

CANADA / JUDGMENT

Li v. Zhang

2025 BCSC 2091

COURT

Supreme Court of British Columbia

DECIDED

24 October 2025

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2025 BCSC 2091 Li v. Zhang

IN THE SUPREME COURT OF BRITISH COLUMBIA

Citation:

Li v. Zhang,

2025 BCSC 2091

Date: 20251024

Docket: E231889

Registry: Vancouver

Between:

Xiaotian Li also known as Solick Li

Claimant

And

Xiao Yi Zhang also known as Karen Zhang

Respondent

And

Xiaotian Li also known as Solick Li and Mengjie Yan

Respondents by Counterclaim

Before: The Honourable Justice J. Hughes

Reasons for Judgment

The Claimant, appearing in-person:

X. Li

The Respondent, appearing in-person:

X.Y. Zhang

Place and Dates of Trial:

Vancouver, B.C.

February 24-28, and

March 3-7, 10-14, 2025

Place and Date of Judgment:

Vancouver, B.C.

October 24, 2025

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Overview

- [1] The claimant, Xiaotian (Solick) Li, and respondent, Xiao Yi (Karen) Zhang began living together in the summer of 2014, married on November 17, 2015, and separated on January 4, 2023. Mr. Li and Ms. Zhang have two children together.
- [2] The parties both seek a divorce. Mr. Li consents to the children's primary residence being with Ms. Zhang and is content to have parenting time as and when agreed to by the parties. By his own volition, he has not seen the children since December 2023.
- [3] Mr. Li accepts that he is obliged to pay child support and agrees that the children's expenses under s. 7 of the Family Law Act, S.B.C. 2011, c. 25 [FLA] should be shared pro rata based on his and Ms. Zhang's respective incomes. Mr. Li is opposed to paying spousal support.
- [4] With respect to property division, Mr. Li says all family property and debts should be divided equally, except for a residential property located at 5550 Oak Street (the "Oak Street Property"), which he says should be reapportioned 60/40 in his favour. Title to the Oak Street Property is held by the defendant by counterclaim, Mengjie Yan. Ms. Yan is Mr. Li's mother. She resides in China. It is uncontested that Ms. Yan holds legal title to the Oak Street Property in trust for the sole benefit of Mr. Li and Ms. Zhang pursuant to a bare trust agreement made on July 28, 2016 (the "Bare Trust Agreement").
- [5] Ms. Yan did not file a response to counterclaim or otherwise participate in these proceedings. I am satisfied that she was served with the counterclaim, had knowledge of these proceedings, and deliberately chose not to defend the claim made against her. Indeed, Mr. Li testified that he spoke with his mother about the counterclaim and he understood that upon receiving it, she threw it in the garbage.
- [6] Both parties were self-represented at trial. Mr. Li only returned to Canada four days before the trial commenced and failed to engage in any meaningful trial preparation. Ms. Zhang had counsel, but counsel withdrew on the eve of trial. Counsel's late withdrawal exacerbated the difficulties in proceeding with the trial.
- [7] The task of making the findings of fact necessary to determine the parties' incomes and what family property exists for division was made exceedingly difficult by the parties' proclivity towards earning income on a cash basis from questionable business endeavours and failure to make full disclosure of their financial circumstances. Both parties' positions also suffered from fatal deficiencies due to their failure to keep and produce records related to their sources of income during the relationship.

Overview of the parties' relationship

- [8] Early in the parties' relationship, Mr. Li worked as a sales representative for Rogers Mobility and Bell Mobility. Ms. Zhang owned and worked at a clothing store, which she sold in 2014, and then began working as an eyelash technician.

- [9] The parties started cohabitating in the summer of 2014 in an apartment owned by Ms. Zhang and located at #1108-7371 Westminster Highway in Richmond, BC (the "Westminster Highway Property"). Ms. Zhang was still married to her previous partner at this point, but they divorced and the parties were married in November 2015.
- [10] The parties lived at the Westminster Highway Property until July 2016, when they moved into the Oak Street Property. The Westminster Highway Property was used as a rental property until Ms. Zhang sold it in December 2017.
- [11] In December 2017, Mr. Li incorporated Zodiac Asset Management Ltd. ("Zodiac"). Mr. Li used this company to operate a short-term property rental business, and the parties also used it for other business ventures, which I discuss further below. Ms. Zhang continued to work as an eyelash technician, largely on a cash basis.
- [12] The parties' first child was born in August 2018. Ms. Zhang returned to work as an eyelash technician shortly thereafter. She also began a new business venture--which the parties referred to as the "nanny business"--which involved using her connections to find and import nannies from Asia to work for families in British Columbia.
- [13] Mr. Li continued to operate a short-term rental property business through Zodiac. His business grew and the number of properties Zodiac had available for rent under its management increased year over year from 2018 onwards. The parties also expanded the "nanny business" to include operating, what Mr. Li described as, "confinement care centres" for pregnant mothers who wished to come to Canada to give birth. Mr. Li testified that they used Zodiac's rental properties and Ms. Zhang's nannies to provide pre- and post-natal accommodation and care to clients.
- [14] The parties' second child was born in April 2020. Ms. Zhang again returned to work shortly thereafter. The parties had the assistance of two nannies when the children were young, and both children started attending full-time daycare when they were approximately one year old. I do not accept Ms. Zhang's evidence that she stopped working entirely in April or May of 2021 at Mr. Li's request. Rather, I find that she continued to operate the nanny business and assist Mr. Li in his various business ventures, which are discussed in further detail below.
- [15] In October 2020, Mr. Li caused Zodiac to lease a luxury rental property at 1890 SW Marine Drive in Vancouver (the "Marine Drive Property") to the parties. The parties moved from the Oak Street Property to the Marine Drive Property. The monthly rent was \$8,888, and the utility costs were significant, bringing the cost of rent and utilities to over \$10,000 per month.

- [16] Shortly after moving into the Marine Drive Property, Mr. Li started a poker club in the basement. He testified that that due to the COVID-19 lockdown, people had nothing to do, so he started a poker club for his friends and business associates. He had a poker table made with Zodiac's logo on it for marketing purposes and posted flyers on social media to gather people to participate. Mr. Li collected entrance fees, testifying that this was to cover the rent and utilities for the Marine Drive Property.
- [17] Mr. Li says that he operated the poker club just for his friends until the end of 2020, when Ms. Zhang took over and began operating it as a business. Mr. Li characterized the poker club as changing from a "non-profit promotional thing" to an "underground casino" and went to great lengths in his evidence to place all blame and responsibility for the underground poker club from 2021 onwards on Ms. Zhang.
- [18] I reject Mr. Li's assertion that he was not involved in the poker club after 2021. I find that he was the driving and operating mind behind the poker club from the outset and continued to operate it, together with Ms. Zhang, until January 2023. Thereafter, Ms. Zhang continued to operate the poker club until July 2023, when it was raided and shut down by police.
- [19] The parties used Zodiac's bank accounts to make e-transfers and handle funds from the poker club. Mr. Li characterized Ms. Zhang's use of Zodiac's bank accounts to handle cash from the poker club as money laundering, testifying that Zodiac was "only a shell" to launder money out of the poker club and that he had multiple conversations with Ms. Zhang in which he told her that he did not want her using Zodiac to "change the money from legal account into cash". I do not accept that Ms. Zhang was solely responsible the transactions in and out of Zodiac's account; both parties knowingly and jointly engaged in the conduct that Mr. Li described.
- [20] Mr. Li estimated that approximately \$200,000 was deposited into the parties' joint account and more than half of that was then transferred to Zodiac and used to pay the rent for the Marine Drive Property, with the rest being withdrawn as cash. Both parties were involved in this endeavour. I do not accept that Mr. Li simply transferred funds in and out of Zodiac's account at Ms. Zhang's direction.
- [21] From 2018 through 2022, Ms. Zhang transferred approximately \$700,000 (\$500,000 in November 2018, \$100,000 in April 2022, and \$100,000 in May 2022) to Mr. Li. These funds that Ms. Zhang gave to Mr. Li were derived from: an inheritance she received upon the death of her parents in 2012 (the "Inheritance Funds"), the proceeds of sale of the Westminster Highway Property, and the proceeds of sale of another investment property located at 7303 Noble Lane in Burnaby (the "Noble Property"). Ms. Zhang purchased the Noble Property in August 2019 and sold it in April 2022.

- [22] It is not possible to determine with any accuracy what the parties did with the \$700,000 that Ms. Zhang transferred to Mr. Li, though it appears those funds were at various times in turn transferred to Zodiac, used to pay its credit card debts, and used to pay family expenses. A portion of the funds was also used to pay a deposit of \$157,725 for an investment property located at 3300 Ketcheson Road in Richmond (the "Ketcheson Property") that Mr. Li purchased in 2020.
- [23] Mr. Li alleges that in December 2022, he discovered that Ms. Zhang had been unfaithful to him. The parties separated shortly thereafter, on January 4, 2023. Mr. Li moved out of the Marine Drive Property and returned to China. Ms. Zhang and the children remained in the Marine Drive Property.
- [24] Mr. Li returned to Canada briefly in late February 2023. During this time, he sold the Ketcheson Property, without Ms. Zhang's knowledge.
- [25] In May 2023, Mr. Li ceased paying the family's expenses. At the time, those expenses were approximately \$25,000 per month, consisting of: (a) rent and utilities on the Marine Drive Property of approximately \$10,000 per month; (b) \$6,000 in nanny fees; (c) \$2,500 in daycare fees; and (d) \$2,500 in car lease payments.
- [26] On July 12, 2023, the Vancouver Police Department (the "VPD") executed a search warrant on the Marine Drive Property in furtherance of an investigation of illegal gambling facilities. The police seized cash of \$160,000 and other personal property, including the Zodiac poker table.
- [27] On July 31, 2023, Mr. Li filed the notice of family claim in this action. On August 1, 2023, he returned to the Marine Drive Property, purportedly to collect his driver's licence. He found and took over \$65,000 in cash from the home, but subsequently provided those funds to his then-legal counsel, who in turn facilitated their return to Ms. Zhang. Two days later, on August 3, 2023, Mr. Li obtained a without notice order restricting Ms. Zhang from disposing of any assets.
- [28] In early August 2023, the parties received a notice to end tenancy for unpaid rent from the landlord of the Marine Drive Property. On August 28, 2023, Ms. Zhang and the children were away from the home celebrating one of the children's birthdays when Mr. Li surreptitiously hired movers and had the furnishings and all of Ms. Zhang and the children's belongings removed from the home, tossed into garbage bags, and loaded into a U-Haul. Mr. Li drove the U-Haul to one of Ms. Zhang's friends' homes and left it there. He also instructed the nanny to drive Ms. Zhang's vehicle away from the home and leave it in a random place.
- [29] Ms. Zhang and the children returned to the Marine Drive Property late that evening to find the home completely empty. She and the children were forced to sleep on the floor, without furnishings, clothing, or belongings, and with only a towel as a blanket. This was extremely traumatic for Ms. Zhang and the children.

- [30] Ms. Zhang also alleges that Mr. Li took \$11,900 CAD and \$3,000 USD, along with jewellery and Ms. Zhang's Chinese identification cards and Canadian passport. She was unable to locate these items in the garbage bags that Mr. Li removed from the Marine Drive Property, despite finding other documentation that had been kept together with her missing identification, including the children's passports.
- [31] On August 29, 2023, Ms. Zhang obtained a protection order against Mr. Li. The following day, Mr. Li contacted the VPD and requested that they conduct a wellness check on Ms. Zhang and the children. To convince them to do so, he made what I find to be a baseless assertion that he was concerned that Ms. Zhang was suicidal. Mr. Li appears to have been motivated by retribution towards Ms. Zhang and does not appear to have given any thought to the potential trauma or consequences that making such an allegation may have inflicted on her and the children.
- [32] She also obtained an order that any tenancies in place for the Oak Street Property be ended so that she and the children could eventually move back into that property. Following their eviction from the Marine Drive Property, Ms. Zhang wanted to move herself and the children back into the Oak Street Property, but Mr. Li told her that it was tenanted. Ms. Zhang approached the neighbours and learned that this was false and that there were no tenants living at the Oak Street Property.
- [33] In mid-September, Ms. Zhang and the children moved back into the Oak Street Property and continue to live there to date. As of August 2023, Mr. Li stopped making the mortgage payments for the Oak Street Property.
- [34] From October 2023 to January 2024, Mr. Li rented an apartment at 1151 West Georgia Street. He saw the children from time to time until December 2023, when he ceased contact with them altogether. Mr. Li testified that he did so for his own mental health.
- [35] From January 2024 to February 2025, Mr. Li travelled extensively all over the world. In January 2024, he went to China, Hawaii, and South Korea. In March 2024, he travelled to Dubai with his mother for what he described as a "bucket list trip". He travelled to London with his mother from mid-June to mid-July 2024 and then went on a multi-week road trip through the US in August 2024 where he visited Seattle, Portland, San Francisco, Los Angeles, Sacramento, Las Vegas, Phoenix, El Paso, Dallas, and Austin, purportedly to study the short-term rental business in these cities. On December 19, 2024, he travelled to Calgary and Canmore, Alberta, again for the alleged purpose of considering short-term rental opportunities. On December 30, 2024, he went to China to celebrate Chinese New Year with his family and friends, eventually returning to Canada on February 20, 2025, only days before the trial of this action commenced.

