

IN THE SUPREME COURT OF BRITISH COLUMBIA

Citation: *Zhang Estate v. Yin*,
2026 BCSC 547

Date: 20260327
Docket: S2010412
Registry: Vancouver

Between:

**Junjie Tao, Executor of the Estate of Tong Zhang
aka Tony Zhang, Deceased**

Plaintiff

And:

**Hang Yin, Yan Chun Liu, Yu Yin, 1011066 B.C. Ltd.,
1079770 B.C. Ltd., 1032734 B.C. Ltd., 1085842 B.C. Ltd.,
1079775 B.C. Ltd, and 1084960 B.C. Ltd.**

Defendants

And:

**Chunli Zhang and Junjie Tao, Executor of the Estate of
Tong Zhang aka Tony Zhang, Deceased**

Defendants by way of Counterclaim

Before: The Honourable Justice Funt

Reasons for Ruling on Costs

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Place and Date of Hearing:

Vancouver, B.C.
February 26 and 27, 2026

Place and Date of Judgment:

Vancouver, B.C.
March 27, 2026

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A. INTRODUCTION

[1] This ruling addresses costs related to the trial in this action. The trial reasons are indexed as *Zhang Estate v. Yin*, 2025 BCSC 2508.

[2] The plaintiff seeks costs at Scale C with a 50% “uplift”.

[3] For the reasons that follow, the plaintiff will be awarded costs at Scale B for her costs related to the trial. With the exception of 1084960 B.C. Ltd. (“1084 Ltd.”) the defendants will be jointly and severally liable for the total costs.

[4] 1084 Ltd. will be jointly and severally liable for 21.4% of the total costs.

B. ANALYSIS

a. Background

[5] As may be seen from the style of cause there are nine defendants.

[6] I must address two issues:

- a) the appropriate scale of costs (including a possible uplift); and
- b) with 1084 Ltd.’s liability at trial limited to a \$3,900,000 equitable lien with respect to four real estate properties, its share, if any, of the total costs award.

b. The Appropriate Scale of Costs

[7] The plaintiff was the successful party: *Marquez v. Zapiola*, 2014 BCCA 35 at para. 16.

[8] As noted, the plaintiff seeks an award of costs at Scale C, with a 50% uplift, based on complexity.

[9] In *Zhang v. Lin*, 2025 BCSC 1550, I set forth two particular rules regarding an award of costs:

[32] In awarding costs, the court should do so in accordance with the object of the *Rules* within the context that the court has limited resources and court time is very much in demand.

[33] A “just, speedy and inexpensive determination” serves not only the interests of the parties but also of waiting litigants and society generally.

[34] I will frame two rules which, in my view, will help attain the object of the *Rules* in circumstances such as those at bar. Each rule is intended to discourage, or at least, not reward, behaviour that causes unnecessary complexity, which wastes court time.

[35] First, as a general rule, where the successful party in a significant commercial action seeks costs above those at Scale B based on the complexity of the litigation, such extra costs will be denied where the complexity would have been avoided had the party first sought and followed legal advice as a reasonable business person would have done (e.g., the execution of a solicitor-drawn commercial agreement where significant monetary sums are involved).

[36] Second, as a general rule, where the successful party in an action involving the successful party’s unregistered interest in Blackacre seeks costs above those allowed at Scale B based on complexity, such costs will be denied where the party, acting as a reasonable person, would have caused the party’s unregistered interest in Blackacre to be registered in the Land Title Office prior to the events giving rise to the action.

[10] Each of the foregoing rules has application to the case at bar.

i) The First Rule – Solicitor-drafted agreements

[11] With respect to the first rule, I am satisfied that if Mr. Zhang Jr., at the outset of investing with Mr. Yin, had sought and followed legal advice, as a reasonable businessperson would have done, most of the complexity of the case at bar would have been avoided.

[12] Where millions of dollars are proposed to be invested with another party who will primarily direct the investments, a reasonable business person would see to having a solicitor document the proposed arrangements.

[13] Mr. Zhang Jr. made no attempt to have his financial arrangements with Mr. Yin documented by a solicitor until after he immigrated to Canada in August 2018, several years after the first advance of funds.

