IN THE SUPREME COURT OF BRITISH COLUMBIA

Citation: *1046056 B.C. Ltd. v. Liang,*
2026 BCSC 132

Date: 20260128
Docket: S251495
Registry: Vancouver

Between:

1046056 B.C. Ltd., 1047261 B.C. Ltd., Dong Sheng Capital Management Ltd., Bing Lei, and Chelsea Yang Liang

Plaintiffs

And

Zhong Liang, Align BC Properties Corp., Align BC Development (Oakridge) Corp., He Xing Liang, JPV Real Estate Capital Ltd., JVP Real Estate Capital (Oakridge) Ltd., 8866999 (New Oakridge) Ltd., New Oakridge Investment Ltd., Ya Huang, Guo Jian Chen also known as Budavid Chan, JVP Real Estate Capital (Cambie48) Ltd., 1429917 B.C. Ltd., THC Real Estate Investment (Cambie) Ltd., 1430155 B.C. Ltd., L&A Real Estate Investment Ltd., L&A Real Estate Investments Limited Partnership, 0985313 BC Ltd., 1385456 B.C. Ltd., 6688999 Holding Inc., Ai Hua Wu, Liping Zhou, Dong Wang, 1034907 B.C. Ltd., Baillie 40 Street Ventures BT Ltd., ABC Company #1, ABC Company #2 and John Doe

Defendants

And

1046056 B.C. Ltd., 1047261 B.C. Ltd., Dong Sheng Capital Management Ltd., Bing Lei, and Chelsea Yang Liang

Defendants by way of Counterclaim

Before: The Honourable Justice Kirchner

Reasons for Judgment

Counsel for the Plaintiff and Defendants by way of Counterclaim: N.J. Muirhead

Counsel for the Defendants, Ya Huang, 1429917 B.C. Ltd., THC Real Estate Investment (Cambie) Ltd., 1430155 B.C. Ltd., L&A Real Estate Investment Ltd., L&A Real Estate Investments Limited Partnership, 0985313 BC Ltd., Ai Hua Wu:	K.N.N. Chang
Counsel for the Defendants, He Xing Liang, JPV Real Estate Capital Ltd., JVP Real Estate Capital (Oakridge) Ltd., JVP Real Estate Capital (Cambie48) Ltd.:	S.L.S. Chiu
Place and Dates of Hearing:	Vancouver, B.C. October 28-29, 2025
Written Submission from the Plaintiffs and Defendants:	January 19, 2026
Place and Date of Judgment:	Vancouver, B.C. January 28, 2026

Table of Contents

I. Introduction

[1] Seven defendants (the “Applicants”) apply to discharge certificates of pending litigation (“CPLs”) the plaintiffs registered against two strata properties. They also seek an order releasing the proceeds of sale of a third strata unit and a home, both of which had also been encumbered by CPLs. Those CPLs was discharged by consent so the sales could proceed, but on terms that require the Applicants to hold the net proceeds in trust as security.

[2] The underlying action is brought under the *Fraudulent Conveyance Act*, R.S.B.C. 1996, c. 163. The plaintiffs are judgment creditors who loaned $12 million to two of the defendants for a development project called “New Oakridge” in Vancouver. That loan was personally guaranteed by other defendants, including He Xing Liang. The borrowers and the guarantors (collectively, the “Judgment Debtors”) defaulted on the loan and the plaintiffs obtained judgment against them for $14.3 million. In this action, the plaintiffs allege that Mr. Liang, and corporate entities that he controls, fraudulently conveyed assets in a different development project called “Park Station” to his spouse, Ya Hung, to avoid, hinder, or delay the plaintiffs in collecting on their judgment against him. They also allege that Mr. Liang fraudulently transferred a 50% interest in his family home to Ms. Hung.

[3] On the strength of those claims, the plaintiffs registered CPLs against three unsold strata units in the Park Station project and against the family home.

[4] The Applicants now apply to discharge those CPLs on the basis they were wrongfully registered and, alternatively, that they present a hardship and inconvenience to them. They argue the notice of civil claim (“NOCC”) does not make out a claim for an estate or interest in land, which they argue is a precondition for registering a CPL under s. 215(1) of the *Land Title Act*, R.S.B.C. 1996, c. 250. They also argue that Mr. Liang could not convey the Park Station properties because he has had no direct ownership of them. They are owned by corporate entities which are not Judgment Debtors, and Mr. Liang’s status as a shareholder of the

companies gives him no legal or beneficial interest in the properties. As to the family home, they argue there has been no conveyance of any interest in that property.

[5] In response, the plaintiffs argue they are not required to claim an estate or interest in land because an action under the *Fraudulent Conveyance Act*, when brought in relation to land, is a sufficient basis on which to register a CPL under s. 215(1)(b) of the *Land Title Act*. They further argue that their NOCC alleges that Mr. Liang has a beneficial ownership interest in the lands, apart from his status as shareholder, and this provides a sufficient interest to bring the action within s. 215(1)(b). Lastly, the plaintiffs argue that a fraudulent conveyance of land by a corporation that is closely-held and controlled by a personal judgment debtor falls within the scope of s. 215(1)(b).

II. Background

A. The Loan and Guarantees

[6] By agreement dated September 1, 2022, the plaintiffs loaned $12 million to the defendants, New Oakridge Investment Limited Partnership and 8866999 (New Oakridge) Ltd., to develop the New Oakridge project located across Cambie Street from Oakridge Mall. The loan was secured by a second mortgage on the New Oakridge property and by personal guarantees given by Mr. Liang and others.

[7] It is not alleged that Mr. Liang or the other guarantors pledged their own assets as security for the guarantee. However, according to the NOCC, on January 4, 2024, which was well after the guarantees were given and the Judgment Debtors had defaulted on the loan, Mr. Liang represented in writing to the plaintiffs that he had over $29 million in net assets. These are said to include:

a) A 100% interest in a residential property on West 53rd Avenue valued at $5,291,000 with a mortgage of $3,250,000 registered against the property. This is the family home that Mr. Liang and Ms. Huang share; and

b) A 50% ownership interest in the Park Station development. That half interest was said to be valued at $8 million.