Credibility

- [36] Mr. Li and Ms. Zhang were the only two witnesses who testified in this case. My assessment of their evidence is thus central to my findings.
- [37] Credibility and reliability are separate, but related concepts. Credibility pertains to a witness's veracity, while reliability has to do with the accuracy of their testimony: *Ford v. Lin*, 2022 BCCA 179 at para. 104; *Equustek Solutions Inc. v. Jack*, 2020 BCSC 793 at para. 109, citing *R. v. H.C.*, 2009 ONCA 56 at para. 41. I am guided in my assessment of the parties' credibility by the approach set out in *Bradshaw v. Stenner*, 2010 BCSC 1398 at paras. 186-187, *aff'd* 2012 BCCA 296, leave to appeal to SCC *ref'd*, 35006 (7 March 2013), and *Faryna v. Chorny*, [1952] 2 D.L.R. 354, 1951 CanLII 252 (B.C.C.A.) at 357.
- [38] Significant frailties in a witness's evidence--such as inconsistencies between their testimony and contemporaneous documentation or contradictory explanations of key issues--affect both credibility and reliability: see e.g. *Chao Yin Canada Group Inc. v. Xenova Property Development Ltd.*, 2021 BCSC 1445 at paras. 53-55. Additional factors that may be considered when assessing credibility include whether a witness's explanation defies logic or common sense, or if a witness is evasive, longwinded, or argumentative in their responses: *Youyi Group Holdings (Canada) Ltd. v. Brentwood Lanes Canada Ltd.*, 2019 BCSC 739 at para. 92.
- [39] Applying these principles, I find that neither of the parties were credible. Both exhibited patterns of deceitful and dishonest conduct in their business and other dealings and their evidence suffered from significant inconsistencies on material points.

Mr. Li

- [40] Mr. Li proved to have either an incredibly selective or very poor memory, especially regarding financial matters, and was generally unprepared and uninformed about events that ought to have been known and memorable to him. He was not a careful witness and frequently gave evidence that was demonstrably inaccurate.
- [41] Mr. Li's conduct over the course of the relationship and his testimony in this litigation satisfy me beyond a doubt that he is a person of dishonest character who has a pattern of prioritizing personal gain over ethical conduct. By way of example, and based on his own evidence Mr. Li:
- a) engaged in a variety of business ventures of questionable legality, including operating the underground "poker club", facilitating a form of birth tourism business which he described as new mother "confinement care centers", operating short-term rental properties in contravention of the applicable laws, and being involved in a "prostitution club";
 - b) admitted to forging Ms. Zhang's signature on a childcare document in October 2023;
 - c) admitted to "hiding" evidence regarding purported loans from ZLL Global Assets when he was examined for discovery in this action;

- d) admitted that he lied to Ms. Zhang when he told her he had transferred the proceeds of sale of the Ketcheson Property to China, and perpetuated that dishonesty in his evidence at trial when he initially denied lying to Ms. Zhang, but then admitted his dishonesty when confronted with his own WeChat messages; and
 - e) described Zodiac to convert cash proceeds from the underground poker club into legitimate funds, testifying that Zodiac was "only a shell for laundry those money out".
- [42] Mr. Li's evidence was also misleading by omission. He only mentioned his involvement in Ms. Zhang's "nanny business" after he was cross-examined on his post-separation efforts to restart that business for himself. He also failed to mention that he operated and earned income from his "confinement care centers", whereby he used Zodiac's short-term rental properties to provide accommodation and coordinated transportation, health care, and nanny services to expectant mothers from overseas who wanted to give birth in Canada.
- [43] Mr. Li's evidence about financial matters was particularly lacking in credibility. There were numerous occasions where he professed not to be able to recall the source of funds deposited in Zodiac's bank accounts or the purposes for which they were used thereafter. My concerns regarding Mr. Li's evidence on financial matters are compounded by his failure to make full and complete disclosure of financial documentation. This is symptomatic of his failure to engage in the trial process more generally.
- [44] Mr. Li's testimony was also replete with inconsistencies and was frequently at odds with the limited documentary evidence. By way of example, Mr. Li:
- a) initially testified that he did not take a specific salary or bonus from Zodiac, but then characterized monthly \$8,000 transfers as his "income" from Zodiac;
 - b) testified that Zodiac had no earnings in 2020 on account of the COVID-19 pandemic, despite Zodiac's 2020 profit and loss statement showing profits of \$143,000;
 - c) gave conflicting evidence about why he incorporated 1429403 B.C. Ltd. ("403") and opened multiple new bank accounts under its name--initially saying that this was done to try and see which of Zodiac's rental properties were making or losing money, but then admitting that those steps were taken to move Zodiac's operations into a new company because of these proceedings;
 - d) testified on examination for discovery that he and Ms. Yan would return the proceeds of sale of a property owned by Ms. Zhang in Dalian, China (the "Dalian Funds") to Ms. Zhang, but then changed his evidence at trial to say that the Dalian Funds were in the hands of a third party, and--for the first time--made the bald and completely implausible assertion that Ms. Zhang had gifted the Dalian Funds to Ms. Yan; and
 - e) testified that he obtained a bank draft of \$80,000 in July 2023 for a friend, Jonny Cai, consistent with his F8 in which he said it was a loan to a friend, but then admitted in cross-examination that he wrote the \$80,000 bank draft to himself.

- [45] Mr. Li's testimony about Ms. Yan's financial circumstance was also internally inconsistent and ultimately irreconcilable with any objective evidence. Mr. Li testified that Ms. Yan only receives the equivalent of \$1,300 CAD per month in income in China, but also said that he has been using her credit card to fund his living expenses, that she has assisted him financially since separation, and that she took him on multiple trips, including to London and Dubai. Either Ms. Yan has other significant assets, income, or sources of wealth, or Mr. Li has been living off of other undisclosed assets in addition to any assistance that Ms. Yan may be providing.
- [46] Finally, Mr. Li and Zodiac have not filed income taxes since 2021. Instead, Mr. Li appears to have taken active steps to avoid paying taxes by not declaring income from his business ventures, using Zodiac to pay personal or family expenses with pre-tax income, and failing to report income earned when he sold an investment property in 2023. Mr. Li's conduct in this respect provides further reason to find his evidence not credible and give it little weight: see e.g. *Poon v. Yuen*, 2021 BCSC 1809 at para. 13, *aff'd* 2024 BCCA 374.
- [47] Mr. Li's testimony bore all the hallmarks of dishonesty and an attempt to deceive and mislead. Mr. Li's evidence about his business endeavours and financial matters was particularly incredible and incapable of belief. Mr. Li was frequently dismissive and argumentative in cross-examination. His lackadaisical approach to the litigation and comportment during trial demonstrated little respect for the Court, the importance of giving honest and accurate evidence, or the administration of justice more generally. I therefore reject Mr. Li's evidence, other than where it is corroborated by independent documentation, constitutes admissions against interest, or constitutes admissions of unlawful or dishonest conduct.

Ms. Zhang

- [48] In comparison to Mr. Li, I found Ms. Zhang to be a more credible and reliable witness. I do, however, have significant concerns about the credibility of her evidence as it relates to financial matters.
- [49] Ms. Zhang participated in many of Mr. Li's questionable business ventures, including jointly operating the underground poker club with him and using her "nanny business" to assist with his "confinement care center" business. I am satisfied that Ms. Zhang was aware of the questionable nature of Mr. Li's business ventures, but nonetheless continued to assist him with, and enjoy the lifestyle provided by the proceeds of, those businesses.
- [50] Ms. Zhang also appears to have failed to properly declare her income in the tax years for which documentation is available. By way of example:

- a) She sold an investment property in 2022 which she undisputedly never lived in, but her 2021 tax returns make no reference to the income earned from that sale. This omission is telling in light of Mr. Li's evidence that the property was purchased in Ms. Zhang's name for the express purpose of claiming a primary residence exemption to avoid paying taxes when the property was sold;
 - b) Her 2023 tax return declared effectively no income, but she testified that she was earning money from the poker club for at least the first six months of 2023 and used that income to support herself and the children. Ms. Zhang's attempt to characterize those funds as "family income" does not cure her failure to report that income in her tax filings; and
 - c) The expenses she claimed in respect of the income she has recently earned as a realtor appear questionable in comparison to her reported income.
- [51] In the result, I find that Ms. Zhang was not credible on matters relating to her income and business ventures and that her income tax returns do not properly reflect her actual income. Like Mr. Li, I find that she took active steps to avoid reporting her actual income, including failing to report income earned from the sale of an investment property. I therefore reject her evidence on matters relating to her income and assets, other than where it is corroborated by independent documentary evidence.
- [52] That said, credibility is not an all or nothing proposition: *Radacina v. Aquino*, 2020 BCSC 1143 at para. 96. Ms. Zhang's evidence regarding matters such as the parties' relationship, parenting issues, and Mr. Li's post-separation conduct was more consistent with the preponderance of the evidence as a whole than Mr. Li's. I therefore prefer her evidence to his on those issues.

Credibility conclusions

- [53] Mr. Li was not a credible witness. I reject his evidence other than where it is corroborated by independent documentation, constitutes admissions against interest, or constitutes admissions of unlawful or dishonest conduct.
- [54] Ms. Zhang was likewise not credible in relation to financial matters. However, I find her evidence about the parties' relationship, parenting issues, and Mr. Li's post-separation conduct was credible and prefer it to that of Mr. Li.
- [55] Ms. Yan did not file a response to counterclaim and Mr. Li did not call her to testify about her interest in the Oak Street Property, the source of the funds she allegedly provided for the down payment, or her involvement with the Dalian Funds. In the circumstances, I draw the inference that had Ms. Yan been called to testify, her evidence would not have assisted her or Mr. Li.
- [56] There are also a multitude of additional business associates and friends of both parties who would have been uniquely situated to provide key evidence to corroborate aspects of the parties' evidence regarding the matters in dispute in this litigation. None of these collateral

witnesses were called to testify. This left the Court in the difficult position of having significant concerns with both parties' evidence and no evidence from third parties to assist the Court in finding the facts necessary to determine the issue before it. This Court's commentary in *Moinzadeh v. Loblaw's Inc.*, 2021 BCSC 793 at para. 17, is apposite:

Sometimes, however, witnesses deliberately lie and intend to deceive. When that occurs, it may be impossible to accurately separate truth from falsehood and the court may simply find the witness's testimony wholly unreliable. The more frequently the witness lies, the more likely that will be the case. If as a consequence a truth is not accepted as a fact by the court, the witness has only himself or herself to blame.

[57] Given the circumstances, I have attempted to anchor my factual findings in the objective evidence where possible and harmonize it with the preponderance of probabilities. In some instances, however, there is simply no objective documentary evidence to which the parties' testimony can be tethered. I have therefore relied on the combined effect of the undisputed facts, the absence of contradictory evidence, objective evidence where available, common sense, and my assessment of the probabilities affecting the case as a whole in making the factual findings necessary to determine the issues raised in this case. In other instances, I have simply been unable to find the facts necessary to determine the issues.

Parenting Issues

Guardianship

[58] In her counterclaim, Ms. Zhang seeks an order that the parties remain joint guardians of the children. Mr. Li consented to this order at the outset of the trial. However, in closing argument, Ms. Zhang changed her position to seek orders that she have sole guardianship of the children.

[59] Mr. Li and Ms. Zhang are presumptively joint guardians of the children pursuant to s. 39 of the FLA. A parent's guardianship can be terminated by court order, but only in extreme or rare circumstances and provided that it is in the best interests of the child: *J.M.G. v. S.G.*, 2022 BCSC 1218 at para. 20, citing, *Lessard v. Mahoney*, 2019 BCSC 551 at para. 148.

[60] Ms. Zhang did not address the applicable statutory provisions or jurisprudence that apply when an order is sought to remove a parent as a guardian. She bears the onus of proof in this respect, and I find that she has not met that onus. I am not satisfied that the present circumstances are of the "extreme or rare" nature required to warrant removing Mr. Li as a guardian. Mr. Li and Ms. Zhang will remain joint guardians of the children.

