

# IN THE SUPREME COURT OF BRITISH COLUMBIA

Citation: *Sun (Re)*,  
2026 BCSC 93

Date: 20260113  
Docket: B250602  
Registry: Vancouver

In Bankruptcy and Insolvency

**In the Matter of the Bankruptcy of Helen Chan Sun  
also known as Xiao Zhi Sun**

Before: The Honourable Justice Jones

## **Oral Reasons for Judgment**

In Chambers

Counsel for the Applicants, Lanyard  
Investments Inc. and Peterson Investment  
Group Inc.:

J. Romanoski  
L. Callender, articulated student

Counsel for the Respondent:  
Helen Sun:

D.B. Hyndman  
D. P. Lucas

Place and Date of Trial/Hearing:

Vancouver, B.C.  
January 8, 2026

Place and Date of Judgment:

Vancouver, B.C.  
January 13, 2026

**Introduction**

[1] The parties appeared before me on this bankruptcy matter in chambers late in the day on January 8, 2026.

[2] The applicants, Lanyard Investments Inc., the general partner of LFC Heather 21 Limited Partnership, and City Mortgage Investment Corporation (collectively referred to herein as "Lanyard") and Peterson Investment Group Inc. ("Peterson", and collectively referred to herein with Lanyard as the "applicants"), seek an application for a bankruptcy order against Helen Chan Sun, also known as Xiao Zhi Sun ("Ms. Sun").

[3] Counsel for Ms. Sun seeks an adjournment of the applicants' application for three weeks to allow for further preparation for the hearing of the applicants' application.

[4] The parties filed no materials relating specifically to the adjournment application.

[5] As a result, the adjournment application is based on counsels' oral submissions and the application record filed by the applicants on the application for the bankruptcy order, and a supplemental application record filed by Ms. Sun, including Ms. Sun's application response and her affidavit made on December 31, 2025 and filed on January 2, 2026.

**Background.**

[6] The background of this application is as follows:

- a) The applicants' application for a bankruptcy order was filed on November 28th, 2025.
- b) The applicants were initially unsuccessful in personally serving Ms. Sun with the bankruptcy application. A number of efforts were made to serve Ms. Sun personally, and the applicants' counsel had requested that Ms. Sun's counsel seek instructions from their client.

- c) On December 16, 2025, on the application of the applicants, the Court made an order for substituted service of the bankruptcy application on counsel for Ms. Sun, and to Ms. Sun by e-mail, and by posting the documents to the front gate of the residence known to be Ms. Sun's residence.
- d) Pursuant to the order for substituted service, the documents were e-mailed to Ms. Sun and her counsel on December 16, 2025, and posted to the residence known to be Ms. Sun's residence.
- e) The application record prepared by applicants' counsel was filed on December 29, 2025, with an estimated time estimate of 10 minutes for a hearing to be held on January 5th, 2026.
- f) On January 2, 2026, the Friday before the Monday hearing, Ms. Sun filed an application response opposing the relief sought in the applicants' application for a bankruptcy order, estimating the application to take one day. The application was not heard on January 5, but came before me late in the day on January 8, 2025.

**Ms. Sun's Position**

[7] Ms. Sun's counsel made no reference to any applicable rules or authorities regarding Ms. Sun's request for an adjournment. The request for an adjournment rests on counsel's submission that he has not had time to go through the complexities of Ms. Sun's real estate development projects, creditors, and financial information, and to meet with his client to prepare and file any further, more-fulsome materials. He submits the materials already filed by Ms. Sun are a "placeholder" to ensure she has some materials to oppose the application.

[8] Ms. Sun's counsel submits that the applicants have security for their claim, they are not at risk, and there is no prejudice to them, compared to what he submits is the extreme prejudice of a bankruptcy to Ms. Sun, one concern according to counsel being one of Ms. Sun's projects in White Rock being in the final stage of

completion, and a bankruptcy potentially requiring an amendment to the disclosure statement relating to a significant volume of over \$133 million in pre-sale contracts.

### **Applicants' Position**

[9] The applicants' position is that the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 [*BIA*], and the *Bankruptcy and Insolvency General Rules* (C.R.C., c. 368 [*Rules*]) provide for a bankruptcy to be brought in summary proceedings to allow for a fair, quick and efficient administration of a debtor's estate.