[14] I realize that on March 4, 2019, the Buxton Trust and the \$5,630,000 promissory note were documented, and the October 15, 2019 PWC Transaction, several months later, served to reduce the complexity somewhat. Nevertheless, I am satisfied that much of the complexity would have been avoided if Mr. Zhang Jr.'s financial arrangements with Mr. Yin were documented as they arose.

ii) The Second Rule – Registration in the Land Title Office

[15] With respect to the second rule, from the outset it was Mr. Zhang Jr.'s intention to invest in real estate in our Province either personally or through a business vehicle (such as a corporation). Mr. Zhang Jr. failed to ensure that his interests in real estate, whether in his name or through a business vehicle, were registered in the Land Title Office in his name or in the name of the business vehicle with his interest in the business vehicle documented, and the circumstances in which his approval would be required. His failure to do so also led to unnecessary complexity.

[16] Two examples of the unnecessary complexity arise from the \$1,925,000 BlueShore Financial Credit Union mortgage on the Surrey Coffee Shop Property and the Jin Ocean Mortgage (up to \$5,000,000, approximately \$4,600,000 drawn down) on the West 41st Project.

[17] With respect to each of these two mortgages, neither could have been arranged by one or more of the defendants without Mr. Zhang Jr.'s approval if he had caused to have his interest in the subject properties registered in the Land Title Office in a timely manner, including, where he was using a business vehicle, to have through that business vehicle his approval required.

[18] As I noted in *Zhang v. Lin*:

[39] In *Berthin v. British Columbia (Registrar of Land Titles)*, 2017 BCCA 181, our Court of Appeal described our province’s land registration system as “[operating] with admirable simplicity”:

[15] The conclusion that the title is undeniably with the [purchasers] is based on the character of the land registration system in British Columbia, commonly referred to as a “Torrens” system. The scheme is designed to provide certainty as to the state of title of real property in the province; nearly all private property has been brought within it. The scheme forms the bedrock of real property law in the province, and operates with admirable simplicity to create a register as the single place one need look to determine the holders of rights, title and interest in land in British Columbia (except as to the rare parcels that are not yet within the land title system).

[19] In sum, Mr. Zhang Jr.’s failure to use our Land Title Office to secure his interests in the real property in which he chose to invest (directly or indirectly) caused unnecessary complexity for the case at bar.

iii) Conclusion on Scale of Costs

[20] The two rules I have set forth with respect to avoiding complexity apply to deny costs above Scale B.

[21] I will award costs at Scale B. The plaintiff was the successful party. Mr. Zhang Jr. was partially responsible for the complexity that would have been avoided if he had acted in accordance with the two general rules I have set forth above.

[22] I also note that none of the defendants acted in a reasonable commercial manner. Such would have led to timely solicitor-drawn commercial agreements or registration of interests in the Land Title Office with unnecessary complexity avoided.

[23] In these circumstances I find that the appropriate award is costs at Scale B.

c. 1084 Ltd.’s Share

[24] The plaintiff asks that 1084 Ltd. should be jointly and severally liable for 21.4% of the total costs.

[25] In her written submissions the plaintiff sets forth her basis for 1084 Ltd. to be jointly and severally liable for 21.4% of the total costs as follows:

8. 1084 Ltd. and the other defendants acted jointly against the plaintiff. They retained the same counsel. Their goal of opposing liability was common to all defendants. The other defendants and 1084 Ltd. were completely aligned in their legal position. A significant part of the trial time was devoted to evidence and submissions related to the defence of whether Zhang Jr. was the real investor, and whether collateral contracts had been made. All defendants, including 1084 Ltd., relied on this common defence. Because of the commonality of interests, there is ample basis for the court to simply apply the general rule and find that 1084 Ltd. be jointly and severally liable for all costs.
9. However, to reflect the court's findings that 1084 Ltd. was not jointly and severally liable with the other defendants for the full damages, the plaintiff seeks a more limited costs award. [She] seeks cost award that 1084 Ltd. be jointly and severally liable for costs proportionate to the remedy awarded against 1084 Ltd., namely 21.4% of the total costs.
10. The basis for the 21.4% calculation is as follows.
11. The court granted an equitable lien against the property of 1084 Ltd. equal to \$3.9 million as security for any judgments granted to the plaintiff.
12. The judgment granted to the plaintiff against the other defendants was approximately \$18,230,000, broken down as follows:
 - a. Buxton Property - \$2 million (Order, paras. 7,8,9, and 11). This is the full acquisition costs of Buxton.
 - b. Buxton Property Rental Income – \$145,000 (Order para. 8).
 - c. Surrey Coffee Shop Property - \$3,000,000 (Order paras. 12 to 15). This reflects the Court's findings that Zhang Jr. contributed \$3 million to the Surrey Coffeshop Property and was therefore entitled to 52% of the Surrey Coffeshop Property (see Reasons for Judgment, para. 89).
 - d. West 41st Profits – \$7,454,650 (Order, paras. 16 to 21).
 - e. Promissory Note – \$5,630,000 (Order, paras. 23 to 24).
13. Based on the above, the security against the property of 1084 Ltd. equals 21.4% of the total award made against the defendants.
14. The above calculation assigns values to the proprietary remedies granted to the plaintiff on the Buxton Property and the Surrey Coffeshop Property. This is to the benefit of 1084 Ltd. as by increasing the total award, it reduces 1084 Ltd.'s proportionate share of the total award.