Parenting Responsibilities & Parenting Time

- [61] In her counterclaim, Ms. Zhang seeks an order that the parties equally share all parental responsibilities for the children, with her having final decision-making power in the event of a disagreement. Mr. Li consented to this. However, Ms. Zhang again changed her position in closing argument and sought an order that she have sole parenting responsibilities and decision-making for the children. Mr. Li opposes that parenting responsibilities be allocated solely to Ms. Zhang.
- [62] As is set out in s. 41 of the FLA, parental responsibilities include decisions about the day-to-day care, control and supervision, education, religion and upbringing, and legal and medical issues relating to the child. A child's guardians may exercise all parental responsibilities in consultation with the other guardians: FLA, s. 40(2). No particular parenting arrangement is presumed to be in the best interests of the children, nor is it presumed that parental responsibilities should be allocated equally among guardians: FLA, s. 40(4)(a). Allocating the exercise of parenting responsibilities involves considering the best interests of the children: FLA, s. 40(4).
- [63] Ms. Zhang has been the children's primary parent, having full-time care of them, since separation. She is also the only parent involved in the day-to-day decisions that affect the children. Mr. Li has not exercised parenting time with the children since December 2023 nor has otherwise participated in their lives in any meaningful respect. He testified that he does not consider himself to be a "qualified father".
- [64] I am not satisfied that Mr. Li has the capacity to understand what is in the children's best interests or to put their best interests before his own self-interest. Mr. Li's conduct shows that he has repeatedly used the children and his presence--or lack thereof--in their lives as leverage in his efforts to pressure Ms. Zhang into giving him a divorce on favourable terms. He testified that he stopped seeing the children to "push" Ms. Zhang into giving him a divorce.
- [65] Mr. Li's vindictive and callous treatment of Ms. Zhang and his failure to consider or appreciate the impact of such conduct on the children also demonstrates that he is unable to act in their best interests. His conduct on August 28 and September 1, 2023, as outlined above, is illustrative. In the result, I find that it is in the best interests of the children that Ms. Zhang have sole and final decision-making authority for all parenting decisions enumerated in s. 41 of the FLA.
- [66] Mr. Li does not seek parenting time other than as agreed by the parties. Mr. Li has not seen the children since December 2023, allegedly because he feels this is better for his own mental health. I cannot force him to exercise parenting time, but stress the importance of him being involved in the children's lives in at least some respect.

[67] The parties consent to the following parenting arrangements for the children, which are largely consistent with the circumstances that have existed since separation: (a) the children's primary residence will be with Ms. Zhang; and (b) Mr. Li will have parenting time as and when agreed upon by the parties.

Child Support

[68] Mr. Li does not dispute that he is required to pay child support in accordance with the Federal Child Support Guidelines, SOR/97-175 [Guidelines]. The key issue to be determined is the quantum of child support to be paid, which in turn requires a determination of Mr. Li's income under the Guidelines.

Determination of Parties' Incomes for Support Purposes

[69] Income for child support purposes is generally determined using the parties' total income on the Canada Revenue Agency T1 General form, in accordance with s. 16 of the Guidelines: *K.L.L. v. H.H.C.*, 2025 BCSC 55 at para. 59; *McKenzie v. Perestrelo*, 2014 BCCA 161 at para. 94. However, the court retains discretion to impute income to a spouse in certain circumstances under s. 19(1) of the Guidelines:

19 (1) The court may impute such amount of income to a spouse as it considers appropriate in the circumstances, which circumstances include the following:

- a) the spouse is intentionally under-employed or unemployed, other than where the under-employment or unemployment is required by the needs of a child of the marriage or any child under the age of majority or by the reasonable educational or health needs of the spouse;
- b) the spouse is exempt from paying federal or provincial income tax;
- c) the spouse lives in a country that has effective rates of income tax that are significantly lower than those in Canada;
- d) it appears that income has been diverted which would affect the level of child support to be determined under these Guidelines;
- e) the spouse's property is not reasonably utilized to generate income;
- f) the spouse has failed to provide income information when under a legal obligation to do so;
- g) the spouse unreasonably deducts expenses from income;
- h) the spouse derives a significant portion of income from dividends, capital gains or other sources that are taxed at a lower rate than employment or business income or that are exempt from tax; and
- i) the spouse is a beneficiary under a trust and is or will be in receipt of income or other benefits from the trust.

- [70] The list of circumstances in which income may be imputed under s. 19(1) of the Guidelines is not exhaustive. The Court has wide discretion to impute income in circumstances other than those expressly listed, where appropriate and consistent with the purpose of s. 19(1) and the Guidelines generally: *Healey v. Healey*, 2024 BCCA 68 at paras. 113, 116.
- [71] The overarching purpose of the discretion conferred by s. 19(1) is to ensure that income that is reasonably available to a spouse or for child support is not excluded on account of how payment is structured: *Healey* at para. 116. Section 19(1)(a), which contemplates imputation of income where a spouse is intentionally under-employed or unemployed, other than where the under-employment or unemployment is required by the needs of a child or spouse, is of particular relevance in the present circumstances.
- [72] The party seeking to have income imputed to their former spouse bears the onus of showing, on a balance of probabilities, that their former spouse is intentionally unemployed: *K.L.L.* at para. 62. The test for imputing income on this basis is one of reasonableness and considers the spouse's specific circumstances, such as age, education, health, work history, and work availability: *Marquez v. Zapiola*, 2013 BCCA 433 at para. 37. The Court is to consider the following questions in determining whether to impute income to a spouse based on under- or unemployment (*K.L.L.* at para. 61):
- a) Is the spouse intentionally under-employed or unemployed?
 - b) If so, is the intentional under-employment or unemployment required by virtue of the spouse's reasonable educational or health needs or the needs of a child of the marriage?
 - c) If the answer to question #2 is negative, what income is appropriately imputed in the circumstances?
- [73] A spouse is intentionally under-employed if they choose to earn less than they are capable of earning: *K.W. v. A.G.*, 2023 BCSC 629 at para. 96, citing *Drygala v. Pauli*, 61 O.R. (3d) 711, 2002 CanLII 41868 (O.N.C.A.) at para. 28, rev'd in part 119 A.C.W.S. (3d) 714, 2003 CanLII 48241 (O.N.C.A.). An intention to evade payment of child support is not required; the relevant consideration is whether the parent is earning what they are capable of earning: *Barker v. Barker*, 2005 BCCA 177 at para. 19. This reflects the principle that "[p]arents who are healthy and can work have a duty to seek employment, and persistence in an un-remunerative employment will not be an excuse": *R.J.L. v. T.G.S.*, 2023 BCSC 3 at para. 138, citing *Fong v. Fong*, 2011 BCSC 42 at para. 82.
- [74] The exercise of determining how much income to impute to the parties is rendered difficult in the present case, given the parties' proclivity towards earning income from questionable business ventures of questionable legality, engaging in questionable accounting practices, failing to accurately report their income, and dealing predominantly in cash.

Mr. Li

- [75] Mr. Li claims to have no income and says that he has been essentially unemployed, with his mother funding his living expenses, since the parties' separation in January 2023. Mr. Li testified that he is a businessman, not a "worker" and claims to have spent the last two years "researching" potential business opportunities. He asks the court to "give [him] a breath easy plan" and says that he is willing to exchange income tax documents to permit child support to be adjusted.
- [76] Ms. Zhang says that Mr. Li is intentionally un- or under-employed and has the capacity to earn \$300,000 based on his ability to pay the family's expenses over the course of the relationship.
- [77] From 2014 to 2017, Mr. Li worked in mobile phone sales, first for Rogers Mobility where his salary was approximately \$2,800 to \$3,500 per month, and then for Bell Mobility where he was earning approximately \$3,500 per month. Mr. Li testified that his highest earnings, inclusive of commissions, were in the range of \$3,800 to \$4,500 per month.
- [78] From 2017 onwards, Mr. Li's income was generated through two corporations: Solitech Technology, which sold SIM cards and prepaid phone cards, and Zodiac. Mr. Li testified that Solitech generated "little revenue"; only \$5,000 total through 2024. I reject Mr. Li's evidence on this point.
- [79] Mr. Li's evidence about his income is difficult to reconcile with his 2017 income tax return, on which he reported gross business income of \$108,038, but only net income of \$27,302. This income would have come predominantly from Solitech, because Mr. Li did not incorporate Zodiac until December 2017 and he testified that the income he earned in 2017 was from referral fees and from selling mobile phone numbers, hardware, and SIM cards. Yet, the expenses claimed--namely, interest and bank charges of \$32,436 and rent of \$48,300--defy explanation. Mr. Li claimed that he could not recall what these expenses were for. This is, in my view, another example of dishonesty in his financial reporting and shows that his pattern of conduct in this respect is longstanding. I do not accept, in the absence of any explanation, that these were proper business expenses.
- [80] From 2018 onwards, Mr. Li operated his various business ventures through Zodiac. Zodiac operated multiple business ventures including: managing short term vacation rental properties, operating a poker club, importing nannies from China to work for Canadian parents, and combining short-term rental and nanny services to offer "confinement care centres" for foreign mothers who wanted to come to Canada to give birth and recover thereafter.

- [81] Zodiac's primary business was operating short-term rental properties for owners. Mr. Li testified that Zodiac would either enter into fixed monthly rental agreements with property owners where Zodiac was responsible for renting out the properties to clients or would post the units on platforms like Airbnb on behalf of the owners and take a percentage of the booking revenues.
- [82] Mr. Li and Ms. Zhang also used Zodiac as a venue through which to funnel cash proceeds from the poker club that they operated from 2020 through to July 2023. I reject Mr. Li's assertion that he did not obtain any financial gain from the poker club. It is clear from admissions made in both parties' evidence, Zodiac's banking records, and the lifestyle they enjoyed that funds from the underground poker club flowed through Zodiac's bank accounts and were paid out to Mr. Li directly and used to pay family expenses. Indeed, Mr. Li's own evidence was that the majority of the family expenses were paid using Zodiac's assets and credit cards.
- [83] Mr. Li's 2019 notice of assessment shows income of \$28,300, which he testified was earned through Zodiac. No documentation for Zodiac's finances was provided for 2019, but given the disparity between Zodiac's finances and Mr. Li's reported income for 2020 and 2021, I have no hesitation in concluding that \$28,300 was likely a significant underreporting of his actual income.
- [84] In 2020, Mr. Li reported income of \$27,766, of which he testified \$14,000 was rental income from the Oak Street Property and \$13,000 was from Zodiac. Mr. Li's evidence is irreconcilable with his tax documentation, which shows that the \$14,000 was not rental income, but rather Canada Emergency Response Benefit (CERB) benefits, which he presumably claimed when such benefits were made available during the COVID-19 pandemic. His assertion that he only earned \$13,000 from Zodiac defies credulity when compared to Zodiac's profit and loss statement for January to December 2020, which shows total income of \$995,306, gross profits of \$215,395 and net profits of \$146,603. Notably, the expenses claimed by Zodiac also include personal and family expenses, including vehicle leasing costs, internet, and mobile phone expenses.
- [85] On his 2021 income tax return, Mr. Li claimed gross and net business income of \$48,000. No other income tax returns or documentation were disclosed by Mr. Li. Again, Mr. Li's assertion that he only earned \$48,000 from Zodiac in 2021 is difficult to reconcile with Zodiac's profit and loss statement, which shows total income of \$1,827,855. It is only through what appear to be significant questionable deductions--which lacked supporting documentation, and which Mr. Li was unable to explain with any detail--that Zodiac's profits were reduced to nothing. Deductions of \$1,425,077 for "rent", \$69,169 in "supplies", \$115,922 for automobile-related expenses, \$19,045 in "meals and entertainment" and a "travel allowance" of \$13,955 are all suggestive of Mr. Li continuing to use Zodiac to pay personal and family expenses.

