IN THE SUPREME COURT OF BRITISH COLUMBIA

Citation: *Zeng v. Zuo,*
2026 BCSC 188

Date: 20260205
Docket: S219625
Registry: Vancouver

Between:

Yixuan Zeng also known as Yi Xuan Zeng

Plaintiff

And

Qi Cheng Zuo also known as Qi Cheng Zuo and Linling Ding also known as Ling Ling Ding

Defendants

And

Yixuan Zeng also known as Yi Xuan Zeng

Defendant by Counterclaim

Before: The Honourable Mr. Justice Gibb-Carsley

Reasons for Judgment

Counsel for the Plaintiff:	J. Parker C. Chen
The Defendant, appearing in person:	Q. Zuo
No further appearances	
Place and Dates of Hearing:	Port Coquitlam, B.C. August 26, 2025 New Westminster, B.C. December 19, 2025
Place and Date of Judgment:	Vancouver, B.C. February 5, 2026

Table of Contents

I. Introduction

[1] This is a summary trial application brought by the plaintiff, Yixuan Zeng, seeking recognition and enforcement of a judgment obtained in China against the defendants, Qicheng Zuo and Lingling Ding (the "Chinese Judgment").

[2] The plaintiff asserts that the Chinese Judgment was lawfully obtained in the People's Court of Gulou District, Nanjing City in Jiangsu Province, China on April 26, 2018 (the "Chinese Action"). The plaintiff argues that the defendants willingly participated in the proceeding that ultimately led to the issuance of the Chinese Judgment and that it was never appealed. As such, the plaintiff asserts that the Chinese Judgment should be enforceable in British Columbia.

[3] The defendants, who are self-represented, oppose the application. Initially, in the application materials, the defendants argued that the plaintiff obtained the Chinese Judgment fraudulently and that the defendants were not afforded a fair proceeding in China. However, their position has somewhat shifted during the proceedings and now they argue that they only participated in the Chinese Action because they were under duress. Accordingly, the defendants argue that because the Chinese Judgment was a result of duress this Court should not order enforcement of the Chinese Judgment. In the written submission provided at the hearing, the defendants state their objection in the following manner:

> The [defendants] respectfully submits that enforcement should be refused, or at minimum deferred, because the PRC Judgment was obtained **without the [defendants'] free, voluntary, and valid participation**, and under circumstances inconsistent with fundamental principles of natural justice recognized under Canadian law.
>
> [Emphasis in original.]

[4] Given this is a summary trial application, I must first determine whether the matter is suitable for disposition by summary trial. If I find that it is, I must then determine if the Chinese Judgment is enforceable. In respect of the Chinese Judgment, I note that the *Canada Evidence Act*, R.S.C., 1985, c. C-5, s. 23 provides that evidence of a foreign proceeding may be given by a copy of the proceeding purporting to be under the seal of the foreign court. I have been provided with a

sealed copy of the Chinese Judgment along with a translation of it from Mandarin into the English Language.

[5] As I will detail below, I am satisfied that this matter is suitable for summary trial because I am able to draw the necessary facts from the evidence before me and it would not be unjust to do so. I have also concluded that the Chinese Judgment should be enforced in British Columbia against the defendants. The plaintiff has met the tests for enforceability of a foreign judgment. In making this finding I reject the defendants' claim that their agreement to the Chinese Judgment was a result of duress.

[6] In these reasons for judgment, I will set out the background facts and then turn to a discussion as to why I have found the matter suitable for disposition by summary trial. I will then provide my rationale for concluding that the plaintiff has met his burden to have the Chinese Judgment enforced in British Columbia.

II. Background

[7] Between 2006 and 2014, the plaintiff and several other individual lenders (collectively, the "Lenders") made private loans to Mr. Zuo to be used for the operation of the defendants' business in Nanjing, China (the "Loans"). The Loans were structured as investments such that interest was payable to the Lenders on a quarterly basis, with the principal of the Loans repayable on demand. The total principal of the Loans was 25 million renminbi ("RMB"). At today's exchange rate, one Canadian dollar is approximately RMB 5. Thus RMB 25 million is approximately 5 million Canadian dollars.

[8] Commencing in approximately 2015, the defendants started missing interest payments. Yunxia Zhu is a mutual friend of the Lenders and the defendants who introduced them and acted as the Lenders' intermediary for communications with the defendants. The defendants advised Ms. Zhu that they were encountering difficulties with their business but assured her that the defendants would personally guarantee the Loans and interest owing.

[9] Around January 2018, Mr. Zeng learned that the defendants had moved to Canada permanently and that they could not repay the Loans because the defendants' assets in China had been frozen as the result of legal actions commenced by other creditors.

[10] After learning of the other creditors' actions, the Lenders decided to commence a civil action against the defendants in China. Through telephone calls and text messages, Mr. Zeng and Ms. Zhu were in frequent contact with the defendants and advised them that the Lenders intended to commence a lawsuit with Mr. Zeng acting as the representative plaintiff.