[8] The New Oakridge project failed and the first mortgagee (who is not part of this action) brought foreclosure proceedings which resulted in a judgment dated July 20, 2023 for $60,145,912.13. As I describe below, the New Oakridge property was later sold in partial satisfaction of that debt.

[9] Starting in September 2023, the Judgment Debtors ceased making payments on the plaintiffs' loan. On February 2, 2024, the plaintiffs demanded payment of the loan and the guarantees but none was forthcoming. On March 5, 2020, the plaintiffs started their own foreclosure proceedings in respect of the second mortgage on the New Oakridge property.

[10] On July 15, 2024, the New Oakridge property sold for $52,500,000. All the net proceeds went to the first mortgagee, leaving a shortfall on that loan of approximately $7,645,000. Thus, there were no funds left to satisfy any amount of the plaintiffs' second mortgage.

[11] On August 1, 2024, the plaintiffs obtained a personal judgment against the Judgment Debtors in the amount of $14,383,762.42 plus costs. They later brought this proceeding as part of their efforts to collect on that judgment.

B. The Park Station Development

[12] The Park Station project is a commercial and residential strata development also located in the Oakridge area of Vancouver. According to the NOCC, until August 2023, Mr. Liang and Ms. Huang jointly owned a company that held a 50% interest in that project. It is alleged that Mr. Liang fraudulently conveyed his interest to Ms. Huang.

[13] According to the NOCC, the ownership structure of the Park Station project before the alleged fraudulent conveyance in August 2023 was as follows:

a) Mr. Liang and Ms. Huang each held a 50% interest JPV Real Estate Capital (Cambie48) Ltd. ("JPV Cambie").

b) JPV Cambie held a 50% interest in 0985313 BC Ltd. (“313 BC Ltd”) which held legal title Park Station lands. The other 50% interest in 313 BC Ltd was held by the defendant THC Real Estate Investment (Cambie) Ltd. (“THC”). THC is not a Judgment Debtor.

c) The beneficial owner of the Park Station lands was the defendant L&A Real Estate Investments Limited Partnership which was comprised of L&A Real Estate Investment Ltd. as the general partner and JPV Cambie and THC as the two limited partners.

[14] Thus, Mr. Liang effectively held a 25% interest in the Park Station property through his shares in JPV Cambie. Ms. Huang also held a 25% interest the same manner. The other 50% interest in Park Station was owned by THC.

[15] In August 2023, shortly after judgment was given in favour of the first mortgagee on the New Oakridge property, the ownership of the Park Station project was reorganized such that Mr. Liang’s 25% interest was essentially transferred to Ms. Huang. That change in ownership structure, which is the alleged fraudulent conveyance, is described in the NOCC as follows:

a) 313 BC Ltd. continued to hold legal title to the Park Station lands but JPV Cambie’s 50% ownership in 313 was transferred to a new company called 1429917 B.C. Ltd. (“917 BC Ltd”), which is 100% owned by Ms. Huang. THC’s 50% interest in 313 BC Ltd. was unchanged.

b) The beneficial ownership of the Park Station lands was transferred out of the L&A Limited Partnership and into new company, 1430155 B.C. Ltd. (“155 BC Ltd.), which is jointly owned by 917 Ltd. (Ms. Huang’s new company) and THC.

[16] The NOCC alleges this reorganization constitutes a fraudulent conveyance under the *Fraudulent Conveyance Act*, in that Mr. Liang essentially divested his interest in the project to Ms. Huang to defeat the plaintiffs’ claim against him as a Judgment Debtor.

[17] When this action was filed on February 27, 2025, most of the strata units in the Park Station project had sold. Thus, none of the defendants had any remaining legal or beneficial interest in most of the Park Station properties. The three commercial strata units at issue here are the exception. On the strength of the fraudulent conveyance allegation in the NOCC, the plaintiffs registered CPLs against each of those three units. As mentioned, one unit later sold and the plaintiffs agreed to discharge that CPL on the condition that the proceeds of sale would be held in trust. The other two CPLs remain in place.

C. The Family Home

[18] The NOCC alleges that Mr. Liang represented to the plaintiffs that he held a 100% interest in a residential property on West 53rd Avenue in Vancouver. In fact, legal title to this property is held jointly by Mr. Liang and Ms. Huang and registered as such in the Land Title Office. However, the plaintiffs assert, based on Mr. Liang's alleged representation, that Ms. Huang once held her 50% interest in trust for Mr. Liang as that is the only way he could hold a 100% interest at the time of his alleged representation. They argue, based on a very general statement in the NOCC, that Mr. Liang transferred his beneficial 50% interest to Ms. Huang.

[19] Since the hearing of this application, the West 53rd Avenue property sold. The CPL was removed pursuant to a consent order and the proceeds of sale are held in trust as security.

III. Analysis

[20] There are three ways a CPL may be discharged. One way is to show that the NOCC does not make a claim that falls within the scope of s. 215 of the *Land Title Act*. A second way, under ss. 256 and 257 of the *Land Title Act,* is establish that the CPL causes hardship and inconvenience to the registered owner or a person who claims to be entitled to an estate or interest in the land. A third way is for the party seeking to have the CPL discharged to apply for summary judgment and, if successful, the CPL should be discharged after the expiry of the appeal period.

[21] This application concerns only the first two grounds.

A. Section 215(1)

[22] Section 215(1) of the *Land Title Act* sets out the preconditions for registering a CPL. If a defendant shows the NOCC is incapable of supporting a CPL because it does meet those preconditions, the court should order its cancellation: *Lipskaya v. Guo*, 2022 BCCA 118 at para. 64. This is because the CPL was "improperly registered from the start": *Bajwa v. Singh,* 2016 BCSC 916 at para. 20.