- [86] Considering the above, I find that the income reported on Mr. Li's tax returns bears little to no resemblance to his actual income for any given year. This is particularly the case when considered in light of the voluminous transfers of funds in and out of Zodiac's bank accounts, and the family expenses that I find were frequently paid by or through Zodiac, including vehicle costs, internet and cell phone expenses, family vacations, and daily supplies.
- [87] Mr. Li asserts that he has been unable to work because he suffers from severe PTSD arising from his mother's cancer diagnosis and Ms. Zhang's alleged infidelity. I do not accept this assertion. Mr. Li adduced no medical evidence whatsoever and I reject his testimony on this point as he was not a credible witness and he has a history of dishonest conduct. The suggestion that he has been unable to work is also irreconcilable with his extensive testimony about the work he has in fact done, though not in any remunerative capacity, since separation, namely: developing a failed ticket resale platform which he says resulted in a net loss of \$5,000 GBP; attempting to revive the parties' business of importing nannies; and conducting research into various forms of short-term rental related business opportunities in China, Maui, and Texas.
- [88] Mr. Li attempted to develop a ticket resale business of questionable legality, whereby he bought tickets in the United Kingdom with a view to reselling them for profit. That venture proved unsuccessful, and he says that he lost almost \$10,000. Mr. Li says that he has been researching potential business ventures in the short-term rental industry, both in Canada and the US, but could not identify any concrete steps taken in that respect, other than travelling to various American cities purportedly to "investigate" opportunities there. His preference is to remain in Canada.
- [89] It is clear from Mr. Li's own evidence that he has chosen not to work in any gainful form of employment, preferring instead to pursue business ventures that have not yielded income. Indeed, Mr. Li testified that he is not a "punch the clock kind of guy" or the type of person who is good at looking for a job; rather, he excels in "doing business". He blames his mother's illness in 2022, which he says caused him to have difficulty sleeping and mental health issues, for his lack of gainful employment since early 2023.
- [90] I find that Mr. Li is intentionally un- or under-employed and that this is not on account of the needs of the children or his own reasonable education or health needs. Mr. Li simply refuses to work in any conventional capacity, preferring instead to live off his mother's credit cards--likely in combination with other undisclosed sources of unreported income or undisclosed funds. This is because, as Mr. Li testified, he is a businessperson, is not a worker, and has been "researching" other business opportunities now that he can no longer profitably run a short-term rental business in the lower mainland.
- [91] Mr. Li says I ought to impute \$48,000 as his income for support purposes because that is the amount from his 2021 tax return--the last year in which he filed an income tax return. I decline to do so. For the reasons set out above, I have no confidence that Mr. Li's tax returns

reflect his actual income or that Zodiac's profit and loss statements reflected an accurate or proper accounting of business-related costs and expenses. I therefore conclude that I cannot rely on his income tax documents to calculate his income for child support, or any other, purposes. Mr. Li's tax reporting is irreconcilable with the preponderance of the evidence as to the amount of income he earned from his various business ventures and the lifestyle he and Ms. Zhang enjoyed as a result. Given his past pattern of conduct, I also find that there is little likelihood that Mr. Li will file his income taxes in the future and that even if he does, they are unlikely to accurately reflect his actual income.

- [92] The difficulty in determining Mr. Li's income is entirely attributable to his failure to make full financial disclosure, lack of records, lack of adequate explanation for the source of significant funds moving in and out of his various personal and business accounts, and willingness to engage in questionable, dishonest, or illegal business practices and false income tax reporting.
- [93] At base, the charges on the parties' credit cards, the standard of living they enjoyed during the relationship, and the transfers of funds flowing through the parties' and Zodiac's bank accounts--even on the limited and incomplete documentation available--are of a magnitude that significantly exceeds their reported incomes.
- [94] I do not accept that the parties funded their lifestyle from the limited income generated from Ms. Zhang's eyelash business or Zodiac's short-term rental business, whether lawful or not. This leads me to conclude that both parties had significant unreported supplemental income from other business ventures, including the underground poker club, nanny business, and confinement care centre business. Ms. Zhang also had access to her Inheritance Funds. However, again due to lack of financial disclosure, the value of the Inheritance Funds at the start or end of the parties' relationship is not clear.
- [95] Ms. Zhang says that income should be imputed to Mr. Li based on the parties' expenses during the later years of the marriage--which she says he paid in full--of approximately \$25,000 monthly or \$300,000 annually. I do not accept Ms. Zhang's position because it is not reflective of the parties' actual financial circumstances, at least to the extent that I can deduce them based on the objective evidence before me.
- [96] First, much of the income generated from Zodiac and the parties' other business ventures was income that I find attributable to their joint efforts such that the income is properly attributable to both Mr. Li and Ms. Zhang. Accordingly, some lesser amount than the full \$300,000 would be income attributable to Mr. Li, with the balance attributable to Ms. Zhang.
- [97] Second, Ms. Zhang fails to account for the fact that she transferred approximately \$700,000 to Mr. Li over the course of their relationship. Those funds were, at least in part, used to pay family expenses, or transferred to Zodiac to pay its expenses, which also included personal and family expenses.

- [98] Third, the funds she and Mr. Li received from the sale of their two investment properties, the Noble and Ketcheson Properties, in 2022 and 2023 respectively, were also available to the parties. The sale of those properties generated combined net sale proceeds of over \$750,000. The proceeds of sale from the Noble Property were not declared on Ms. Zhang's 2022 tax return, and Mr. Li failed to produce his 2023 tax return. I therefore infer that the full amount was received by the parties tax-free and was thus also available to fund their lifestyle and living expenses. Some of these funds may still exist and may well be generating investment income, but given the lack of financial disclosure on the part of both parties, it is unclear whether or to what extent this is the case.
- [99] Considering the evidence as a whole, limited as it is, I find that it is reasonable to impute an annual income of \$150,000 to Mr. Li. In my view, this is the best estimate of his capacity to earn income based on the state of the evidence before me, and is tethered, to the extent possible in the circumstances, to the evidence of the parties' living expenses and other expenditures made during the relationship, while also accounting for Ms. Zhang's contributions.

Ms. Zhang

- [100] Ms. Zhang was self-employed as an eyelash technician, operated the "nanny business" describe above, and assisted Mr. Li in his various business ventures. In 2023, she began retraining as a real estate agent and is currently working in that capacity for Claridge Real Estate. She says that her 2024 income was approximately \$27,800, stemming from her consulting work with Gryphon Ltd. and commissions from Claridge Real Estate. Mr. Li did not take issue with Ms. Zhang's income.
- [101] Ms. Zhang disclosed her income tax documentation for the years 2020 through 2024, but her testimony about her income is difficult to reconcile with that documentation. Ms. Zhang testified that she earned \$29,000 as an eyelash technician in 2020. However, her income tax return indicates that only \$11,000 was earned in that capacity; the additional \$18,000 was described as "Other Rental Property Activity". She also owned the Noble Property at that time and testified that it was purchased to use as an Airbnb rental.
- [102] Ms. Zhang's 2021 income tax return reports self-employment income of \$37,000. Ms. Zhang testified that she earned all of that income from her eyelash business. However, her evidence is again belied by the documentation, which particularizes her income as "Other Rental Property Activity". I find that this likely also represents rental income from the Noble Property.
- [103] In 2022, Ms. Zhang reported no income, other than \$203 in dividends received from Tangerine Bank. I have serious doubts about the veracity of Ms. Zhang's reported income for 2022 because she continued to operate the poker club with Mr. Li, and owned the Noble Property until April 2022, when she sold it and obtained sale proceeds of \$409,184, which she testified were paid into her bank account at TD. She admitted that she never lived in the

Noble Property, but did not report these proceeds on her 2022 tax return. Ms. Zhang subsequently transferred \$200,000 of the sale proceeds into her and Mr. Li's joint Scotiabank account by way of two \$100,000 deposits made on April 18 and May 31, 2022.

- [104] Ms. Zhang testified that she stopped working entirely from May 2021 onwards. I do not accept her evidence on this point. Rather, I find that she continued to work with Mr. Li in his various business ventures, including Zodiac's short-term rental business, the underground poker club, and the nanny and confinement care centre businesses.
- [105] In 2023, Ms. Zhang again reported only minimal income of \$387 in dividends received through investments with Tangerine Bank. This cannot be an accurate reflection of her income as on Ms. Zhang's own evidence, she continued to operate the underground poker club from January to July 2023 and used the resulting income to support herself and the children. Ms. Zhang also testified that she had \$50,000 in cash from the nanny business in the home in 2023, though it is unclear when she earned or received those funds.
- [106] Post-separation, Ms. Zhang has retrained as a real estate agent. In 2024, she worked for Gryphon Corporate Group and earned \$18,553.86. She now works for Claridge Real Estate Advisors Inc. and provided a document showing commissions of \$9,270.50 for the period of December 6, 2024, to January 6, 2025.
- [107] Considering Ms. Zhang's extensive history of failing to fully or accurately report her income, I have no confidence that her tax documentation accurately reflects her earnings during the relationship or post-separation. She has not made full disclosure of the nature and extent of her assets, including the balance of the Inheritance Funds and other investments she may continue to hold.
- [108] There is also a paucity of evidence as to the nature and extent of other financial assets from which she may generate income, including the balance of the Inheritance Funds, if any, savings of \$5,000 USD, and combined TFSA balances of \$101,825, as of 2025. The available documentation suggests multiple additional accounts and investments that were not disclosed. It is therefore difficult to determine the nature and extent of Ms. Zhang's assets, and by consequence, the extent of income she may be deriving from investments.
- [109] Ms. Zhang's current expenses are also inconsistent with her asserted income, without any sufficient explanation being provided. She testified that she pays the mortgage on the Oak Street Property, leases a luxury vehicle, and continues to pay for the children to attend extracurricular activities costing over \$1,000 per month, including tutoring, piano lessons, and ballet classes.
- [110] Ms. Zhang testified that she obtained loans from friends to support herself and the children following separation. I have difficulty accepting this is the case. None of the alleged lenders testified and while Ms. Zhang produced purported loan agreements for the alleged loans, she admitted that they were not made contemporaneously with the funds being advanced, but rather created to support her position in this litigation.

- [111] I infer from Ms. Zhang's pattern of untruthful dealings and ongoing lack of disclosure that she has access to additional undisclosed funds--including some portion of the Inheritance Funds and likely also proceeds of sale from the Noble Property--which may be in the hundreds of thousands of dollars. Despite this, she appears to have availed herself of daycare and other subsidies available to the children based only on her reported income.
- [112] Considering the whole of the evidence, I find it reasonable to impute an annual income of \$100,000 to Ms. Zhang. In my view, this is the best estimate of her capacity to earn income tethered to the evidence, including potential investment income from the Inheritance Funds, her income working as a real estate agent gross of claimed expenses, and the potential availability of other undisclosed sources of income.

Quantum of Child Support

- [113] Ms. Zhang seeks retroactive and prospective child support, payable on a lump sum basis by way of an order that she retain all known family assets.
- [114] Mr. Li does not dispute that he is required to pay child support in accordance with the Guidelines. Neither party suggests I should depart from the Guidelines and I am satisfied that the application of the Guidelines to the income I have imputed to Mr. Li is the appropriate approach. Using the \$150,000 of income I have imputed to him, Mr. Li is required to pay child support of \$2,159 per month.
- [115] The parties separated as of January 2023. Ms. Zhang seeks retroactive child support from May 2023 to February 2025. Mr. Li therefore owes retroactive child support for 22 months of \$47,498. In 2023, Mr. Li made two child support payments of \$607 based on his 2021 notice of assessment. Subtracting those two payments results in a net amount of retroactive child support owing of \$46,284.

Lump sum child support

- [116] Ms. Zhang seeks lump sum child support, payable out of Mr. Li's equity in the Oak Street Property.
- [117] Section 11 of the Guidelines allows for child support to be ordered payable in periodic payments, a lump sum, or some combination of the two. Lump sum child support awards are relatively rare and are made only in special circumstances, namely where there is some special need or specific circumstances render it appropriate: *Santelli v. Trinetti*, 2019 BCCA 319, at paras. 163-164; *Zhang v. Sun*, 2016 BCSC 1418 at para. 280. The same considerations apply to lump sum child support awards as do to lump sum spousal support awards: *Zhang* at para. 280; *Santelli* at para. 164.
- [118] Failure to comply with previous support orders and failure to demonstrate prudent financial management may support a lump sum order being made: *Zhang* at para. 280. Other circumstances that may favour a lump sum order include difficulties in enforcing orders for support, risk that available moneys will be squandered or dissipated, past refusal

to make support payments and history of non-disclosure: Santelli at paras. 163, 165-166, 168. However, lump sum awards should not be made if it would undermine the payor's future self-sufficiency: Santelli at para. 166.