[11] As referenced above, the defendants now argue that they were under duress and that is why they participated in the Chinese legal proceedings. However, the text messages provide a different narrative. As I will describe, the defendants appear cooperative with the Lenders and willing to consent to judgment in the lawsuit so that the Lenders would be able to share in the distribution of the defendants' frozen assets in China.

[12] The defendants agreed that Mr. Zeng could act as the representative plaintiff for the Lenders in the lawsuit, and to facilitate this, the defendants agreed to enter into a new agreement with Mr. Zeng to consolidate the Loans.

[13] A text message dated February 8, 2019, provides that Mr. Zuo confirmed by text message to Ms. Zhu certain arrangements of how the Chinese Action would proceed. I note that the text messages were written in Mandarin, but I was provided with copies of certified translations of the text messages in English. The February 8 text message sent by Mr. Zuo to Ms. Zhu reads as follows:

> Okay, we can do what you want, it is fine for [Mr. Zeng] to individually represent everyone, no problem, if (you) need any materials, instruct the lawyer to draft it and give it to me directly, or we can draft it here and mail it to you, or ask someone to bring it back, will try to get it done before the end of the (Chinese) new year.

[14] In February 2018, Ms. Ding and Mr. Zuo provided Ms. Zhu with scanned copies of the consolidated loan agreement backdated to October 2014 that were

signed by the defendants. Original copies signed by the defendants were delivered to Mr. Zeng in China.

[15] On March 7, 2018, Mr. Zeng commenced a lawsuit against the defendants in the People's Court of Gulou District, Nanjing City in the Jiangsu Province of China (the "Chinese Court") with the action number (2018) S. 0106 M.C. No. 2803 (the "Chinese Action").

[16] In the Chinese Action, Mr. Zeng sought judgment against the defendants in respect of the consolidated loan agreement dated effective October 15, 2014 between Mr. Zeng as lender and the defendants as borrowers (the "Loan Agreement").

[17] The defendants acknowledged the debts owing to Mr. Zeng and agreed to consent to judgment. On or around March 13, 2018, Mr. Zuo provided a text message to Mr. Zeng and Ms. Zhu acknowledging the debts:

> It should be a summary procedure at the court, facts are clear, there is not really any dispute.

[18] On or about March 13, 2018, Mr. Zuo confirmed by text message to Mr. Zeng and Ms. Zhu that the defendants would appoint an agent, Mr. Dou, to appear on their behalf in in the Chinese Action:

> I will make an arrangement for Manager Xiang Dou to attend as a representative, show him the notice of claim, support the position(s) in the notice of claim in court. So that a settlement can be reached.

[19] On or around April 6, 2018, Mr. Zuo advised Mr. Zeng and Ms. Zhu that the defendants were appointing a different person, Zhengjun Wang, as their agent. Mr. Wang is Ms. Ding's first cousin and the defendants' employee. The text message also confirmed that the court process for certifying Mr. Wang's relationship to the defendants—including Mr. Wang's family relationship to Ms. Ding—was well under way.

[20] Subsequently, Mr. Wang, on behalf of the defendants, filed power of attorney documents with the Chinese Court formally appointing Mr. Wang as the defendants'

agent in the Chinese Action with full authorization to, among other things, participate in settlement or mediation on behalf of the defendants.

[21] On April 26, 2018, Mr. Zeng and Mr. Wang, as the defendants' agent, appeared before the Chinese Court. The Chinese Court carried out a mediation between the parties. Through the mediation, the parties reached a settlement agreement, and the Chinese Court recorded mediation minutes that were signed by Mr. Zeng and Mr. Wang.

[22] Following the mediation, the Chinese Court issued a civil mediation paper dated April 26, 2018 recording and affirming the agreement reached by the parties during the mediation (the "Civil Mediation Paper").

[23] Mr. Zeng and Mr. Wang (as the defendants' agent) acknowledged service of the Civil Mediation Paper on April 26, 2018.

[24] The Chinese Judgment required that the defendants pay to Mr. Zeng before May 15, 2018:

a) RMB 35.35 million (the "Principal Judgment Debt"), consisting of RMB 25 million in principal debt and RMB 10.35 million in interest on the Principal Debt up to December 31, 2017;

b) Interest to Mr. Zeng of 15% per annum on the Principal Judgment Debt from January 1, 2018 to the date of actual repayment (the "Judgment Interest"); and

c) RMB 114,275 which consisted of court fees in the amount of RMB 109,275 and security guarantee fees in the amount of RMB 5,000.

[25] The defendants did not make any payments to Mr. Zeng by May 15, 2018.

[26] On or around May 16, 2018, Mr. Zeng applied to the Chinese Court to enforce the Chinese Judgment. Mr. Zeng advised the defendants by text message that he had done so, which Mr. Zuo acknowledged.