[23] Section 215(1) reads in part:

> **215** (1) A person who has commenced or is a party to a proceeding, and who is
>
> (a) claiming an estate or interest in land, or
>
> (b) given by another enactment a right of action in respect of land,
>
> may register a certificate of pending litigation against the land in the same manner as a charge is registered…

[24] The analysis under s. 215(1) "begins and ends" with an examination of the pleadings: *1332404 B.C. Ltd. v. 1266685 B.C. Ltd.,* 2025 BCCA 46 at para. 32. It is not for the court to weigh evidence, assess the merits of the claim, or embark on ascertaining what the "true nature" of the claim is: *1332402 B.C. Ltd.*, paras. 14 and 32; *Yi Teng Investment Inc. v. Keltic (Brighouse) Development Ltd*, 2019 BCCA 357 at paras. 31, 36, 39. Nor is the court to consider the possibility of amendments to the notice of civil claim because if the claim as filed did not support the CPL when it was registered, it was improperly registered from the start: *Bilin v. Sidhu*, 2017 BCCA 429 at para. 62.

1. Estate or Interest in Land

[25] Almost all the authorities concerning a potential cancellation of a CPL under s. 215(1) have focused on whether the NOCC discloses a claim to an estate or interest in land. Several of those cases state this is a precondition to s. 215(1). For example, in *Lipskaya* the Court of Appeal stated:

> [64] The court has inherent jurisdiction to cancel a CPL that does not meet the preconditions for registration, that is, where no interest in land is claimed.
>
> [Emphasis added]

See also: *Bajwa* at para. 20 and *Bilin* at para. 45.

[26] The applicants argue the NOCC in this case makes no claim to an estate or interest in the Park Station lands, and nor could it. None of the corporate entities that hold or have held legal or beneficial title to the Park Station lands is a Judgment Creditor. Mr. Liang, who is a Judgment Creditor, held shares in one of those corporate entities but that did not give him a proprietary interest in the company's assets: *Nouhi v. Pourtaghi*, 2019 BCSC 794 at para. 41. Thus, the Applicants argue, the plaintiffs, as Mr. Liang's judgment creditors, cannot claim a proprietary interest through Mr. Liang.

[27] The plaintiffs argue it is unnecessary for them to claim an estate or interest in the lands because, while that is a requirement of subs. 215(1)(a), it is not required in subs. (b).

[28] I agree. The right of action given by another statute under subs. (b) need only be "in relation to land" (emphasis added). It need not claim an interest in land.

[29] Section 215(1)(b) permits the registration of a CPL where a person is "given by another enactment a right of action in respect of land" and that person has commenced or is a party to a proceeding in which that right of action is exercised. In *Pacific West Systems Supply Ltd. v D&S Enterprise Ltd.*, 2022 BCSC 1646 at paras. 53 and 59, Justice Tucker held that a CPL may be registered under s. 215(1)(b) when a plaintiff exercises a right of action in respect of land given under the *Fraudulent Conveyance Act* and that action need not include a claim to an interest in that land. She found this was authoritatively decided in two related cases: *RCG Forex Service Corp. v. Chen*, 1997 CanLII 3482 (B.C.S.C.) ["*1997 RCG*"] and *RCG Forex Service Corp. v. Lin*, 1999 BCCA 644 ["*1999 RCG*"].

[30] Justice Tucker further found that even if these cases were not dispositive of the issue, s. 215(1)(b), properly construed under the modern approach to statutory interpretation, leads to the same result. She found at para. 64 that the "absence of any reference to an interest in land in s. 215(1)(b) must be considered deliberate

and purposive." She said the legislature "specifically intended to expand the range of circumstances in which certificates could be registered beyond those that would satisfy s. 215(1)(a)." She went on to say that an action under the *Fraudulent Conveyance Act* qualifies as a right of action "in respect of land" as contemplated by s. 215(1)(b) for this reason:

> [68] … The relief available under a successful *FCA* [*Fraudulent Conveyance Act*] claim includes voiding land transfers and enabling a plaintiff to register a judgment against the subject property. Thus, an *FCA* claim respecting land is an action "directed" at the land conveyed away: see *c.f.*, *Owners, Strata Plan VR 741 v. Force Development Corporation*, [1982] B.C.J. No. 82, 1982 CanLII 296 (B.C.S.C.) at para. 10.

[31] The Applicants argue that *Pacific West Systems* should be considered narrowly and confined to its facts because the jurisprudence has not distinguished between subss. (a) and (b) when stating that a claim to an estate or interest in land is a precondition for a CPL under s. 215(1): see for example *Bilin*, paras. 36, 45 and 55; *Berthin v. Berthin*, 2018 BCCA 57 at paras. 40*; Lipskaya* at para. 64; *Xiao v. Fan*, 2018 BCCA 143 at para. 27; and *Yi Teng Investments Inc.* at para. 36. In *Bilin* at para. 55 and in *Yi Teng* at para. 37*,* the Court of Appeal described the need to claim an estate or interest in land as a "threshold criterion" for s. 215(1).

[32] However, none of these cases specifically considered s. 215(1)(b) and the Applicants' submission overlooks the different wording of subss. (a) and (b). As Justice Spencer said in *1997 RCG*:

> [9] …the existence of the condition described either under sub-paragraph (a) or (b) is a precondition to the right to register. … The person must be qualified under one or other of the sub-paragraphs at the time the certificate is registered [Emphasis added]
>
> [Emphasis added]

Justice Spencer's analysis was endorsed by the Court of Appeal in *1999 RCG* at para. 14.

[33] If the Applicants were correct that both subss. (a) and (b) require a plaintiff to claim an estate or interest in land as a precondition to a CPL, subs. (b) would be superfluous. The only precondition for subs. (a) is that the plaintiff must make a

claim for an estate or interest in land. There would be no need for subs. (b) if claims under it also had to be for an estate or interest in land because those claims would already be captured by subs. (a).

[34] The defendants rely on *Wang v. Cai*, 2022 BCSC 1312 at para. 27 and *Lam v. WS Scott Station Development Limited Partnership*, 2025 BCSC 149 at para. 8 for the proposition that "success on an alleged fraudulent conveyance claim does not give rise to an interest in land sufficient to sustain a CPL." However, neither *Wang* nor *Lam* considered either *Pacific West Systems* or the *RCG* cases.[1] *Wang* was released just three days after Tucker J.'s oral judgment in *Pacific West Systems* so the transcribed reasons would not yet have been available to the court when *Wang* was released.