- [119] The existence of animosity between the parties may also favour a lump sum order to reduce future conflict between the parties: Zhang at para. 280.
- [120] If a lump sum support order is appropriate, the Court may order it to be paid out from family property: see e.g., K.L.L. at para. 163. While the effect of such a lump sum order of support will be to redistribute assets from one spouse to the other, its purpose must be distinguished from its effect. Redistribution is not the purpose of a support order: Parton v. Parton, 2018 BCCA 273 at para. 47.
- [121] In my view, the circumstances of the present case warrant a lump sum child support order. A lump sum award is necessary to ensure that adequate child support is paid because there is a real risk that Mr. Li will not pay periodic support, as demonstrated by his failure to pay child support to date. Moreover, he has dissipated family property for his own purposes, has failed to make proper financial disclosure, claims to have no income, and is intentionally unemployed. In this respect, the present circumstances are similar to those in K.L.L. at para. 153, where lump sum spousal support was awarded.
- [122] It is also clear from the parties' evidence and interactions during trial that there is significant and ongoing animosity and conflict between the parties and that dealing with Mr. Li is very difficult for Ms. Zhang.
- [123] There is no evidence before me suggesting that a lump sum award would undermine the claimant's standard of living or future self-sufficiency. On his own evidence, he has travelled extensively since separation and testified that his mother supports his daily living expenses. Further, there is capital from which a lump sum payment can be made, namely Mr. Li's share of the equity in the Oak Street Property. Given Mr. Li's access to funds from his mother or other undisclosed sources to fund his travel and living expenses, his ability to live rent-free, and lack of any indication that he intends to change this state of affairs, making a lump sum award is unlikely to impair his standard of living.
- [124] I am cognizant that the prospect of changes in the parties' circumstances and incomes and the resulting need for variation may militate against making a lump sum award. However, I find that these factors do not outweigh the benefits of a lump sum award in the present case. Given Mr. Li's lack of involvement in the children's lives, there is little prospect that the current parenting arrangements will change. I accept that his income may change over time, but given his demonstrated pattern of dealing in cash, failing to properly report his income, and actively avoiding paying taxes, the exercise of determining his income for support purposes is unlikely to become any easier or more accurate in the future.

[125] In the result, I order lump sum child support be paid by Mr. Li for a period of five years, namely \$129,540 (60 months x \$2,159 per month). This amount is to be paid out of Mr. Li's share of the equity in the Oak Street Property.

Special Expenses

[126] The parties agree that the children's special or extraordinary expenses under s. 7 of the Guidelines should be shared on a proportionate basis. I have imputed income of \$150,000 to Mr. Li and \$100,000 to Ms. Zhang, which results in a proportionate sharing of 66% for Mr. Li and 33% for Ms. Zhang.

[127] Ms. Zhang claims to have incurred post-separation special expenses of \$54,389. However, not all the expenses claimed are substantiated on the record before me. I find that she has proven \$44,737.94 in special expenses consisting of: \$27,502.50 in childcare and winter, spring break, and summer camp fees; \$9,000 for Chinese language school attendance on weekends (\$500 x 16 months September 2023 to February 2025); \$6,829.44 in ballet lessons; \$1,050 for piano lessons; and \$356 in dental care.

[128] Mr. Li did not dispute that these expenses constituted special expenses in accordance with s. 7 of the Guidelines. A proportionate sharing of these expenses requires Mr. Li to reimburse Ms. Zhang for \$29,527 (rounded to the nearest dollar) in special expenses.

[129] However, Mr. Li paid for the children's daycare for four months post-separation, namely until April of 2023, which consisted of \$3,067.50 in fees for the older child and \$4,203.16 in fees for the younger child. Those costs are included in the receipts provided by Ms. Zhang and her proportionate share must therefore be deducted from the amount Mr. Li owes on account of retroactive s. 7 expenses. This results in a credit to Mr. Li of \$2,399.32 (33% of \$7,270.66). The net amount owed by Mr. Li to Ms. Zhang on account of retroactive s. 7 expenses is thus \$27,128 (rounded to the nearest dollar).

Conclusions on Child Support

[130] I impute income of \$150,000 to Mr. Li and \$100,000 to Ms. Zhang. Based on his imputed income, Mr. Li is required to pay child support of \$2,159 per month to Ms. Zhang and has retroactive child support owing in the amount of \$46,284.

[131] Based on the parties' imputed incomes, they are required to share special expenses on a proportionate basis whereby Mr. Li will pay 66% and Ms. Zhang will pay 33%. This results in Mr. Li owing Ms. Zhang \$27,128 in retroactive special expenses.

[132] Mr. Li thus owes Ms. Zhang \$73,412 on account of retroactive child support and special expenses and \$129,540 on account of prospective lump-sum child support, for a total amount owing of \$202,952. This amount is to be paid to Ms. Zhang from Mr. Li's share of family property, namely the equity in the Oak Street Property.

Property Division

[133] Division of family property is governed by Part 5 of the FLA. Section 81 of the FLA provides that upon separation, the spouses are each presumptively entitled to an undivided half interest in all family property and are also responsible for half of all family debt:

Equal entitlement and responsibility

81 Subject to an agreement or order that provides otherwise and except as set out in this Part and Part 6 [Pension Division],

- (a) spouses are both entitled to family property and responsible for family debt, regardless of their respective use or contribution, and
- (b) on separation, each spouse has a right to an undivided half interest in all family property as a tenant in common, and is equally responsible for family debt.

[134] Family property consists of all real and personal property owned by one or both spouses at the date of separation, and property acquired after separation that is derived from such property: FLA, s. 84. Family property is valued based on its fair market value at the time of trial: FLA, s. 87.

[135] Family debts are defined in s. 86 of the FLA as all financial obligations incurred by a spouse during the relationship or after the date of separation, if incurred for the purpose of maintaining family property.

[136] Section 85 of the FLA prescribes certain categories of excluded property which, if proven, remain the sole property of the spouse who claims the exclusion. Excluded property includes property acquired by a spouse before the relationship began, gifts, and inheritances received from others. However, under s. 84(2)(g) of the FLA, any increase in the value of excluded property during the relationship is considered to be family property.

[137] The presumption of equal division can only be displaced if the party seeking unequal division can show that equal division would be significantly unfair: FLA, s.95; *Banh v. Chrysler*, 2022 BCCA 74 at para. 25. This is a heavy onus that requires "something objectively unjust, unreasonable or unfair in some important or substantial sense": *Bennett v. Bennett*, 2021 BCSC 1631 at para. 49, citing *Jaszczewska v. Kostanski*, 2016 BCCA 286 at para. 42.

Family Property

- (a) 5550 Oak Street

[138] The Oak Street Property was purchased as a pre-sale property in June 2015. The sale closed in July 2016 for a purchase price of \$1,059,900. Mr. Li and Ms. Zhang moved into the Oak Street Property on closing.

- [139] The Oak Street Property was purchased in Ms. Yan's name because Mr. Li had a poor credit history and therefore had difficulty obtaining a mortgage. The purchase price was financed by way of a deposit of \$158,985 and CIBC mortgage proceeds of \$723,382. Ms. Yan provided the deposit and additional funds of \$254,394. As Ms. Yan lives in China, she signed a power of attorney granting Ms. Zhang power of attorney with respect to the purchase of real estate in British Columbia.
- [140] It is undisputed that the parties are the beneficial owners of the Oak Street Property and that Ms. Yan holds legal title for them beneficially pursuant to the Bare Trust Agreement. Ms. Yan did not respond to the counterclaim against her or otherwise assert any beneficial interest in the Oak Street Property. Accordingly, I make the declarations sought by Ms. Zhang, which are not opposed by Mr. Li, as follows:
- a) The Bare Trust Agreement is valid and binding; and
 - b) Ms. Yan holds her registered interest in the Oak Street Property in trust for the sole benefit of Mr. Li and Ms. Zhang.
- [141] The Bare Trust Agreement provides that to facilitate the Purchase of the Oak Street Property, the parties borrowed \$413,379.70 from Ms. Yan at 0% interest, repayable on demand. It also provides that the parties are required to pay all costs and expenses associated with the property including property taxes, mortgage payments, maintenance, and repairs.
- [142] Consistent with the terms of the Bare Trust Agreement, Mr. Li and Ms. Zhang paid the mortgage for the Oak Street Property. This continued until summer 2023 when Mr. Li ceased making mortgage payments. Ms. Zhang brought the mortgage back into good standing and from September 2023, has been solely responsible for paying the mortgage.
- [143] It is undisputed that the Oak Street Property is family property: FLA, s. 84(1)(a)(ii). Consistent with the appraisal dated January 7, 2024, I find that the Oak Street Property has a value of \$1,760,000 as of trial.
- (b) Noble Property
- [144] In December 2017, the parties purchased the Noble Property by way of an assignment. The purchase price was \$574,900 and the parties paid a deposit of \$114,980 from Ms. Zhang's Inheritance Funds. The purchase closed on August 3, 2019.
- [145] The parties put title to the Noble Property in Ms. Zhang's name alone. Mr. Li testified that this was for two reasons: his credit situation prevented him from getting a mortgage and Ms. Zhang did not own any other residential properties in her name, so by putting the Noble Property in her name alone, they could claim it as her principal residence and take advantage of the resulting tax exemption when it was sold.

[146] Ms. Zhang testified that the Noble Property was purchased to use as an Airbnb rental and that she never lived there, but did use it as the address for her driver's licence and for MSP purposes.

[147] The Noble Property was sold in April 2022 for \$875,000. Net sale proceeds of \$409,184 were deposited into Ms. Zhang's TD account. Ms. Zhang transferred \$200,000 of the proceeds of sale into her and Mr. Li's joint Scotiabank account by way of two transfers of \$100,000 each made in April and May of 2022. Mr. Li then used those funds for Zodiac. I am not persuaded on the record before me that any portion of the sale proceeds from the Noble Property remain in existence. I find that the parties likely spent those funds on their living and other expenses over the course of the relationship.

(c) Ketcheson Property

[148] In January 2020, the parties purchased the Ketcheson Property. This property was purchased in Mr. Li's name.

[149] The purchase price for the Ketcheson Property was \$630,900 and the parties paid a deposit of \$157,725. The deposit was derived from \$500,000 that Ms. Zhang gave to Mr. Li from her Inheritance Funds in November 2018.

[150] This property was purchased in Mr. Li's name. By this point in time, his credit had improved, and he did not own any other real property in his name so he would have been able to claim it as his principal residence and take advantage of the resulting tax exemption when it was sold, as the parties did with Ms. Zhang for the Noble Property.

[151] Mr. Li sold the Ketcheson Property on March 28, 2023 for \$855,000, yielding proceeds of sale of \$344,945. The proceeds of sale were deposited into Mr. Li's HSBC account, then transferred into the parties' joint account in April 2023.

[152] Ms. Zhang says that Mr. Li sold the property without her consent; Mr. Li says they agreed to sell the property before they separated. Given my aforementioned credibility concerns, I reject Mr. Li's evidence. I find that he sold the Ketcheson Property without Ms. Zhang's consent and then lied to her about what he did with the sale proceeds. He told Ms. Zhang that he had transferred the proceeds back to China, when they were in fact deposited into his HSBC account. He admitted that he lied to Ms. Zhang because he wanted to pressure her into settling this action.

[153] Mr. Li used a portion of the sale proceeds from the Ketcheson Property to buy out the lease on a Porsche he was driving at the time. He also wrote various cheques to himself, and used the funds for other expenses, including for legal fees in respect of this action. It appears that in addition to purchasing the Porsche, Mr. Li dissipated approximately \$170,000 of the proceeds of sale of the Ketcheson Property post-separation. His attempts to explain what he did with those funds varied and, in any event, are not credible.

- [154] The Ketcheson Property was family property and the proceeds of sale also constitute family property under s. 84(1)(b)(i) of the FLA.
- (d) Zodiac Management and 403
- [155] I find that Mr. Li has an interest in both Zodiac and 403 and that his interests in those corporate entities constitute family property pursuant to s. 84(2)(a) of the FLA.
- [156] I find that Mr. Li actively attempted to place family property beyond the reach of Ms. Zhang and that he was intentionally dishonest about his involvement in 403. He testified that in 2023, he realized that to "keep using Zodiac [] might be a problem" in light of the "divorcing situation" (referencing the divorce proceedings) so he incorporated 403 as a new company, opened bank accounts in 403's name, and directed revenues from Zodiac's ongoing business endeavours into 403's accounts. He also initially testified that he did not know who owns 403, then said he thought the shareholders were him and Kevin Liu, but eventually admitted that he is the sole owner of 403, and that Kevin operates it for him.
- [157] I do not accept that 403 was incorporated and that new bank accounts were opened so that Mr. Li could identify which of Zodiac's rental properties were making or losing money. I find that 403 was incorporated either by Mr. Li or at his direction for the purpose of transferring Zodiac's business and revenues into a new corporate vehicle to avoid freezing orders issued by this Court in these proceedings specifically, and to defeat Ms. Zhang's claim to property division more generally.
- [158] However, I am unable to determine the present value of either Zodiac or 403 on the record before me. Zodiac has not filed income tax returns since the 2021 tax year and in any event, I am not satisfied that its prior tax returns or profit and loss statements accurately reflected its financial position. At best, I find that there may be some minimal value remaining in Zodiac's brand name, but its debts are likely greater than its assets. As of April 2024, Zodiac and 403 appeared to have approximately \$76,467 in bank accounts at TD and Scotiabank, however, it is unclear how much of those funds remain, if any.
- [159] Mr. Li testified that Zodiac is now worth nothing because it no longer operates and has debts exceeding \$125,000 owing to property owners on account of unpaid rent. It also appears to have had credit card debt of \$16,776 as of April 2024. He also testified that Zodiac has had bylaw infraction fines levied against it for contravention of short-term rental bylaws. Mr. Li testified that these fines include an amount of \$9,500 imposed by a B.C. Provincial Court order and said that he understands that "we also have a fine from [the City of] Richmond that is more than \$100,000".
- [160] Mr. Li's interests in Zodiac and 403 are family property. However, on the state of the evidence before me, I am unable to determine the value of his interest in either of these entities. It is, in my view, likely that Mr. Li has dissipated whatever funds Zodiac and 403 may have had.