[27] On May 24, 2018, the Chinese Court issued a notice of enforcement to the defendants. Between 2018 and 2021, the Chinese Court undertook enforcement procedures against the defendants' frozen assets in China and made distributions of the proceeds to the defendants' judgment creditors, including Mr. Zeng. In 2020 and 2021, Mr. Zeng received distributions of proceeds totaling RMB 5,846,332 in partial satisfaction of the Chinese Judgment.

[28] Until 2021, the defendants consistently acknowledged the debt owed and provided assurances that they were making efforts to pay off the Chinese Judgment. For example, from December 2018 to June 2021, the defendants made 15 voluntary payments towards the Chinese Judgment, totalling approximately RMB 62,800 based on the daily exchange rates at the time of payment (the "Voluntary Payments").

[29] The Chinese Judgment was issued seven and a half years ago. The proceeding in British Columbia commenced almost four years ago. During that time, the defendants have not sought to challenge the Chinese Judgment in the Chinese Court. Mr. Zeng never received notice from the Chinese Court that the defendants filed a Retrial Application.

A. Expert Evidence on Chinese Law

[30] I was provided with an expert report of Dong Liu in respect of Chinese law. Mr. Liu is a senior partner at W&H Law Firm Shanghai Office. Mr. Lui is also a former court judge in China with over a decade of experience and has presided over thousands of commercial cases. In his description of qualifications, he states that in his career he earned the title of "Best Judge" for outstanding performance and was selected for international studies in the United Kingdon as a representative Chinese judge. In his expert report, Mr. Liu states that he is aware of his obligations under R. 11-2(1) of the *British Columbia Supreme Court Civil Rules* to assist the court and is not to be an advocate for any party.

[31] The defendants did not challenge Mr. Liu's qualifications nor did they file expert evidence of their own. After reviewing Mr. Liu's qualifications, I am satisfied

that he should be qualified and his affidavit admitted for the purpose of providing expert opinion evidence on the issue of obtaining and enforcing a debt collection under Chinese law.

[32] Mr. Liu provided the following opinion relevant to the issues before me:

a) Under Chinese procedural law, the Civil Mediation Paper is a legal document made by the Chinese Court which is the same as a Civil Judgment. If one party refuses to perform, the counterparty has the right to apply to the Chinese Court for enforcement;

b) In this case the Civil Mediation Paper became “effective” on the date of acknowledgment of receipt of the Civil Mediation Paper by both parties;

c) The Civil Mediation Paper is an effective legal document made by the Chinese Court and cannot be appealed;

d) If a person, including a third party, wishes to set aside a Civil Mediation Paper the party should go through the procedure of re-trial. The Chinese Court will provide notice to the parties within 5 days from the date of receipt of the application of the re-trial; and

e) When a Civil Mediation Paper includes principal debt and interest on the debt, any payments will be applied in the following order to the outstanding total obligation: (i) the relevant costs for actualizing the indebtedness; (ii) interest; and (iii) principal debt.

[33] I note that I take from the opinion that the relevant costs for actualizing the indebtedness means legal costs of the enforcement proceedings.

B. No Steps Have Been Taken by the Defendants to Set Aside the Chinese Judgment

[34] There is no evidence before the Court that the defendants took steps to set aside the Chinese Judgment. In the defendants’ counterclaim, filed in February 2022, they assert that they and other third parties have “already prepared and filed a

lawsuit with the Chinese court of the original instance where the plaintiff submitted the mediation letter". However, there is no evidence that they have taken any steps to do so.

[35] To the contrary, Mr. Zeng provided evidence that he has never received any notice from the Chinese Court that either the defendants or a third party has applied to set aside the Chinese Judgment as would be required under Chinese law.

C. Amount of the Outstanding Debt on January 1, 2025

[36] As of January 1, 2025, after deducting the total enforcement payments obtained in China as well as the voluntary payments made by the defendants, the entire principal amount of the loan, RMB 35.35 million, remains outstanding and a balance of RMB 20,455,141.64 is owed for the interest calculated under the Loan Agreement. The interest continues to accrue at RMB 10,273.97 per day.

D. Amount Held as Security and Defendants' Counterclaim

[37] In the notice of civil claim, in the alternative to the plaintiff's primary claim for enforcement of the Chinese Judgment, the plaintiff brought a debt claim against the defendants based on the Loan Agreement and claimed a constructive trust over a property owned by the defendants at 4455 Westminster Highway, Richmond, British Columbia (the "Property"), which the plaintiff alleged was directly or indirectly purchased with loan proceeds in breach of the Loan Agreement.

[38] The plaintiff filed a certificate of pending litigation ("CPL") against the Property on November 1, 2021.

[39] On or about September 18, 2024, by consent of the plaintiff, the CPL was removed and the Property was sold by the defendants. The defendants' notary, Alex Ning Notary Corporation, gave an undertaking on September 12, 2024 to hold the proceeds of sale pending the outcome of this proceeding. The amount being held in trust is approximately CAD $600,000.