[35] Thus, I find the plaintiffs are correct in saying they need not claim an estate or interest in the Park Station lands to register a CPL under s. 215(1)(b). A *Fraudulent Conveyance Act* claim "in respect of" that land suffices to support a CPL. That leads to the question of whether the plaintiffs' *Fraudulent Conveyance Act* claim is one that is "in respect of land."

2. Action in Respect of Land

[36] The Applicants argue the plaintiffs' *Fraudulent Conveyance Act* claim is in respect of shares, not land. This because Mr. Liang has never personally held legal or beneficial title to the Park Station lands. Rather, he owned shares in JPV Cambie which was a shareholder in 313 BC Ltd which in turn held legal title to the Park Station lands. JPV Cambie was also a limited parter in the L&A Limited Partnership which turn held the beneficial title to the Park Station lands. None of those corporate

[1] In *1999 RCG*, the plaintiff specifically pled s. 86 of the *Court Order Enforcement Act,* R.S.B.C. 1996, c. 78, which provides for the registration of a judgment against property. The Court of Appeal held at para. 11 that, having pled that provision, if the plaintiff succeeded in showing the defendant was the beneficial owner of land that was fraudulently conveyed, the plaintiff could register its judgment against that land and that would give it an interest in the land. On that basis, the court said a CPL could be registered under s. 215(1). The plaintiffs in this case have not pled the *Court Order Enforcement Act,* have not asserted they are claiming an interest in land, and have not claimed they are entitled to register their judgment against the Park Station lands. Whether a judgment could be registered against property owned through a judgment debtor's corporation was not argued in this case.

entities are Judgment Debtors. The Applicants argue that since a shareholder has no legal interest in the property of a company, it cannot be said that Mr. Liang fraudulently disposed of land, only shares: *Nouhi v. Pourtaghi*, 2019 BCSC 794 at paras. 40-41; *Biggar v. Tran*, 2024 BCSC 50 at para. 32.

[37] The plaintiffs acknowledge Mr. Liang's status as a shareholder does not give him an ownership interest in the company's property. However, they argue their action is "in respect of land" because the NOCC pleads that Mr. Liang holds a beneficial ownership interest in the Park Station properties apart from his status as a shareholder. The plaintiffs argue I must accept that pleading as true, even though the NOCC asserts no factual basis to support it. They argue they cannot know particulars of how Mr. Liang holds that beneficial ownership interest until he has complied with his document production obligations which, to date, he has not done. (In fact, Justice Baird found Mr. Liang in contempt of court for failing to comply with a document production order made by Associate Judge Vos.) The plaintiffs argue the court must accept the claim as pleaded for the purposes of s. 215(1) and cannot assess the merits of this bare assertion that Mr. Liang holds a direct beneficial ownership interest in the land unrelated to his status as a shareholder.

[38] As I will discuss, I find the plaintiffs' general assertion that Mr. Liang holds a beneficial ownership interest in the Park Station lands is insufficient to make the *Fraudulent Conveyance Claim* an action "in respect of land". However, I find the phrase "in respect of land" is broad enough to capture circumstances in which a judgment debtor causes their closely-held corporation to fraudulently divest itself of land that it holds either directly or through another company. On that basis, I would sustain the CPLs under s. 215(1)(b).

(a) Mr. Liang's Alleged Beneficial Interest

[39] The ownership structure of the Park Station properties before the reorganization is pleaded at paras. 60-62 of the NOCC:

> 60. At all material times, legal title to the Park Station Project development site was held by the defendant, 0985313 BC Ltd.

> 61. At all material times, THC Real Estate Investment (Cambie) Ltd. and JPV Real Estate Capital (Cambie 48) Ltd. each owned 50% of the shares in 0985313 BC Ltd.
>
> 62. At all material times, beneficial title to the Park Station Project Development site was held by the L&A LP.

[40] Thus far, legal and beneficial ownership is pled to be held by corporate entities, not by Mr. Liang. However, para. 64 then pleads that the Judgment Debtors, including Mr. Liang, are beneficial owners of "the Assets" which is a defined term in the NOCC that includes the Park Station property:

> 64. At all material times, the Judgment Debtors, or one or more of them, were beneficial owners of the Assets.

[41] The NOCC then pleads, in general terms, the alleged fraudulent conveyance of this beneficial ownership:

> 65. Judgment Debtors have since transferred their beneficial ownership in the Assets to one or more of the Recipient Defendants in order to put the Assets beyond the reach of the plaintiffs and other creditors.
>
> 66. During the time that the Judgment Debtors were indebted to or, alternatively, reasonably foresaw that they would become indebted to the plaintiffs, the Judgment Debtors voluntarily disposed of their assets including, but not limited to, their shareholdings in the Recipient Defendants and their legal or beneficial interest in the Assets, to the Recipient Defendants, or one or more of them, for no consideration or, alternatively, inadequate consideration, in order to delay, hinder or defraud creditors including the plaintiffs, and others of their just and lawful remedies (the "Fraudulent Transfers").
>
> [Emphasis added]

[42] The plaintiffs argue this pleading is sufficient to bring the NOCC within the preconditions of s. 215(1)(b). They do not contend that Mr. Liang holds a beneficial interest in the Park Station properties as a shareholder but say there may be some other basis for their assertion that he holds beneficial ownership. They do not and, at this stage say they cannot, identify what that basis might be. However, they argue the court must accept their pleading as true for the purposes of this application and may not look behind it to weigh its merits.

[43] I accept the limits of the court's ability under s. 215(1) to assess the merits of the claim or to determine its "true nature": *1332402 B.C. Ltd.*, paras. 14 and 32. However, a plaintiff must still plead material facts, including, in my view, those needed to support the bare assertion that Mr. Liang personally holds a beneficial ownership interest in the Park Station lands. Otherwise, the claim to an estate or interest in land is pure conjecture.