[10] Applicants' counsel refers to Rule 70 of the *Rules* providing for at least 10 days' notice of the hearing of the bankruptcy application to the debtor, and Rule 74 requiring a debtor contesting the application to serve notice at least 2 days before the date of the hearing.

[11] Regarding Ms. Sun's submissions that the applicants are not prejudiced because they have security, the applicants' application for bankruptcy refers to over \$12 million owing to Lanyard, and over \$33 million owing to Peterson, with the applicant's net realizable value of security held by Lanyard estimated to be \$7 million, and the net realizable value of the security held by Peterson estimated to be zero.

### **Analysis**

[12] Section 43 of the *BIA* provides for an application for bankruptcy.

[13] Subsection 43(10) provides for a stay of proceedings if the debtor appears at the hearing of the application and denies the truth of the facts alleged in the application.

[14] Subsection 43(11) further provides for a stay as follows:

The court may for other sufficient reason make an order staying the proceedings under an application, either altogether or for a limited time, on any terms and subject to any conditions that the court may think just.

[Emphasis added.]

[15] The applicants refer to *Smith (Re)*, 2025 BCSC 1099, a decision of Justice Fitzpatrick, granting an application for bankruptcy orders.

[16] Justice Fitzpatrick also addressed the two individual debtors' alternative request for a stay of the bankruptcy application for a few weeks, stating the onus lies on the debtor to establish the "other sufficient reason" for a stay.

[17] At paragraph 83 of *Smith*, Fitzpatrick J. refers to the Court's exercise of its discretion as described in *Immeubles Zenda Itée/Zenda Realities Ltd. et A. Schuster Holdings Inc.*, 2020 QCCS 3450, which is stated in *Zenda* as follows:

[31] The Court's discretion to stay a bankruptcy application under ss 43(7) and 43(11) *BIA* "should not be exercised lightly, but on the basis of sound judicial reasoning, credible evidence, according to common sense and in a manner which does not cause an injustice".

The quote within the quote is from *Goulakos (Syndic de)*, 2016 QCCS 84 at para. 41.

[18] In *Smith*, the two individual debtors argued that they were wealthy, able to pay their debts, and wished to engage an insolvency professional.

[19] The bankruptcy application was served on the debtors on March 17, 2025, with the hearing approximately six weeks later on April 30 and May 7, 2025.

[20] The debtors stated they had retained counsel on April 3, 2025, approximately four weeks before the hearing, and they had met with an insolvency practitioner on April 7, approximately three weeks before the hearing, and another insolvency practitioner on April 9 and 14, 2025.

[21] Approximately eight months before the bankruptcy application on July 2, 2024, a creditor had obtained an order appointing a receiver of two of the debtors' companies and a third company's lands over which the creditor held security. The order also granted judgment against a number of the debtors' companies and against the two individual debtors personally.

[22] Judge Fitzpatrick found that the debtors had ample opportunity to marshal appropriate evidence in support of their position, denied their request for an adjournment for a few weeks, and granted the bankruptcy order.

[23] Judge Fitzpatrick's reference to the applications having been outstanding for many months appears to be a reference to her reasons being issued on June 13, 2025, over a month after the second day of hearing and, by that time, three months after the first service of the bankruptcy application. Consequently, she stated there did not appear to be anything to be gained at that point from a short delay of two weeks because, even assuming the debtors had wealth to satisfy their debts, no reasonably available solution had materialized that might have been considered toward payment of their debts in the near future (para. 89).

[24] Here, Ms. Sun was served with the applicants' bankruptcy application by substituted service on December 16, 2025, with the hearing ultimately scheduled for approximately three weeks later, on January 8, 2026.

[25] I recognize that between the service date and the hearing date were the three statutory holidays, Christmas, Boxing Day, and New Year's Day; however, there is evidence in Ms. Sun's affidavit filed January 2, 2026, that the companies with which she is associated have been the subject of insolvency and foreclosure proceedings since at least early 2025, which I consider to be of some relevance to Ms. Sun's counsel's ground for requesting the adjournment that he has not had time to go through the complexities of Ms. Sun's real estate development projects, creditors and financial information.

[26] Ms. Sun's application response and affidavit in her supplemental application record includes details of her financial circumstances in her business as a real estate developer, including details of Ms. Sun's present assets and investments in a number of real estate development projects in Vancouver and White Rock, and some details of the present financial status of those developments.