[40] The defendants filed a counterclaim against Mr. Zeng on February 25, 2025. In the counterclaim, the defendants allege that the imposition of the CPL caused the

defendants' damage because it was forced to sell the Property when the housing market was lower than it would otherwise have been. In the counterclaim the defendants also seek a repayment of the enforcement payments obtained by the Chinese Court plus interest.

[41] It is with this understanding of the facts that I now turn to my analysis.

III. Analysis

[42] I will first set out why I have determined that this matter is suitable for summary trial. I will then provide my reasons as to why I have concluded that the Chinese Judgment should be enforced in British Columbia.

A. Suitability for Summary Trial

[43] Under R. 9-7(15), the presiding judge on a summary trial application has the role of a gatekeeper. Judgment should not be given on a summary trial if the court is unable, on the whole of the evidence before the court on the application, to find the facts necessary to decide the issues of fact or law or if it would be unjust to do so: *Main Acquisitions Consultants Inc. v. Yuen*, 2022 BCCA 249 at para. 89.

[44] Our Court of Appeal in *Gichuru v. Pallai*, 2013 BCCA 60, cited the following factors that a court should consider in assessing whether it would be just to have a matter proceed by summary trial at paras. 30 and 31:

a) the amount involved;

b) the complexity of the matter;

c) its urgency;

d) any prejudice likely to arise by reason of delay;

e) the cost of taking the case forward to a conventional trial in relation to the amount involved;

f) the course of the proceedings;

g) the cost of the litigation and the time of the summary trial;

h) whether credibility is a critical factor in the determination of the dispute;

i) whether the summary trial may create unnecessary complexity in the resolution of the dispute;

j) whether the application would result in litigating in slices; and

k) any other matters which arise for consideration on the issue of whether it would be unjust to give judgment based on the procedures of a summary trial.

[45] The defendants assert that there are factual issues in dispute that need a full trial. I disagree. I am satisfied that the evidence is sufficiently objective in that I can draw the necessary facts to make a just determination. There are three specific types of documentation that provides such objective evidence. First, there is the documentation concerning the loans made by the plaintiff to the defendants. This establishes the legal obligation that the defendants owed the plaintiff repayment of the loans. Second, there is documentation from the Chinese legal proceeding that sets out the various steps in that proceeding including the Chinese Judgment. Further, I am satisfied based on the materials before me that the defendants have taken no steps to set aside the Chinese Judgment. Third, I have been provided with extensive certified translations of text messages between the parties and others regarding the loans and the Chinese legal proceedings. In my view, these texts provide contemporaneous support of the plaintiff's version of events and are supported by what occurred in the Chinese Action.

[46] Given the foregoing, I am satisfied that the materials, taken together, provide sufficiently objective evidence as to what has transpired in this matter that when I have regard for the whole of the evidence before me on this application, I am able to find the facts necessary to decides both factual and legal issues without the need for a conventional trial.

[47] As I will discuss in a moment, the defendants' argument appears to be that they were under duress when the agreement to enter the Chinese Judgment was made. I find that this is not a triable issue as the documentary evidence is overwhelmingly to the contrary. I find the argument of duress to be more likely an attempt by the defendants to avoid collection on a debt that they agreed to repay in China, believing it would not follow them to Canada.

[48] I have also considered the other factors listed in *Gichuru*. I acknowledge that the amount in dispute, being in the millions, appears significant. However, the practical recovery available to the plaintiff is likely limited to the $600,000 currently held in trust. I find that the amount in issue does not outweigh the other factors.

[49] In considering the complexity of the issues, this matter is a straightforward collection of an outstanding and unpaid loan. If a full trial was conducted, the trial would require attendance by witnesses from China and would be done entirely through interpreters, reducing any value for the court in assessing the witnesses in person. This factor was considered to support disposition by a summary trial by Justice Macintosh. in *Wei v. Mei*, 2018 BCSC 157 [*Wei 1*] at para. 9.

[50] Given the foregoing, I am satisfied in the circumstances of this case the object of the *Rules* for a just and speedy resolution to matters can be achieved summarily. Most importantly, I have objective evidence from which to draw the facts to come to a decision that is just. Indeed, I find that an available inference given the defendants' general conduct in these proceedings, that the defendants' objection to having the matter heard summarily is an effort to delay the plaintiff's attempt to collect the debt owing.

[51] I will now turn to the reason I have found that the plaintiff has met the test to have the Chinese Judgment enforced as a judgment in this Court.

B. The Plaintiff Has Met the Test to have the Chinese Judgment Enforced in British Columbia

[52] Canadian courts have established liberal rules for the recognition and enforcement of foreign judgments. In *Beals v. Saldanha*, 2003 SCC 72, the Court

articulated that the doctrine of comity lies at the core of recognizing and enforcing foreign judgments. The Court defined comity as “the deference and respect due by other states to the actions of a state legitimately taken within its territory”: *Beals* at para. 20. The doctrine is “grounded in the need in modern times to facilitate the flow of wealth, skills and people across state lines in a fair and orderly manner”: *Beals* at para. 27.