[44] In *1077708 BC Ltd. v. Agri-Grow Farm Services Ltd.*, 2019 BCSC 977 Justice Murray found that "bald assertions" in a notice of civil claim that misappropriated funds impressed with a trust were used to maintain a property was insufficient to support a CPL over that property. She wrote

> [35] Nowhere in the pleadings is there mention of funds being misappropriated other than in these bald assertions. When were the funds misappropriated and how? How much money was misappropriated?
>
> …
>
> [37] As per *Bilin* above, the analysis rests on the pleadings filed in support of the CPL, not on information from other sources.
>
> [38] While I am mindful that at this stage the court is not to consider evidence, there must be some basis for the allegations advanced to support the interest in land.
>
> [39] An interest in land can not be based solely on unsubstantiated assertions with no factual- whether they ultimately are proved to be true or not- underpinning. Such an extraordinary and powerful pre-trial tool must be grounded on more than mere conjecture.

[45] In *Wai v. Chung*, 2020 BCSC 34, Justice MacDonald also ordered the cancellation of a CPL for lack of particularity:

> [29] The plaintiff pleaded generally that the defendants used her Investment Funds to purchase the Property. How they did so is not set out or particularized in any way. The plaintiff's pleadings are vague and imprecise, without any direct connection between the Investment Funds and the Property.

[46] The plaintiffs rely on *Batth v. Sharma* 2024 BCCA 29 where the Court of Appeal upheld a CPL and commented on both *Agri-Grow* and *Wai.* In *Batth*, the plaintiffs were persuaded by the operating minds of a company to loan the company money. It was alleged that the defendants then used the loan monies to increase

their equity interest two properties and this was an improper use of the money under the loan agreement. The plaintiff claimed a constructive trust in the two properties based on the wrongful use of the loan monies to invest in them. He registered CPLs against the properties and the defendants applied to discharge those on the basis that the NOCC contained insufficient particulars about the alleged investment in the properties.

[47] Justice Skolrood (as he then was), writing for the Court of Appeal, upheld the CPL finding that the NOCC did not suffer from the same defects as those found in *Agri-Grow* and *Wai*. He stated:

> [43] Read as a whole, the NOCC discloses a claim to an interest in the Properties. Mr. Sharma pleads that he paid money based on fraudulent misrepresentation and that money was then wrongly used towards the acquisition of, or increasing the equity in, the Properties. … If his facts as pleaded are assumed true, they support the substantive constructive trust claim.

[48] Justice Skolrood distinguished *Agri-Grow* on the basis that the amount of money alleged to have been misappropriated was not sated in the NOCC and there was no pleaded allegation that the defendants held an interest in the property over which the CPL was registered. He also considered *Wai* and said the pleadings there were manifestly deficient to support a CPL because no interest in the property was pled. He found those defects were not present in the NOCC in *Batth*.

[49] The plaintiffs argue the NOCC in *Batth*, the substance of which is appended to the chambers judge's decision in that case (*Sharma v. Lifetec Construction Group Inc.*, 2022 BCSC 1569), lacked many of the same particulars that Murray J. said made the claim in *Agri-Grow* deficient. Thus, while Skolrood J.A. distinguished *Agri-Grow,* the plaintiffs argue he implicitly found that only two of the deficiencies noted by Murray J. – the failure to state the misappropriated amount and the failure to plead an interest in the property – were fatal to registering a CPL based on that pleading. The other deficiencies were not. The plaintiffs argue their NOCC does not have these two fatal deficiencies.

[50] In my view, *Batth* does not assist the plaintiffs. The NOCC in *Batth* pled material facts that at least charted a course to the plaintiff's claimed proprietary interest. It alleged that the plaintiff loaned a specific amount of money ($100,000) to the defendants for a stated purpose. It alleged the defendants used that money for a different purpose, namely to invest in properties that are specifically identified in the NOCC. It alleged that the investment of the loan monies in those properties was fraudulent which it claimed gave rise to a constructive trust in the properties.

[51] By contrast, no such course laid out in the NOCC in this case. There is a bare assertion that Mr. Liang held a beneficial ownership interest in the Park Station lands but no material facts identifying how he holds that interest. There is a bare assertion that he transferred that interest but no material facts about how or to whom it was transferred. Particulars about the transfer of the properties are provided in the NOCC but all those involve the corporate owners of the Park Station properties, not Mr. Liang personally. In view of those detailed particulars, it is difficult to understand what room might be left for Mr. Liang to hold a beneficial interest of his own.

[52] I find it significant that counsel for the plaintiff could not identify any basis on which Mr. Liang holds a beneficial interest in the property. He said any such basis could only be identified through discovery. He stated in argument:

> The plaintiffs are not saying because he is a shareholder, or because he has this interest in the limited partnership, he owns a beneficial interest in the land. We have alleged that he has a beneficial interest in the land. And the reality is that we have no disclosure of documents from him. We don't know how things are really structured and so we haven't particularized in great detail why he has an ownership interest in the land.
>
> But, my friend's argument of saying a shareholder in a company doesn't have a direct interest in the company's assets doesn't mean our allegation that Mr. Liang has a direct interest in these particular assets will fail because we don't know the reality of the structure. That's something that will only unfold after Mr. Liang complies with his document production obligations under the Voss order and after there is document production and examination for discovery from the defendants.
>
> [Emphasis added]

[53] This is a candid acknowledgment that the plaintiffs do not know of any material facts that support their assertion that Mr. Liang has a beneficial ownership

interest in the Park Station lands. Their counsel suggested some possibilities in argument, including a "partnership could be wound up" or "there could be properties held in trust" or "there could be some other agreement in place which isn't apparent from just filings in the Land Title Office." However, none of these possibilities is based in any known or asserted fact. The pleading is pure conjecture. By contrast, there was at least some factual basis put forward in *Batth* to support the CPL. Here, there is none.

[54] Thus, the plaintiffs are using s. 215(1) to secure a placeholder CPL while they conduct discoveries in the hopes of finding some factual basis to support the bare assertion that Mr. Liang holds a beneficial ownership interest in the Park Station lands. I find that is a misuse of what Murray J. described in *Agri-Grow* as "an extraordinary and powerful pre-trial tool." In my view, s. 215(1) is not a tool to freeze an asset so that a plaintiff can investigate a potential claim which, at present, has no known or suggested factual basis.