(e) Vehicles

[161] As at separation, the parties were leasing three vehicles: a Porsche and two Land Rover Range Rovers. The Range Rovers were both eventually returned to the dealerships, though not without incident. A bailiff had to be engaged to repossess one of the Range Rovers from Mr. Li, though he denied any knowledge of this. Eventually, in October 2024, Mr. Li was pulled over by police and caught driving the Ranger Rover without insurance and it was towed back to the dealership. The lease agreement was in Ms. Zhang's name and she testified that she remains obligated under the lease, but traded the Range Rover for a smaller and less expensive Audi.

[162] As these vehicles were leased, and there is no evidence of whether the parties had net equity in them, I find they do not constitute family property: see e.g. Wang v. Mitchell, 2024 BCSC 988 at para. 311. In any event, both of the Range Rovers were returned to the dealerships and while Mr. Li purchased a Porsche with the proceeds of sale from the Ketcheson Property, he subsequently sold it.

(f) Jewelry and handbags

[163] Another potentially significant category of family property consists of the parties' jewellery and handbags. These assets are alleged to be predominantly in Ms. Zhang's possession.

[164] Ms. Zhang says that her jewellery is worth only \$9,000. Mr. Li says she has retained jewellery valued at more than \$100,000, consisting of: an engagement ring purchased for \$40,000 in 2015; a second ring from Birks that was worth \$20,000 but that the parties only paid \$8,300 for on account of trading in Ms. Zhang's ring from a prior marriage; a Cartier bracelet purchased in 2020 for \$15,000; a Van Cleef and Arpels bracelet purchased for "about \$20,000" in 2020 or 2021; and three or four Tiffany & Co. bracelets purchased "sometime before 2020" for approximately \$10,000.

[165] Mr. Li also asserts that Ms. Zhang has handbags that are family property valued at approximately \$160,000. Ms. Zhang says that most of the bags were not authentic--they were replicas or "fakes". She has offered to return them to Mr. Li.

[166] Neither party adduced any evidence beyond bare assertions to prove the existence, authenticity, or current value of the jewellery and handbags in issue. I have found the parties to be not credible on financial matters. Consequently, I do not accept their valuations of the jewellery in issue and am therefore unable to determine its present value. Each party will retain whatever jewellery and handbags remains in their possession.

(g) Other Property

[167] Mr. Li says that each party should keep what they have without further division for all other property, including bank accounts, pensions, savings, and RRSPs. Ms. Zhang does not say otherwise. The parties thus appear to agree on this point.

[168] Accordingly, and except as otherwise set out in these reasons, each party shall retain all chattels, financial assets, and household contents currently in their possession--including handbags and jewellery--and shall be responsible for all debts in their respective names, free and clear of any claim or interest by the other party.

Excluded property claims

[169] Section 85 of the FLA prescribes the types of property that is excluded from the definition of family property. The categories of excluded family property that are relevant in this case are property acquired by a spouse before the relationship between the spouses began, inheritances to a spouse, and gifts to a spouse from a third party: FLA, s. 85(1)(a), (b) and (b.1). Under s. 85(1)(g) of the FLA, excluded property also includes property derived from excluded property or the disposition of excluded property.

[170] Proceeds from excluded property remain excluded under s. 85(1)(g) of the FLA. Excluded property can be traced through the sale of excluded property to a new property held in joint tenancy: see e.g., *H.C.F. v. D.T.F.*, 2017 BCSC 1226 at paras. 73-81; *Thornett v. Thornett*, 2018 BCSC 2312 at para. 44.

[171] The party seeking to exclude property under s. 85 is responsible for proving its exclusion on the balance of probabilities: FLA, s. 85(2); *Shih v. Shih*, 2017 BCCA 37 at para. 42. Ms. Zhang thus bears the onus of proving that the excluded property falls within the ambit of s. 85 of the FLA; and the value of the excluded property at the outset of the relationship, if the property is later used to acquire assets that are family property at separation: *Parvizi v. Taherzadeh*, 2024 BCCA 205 at para. 18; *P.R.C. v. C.K.C.*, 2024 BCCA 363 at para. 46.

[172] Entitlement to an exclusion must be established by clear and cogent evidence, and in the absence of documentary evidence, the credibility of the party purporting to establish the evidence will be scrutinized: *Shih* at para. 43. The burden on Ms. Zhang in this respect is summarized in *P.R.C.* as follows:

[96] The party that advances an excluded property claim bears the onus of proving that claim: *Parvizi* at para. 18. It must be proved on a balance of probabilities. It is not necessary that the claim be established with "precision" or "mathematical certainty": *Shih v. Shih*, 2017 BCCA 37 at para. 40. However, bald assertions, circumstantial coincidences in timing, and a cryptic documentary foundation will not suffice. The evidence in support of excluded property must be "clear and cogent": *Shih* at para. 43; *Zhao v. Fang*, 2022 BCCA 227 at para. 25. If documentary evidence is not available, "the party bearing the onus of proof will need to testify as to their recollection of the transactions in dispute": *Shih* at para. 43. In turn, that evidence will be "scrutinized for credibility": *Shih* at para. 43.

[Emphasis added.]

- [173] However, excluded property can lose its status as such and become family property if the party gifts the excluded property to their spouse. The intention of the spouse transferring ownership is key in determining whether a gift was intended, as is noted in *Venables v. Venables*, 2019 BCCA 281:
- [95] What emerges from these authorities, of relevance to the current appeal, is that the intention of the spouse transferring ownership is key in determining whether the property transferred from one spouse to the other remains excluded property or becomes family property. If it is found that the spouse who transferred the property intended that the property be a gift to the other spouse, and there is no agreement that it is to remain excluded property, then it will become family property: *V.J.F.* at paras. 74-79; *Namdarpour* at para. 46.

Mr. Li's Settlement Funds

- [174] Mr. Li claims excluded property of \$25,000 on account of an ICBC insurance settlement (the "Settlement Funds"). Mr. Li says these funds were deposited into the parties' joint account and then taken by Ms. Zhang.
- [175] Applying these principles to the evidence before me, I find that Mr. Li has not proven his excluded property claim for the Settlement Funds. He adduced no documentation--i.e. any records from ICBC--to prove the existence of the Settlement Funds, when they were paid to him or for what purpose.
- [176] In the absence of independent corroboration and given my significant concerns about Mr. Li's credibility, I am not prepared to accept Mr. Li's bare assertions on this point. As noted in *P.R.C.*, the Court is not required to accept bald assertions in the absence of independent corroborative evidence: at para. 92.

Ms. Zhang's Inheritance Funds

- [177] Ms. Zhang says that she received the Inheritance Funds in 2012 and that they had a value of approximately \$1.5 million CAD. She testified that she transferred the Inheritance Funds to Canada, with the exception of ¥700,000 RMB, which are the Dalian Funds, or in other words, the proceeds of disposition of a property in Dalian, China that currently remain in China. There is no documentation corroborating the transfer of any funds to Canada.
- [178] Ms. Zhang claims that the Inheritance Funds and the proceeds of disposition of the Dalian Funds maintained their status as excluded property and are traceable into the family property as such. Ms. Zhang claims that her excluded Inheritance Funds are traceable into following family property: (a) the Oak Street Property; (b) the proceeds of sale from the Noble Property; and (c) the proceeds of sale from the Ketcheson Property.

- [179] The exercise of tracing the Inheritance Funds through the Westminster Highway Property and into the Oak Street, Noble, and Ketcheson Properties is rendered exceedingly difficult because there is no evidence establishing the value of the Inheritance Funds: (a) when Ms. Zhang transferred them to Canada at some point prior to the start of the parties' relationship; or (b) at the start of the relationship. Ms. Zhang did not identify which bank account held the Inheritance Funds, nor did she disclose bank records substantiating the value of those funds at any point in time.
- [180] In July 2012, Ms. Zhang purchased the Westminster Highway Property for \$445,000 using some portion of the Inheritance Funds. The Westminster Highway Property thus constituted her excluded property. It was eventually sold in December 2017 and the sale proceeds were paid to Ms. Zhang.
- [181] However, the parties lived in the Westminster Highway Property early on in their relationship. There is no evidence of the value of the Westminster Highway Property in November 2015, when the parties married. This renders me unable to determine the value of Ms. Zhang's excluded property claim in respect of the Westminster Highway Property because the appreciation in value of that property over the course of the relationship from November 2015 to December 2017 constitutes family property: FLA, s. 84(2)(g). Consequently, while I accept that it is likely that the proceeds of sale of the Westminster Highway Property largely consisted of Ms. Zhang's excluded property and were then used towards the purchase of the Noble and Ketcheson Properties, I cannot determine the extent to which Ms. Zhang's original exclusion can be traced into the subsequent properties because I am unable to value the family property component of the proceeds of sale.
- [182] Moreover, Ms. Zhang transferred hundreds of thousands of dollars to Mr. Li over the course of the relationship, including \$500,000 from the proceeds of sale of the Westminster Highway Property in November 2018, \$100,000 from her Inheritance Funds in April 2022, and a further \$100,000 in May 2022.
- [183] Given the lack of independent documentary evidence tendered to establish the value or continued existence of Ms. Zhang's Inheritance Funds and the Westminster Highway Property at key dates in the relationship, combined with the extent of the parties' dealings in cash and commingling of the Inheritance Funds with other funds, I find that Ms. Zhang has not provided clear and cogent evidence establishing her excluded property claims on a balance of probabilities. Given my concerns about her credulity, particularly in relation to financial matters, and as was the case with Mr. Li, I find Ms. Zhang's uncorroborated testimony insufficient to establish the exclusions she claims.

Oak Street Property

- [184] Ms. Zhang testified that she contributed towards the Oak Street Property when she provided \$500,000 to Mr. Li in November 2018. The \$500,000 was derived from the proceeds of sale of the Westminster Highway Property. I accept that those proceeds consisted in material part

of Ms. Zhang's excluded property, subject to Mr. Li's claim to the increase in value of that property over the course of the relationship as family property under s. 84(2)(g) of the FLA (the value of which cannot be ascertained in the absence of evidence establishing the value of the Westminster Highway Property as at start of the parties' relationship).

[185] However, the Oak Street Property was purchased in 2016, approximately two years before Ms. Zhang transferred the \$500,000 to Mr. Li, and cannot therefore be subject to an excluded property claim by Ms. Zhang on account of her having given Mr. Li \$500,000 derived from what was likely her excluded property (the Westminster Highway Property) in November of 2018. I therefore conclude that Ms. Zhang has not established an entitlement to trace any excluded property into the Oak Street Property.

Dalian Funds

[186] Ms. Zhang also seeks declaratory relief with respect to that portion of the Inheritance Funds consisting of the Dalian Funds. Mr. Li does not dispute the existence of these funds or that they constitute Ms. Zhang's excluded property.

[187] It is also undisputed that the Dalian Funds remain in China. They are, therefore, extraprovincial property: FLA, s. 105(1). However, pursuant to s. 106 of the FLA, the Court may exercise jurisdiction over extraprovincial property in family law proceedings. Neither party disputed my jurisdiction to make orders regarding the Dalian Funds, and in any event, I am satisfied that I have jurisdiction to deal with those funds pursuant to ss. 106(2) (b) and (c) of the FLA.

[188] It is undisputed that the value of the Dalian Funds is approximately \$130,000 CAD. It is, however, unclear whether those funds are currently held by Ms. Yan or her friend, Mr. Cao. Regardless, even if the Dalian Funds are no longer held directly by Ms. Yan, I accept Mr. Li's evidence that he and Ms. Yan have control over these funds and that they could have been returned to Ms. Zhang at his or at Ms. Yan's direction.