[53] In *Lonking (China) Machinery Sales Co. Ltd. v. Zhao*, 2024 BCSC 79 at para. 73 this Court applied the common law principles articulated in *Beals* holding that foreign judgment should be recognized and enforceable if three requirements are met:

a) the foreign court had jurisdiction over the subject matter of the foreign judgment;

b) the foreign judgment is final and conclusive; and

c) there is no available defence.

i. The Chinese Court had jurisdiction over the subject matter of the Chinese Judgment

[54] The jurisdictional competence of a foreign court is satisfied where the defendant was present in or attorned to the foreign jurisdiction or where there was a real and substantial connection between the forum and the dispute: *Lanfer v. Eilers*, 2021 BCCA 241 at para. 20; *Beals* at para. 37.

[55] In this case, the parties agreed to adjudicate the dispute in the People’s Court of Nanjing City and the defendants attorned to the jurisdiction of the Chinese Court by first appointing Mr. Dou and then Mr. Wang as agents, who participated in the proceedings and entered a consent judgment on their behalf. The text messages establish that the defendants were voluntarily participating in the Chinese proceedings.

[56] Thus, through their agent, the defendants participated in the Chinese Action and as such attorned to its jurisdiction. However, even if the defendants had not

agreed to the Chinese Court's jurisdiction and attorned to it, the Chinese Court had jurisdictional competence based on a real and substantial connection because: the Loans were made to the defendants in China for use in the defendants' business, which was located in Nanjing, China; the Loan Agreement specified that any dispute would be brought in the People's Court of Gulou District, Nanjing City; and the breach of the Loan Agreement occurred in China when the defendants failed to make payments to the Chinese-resident plaintiff.

ii. The Chinese Judgment was final and conclusive

[57] I am satisfied that Chinese Judgment was final and conclusive. The expert, Mr. Liu, opined that the Chinese Judgment is not appealable. Further, the plaintiff has put evidence before me that he has never been notified that any steps have been taken by the defendants to set aside or appeal the Chinese Judgment. The defendants have put no evidence before the Court to suggest that they have taken any steps to set aside the Chinese Judgment.

[58] The only available conclusion with which I am left is that the Chinese Judgment is final and conclusive.

iii. The Defendants have no available defence to the Chinese Judgment

[59] There are three recognized defences to the recognition of a foreign judgment: lack of natural justice, fraud, and public policy: *Beals* at para. 40.

a) The Defence of a Lack of Natural Justice Cannot Succeed

[60] The defendants initially argued that the Chinese Judgment was obtained by fraud. However, during the hearing before me the basis of their opposition to the plaintiff's application shifted to an argument that the Chinese Judgment was obtained under duress. In submissions before me, Mr. Zuo stated (through his interpreter), "Just because I participated doesn't mean that I accepted or approved."

[61] He further submitted to the Court:

> It is not that I did not want to provide my defence in China … it's really because my financial difficulties and out of concern for my personal safety

> and my responsibility to support the family I was unable to go back … I was unable to defend myself.

[62] I take the defendants' submission to be that because he participated but did not approve of the process, he was denied natural justice. In other words, the defendants' defence to the enforcement of the Chinese Judgment is based on his argument that his participation was obtained by duress.

[63] Duress has been defined in the Oxford English Dictionary, as "threats, violence, constraints, or other action brought to bear on someone to do something against their will or better judgment."

[64] In his affidavit, Mr. Zuo sets out his description of his lack of voluntary consent as follows:

> [15] At the relevant time, we [were] under serious pressure and coercion.
>
> [16] Due to real and ongoing concerns for my personal safety and that of my family, we were not able to safely travel to China to address these matters in person.
>
> [17] We had no realistic or safe alternative but to comply, in a limited and constrained manner, with certain arrangements proposed by others.
>
> [18] Any actions taken by us during this period were not the product of free, voluntary, and informed consent, but rather occurred under significant pressure and constraint.

[65] In support of their argument regarding duress, at the hearing, the defendant played a recording of his teenage daughter. In it she recounts that she heard yelling at the time that the Chinese Action was proceeding.

[66] As a starting point, the evidence on the recording was unverified and had not been provided to counsel for the plaintiff. I allowed the defendant to play the recording because he was self-represented but find it of little evidentiary value.

[67] Even if there was yelling recalled by the defendants then young daughter who at that time was in Canada, it does not support the defendants' claims that they were under duress. The copious text messages speak otherwise. Further, I accept that a debtor may well feel stress and pressure to resolve a debt of millions of dollars to a creditor. The creditor, who faces the prospect of not being repaid millions of dollars

likely also feels stress and may, in strong terms express the desire to be repaid. In my view, this does not approach duress. There is no evidence that the defendants were prevented from withdrawing their participation in the Chinese Action.