[26] 1084 Ltd. says that costs should not be awarded against it or, if an award were to be made, it should be jointly and severally liable for 2.75% of the total costs awarded.

[27] 1084 Ltd. in its written submissions states:

2. The plaintiff acknowledges the distinct nature of 1084's role in the litigation, noting it was not found to be jointly and severally liable to the plaintiff. 1084 was added shortly before trial based on evidence that it had received funds from the other defendants in breach of their duties to the plaintiff. When 1084 was joined, Rong Hua was the sole director of 1084 and the owner of 90% of the shares. It is fair to regard 1084 as an innocent recipient of funds.
3. A costs award based on the liability of 1084 as a fraction of the total liability would be unfair in the circumstances of this case, having regard to the arguments made by all parties and the incremental time that 1084's discrete position involved at trial.
4. The following circumstances support an award of nominal costs:
 - (a) 1084 was added as a defendant on December 5, 2024. By that time, the expert report of Paul McEwen had been completed, which showed a transfer of \$900,000 from another company controlled by the other defendants to 1084.
 - (b) After 1084 was added, the only additional pre-trial steps that related to it were an examination for discovery of Rong Hua (who did not testify at trial) and part of a second examination for discovery of Ms. Liu on December 17, 2024 (who also did not testify at trial).
 - (c) Although 1084 was represented by the same counsel as the other defendants, it is important to note that 1084 did not contest that \$900,000 had been received from another company controlled by the other defendants. The defendants' argument was that the plaintiff had no claims against them or had settled any such claims against them or had settled any such claims, with no specific arguments made as to the specific circumstances of 1084.
 - (d) At trial, virtually no time was taken up with the claim against 1084, apart from reading in discovery evidence concerning the \$900,000.
 - (e) There was no evidence that Ms. Hua had any knowledge of the source of those funds or participated in any wrongdoing.
 - (f) Ms. Hua purchased 40% of the shares of 1084 from Ms. Liu in 2022 and 2023 based on the purchase price of the Royal Oak properties, with no evidence that she was aware of the impugned source of funds.

- (g) 1084’s distinct position was evident in the finding that it was not jointly and severally liable for losses caused by the other defendants. (para. 470 of the Reasons for Judgment)

[28] I generally agree with the plaintiff’s submissions.

[29] With respect, I disagree with 1084 Ltd.’s submission that it “is fair to regard 1084 as an innocent recipient of funds.”

[30] In my Trial Reasons I found:

[463] Second, Ms. Liu, without any qualms, on August 7, 2017, used \$900,000 from the BlueShore Mortgage to help fund the purchase of the fourth property for the Royal Oak Project, despite knowing that Mr. Zhang Jr. or Mr. Zhang Sr. had invested in the Surrey Coffee Shop Property.

[31] Further in my Trial Reasons I found:

[350] Ms. Liu was a director at all relevant times of each of the corporate defendants.

[32] The acts of a corporate director are treated as the acts of the subject corporation. The directors of a company “manage or supervise the management of the business and affairs of the company”: *Business Corporations Act*, S.B.C. 2002, c. 57, s. 136.

[33] Having regard to the role of a director and Ms. Liu’s contemporaneous knowledge of the source of the \$900,000 as a portion of the proceeds from the \$1,925,000 BlueShore Financial Credit Union mortgage charged against the Surrey Coffee Shop Property, in my view, it cannot be said that 1084 Ltd. was not aware of the source of funds.

[34] Stated directly, 1084 Ltd. was not an “innocent recipient of funds”. 1084 Ltd. knew through its director, Ms. Liu, the source of the funds.

C. CONCLUSION

[35] Ms. Tao (as executor of the estate of Mr. Zhang Jr.) is awarded costs with respect to the case at bar at Scale B as against the defendants jointly and severally, with the exception of 1084960 B.C. Ltd.

[36] With respect to 1084960 B.C. Ltd., it is jointly and severally liable to Ms. Tao (as executor of the estate of Mr. Zhang Jr.) for 21.4% of the total costs.

“Funt J.”