[189] In this respect, Mr. Li testified that he can exert significant control over what happens to the Dalian Funds as he has "stron[g] influence" in terms of requesting that they be returned to Ms. Zhang. He also testified on examination for discovery that one of the reasons the Dalian Funds were not returned to Ms. Zhang was because he did not want to give Ms. Zhang "more bullets" to fight him with in this litigation. Mr. Li did not resile from this evidence at trial; instead, he blamed his former counsel for giving him bad advice.

[190] Accordingly, I find that the Dalian Funds constitute Ms. Zhang's excluded property, that they are currently within Mr. Li's possession or control, and that he has refused to return those funds to her.

Valuation of family property and debt

- [191] Section 87 of the FLA provides that unless otherwise agreed to or ordered, the value of family property or debt is determined as of the date of an agreement dividing it, or as of the date of trial. Where the valuation date does not align with the date of trial, the court should use the valuation date that is closest to the date of trial: *C.M. v. M.N.*, 2022 BCSC 684 at para. 14, citing *Namdarpour v. Vahman*, 2019 BCCA 153 at para. 83. That said, the court may choose a different valuation date if doing so avoids a significant unfairness: *Bennett* at para. 45.
- [192] The parties agree that the Oak Street Property has a value as of the trial date of \$1,760,000.
- [193] The proceeds of sale of the Ketcheson Property are also family property. In my view, it would be significantly unfair to Ms. Zhang to value the proceeds of sale at trial because they were paid out to Mr. Li post-separation and he subsequently dissipated them solely for his own purposes, including to purchase the Porsche: FLA, s. 95(2)(g). Accordingly, I value the Ketcheson Property as of the date of separation and find that the best evidence of that value to be the March 2023 sale price. The resulting family property thus consists of the proceeds of sale as at that date, namely \$344,945.
- [194] Based on the state of the evidence before me, I am unable to ascertain the continued existence or value of any other family property. The family property available for division thus consists of:
- a) The Oak Street Property having a value of \$1,760,000; and
 - b) The proceeds of sale of the Ketcheson Property in the amount of \$344,945.
- [195] The value of family property available for division is thus \$2,104,945. Applying the presumption of equal division under s. 81 of the FLA, the parties are each entitled to \$1,052,472.50.
- [196] There is little evidence of the parties' debts, and much of what evidence was tendered in this respect was purely speculative in nature. For example, both parties testified that they understand that there will be tax consequences if the Oak Street Property is sold because Ms. Yan is the legal owner and a non-resident. However, the parties tendered no evidence to quantify the amount potentially owing in this respect.
- [197] Consistent with the Bare Trust Agreement, Mr. Li also asserts that the parties owe Ms. Yan \$413,380 on account of the funds she provided towards the purchase of the Oak Street Property and that this constitutes family debt that should be divided equally. Neither party disputes that this constitutes family debt, but they have different views on how it ought to be divided.

[198] In the result, I find the family debt consists of the mortgage registered against title to the Oak Street Property in the amount of \$584,882, as of December 31, 2024, and the loan owing to Ms. Yan of \$413,380.

Would equal division of family property be significantly unfair?

[199] Having determined the extent of family property and the parties' respective interests therein based on the presumption of equal division, I now turn to the question of whether equal division would be significantly unfair: Healey at para. 69.

[200] The framework for property division established in Part 5 of the FLA starts from the presumptions that family property will be divided equally and valued at the date of trial: FLA, ss. 81, 87. The purpose of these presumptions is to create certainty and stability in family law proceedings to reduce the need for, and complexity of, litigation and avoid free-ranging inquiries into the conduct of the parties: He v. Guo, 2022 BCCA 355 at para. 36; Chander v. Janif, 2024 BCSC 1505 at para. 21.

[201] Section 95 of the FLA allows the court to order unequal division of family property, but only if satisfied that it would be "significantly unfair" to apply the presumptions in ss. 81 and 87: FLA, s. 95; Banh at para. 25; Sperring v. Shutiak, 2023 BCCA 54 at para. 110. This is a high threshold that requires something "objectively unjust, unreasonable or unfair": Singh v. Singh, 2020 BCCA 21 at para. 134. There must be persuasive reasons for an unequal division; the unfairness must be compelling or meaningful having regard to the factors in s. 95(2): Jean Louis v. Jean Louis, 2020 BCCA 220 at para. 44, leave to appeal to SCC ref'd, 40008 (12 May 2022); Jaszczewska at para. 41.

Unequal division of the Oak Street Property in Mr. Li's favour

[202] Mr. Li seeks unequal division of the Oak Street Property, which says should be divided 60/40 in his favour. His position in this respect is inconsistent with his testimony that he was prepared to give up his interest in the Oak Street Property to Ms. Zhang.

[203] Mr. Li relies on ss. 95(2)(a) and (h) of the FLA to assert unequal division in his favour. While the duration of the relationship is a relevant factor under s. 95(2)(a), the mere fact of a relatively short relationship is not alone sufficient to warrant reapportionment: Banh at para. 64. Further, the parties were married for just over seven years; their relationship was not short. Indeed, the parties' relationship was much longer than that in Banh (a marriage of two years) where the Court still found unequal division inapplicable on the basis of the length of their relationship. Accordingly, this factor does not assist Mr. Li.

- [204] With respect to s. 95(2)(h), Mr. Li submits that there are unrealized tax consequences of selling the Oak Street Property arising from Ms. Yan being the legal owner and a foreign national, thereby engaging s. 95(2)(h) of the FLA. I am not satisfied that Mr. Li's bare assertion of unquantified future tax consequences arising for Ms. Yan gives rise to significant unfairness sufficient to warrant unequal division of the Oak Street Property in his favour.
- [205] Finally, Mr. Li says that his income paid the mortgage for this property from June 2016 to September 2023 while Ms. Zhang contributed nothing. While the principle of relative contribution found in s. 65(1)(f) of the former Family Relations Act, R.S.B.C. 1996, c. 128, was not carried forward into s. 95(2) of the FLA, the court retains the discretion to consider unequal contributions under s. 95(1)(i) of the FLA. However, the circumstances in which this factor can be considered are intended to be "much constrained": *Banh* at para. 33, citing *Jaszczewska* at para. 44. Cases in which unequal contribution to family expenses and burdens were found to make it significantly unfair to divide family property equally involve "marked, prolonged, and intentional or unexplained disparities in contributions to family burdens": *Khan v. Gilbert*, 2019 BCCA 80 at para. 32.
- [206] No such disparities in family burdens arise on the evidence before me. Moreover, Mr. Li's assertion that his income paid the mortgage is not borne out on the evidence. Ms. Zhang and Mr. Li worked together in many of their business endeavours and Ms. Zhang's Inheritance Funds were used to fund family expenses--including the \$500,000 she gave Mr. Li in November 2018. Ms. Zhang also assumed sole responsibility for paying the mortgage on the Oak Street Property from September 2023 onwards.
- [207] Mr. Li bears the onus of persuading me that equal division would be substantially unfair with reference to the factors set out in s. 95(2) of the FLA. He has not done so.

Unequal division of family property and debt in Ms. Zhang's favour

- [208] Ms. Zhang seeks unequal division by reapportionment of all known family property in her favour. Though not canvassed in any detail at trial, I understand her argument to be that it would be substantially unfair not to reapportion in her favour because:
- a) Mr. Li acted egregiously in selling the Ketcheson property without her permission, lying about what he did with the proceeds, and then dissipating the proceeds of sale;
 - b) Mr. Li failed to make proper financial disclosure in this action; and
 - c) Ms. Zhang paid the mortgage, property taxes, and strata fees on the Oak Street Property from September 2023 onwards.
- [209] I find that Mr. Li did not dispose of the Ketcheson Property in good faith: FLA, s. 95(2)(g) (ii). He did not tell Ms. Zhang that he had sold the property, failed to make any effort to divide the proceeds of sale with her, and instead lied to her about what he did with them. It is clear that Ms. Zhang's interest in the proceeds of sale of the Ketcheson Property was

adversely affected by Mr. Li's conduct. Mr. Li also did not act in good faith when he dissipated the proceeds of sale of the Ketcheson Property: FLA, s. 95(2)(g)(i). In doing so, he substantially reduced the value of family property by spending the proceeds of sale on the Porsche and his living expenses. As a result, it would be significantly unfair to divide family assets and family debt based on valuation as of the trial date: R.A.P. v. P.P.Y, 2022 BCSC 138 at paras. 200-201.

- [210] Mr. Li's financial disclosure in this proceeding was wholly inadequate, which I find was likely intentional. This made it impossible to determine the value of Zodiac and 403 as well as any other assets that Mr. Li may have. Lack of financial disclosure is a factor that may be considered when determining whether unequal division is appropriate: Luo v. Lun, 2022 BCSC 1150 at para. 110; C.S.K. v. P.K., 2025 BCSC 1728 at para. 298. I find that this factor also supports unequal division in Ms. Zhang's favour.
- [211] In addition, Ms. Zhang has paid the mortgage, property taxes, and strata fees for the Oak Street Property since September 2023. Her payment of the mortgage increased the equity in the property post-separation, thereby causing an increase in the value of family property beyond market trends: FLA s. 95(2)(f). This further supports an unequal division of the equity to give Ms. Zhang the benefit of the payments she made: Mao v. Rao, 2021 BCSC 2073 at paras. 214-215.
- [212] Given the above, I am satisfied that equal division of family property would be substantially unfair to Ms. Zhang because Mr. Li disposed of family assets post-separation and failed to disclose financial documents, thereby preventing family property in his possession from being identified and valued, while Ms. Zhang bore the burden of paying the mortgage and carrying costs of the Oak Street Property. In the result, I find that the Oak Street Property shall be reapportioned 75% in Ms. Zhang's favour and that she shall be solely responsible for payment of the mortgage registered against that property.
- [213] Ms. Zhang also seeks unequal division of family debt consisting of the loan of \$413,380 owing to Ms. Yan as noted in the Bare Trust Agreement. Ms. Zhang says that Mr. Li should be solely responsible for this debt. No loan documentation has been produced, nor is there any evidence that Ms. Yan has ever made demand on the loan. Ms. Zhang notes that in November 2018, she gave Mr. Li \$500,000 from her Inheritance Funds when he requested she do so as her "contribution" towards the Oak Street Property. This amount significantly exceeds her share of the alleged debt to Ms. Yan if it were to be equally divided (\$206,690).
- [214] In the circumstances, given the state of the evidence before me regarding the alleged loan, including the fact that it is owed to Mr. Li's mother and there is no evidence of any demand having been made, I conclude that it would be substantially unfair to apportion this debt equally. The loan owing to Ms. Yan shall be apportioned 100% to Mr. Li.

Conclusion on Property Division & Compensation Payment

[215] Given the state of the evidence before me, I find that the family property available for division consists of the Oak Street Property, Zodiac and 403, and the proceeds of sale of the Ketcheson Property. I appreciate that the proceeds of sale of the Ketcheson property have, in all likelihood, been fully dissipated by Mr. Li post-separation.

[216] I therefore find that the family property is to be divided as follows:

- a) The equity in the Oak Street Property will be apportioned 75% to Ms. Zhang and 25% to Mr. Li;
- b) Ms. Zhang will assume responsibility for the mortgage on the Oak Street Property;
- c) Mr. Li will assume responsibility for repayment of the loan from Ms. Yan, if repayment is demanded;
- d) Mr. Li will retain his interest in Zodiac and 403; and
- e) Mr. Li will retain the proceeds of sale of the Ketcheson Property, if any remain.

[217] As illustrated in the table below, this would entitle Mr. Li to \$293,770.50 of the equity in the Oak Street Property. However, Mr. Li must also repay the Dalian Funds to Ms. Zhang. Given his failure to produce financial documentation and admitted dissipation of the Ketcheson proceeds, I am not satisfied that he has sufficient liquid assets to make that payment. I therefore find that the Dalian Funds are to be repaid by way of allocating \$130,000 of Mr. Li's equity in the Oak Street Property to Ms. Zhang. This results in the Oak Street Property equity being divided \$1,011,338.50 to Ms. Zhang and \$163,779.50 to Mr. Li.

Property

Value

Retained by Mr. Li

Retained by Ms. Zhang

Oak Street Property

(less mortgage)

Equity

\$1,760,000

(\$584,882)

\$1,175,118

\$293,779.50

(25%)

\$881,338.50

(75%)

Proceeds of sale of the Ketcheson Property

\$344,945

\$344,945

(dissipated)

\$0

Zodiac and 403

Unknown

Unknown

Adjustment for Mr. Li's retention of Ms. Zhang's excluded Dalian Funds

(\$130,000)

\$130,000

Division of Equity in Oak Street Property

\$163,779.50

\$1,011,338.50

[218] In the result, Ms. Zhang retains \$1,011,388.50 in equity in the Oak Street Property. Mr. Li retains \$163,779.50, in addition to the \$344,945 Ketcheson sale proceeds that he dissipated and his interests in Zodiac and 403.