[68] The defendant has provided no evidence of specific instances of pressure or coercion exerted upon him or any details of when, where or how it occurred. Similarly, there are no details as to why he could not attend China to participate directly, as opposed through his agent, in the Chinese Action. In a summary trial action, a party is to put their best foot forward: *Bajwa v. Habib*, 2018 BCSC 1822, at para. 95. The defendant has put no specific evidence before this Court as to the details of his alleged duress. An available inference, which I find, is that there was no duress, from a review of the apparent friendly and cooperative tone and content of the text messages between Mr. Zuo and the plaintiff or the plaintiff's agents. I find there is no evidence that there was duress that could be considered to have offended the principles of natural justice.

[69] As such, I reject the defendants' argument that they were under duress based on the objective evidence of the texts messages that demonstrate they appointed an agent on their behalf and participated actively in the Chinese Action, even consenting, through the agent, to the resolution that resulted in the Chinese Judgment.

[70] The defendants also assert that they did not sign the power of attorney appointing Mr. Wang as power of attorney. Their argument is that because they did not freely appoint an agent, then the results of the Chinese Action are a violation of natural justice. Again, the objective facts are contrary to the defendants' position.

[71] First, a text message from Mr. Zuo explicitly discusses the appointment of Mr. Wang as power of attorney and agent for the defendants and the procedures to be taken in the Chinese Action:

> Three documents are required at my and originally Junior Dou as entrusted but junior Dou is not eloquent. Then I contacted the judge, the judge asked me to provide three documents, one of them is the marriage certification of Ling Ding (typo) and me; then the second one is called principal, it is called

> power of attorney, the third one is that the designated person in the power of attorney is a close relative or ours. After bringing these three documents over to the judge, the judge will then give that one to use, will give the response to the claim and other things for the hearing directly to the person we entrusted, then it will be okay.

[72] This text establishes that the initial choice of agent for the defendants, Mr. Dou, is planned to be replaced by Mr. Wang. Mr. Zuo follows up with a later text that establishes that Mr. Wang has been selected as the defendants' power of attorney and agent:

> For the details, by next Monday when the office is open, after our Junior Wang, Zheng Jun Wang gets in contact with the judge, it will be confirmed when (you) come to Nanjing, for the mediation, it should depend on the communication between Junior Want and the judge, which should be good …

[73] This objective evidence demonstrates that Mr. Zuo put in motion the process of having Mr. Wang act as his power of attorney and agent to participate in the Chinese Action.

[74] Finally, the text messages demonstrate that Mr. Zuo is aware that Mr. Wang is acting as his agent and provides an update by text to the parties on April 20, 2018, that explains that the mediation will be set:

> Hello everyone. Just now Junior Wang got in touch with the judge, the judge is busy but (he) still managed to get in touch with them through connections. Now the judge agreed to meet Junior Wang in person next Monday first, after the meeting, a court date will be confirmed for next week, or a mediation. The judge said to the effect that anyway all facts are quite clear, (let's) see if the time can be shortened, that is to directly proceed with the mediation prior to the court date. If an agreement can be reached, then proceed with a mediation agreement, if so, it would be more rapid…

[75] To reiterate, these texts set out that Mr. Zuo was actively participating in the Chinese Action, by updating the plaintiff as to the progress and requesting that the matter move toward a mediation with Mr. Wang acting as agent.

[76] Further, and importantly, despite arguing that they never authorized Mr. Wang to act as their power of attorney, the defendants did not provide any affidavit evidence from Mr. Wang or others that supports the defendants' position. I draw an adverse inference from the lack of evidence from Mr. Wang that greatly erodes the

defendants' argument that they participated in the Chinese Action under duress. I note that Mr. Wang is not a stranger to the defendants but is Ms. Ding's first cousin and an employee of the defendants' company.

[77] The defendants participated in the Chinese Action through their agent, first Mr. Dou then Mr. Wang. The objective evidence of the text messages and Chinese Court documents demonstrate that Mr. Zuo was actively participating, if not guiding the litigation in China. The defendants had the opportunity to dispute the Loan Agreement in the Chinese Court prior to the issuance of the Chinese Judgment. They did not. The defendants had the opportunity to apply to set aside the Chinese Judgment. They did not. Indeed, from the objective evidence before this Court, the defendants could be viewed as consenting to the Chinese Judgment through their actions to consolidate the original loan agreements so that the Chinese Action could proceed with a consolidated debt.

[78] I find the defendants' argument that the Chinese Action lacked natural justice to be without merit.

b) The Defence of Fraud Cannot Succeed

[79] In initial submissions, the defendants alleged that the Loan Agreement is not a valid document on the basis that it is a consolidation of several loans made by the defendants to several lenders including the plaintiff and thus was a fiction in order to simplify the Chinese Action. In *Beals*, the Court cautioned that the defence of fraud should be treated narrowly because of the risk that defendants will seek to relitigate the underlying proceedings: at para. 44. The defendants have the burden of demonstrating that the facts sought to be raised could not have been discovered by the exercise of due diligence prior to obtaining of the foreign judgment.