[55] I would add that Mr. Liang's failure to comply with his document production obligations, even to the point of being held in contempt, does not change matters as it relates to the CPL. The CPL was registered before Mr. Liang's document production obligations arose, and a CPL is only properly registered if the NOCC meets the preconditions for registration in s. 215(1) at the time of registration: *Bilin* para. 62. Mr. Liang's contempt does not convert an invalid CPL into a valid one.

(b) Claim based on Shares

[56] That said, I find that it is unnecessary for Mr. Liang to have a direct ownership interest in the land to bring the plaintiffs' claim within s. 215(1)(b) of the *Land Title Act* because an action "in respect of land" is broad enough to capture land that is owned through a closely-held corporation controlled by a judgment debtor.

[57] According to the NOCC, JPV Cambie was a closely-held corporation that was owned and controlled solely by Mr. Liang and Ms. Huang. It existed for two purposes:

a) to hold shares, jointly with THC, in 313 BC Ltd., which held the legal title to the Park Station land; and

b) to be a limited partner in the L&A Limited Partnership, which held beneficial title to the Park Station Land.

[58] 313 BC Ltd. was also closely held by JPV Cambie (50%) and THC (50%) and existed for the sole purpose of holding legal title to the Park Station lands. All these companies were vehicles through which Mr. Liang, Ms. Huang, and those behind THC owned the Park Station lands, albeit as shareholders rather than as direct title-holders.

[59] Thus, Mr. Liang's shares in JPV Cambie had value because JPV Cambie was the corporate vehicle through which he owned land. The NOCC alleges that Mr. Liang and Ms. Huang caused JPV Cambie to divest itself of its ownership of 313 BC Ltd. for the purpose of removing Mr. Liang from the corporate structure by which he, as a shareholder, effectively shared in the ownership of the Park Station land. It is alleged this was a fraudulent conveyance under the *Fraudulent Conveyance Act*.

[60] I accept that the action primarily impugns share transactions but that is not its only characteristic. The impugned transaction and the court action that challenges it can have more than one defining feature. In my view, a challenge to a share transaction can still be an action "in respect of land" within the meaning of s. 215(1)(b) when those shares are held for the purpose of indirectly owning land through the corporations and partnership.

[61] The Supreme Court of Canada has held that the words "in respect of" have the "widest possible meaning". In *Nowegijick v. The Queen,* [1983] 1 S.C.R. 29 at 39 Justice Dickson stated:

> The words "in respect of" are, in my opinion, words of the widest possible scope. They import such meanings as "in relation to", "with reference to" or "in connection with". The phrase "in respect of" is probably the widest of any expression intended to convey some connection between two related subject matters.

[62] The share transactions challenged here certainly have “some connection” to the ownership of the Park Station lands, given that the corporate entities exist for the very purpose of holding the land for Mr. Liang and others, albeit as shareholders rather than beneficial owners. There is a significant connection between the impugned share transactions and the lands over which the CPLs were registered. The fact that Mr. Liang was effectively an owner of the land as shareholder rather than directly owning the legal or beneficial title to the land does not change the essential character of the impugned transaction which was to change Mr. Liang’s effective ownership (as shareholder) of the Park Station land, allegedly for the purpose of putting that asset out of the plaintiffs’ reach.

[63] I acknowledge that “in respect of” is not a phrase of “infinite reach” and two matters cannot be connected “merely on the basis that the phrase is very broad”: *Sarvanis v. Canada*, 2002 SCC 28 at para. 22. However, as just explained, I find the allegations in the NOCC, if true, disclose a significant factual connection between the impugned transactions and the land.

[64] The Applicants argue that when s. 215(1)(b) of the *Land Title Act* is read harmoniously with s. 215(8), the “right of action” under s. 215(1)(b), when founded on the *Fraudulent Conveyance Act*, is restricted to transactions where a judgment debtor itself owed the land that was fraudulently transferred. Section 215(8) allows a judgment creditor, who makes an application under s. 9 of the *Fraudulent Preference Act*, R.S.B.C. 1996, c. 164 to file a CPL against the land at issue. It reads:

> 215(8) A judgment creditor who
>
> (a) applies under section 9 of the *Fraudulent Preference Act*, and
>
> (b) in the application, claims to be entitled to register the judgment against the land in respect of which the application was made, or against the judgment debtor's or another person's interest in the land,
>
> may register a certificate of pending litigation in the form approved by the director against the land.

[65] Section 9 of the *Fraudulent Preference Act* provides that a judgment creditor who alleges that a judgment debtor has made a fraudulent conveyance of land to

defeat the judgment creditor may apply to the court, without commencing a separate action, for a hearing at which the debtor must show cause as to why the conveyance should not be set aside. The section reads:

> 9(1) If
>
> (a) a judgment creditor alleges that the debtor or person who has to pay has made a conveyance or other disposition of any of that person's land, which conveyance or other disposition is void, as being made to defeat, hinder, delay, prejudice or defraud creditors, or
>
> (b) a creditor or assignee for the benefit of creditors alleges that a disposition is void under sections 2 to 6,
>
> it is not necessary to institute an action to set aside the disposition.
>
> (2) In the circumstances described in subsection (1), an application may be made to the Supreme Court by the judgment or other creditor or assignee or person entitled to the money, calling on the judgment debtor or person who is to pay, and the person to whom the conveyance or other disposition has been made or who has acquired any interest under it, to show cause
>
> (a) why the land, or a competent part of it, should not be sold to realize the amount payable under the judgment, or
>
> (b) why the disposition or payment should not be set aside and the property returned or otherwise dealt with as the court may direct.
>
> (3) In an application under this section, a judgment creditor may claim to be entitled to register the judgment against
>
> (a) the land in respect of which the application is made, or
>
> (b) the judgment debtor's or another person's interest in the land.
>
> [Emphasis added]

[66] The Applicants argue that s. 9 requires that the judgment debtor be the owner of the land ("that person's land"). Thus, when is read harmoniously with s. 215(8), which refers to s. 9, s. 215(1)(b) must also be confined to cases where the debtor is the direct owner of the land.