[27] For example, on February 13, 2025, an order was made for the appointment of a receiver for the assets of Landmark Shawn Oaks Development Ltd. and Shawn Oaks Holdings Ltd. (the “Shawn Oaks Receivership Order”).

[28] The Shawn Oaks Receivership Order refers to Ms. Sun's present counsel, Mr. Hyndman, as having appeared for Ms. Sun and Landmark Premiere Properties Ltd. on that application early in 2025.

[29] Ms. Sun's affidavit states she is the Chief Executive Officer of Landmark Premiere Properties Ltd., describing it as a management company which pursues development opportunities through various project-specific corporations, including the Shawn Oaks Development, which she includes in her description of her assets being investments in real estate development projects.

**The Shawn Oaks Development**

[30] Ms. Sun's affidavit also provides a detailed review of the Shawn Oaks Development, including the following points.

- a) The property includes a number of buildings with 72 strata-titled residential units near West 38th and Oak Street in Vancouver.
- b) The two Shawn Oaks companies have submitted a rezoning proposal for the property to the City of Vancouver.
- c) The Landmark Premiere Properties company and Ms. Sun are the corporate and personal guarantors of mortgages against the land, the two creditors being Peterson, one of the applicants here, and TCC Mortgage Holdings Inc.
- d) The Shawn Oaks Receivership Order became effective on February 18, 2025.
- e) To Ms. Sun's knowledge, no offers to purchase the Shawn Oaks property have been accepted to date by the receiver.

- f) On March 13, 2025, by Order Nisi of Foreclosure, TCC obtained judgment against the two Shawn Oaks companies, Landmark, and Ms. Sun personally, as guarantors, jointly and severally, in the sum of \$74,374,751.44.
- g) On April 14, 2025, by Order Nisi of Foreclosure, Peterson obtained judgment against the two Shawn Oaks companies, Landmark and Ms. Sun personally, as guarantors, jointly and severally, in the sum of \$28,781,874.09.

**The Oakridge Lands**

[31] Ms. Sun's affidavit includes a similar level of detail on another development property referred to as the "Oakridge Lands".

[32] In that case, the present applicant, Lanyard, is the first secured creditor against the lands.

[33] On June 9, 2025, by Order Nisi of Foreclosure, Lanyard obtained judgment against Landmark, two Oakridge companies, and Ms. Sun personally, as guarantors, for a sum of \$15,282,950.34, jointly and severally.

[34] A receiver-manager over the Oakridge Lands was appointed on June 20, 2025.

[35] On October 2, 2025, Associate Judge Robinson approved the sale of one of the parcels of land for \$3,208,000.

[36] On that application before Robinson A.J., one of Mr. Hyndman's colleagues from his firm appears to have appeared for Ms. Sun and the two Oakridge companies and Landmark.

[37] Ms. Sun's affidavit also refers in some detail to two other development projects, including the Foster Martin Development, a three-building project in White

Rock, and the Lord Street Development, six residential lots located at West 65th Avenue and Lord Street, in Vancouver.

[38] Ms. Sun's affidavit did not refer to any other assets other than the four real estate development projects noted above, and described in detail in her affidavit.

[39] Ms. Sun's counsel made no submissions about how the purported placeholder materials filed in response to the applicants' bankruptcy application needed to be supplemented for a more fulsome response, the existing materials appearing to provide considerable detail about the present status of Ms. Sun's assets and debts in her affidavit, and detailed submissions in an application response in opposition to the applicants' bankruptcy application.

[40] In my view, similar to the *Smith* case, Ms. Sun has not met her onus under section 43(11) of the *BIA* to establish sufficient reason to temporarily stay the bankruptcy application. Given the prior receivership proceedings apparently involving Ms. Sun's present counsel, and the detailed nature of Ms. Sun's materials filed in response to the applicant's bankruptcy application, Ms. Sun and her counsel have had ample opportunity to marshal appropriate evidence in support of their position.

[41] As a result, Ms. Sun's request for an adjournment of the bankruptcy application for three weeks is denied.

**Order**

[42] The applicants are granted leave to set the hearing of their application for a bankruptcy order in chambers with a time estimate of 2 hours, subject to any agreement of the parties on the time estimate otherwise, or further order of the court.

[43] Justice Jones is not seized.

**Costs**

[44] (Submissions on costs)

[45] Costs for the January 8, 2026 hearing will be considered part of the bankruptcy application itself.

“Jones, J.”