[80] Even in cases involving default judgments and in cases where the defendants have not attorned to the foreign jurisdiction, Canadian courts have held that the defendants cannot rely on an alleged fraud that would have been discoverable with the exercise of due diligence if the defendants had participated: *Beals* at para. 54.

Our Court of Appeal relied on *Beals* and reached a similar conclusion in *Cabaniss v. Cabaniss*, 2010 BCCA 348:

> [57] The appellant acknowledges that he cannot meet the threshold established in *Beals* for the defence of intrinsic fraud on the merits of the Divorce Order as the false evidence he claims the respondent tendered before the Virginia court would have been known to him had he attorned to the court's jurisdiction and participated in the trial. In short, the appellant had the opportunity to challenge the respondent's evidence before the Virginia court but chose not to do so. Therefore, he cannot establish that his allegations of fraud arose as a result of "new and material evidence" which could not have been discovered at that time he says they occurred.

[81] At the time of the Chinese Action, the defendants were aware of the Loan Agreement. They had agreed to it, signed it in Canada and sent the signed copies to the plaintiff in China. The defendants were aware that Mr. Zeng was relying on the Loan Agreement to sue them for debts owing under it. The defendants were aware of and approved the terms of the Loan Agreement—the very terms they now say were fraudulent—including that its effective date was October 2014 and that it was a contract between Mr. Zeng as the representative of the Lenders and Mr. Zuo and Ms. Ding personally. In light of those facts, it is ingenuous for the defendants to allege that the Loan Agreement is a fraudulent document.

[82] The principle established in *Beals* and applied consistently in British Columbia jurisprudence precludes the defendants from disputing the validity of the Loan Agreement in this court even if they had not signed it and were unaware that the plaintiff was relying on it because they had notice of the Chinese Action and could have raised those issues in the Chinese Court.

[83] For the reasons above, I find that the defendants' argument that the Chinese Judgment was obtained by fraud must fail.

C. Amount of the Judgment and Judgment Interest

[84] In *Pro Swing Inc. v. Elta Golf Inc.*, 2006 SCC 52 at para. 89, the Court held that a foreign money judgment creates a new debt obligation on the defendant. A domestic court enforcing a foreign judgment is enforcing the debt obligation created by that judgment.

[85] Our Court in *Wei v. Mei*, 2018 BCSC 1057 [*Wei 2*] at para. 13 citing *Dingwall v. Foster*, 2013 ABQB 424 (aff'd 2014 ABCA 89), recognized that debt created by a foreign judgment and recognized by a domestic court will include post-judgment interest ordered by the foreign court up to the date of the domestic judgment. Thereafter, the domestic judgment debt will attract post-judgment interest according to the domestic law on that subject: *Wei 2* at para. 16.

[86] The Chinese Judgment provided for the accrual of interest at 15% per year on the principal debt of RMB 35,350,000 (composed of RMB 25 million in principal debt and RMB 10.35 million in interest on the Principal Debt up to December 31, 2017) from January 1, 2018 to the date of actual repayment. That interest term was an integral part of the judgment debt under the Chinese Judgment. In my view, it is appropriate to calculate the Chinese Judgment as the principal debt of RMB 35,350,000 from January 1, 2018 to the date of repayment. Interest on that amount will accrue in accordance with the ruling of the foreign court until the date of this order. I note that this is consistent with the manner of the calculation of the outstanding debt determined by Macintosh J. in *Wei 2*.

[87] Accordingly, I will make my order for the principal and interest as established in the Loan Agreement. The specific calculations of the amount of indebtedness and repayments were set out in the affidavit of Rachel Rabey affirmed on June 25, 2025. I have reviewed those calculations and accept them as accurate. These amounts, calculated to January 1, 2025, are RMB 35.35 million on the Principal Judgment Debt; RMB 20,455,141.64 in respect of the Judgment Interest with interest accruing at RMB 10,273.97 per day. If there are any disputes as to the calculation of interest and principal, the parties have leave to appear before the Registrar for the purpose of resolving those issues.

[88] As set out above, while interest will continue to accrue upon the amount owing under the Loan Agreement from January 1, 2025 to the date of this judgment, upon the issuance of this judgment interest will be assessed from that date onward under the laws of this jurisdiction.

[89] I will also order that 31 days after the date of this judgment, the defendants' notary Alex Ning Notary Corporation ("Ning Notary") provide to the plaintiff's counsel, in trust for the plaintiff, the funds being held in trust by Ning Notary from the sale of the Property.

D. The Defendants' Counterclaim

[90] As referenced above, the defendants filed a counterclaim for the repayment of the enforcement payments made to Mr. Zeng by the Chinese Court, plus interest; and the "potential loss of the opportunity to sell the house for the peak price at 4455 Westminster Highway in Richmond for $350,000."