[67] I do not read either s. 9 of the *Fraudulent Preference Act* or s. 215(8) of the *Land Title Act* as having this effect.

[68] Section 9 of the *Fraudulent Preference Act* merely creates a streamlined process for applying to set aside a fraudulent conveyance of a judgment debtor's land without the need to commence a new action, provided the preconditions of s. 9

exist. Section 9 may be limited to circumstances where a judgment debtor directly owns the land (a point I need not decide) but that precondition does not place limits on the scope of a claim that can be brought under s. 1 of the *Fraudulent Conveyance Act* which is where the plaintiffs have grounded their action.

[69] Section 1 of the *Fraudulent Conveyance Act* invalidates "a disposition of property" that is made to delay, hinder or defraud creditors. It does not specify that the debtor must have been the direct owner of that property. Nor does it exclude on its face a disposition of property by a company that is closely held by a debtor. It reads in part:

> 1. If made to delay, hinder or defraud creditors and others of their just and lawful remedies
>
> (a) a disposition of property, by writing or otherwise,
>
> ...
>
> is void and of no effect against a person or the person's assignee or personal representative whose rights and obligations are or might be disturbed, hindered, delayed or defrauded, despite a pretence or other matter to the contrary.

[70] Section 1 must be liberally construed. In *Royal Bank of Canada v. North American Life Assurance Co*., [1996] 1 S.C.R. 325 at para. 59 the Supreme Court of Canada held that provincial fraudulent conveyance legislation covers is remedial and covers a "broad range of property interests". Accordingly, it must be given a "fair, large and liberal construction" to attain its objectives. Justice Gonthier wrote:

> [59] … All the provincial fraud provisions are clearly remedial in nature, and their purpose is to ensure that creditors may set aside a **broad range of transactions involving a broad range of property interests**, where such transactions were effected for the purpose of defeating the legitimate claims of creditors. Therefore, **the statutes should be given the fair, large and liberal construction and interpretation that best ensures the attainment of their objects**, as required by provincial statutory interpretation legislation … I agree with the following observation by Professor Dunlop in *Creditor-Debtor Law in Canada* (2nd ed. 1995), at p. 598, that the purpose of fraudulent conveyance legislation
>
> > ... is to strike down **all conveyances** of property made with the intention of delaying, hindering or defrauding creditors and others except for conveyances made for good consideration and *bona fide* to persons not having notice of such fraud. The legislation is couched in very general terms and should be interpreted liberally.

[Underling is Gonthier J.'s, bold emphasis added]

[71] To interpret s. 9 of the *Fraudulent Preference Act* as narrowing the scope of a claim that can be brought under s. 1 of the *Fraudulent Conveyance Act* would not accord with these principles of interpretation.

[72] Nor does s. 215(8) of the *Land Title Act* limit the nature of an "action in respect of land" that may support a CPL under s. 215(1)(b). Section 215(8) merely creates an opportunity to register a CPL when the streamlined process under s. 9 of the *Fraudulent Preference Act* is invoked.

[73] The Applicants also rely on *Finness Yachting Inc. v. Menzies,* 2016 BCCA 360 which they argue stands for the proposition that a transfer of corporately-owned assets is not a fraudulent conveyance if the debtor had no interest in those assets other than as the corporation's sole shareholder. I do not read *Finness* to stand for that proposition or assist the Applicants.

[74] In that case, Mr. Menzies ran a consulting business for clients under month-to-month agreements he made personally with those clients. For tax purposes, his invoices were generated by his company, Coastal Pacific Investments Ltd., which also received the payments for the invoices. Coastal became a judgment debtor to Finness Yachting and, after that judgment, Mr. Menzies started running his consulting invoices through a different company called Menzies Investments Group. He admitted that he did so to prevent funds from being made available to the Finness Yachting through Coastal. Finness argued this was a fraudulent conveyance of Coastal's book of business to Menzies Investments. The Court of Appeal disagreed. It held that Mr. Menzies was under no legal obligation to continue to operate his consulting business through Coastal and Coastal had no right to compel Mr. Menzies' to deal with it. Thus, it was not a matter of there being no fraudulent conveyance, it was a matter of there being no conveyance at all. Unlike JPV Cambie, which divested its shares in 313 BC Ltd. which in turn held title to the Park Station lands, Coastal had no book of business to divest.

[75] I therefore find the CPLs were properly registered against the three Park Station properties under s. 215(1)(b), not because the plaintiffs plead that Mr. Liang holds a beneficial ownership interest in the properties but because the transactions of the corporate entities controlled by Mr. Liang are alleged to have been done to delay, hinder or defraud the plaintiffs from realizing on their judgment. The plaintiffs are entitled to execute against the shares that Mr. Liang owns in his corporate entities in an effort to satisfy their judgment against him but those shares lost their value when Mr. Liang caused the corporation to divest its interest in the Park Station lands. In my view, that disposition is open to challenge under s. 1 of the *Fraudulent Conveyance Act* and is an action "in respect of land" under s. 215(1)(b) of the *Land Title Act*.

3. The Proceeds of the West 53rd Avenue Home

[76] It is not disputed that Mr. Liang and Ms. Huang each had an undivided one-half interest as joint tenants in the West 53rd home. They were registered on title as joint tenants. The plaintiffs have already executed on Mr. Liang's one-half interest in the home but in this proceeding they are pursuing Ms. Huang's one-half interest on the theory that she formerly held it in trust for Mr. Liang.

[77] The plaintiffs' theory is that as of January 2024, Mr. Liang held a 100% interest in home because that is what he represented to the plaintiffs. That means that Ms. Huang must have been holding her one-half interest in trust for Mr. Liang. The plaintiffs assert that sometime after the January 2024 representation, Mr. Liang must have transferred the 50% beneficial interest held in trust for him back to Ms. Huang because he now maintains he has only a 50% interest. The plaintiffs allege this was a fraudulent conveyance.

