with those who controlled the communications and policies — not with me.

Respectfully submitted,

Akshay Bhaskar

August 13, 2025

- 32. MacDonald's testimony seemed consistent with this characterization of the relationship between Bhaskar and Zhang in that she said that there appeared to be a working relationship between Bhaskar and the Landlord.
- 33. Neither the Landlord nor a representative appeared at the Commission hearing.
- 34. In Order LD25-309, the Rental Office concluded that Agreement between McCardle and ACC-AK Corporation was a subletting agreement and that there was insufficient evidence to establish that the Landlord, UOPLUS Inc. and McCardle had entered into an agreement. The Order went on to conclude that because McCardle only had a "subletting agreement" with Bhaskar, he was unable to validly challenge the Landlord's Notice and Application for possession of the Rental Unit.
- 35. Based on the evidence before the Commission, some of which the Rental Office did not have, the Commission comes to a different conclusion.

- 36. Subsection 1(h) of the *Residential Tenancy Act* defines a landlord:
  - (h) "landlord", in relation to a rental unit, includes
    - (i) the owner of the rental unit, the owner's agent or another person who, on behalf of the owner,
      - (A) permits occupation of the rental unit under a tenancy agreement, or
      - (B) exercises powers and performs duties under this Act or a tenancy agreement,
    - (ii) the heirs, assigns, personal representatives and successors in title to the owner,
    - (iii) a person, other than a tenant occupying the rental unit, who
      - (A) is entitled to possession of the rental unit, and
      - (B) exercises any of the rights of a landlord under a tenancy agreement or this Act in relation to the rental unit, and
    - (iv) a former landlord, as the context requires;
- 37. Based on the testimony of both Bhaskar and MacDonald at the appeal hearing, the Commission finds that Bhaskar was, at the time the Agreement was entered into, acting as either an agent or another person on behalf of the property owner, thus meeting the definition of "landlord" under the *Act*. We are satisfied that, based on the evidence we heard, Zhang was the representative of the Landlord, but Zhang had undertaken an arrangement with Bhaskar to assist her in marketing several rental units, including the Rental Unit at issue in this appeal. In effect, it would seem that there was a chain of representation with Bhaskar reporting to Zhang and Zhang reporting to the Landlord.
- 38. At the Rental Office hearing it seems that Zhang purported that Bhaskar was a "tenant". However, the Commission notes that no evidence of any written tenancy agreement between the Landlord and Bhaskar was provided to the Commission. Nor was there any evidence that Bhaskar ever occupied the Rental Unit. Further, there is evidence before the Commission that Bhaskar was involved with Zhang on several other units. The Commission, therefore, finds it untenable that Bhaskar was truly a "tenant" of the Rental Unit, while also being involved with other units.
- 39. Ultimately, there is no affirmed testimony before the Commission from Zhang or any other current Landlord representative to dispute Bhaskar's testimony before the Commission.
- 40. Further, the Commission finds MacDonald to be a credible witness with respect to the series of events and, in particular, their understanding of Bhaskar's role and his authority to bind the Landlord.
- 41. Accordingly, the Commission finds that Bhaskar was not a tenant but rather was assisting Zhang and thus an agent or acting on behalf of the Landlord. Therefore, the Agreement entered into between ACC-AK Corporation and McCardle was a tenancy agreement for the Rental Unit, not a subletting agreement.

# Issue 2: Was the termination of the tenancy valid?

- 42. Section 60 of the *Residential Tenancy Act* permits a landlord to end a tenancy if rent is unpaid after the day it is due by giving notice in accordance with the Act.
- 43. As concluded above, the Commission finds that McCardle entered into a tenancy agreement with Bhaskar while Bhaskar was acting as a representative of the Landlord. There is no dispute that McCardle paid the follow amounts to Bhaskar:

 Security deposit:
 \$1,800.00 (E-26)

 Pro-rated rent for May:
 \$900.00 (E-22)

 June rent:
 \$1,800.00 (E-25)

 July through November Rent:
 \$7,200.000 (E-24)