[91] Given I have found entirely for the plaintiff in this summary trial, the corollary is that enforcement payments made by Mr. Zeng for the debts owing were properly made. Further, there is no evidence before me that there was anything improper regarding the plaintiff's registration of the CPL.

[92] I note that the evidence before me on this application provides that the Property was purchased in May 2020 for $1.54 million. The Property was sold in September 2024 for $1.855 million. In a Notice to Admit, the defendants admitted that the fair market value of the Property materially increased between the filing of the CPL in November 2021 and October 31, 2023. The defendants have put no evidence before me to support their claim that they suffered damages as a result of the plaintiff's actions or that there was anything improper in the plaintiff's conduct to support their counterclaim.

[93] I note that in respect of the defendants' claim seeking repayment of enforcement payments already made, I accept that the plaintiff accounted for the enforcement payments already collected by the Chinese Court against the amount owed by the defendants to the plaintiff. This is important in my view, because it demonstrates the plaintiff is properly accounting for its collection from the defendants so that he does not obtain over collection of the amounts owing on the Chinese Judgment.

[94] Given the foregoing, I dismiss the defendants' counterclaim.

E. Costs

[95] The plaintiff has been entirely successful in this application. As such, he is entitled to his costs.

[96] The plaintiff seeks special costs. The basis for seeking special costs is twofold. First, the plaintiff asserts that the defendants' allegations of fraud are frivolous because they are manifestly contradicted by clear, objective evidence. The plaintiff submits that the issue of fraud in these circumstances constitutes reprehensible conduct and warrants an award of special costs. Second, the plaintiff asserts that the written materials put before the Court during the hearing were generated by Artificial Intelligence (AI). The plaintiff says that the defendants' use of AI should be sanctioned with an award of special costs.

[97] Special costs are awarded to punish conduct during litigation which is "reprehensible", including scandalous and outrageous conduct as well as milder forms of misconduct deserving of rebuke: *Smithies Holdings Inc. v. RCV Holdings Ltd*., 2017 BCCA 177 at para. 134. The standard for "reprehensible" conduct is met where there is evidence of improper motive, abuse of the court's process, misleading the court, or persistent breaches of professional conduct: *Hartley v. Durante*, 2024 BCSC 1006 at paras. 8–9.

[98] I am not satisfied that the defendants' conduct in the proceedings is worthy of special costs. While I have found that their positions are contrary to what was presented in the objective evidence, I do not find it reaches the level to warrant an award of special costs.

[99] In respect of the use of AI, I do not know with certainty that the written submissions were generated by AI. The plaintiff pointed to errors in the submissions that they say supports a conclusion that they were generated by AI. However, I also appreciate that the defendants are self-represented and errors do not necessarily mean they used AI.

[100] Regardless, I stress that using AI to generate submissions is a dangerous endeavour. It has the potential to mislead the Court and counsel. The defendants decided not to hire a lawyer which is their right. However, using AI does a disservice to the courts and legal process. While I will not order special costs in the circumstances of this case, the defendants should be cautious in the future should they decide to utilize AI over legal guidance.

IV. Summary of Orders

[101] In summary, I order as follows but grant plaintiff's counsel some flexibility in crafting the language of the order so long as it reflects what I have ordered:

a) The Chinese Judgment, titled Civil Mediation Paper, issued by the People's Court of Gulou District, Nanjing City, Jiangsu Province, on April 26, 2018, is to be enforced as a judgment of the Supreme Court of British Columbia.

b) The defendants, Qicheng Zuo and Lingling Ding, are jointly and severally liable for the Canadian dollar equivalent of the amount owing under the Chinese Judgment being, calculated to January 1, 2025; RMB 35.35 million in respect of the Principal Judgment; RMB 20,455,141.64 in respect of the Judgment Interest; and interest accruing at RMB 10,273.97 per day to the date of this judgment.

c) For clarity, from the date of this judgment interest on amounts owing will be calculated in accordance with the *Court Order Interest Act*, R.S.B.C. 1996, c. 79.

d) 31 days after the date of this judgment, the defendants' notary, Alex Ning Notary Corporation ("Ning Notary"), shall pay to the plaintiff's counsel, in trust for the plaintiff, the funds being held in trust by Ning Notary from the sale of the Property to be applied to the amounts owing under this judgment by the defendants to the plaintiff.

e) If there are any disputes as to the calculation of the amounts owing under the Chinese Judgment or amounts already paid by the defendants, the parties may seek leave to appear before the Registrar of the Court for the purpose of settling those issues.

f) Counsel for the plaintiff shall draft this order.

g) The signatures of the defendants are dispensed with on this order.

h) The draft order shall be brought to my attention for review and signature.

[102] Should issues arise regarding terms of the order that require clarification, the parties have leave to seek an appearance before me through Supreme Court Scheduling, by MS Teams at 9:15 a.m. for that purpose.

"Gibb-Carsley J."