[78] This theory is not set out in the NOCC. Nor is any transaction respecting the West 53rd home included in the particulars of transactions at para. 67 of the NOCC. Nevertheless, the plaintiffs argue their theory of the transaction is captured in the NOCC in this way:

a) As stated in para. 56(b) of the NOCC, on or about January 4, 2024, Mr. Liang represented to the plaintiffs that he owned a 100% interest in the West 53rd home.

b) As stated in para. 64 of the NOCC, at all material times, "the Judgment Debtors, or one or more of them, were beneficial owners of the Assets". The plaintiffs say (again in argument, not in the NOCC) that since Mr. Liang is a Judgment Debtor and since the West 53rd home is one of the "Assets" so defined in the NOCC, the NOCC pleads that Mr. Liang is a beneficial owner of the West 53rd home;

c) As stated in para. 65, the "Judgment Debtors have since transferred their beneficial ownership in the Assets to one or more of the Recipient Defendants in order to put the Assets beyond the reach of the plaintiffs and other creditors". The plaintiffs say (in argument) since Mr. Liang is a Judgment Debtor who had beneficial ownership of the West 53rd home (an "Asset"), it follows that they have pleaded that he transferred his beneficial ownership of the home to Ms. Huang.

[79] Without question, the particulars of this alleged transaction, as explained by counsel during argument, are very well concealed within the NOCC. I have considerable doubt that an "extraordinary and powerful pre-trial tool" like a CPL can be justified on such a cryptic pleading. Nevertheless, for the purposes of s. 215(1), I must accept as true that Mr. Liang represented that he once held a 100% interest in the West 53rd home as being true and this provides some factual basis to support an alleged fraudulent conveyance of 50% of that interest. Further, the home is already subject to execution proceedings based on Mr. Liang's undisputed ownership interest.

[80] For those reasons, I find the NOCC is adequate (but barely so) to support the claim to a CPL on the West 53rd home. I would not have discharged that CPL on the basis of s. 215(1) if it had not been discharged by consent following the hearing of

this application. It follows that I would not order the release of the funds now held as security in lieu of the CPL.

B. Hardship and Inconvenience

[81] The second basis on which the Applicants seek to discharge the CPLs and to have the money held in trust paid out is under ss. 256 and 257 of the *Land Title Act*. Under those provisions, a court may cancel a CPL where it is satisfied that: the CPL causes hardship and inconvenience to the registered owner of the land; an order requiring security to be given is proper in the circumstances; and damages will be an adequate remedy for party who has registered the CPL.

[82] Proof of hardship or inconvenience is a threshold requirement under s. 256. The applicant must show hardship that is causally connected to the CPL. The evidence must include particulars that demonstrate real hardship; general allegations are not sufficient. The degree of hardship must be more than "trifling" or "insignificant" but the court need not be exacting in its analysis: *Save-A-Lot Holdings Corp. v. Christensen*, 2023 BCCA 35 at para. 30; *Youyi Group Holdings (Canada) Ltd. v. Brentwood Lanes Canada Ltd*., 2014 BCCA 388 at para. 28.

[83] Hardship or inconvenience is case-specific but examples include impeding the ability to close a sale of the land, impeding a sale process where the CPL dissuades potential buyers from making an offer, or depriving the defendant of investment income: *Kaur v. Chandler*, 2018 BCSC 1283 at para. 45; *Zhong v. Alan Hu Personal Real Estate Corporation*, 2022 BCSC 1964 para. 66.

[84] If the court is satisfied there is hardship or inconvenience, the court may then consider the strength or weakness of the plaintiff's claim to asses the appropriate amount of security: *Nu Stream Realty Inc. v. 1116191 B.C. Ltd.*, 2018 BCSC 911 at para. 44. Where the claim is weak, the security can take the form of an undertaking to pay damages: *De Cotiis v. De Cotiis*, 2004 BCSC 1658 at paras. 35-36.

[85] The Applicants argue the CPLs are causing hardship to 313 BC Ltd and 155 BC Ltd. in that they are prevented from selling the properties and are burdened with

carrying costs. They claim the properties are earning a rental income of $56,306.28 annually and the carrying costs are $87,237.95 annually, leaving an annual shortfall of just under $31,000. They claim the companies do not have adequate funds to carry those expenses but provide no evidence of their financial circumstances.

[86] Arguably, the annual shortfall stems not from the CPLs but from the Applicants charging inadequate rent for the units. There is no evidence of how that rent was set or why they could not secure a higher rent. I note these are commercial and not residential properties. Nor is there evidence of a pending sale for one or both of the two unsold properties. Nor is there evidence that the CPLs are deterring potential buyers from making an offer. To the contrary, the fact that one of the units sold after a CPL was registered against it suggests this is not an issue.

[87] Overall, I find the evidence of hardship and inconvenience concerning the Park Station properties is lacking and I am not persuaded that “real hardship” has been demonstrated. I would not discharge the CPLs or order the release of the money held in trust on this basis.

[88] With respect to the West 53rd home, the applicants have provided no evidence or even assertions of hardship or inconvenience and I would not order the release of the proceeds of its sale.

[89] The Applicants argue THC suffers from hardship because it is an innocent party that has been caught up in this proceeding. It is not a Judgment Debtor and Mr. Liang holds no shares or any other interests in THC. THC is merely a co-owner of 313 BC Ltd. and formerly a limited partner in the L&A partnership. It is now a co-owner, along with 917 BC Ltd. (Ms. Huang’s company) of 155 BC Ltd. which acquired beneficial ownership of Park Station from the partnership.

[90] I accept that THC appears to be an innocent party in this matter but that does not absolve it from the requirement to prove hardship or inconvenience. Alternatively, and this would appear to be the better and more logical route for THC to challenge the CPL, it can apply for summary judgment and seek to have the CPL

discharged through that route, although that may be complicated by the shared corporate ownership of the property. Regardless, I am not persuaded THC has shown real hardship or inconvenience arising from the CPL and I decline to discharge it on the basis of s. 257 of the *Land Title Act.*

IV. Conclusion

[91] For these reasons, I dismiss the applications. Costs will be in the cause.

"Kirchner J."