\$11,700.00

- 44. Order LD25-309 also makes it clear that, at the Rental Office hearing, Zhang acknowledged receipt of \$7,000.00 from Bhaskar; however, she suggested that those funds were applied to other units that Bhaskar was managing (see Order LD25-309, at para 25).
- 45. In this case, Zhang delivered the Eviction Notice to Bhaskar and McCardle on July 10, 2025. Based on the undisputed evidence before us, the Commission is not satisfied that rent for July 2025 was unpaid on the date the Landlord delivered the Eviction notice.
- 46. Therefore, the Commission finds that the termination of the tenancy agreement by the Landlord was invalid.
- 47. In the Commission's opinion, any alleged lack of payment from Bhaskar to the Landlord is a matter to be determined between them. A dispute between a landlord and an agent of a landlord is beyond the jurisdiction of the rental Office and the Commission.

## Issue 4: What is the appropriate remedy?

- 48. When McCardle filed his Application with the Rental Office, and his appeal with the Commission, he requested that the tenancy continue. However, at the hearing, McCardle testified that the Rental Unit has been vacated and he requested a reimbursement of prepaid rent plus the return of the security deposit.
- 49. The Commission, on appeal, may make any decision or order that the Director is authorized to make under the *Residential Tenancy Act*. Section 85(1) of the *Act* authorizes the Director make an order for various kinds of relief. In particular, after hearing an application, the Director may make an order "directing the payment or repayment of money from a landlord to a tenant" (s. 85(1)(b)). Therefore, despite that McCardle did not expressly make application to the Director for a return of rent, the Commission determines that it would be just and expeditious to grant McCardle's requested remedy in the circumstances.
- 50. McCardle pre-paid rent in the amount of \$1,500/month for five months. McCardle's evidence was that the Rental Unit was vacated as of September 2, 2025. The Commission, therefore, awards McCardle a return of rent from September 3, 2025, to the

- end of November in the amount of \$4,400.00. This amount shall be payable by the Landlord, UOPLUS Inc., to McCardle.
- 51. With respect to the \$1,800.00 security deposit paid by McCardle, in accordance with section 40 of the *Residential Tenancy Act*, the Landlord UOPLUS Inc. will have 15 days from the date of this Order to either return the security deposit to McCardle or make application to the Director to retain all or part of the security deposit.

# **G. CONCLUSION**

- 52. The appeal is allowed and Order LD25-309 is reversed.
- 53. The Landlord owes McCardle a return of pre-paid rent in the amount of \$4,400.00.
- 54. As a concluding comment, the Commission reminds tenants of the risks associated with pre-paying monthly rent. The payment of rent from month to month acts as a protection to tenants against becoming vulnerable in the event of unexpected changes. Further, we caution tenants (and landlords) generally about the potential perils of a pre-paid rent option or incentive that may seem like a good deal at the time.

### IT IS ORDERED THAT

- 1. The appeal of Order LD25-309 is allowed.
- 2. Order LD25-309 is reversed. The tenancy should not have been terminated.
- 3. The Landlord, UOPLUS Inc., shall pay the Appellant, Claude McCardle, \$4,400.00 within 15 days of the date of this Order.
- 4. The Landlord has 15 days from the date of this Order to either return the \$1,800.00 security deposit to Claude McCardle or make application to the Director in accordance with the Residential Tenancy Act.

**DATED** at Charlottetown, Prince Edward Island, 2<sup>nd</sup> day of October, 2025.

### BY THE COMMISSION:

	[sgd. Gordon MacFarlane]
Gordon MacFarlane, Commissioner	
[sgc	l. Pamela J. Williams, K.C.]
Pamela J. Willia	ms. K.C Chair

### NOTICE

Subsections 89 (9), (10) and (11) of the *Residential Tenancy Act* provides as follows:

- 89. (9) A landlord or tenant may, within 15 days of the decision of the Commission, appeal to the Court of Appeal in accordance with the *Island Regulatory and Appeals Commission Act* R.S.P.E.I. 1988, Cap. I-11, on a question of law only.
  - (10) Where the Commission has confirmed, reversed or varied an order of the Director, the landlord or tenant may file the order with the Supreme Court.
  - (11) Where an order is filed under subsection (10), it may be enforced as if it were an order of the Supreme Court.