[219] However, Mr. Li is liable to Ms. Zhang for \$202,952 on account of retroactive and prospective child support and special expenses. This amount exceeds Mr. Li's remaining equity in the Oak Street Property. Ms. Zhang wishes to remain in the property with the children. Accordingly, pursuant to s. 97(2) of the FLA, Mr. Li's interest in the Oak Street Property is to be transferred to Ms. Zhang.

[220] After his interest in the Oak Street Property is transferred to Ms. Zhang, Mr. Li remains liable for a payment to Ms. Zhang of \$39,172.50 to extinguish his child support obligations.

Spousal Support

[221] Ms. Zhang seeks retroactive and prospective spousal support on compensatory and non-compensatory grounds. Mr. Li says that Ms. Zhang is not entitled to spousal support because she is more financially capable than he is.

[222] In the present circumstances, any spousal support order must be made under the Divorce Act [DA], because it is ancillary to the divorce action: *Domirti v. Domirti*, 2010 BCCA 472 at para. 7; *K.R. v. J.R.*, 2022 BCSC 1856 at para. 345; *B.S.D. v. S.K.D.*, 2021 BCSC 2327 at para. 340; and *L.A.M. v. F.B.M.*, 2022 BCSC 2187 at para. 9.

[223] Pursuant to s. 15.2(6) of the DA, an order for spousal support should:

- a) recognize any economic advantages or disadvantages to the spouses arising from the marriage or its breakdown;
- b) apportion between the spouses any financial consequences arising from the care of any child of the marriage over and above any obligation for the support of any child of the marriage;
- c) relieve any economic hardship of the spouses arising from the breakdown of the marriage; and
- d) in so far as practicable, promote the economic self-sufficiency of each spouse within a reasonable period of time.

[224] Of these objectives, the first two relate to compensatory support, and the last two relate to non-compensatory support: see e.g. *Bracklow v. Bracklow*, [1999] 1 S.C.R. 420, 44 R.F.L. (4th) 1 at paras. 15, 41-42; *Moge v. Moge*, [1992] 3 S.C.R. 813, 1992 CanLII 25. All these objectives must be considered to achieve a fair and equitable distribution of resources; no single objective is paramount: *Feng v. Feng*, 2024 BCSC 1271 at para. 29; *Moge* at 850-853.

[225] In making an order for spousal support, I must consider the condition, means, needs, and other circumstances of the spouses, including the length of cohabitation, the functions performed by the spouses during cohabitation, and any relevant agreements or orders on support: DA, s. 15.2(4); *Chutter v. Chutter*, 2008 BCCA 507 at para. 46, leave to appeal to SCC ref'd, 33002 (28 May 2009).

[226] The spouse seeking support bears the onus of proving entitlement: *Odiorne v. Odiorne*, 2019 BCSC 1240 at para. 85. Ms. Zhang thus bears the onus of proving her entitlement to spousal support on either a needs or compensatory basis.

Compensatory support

[227] The objectives of a compensatory order were summarized in *Jordan v. Jordan*, 2022 BCSC 1564 as follows:

[132] Compensatory support is intended to provide redress for an economic disadvantage arising from the marriage or its breakdown (such as diminished earning capacity and lost career opportunities from taking on childcare responsibilities) or the conferral of an economic advantage upon the other spouse (such as enhanced earning capacity through career development): *Chutter v. Chutter*, 2008 BCCA 507 at para. 39. Either an economic disadvantage or an economic advantage may provide a basis for an award of compensatory

spousal support. Both are not required.

- [228] I am not satisfied that Ms. Zhang has demonstrated an entitlement to compensatory support in this case. First, it is relevant that this was not a long marriage. The parties were married for only just over seven years.
- [229] Second, I am not satisfied that Ms. Zhang performed most of the domestic duties or that she sacrificed her career so that Mr. Li could pursue his during the marriage. Ms. Zhang returned to work shortly after the birth of each of the children, including working with Mr. Li to operate the underground poker club and his other business ventures. The parties also had full-time assistance from one, and sometimes two nannies, from 2018 until approximately the fall of 2023. Both children also attended full-time daycare outside the home from age one onwards. I therefore find that both parties were able to pursue their business ventures and made relatively equal contributions to the household throughout their marriage.
- [230] Lastly, I am not satisfied that Mr. Li's behaviour amounts to "conduct that arbitrarily or unreasonably causes, prolongs or aggravates the need for spousal support": FLA at s. 66. While Mr. Li has engaged in misconduct as detailed throughout these reasons, I am not satisfied that his misconduct caused, prolonged or aggravated Ms. Zhang's need for spousal support. Further and unlike the respondent in *A.M.D. v. K.R.J.*, 2015 BCSC 1539, Mr. Li continued to cover family expenses for a period of time post-separation.
- [231] In the result, I am not persuaded that Ms. Zhang was economically disadvantaged during the marriage or on account of the breakdown of the relationship so as to be entitled to spousal support on a compensatory basis.

Non-compensatory support

- [232] Non-compensatory support seeks to minimize the gap between the needs and means of spouses upon the breakdown of their marriage. Non-compensatory claims are based on need, which is a relative concept that extends beyond the basic necessities of life and is informed by the circumstances of the parties: *D.A.C. v. K.J.*, 2021 BCSC 2479 at para. 62.
- [233] Considering Ms. Zhang's demonstrated willingness to engage in various forms of questionable business ventures, her failure to report her income from all sources in light of the lack of complete and transparent disclosure of her current financial circumstances, her apparent ability to sustain her and the children's current not insignificant living expenses and lifestyles, the fact that she appears to have savings or investments of over \$100,000, and my concerns regarding her credibility on financial matters, I find that she has not established an entitlement to spousal support on a needs basis. I therefore decline to award spousal support on a non-compensatory basis.
- [234] In the result, Ms. Zhang has not met the onus of establishing that she is entitled to spousal support on either a compensatory or non-compensatory basis.

Divorce

[235] Both parties seek an order of divorce. The conditions that must be satisfied for a divorce to be granted are set out in ss. 8-12 of the Divorce Act. Based on the following evidence, I find that those conditions are satisfied:

- a) Ms. Zhang and Mr. Li married on November 17, 2015, in Vancouver, British Columbia;
- b) They have been living separate and apart since January 4, 2023;
- c) There is no collusion in relation to the application for divorce, and they are not seeking the divorce for any improper purpose or on false evidence;
- d) There is no chance that they will reconcile; and
- e) Given the orders I have made herein, I am satisfied that there are reasonable arrangements made for the children.

[236] Based on the foregoing, I am satisfied that the requirements of the Divorce Act have been met and I grant a divorce. Pursuant to s. 12(1) of the Divorce Act, the divorce will take effect on the 31st day after the issuance of this order.

Vesting Order - Oak Street Property

[237] As noted above, I have found that retroactive and prospective child support are to be paid to Ms. Zhang from Mr. Li's equity in the Oak Street Property. The amounts owed by Mr. Li to Ms. Zhang in this respect exceed Mr. Li's remaining share of the equity in that property. Accordingly, I order that Mr. Li's interest in the Oak Street Property is to be transferred to Ms. Zhang.

[238] However, effecting this transfer is complicated by the fact that while Mr. Li and Ms. Zhang are undisputedly the beneficial owners of the property, it is legally owned by Ms. Yan. Given Ms. Yan's conduct in failing to defend the counterclaim or otherwise engage in this proceeding to date, I find that there is a strong likelihood that she will not cooperate in taking the steps necessary to transfer the Oak Street Property to Ms. Zhang in accordance with my orders herein.

[239] Ms. Zhang seeks an order that if Ms. Yan does not comply in signing the necessary documentation to effect the transfer of the Oak Street Property into her name, then Ms. Zhang will be authorized to sign the necessary documentation on Ms. Yan's behalf, or that a Registrar of the Court may do so. Ms. Zhang adduced no authority in support of such an approach.

- [240] I prefer to address the issue by considering whether a vesting order is necessary to give effect to the orders made herein regarding property division. The Court's jurisdiction to make a vesting order arises from s. 37 of the Law and Equity Act, R.S.B.C. 1996, c. 253 [LEA], and s. 97 of the FLA. Under s. 37 of the LEA, a vesting order is available where a court has the authority to order a conveyance of property: *Lanfer v. Eilers*, 2021 BCCA 241 at para. 95.
- [241] An order made under s. 37 then has the same effect as if legal title had been actually conveyed to the person in whom it is ordered vested:

Vesting orders

37(1) Where the court has authority to order the execution of a deed, conveyance, contract, transfer or assignment of any property or other document or to endorse any negotiable instrument, the court may, by order, vest the property in the person and in the manner and for the estates, as would be done by that deed, conveyance, contract, assignment or transfer if it were executed.

- (2) An order made under subsection (1) has the same effect as if the legal or other estate or interest in the property had been actually conveyed by deed or otherwise for the same estate or interest to the person in whom it is ordered to be vested or, in the case of a chose in action, as if the chose in action had been actually assigned to that person.

[242] Subsections 97(1) and (2) of the FLA in turn confer the necessary authority on the court to determine ownership of property and make orders transferring, vesting, or declaring ownership of property to give effect to a division of property under that act:

Giving effect to property division

97(1) For the purposes of giving effect to a division of property or family debt under this Part or Part 6, the Supreme Court may

- (a) determine any matter respecting the ownership, right of possession, or division of the property or family debt, and
 - (b) despite sections 94(2) and 215(2), and subject to subsections (3) to (4.3) of this section, as applicable, make any order that is necessary, reasonable or ancillary to give effect to the division.
- (2) Without limiting subsection (1), the Supreme Court may make an order to do one or more of the following:
- (a) declare who has ownership of, or right of possession to, property, including a companion animal;
 - (b) require that title to a specified property granted to a spouse be transferred to, held in trust for, or vested in the spouse, absolutely, for life or for a term of years;

- (j) transfer property to a spouse.

[243] As noted above, I am satisfied that there is a strong likelihood that Ms. Yan will not take the necessary steps to comply with the Court's order that title to the Oak Street Property be transferred to Ms. Zhang. I therefore conclude that a vesting order is both necessary and appropriate in the circumstances as it will ensure the Court's orders are complied with without further delay, thereby allowing the parties to effect property division in timely way and move on with their lives.

[244] In the result, pursuant to s. 37 of the LEA and s. 97 of the FLA, I order that title to the Oak Street Property be vested solely in Ms. Zhang's name.

Summary of Orders

[245] Where I have indicated that the parties are in agreement with respect to certain orders, the Order shall reference those terms as being by consent, as indicated below. In summary, the orders I have made are as follows:

- a) Mr. Li and Ms. Zhang shall be the guardians of the children under s. 39(1) of the FLA;
- b) Ms. Zhang will have all of the decision-making responsibility with respect to the children under s. 16.3 of the Divorce Act;
- c) By consent, and pursuant to s. 16.1 of the Divorce Act:
 - i. Ms. Zhang will have primary residence of the children; and
 - ii. Mr. Li will have reasonable and generous parenting time with the children as agreed to by Mr. Li and Ms. Zhang;
- d) Mr. Li is found to be a resident of British Columbia for child support purposes and is imputed to have a gross annual income of \$150,000;
- e) Ms. Zhang is found to be a resident of British Columbia and is imputed to have a gross annual minimum income of \$100,000;
- f) Mr. Li will pay to Ms. Zhang the sum of \$2,159 per month for the support of the children E.L. born August 28, 2018, and S.L. born April 28, 2020;
- g) Mr. Li will pay to Ms. Zhang child support for the children E.L. and S.L. on a lump sum basis for the period of March 2025 through February 2030 in the amount of \$129,540 (60 months x \$2,159 per month);
- h) Mr. Li is to pay Ms. Zhang \$73,412 on account of retroactive child support and special expenses for the children E.L. and S.L. for the period May 2023 to February 2025;
- i) Either party will be at liberty to seek a variation of child support on or after March 1, 2030;

- j) Mr. Li will pay his proportional share for the children's special or extraordinary expenses to Ms. Zhang. The parties' proportionate sharing of special or extraordinary expenses shall be 66% to Mr. Li and 33% to Ms. Zhang.
- k) Either party is at liberty to seek an annual review of special or extraordinary expenses, and a reconciliation of the amount due and owing for the previous year shall be paid in the June of the following year, until the children are no longer children of the marriage, as defined by the Divorce Act.
- l) Mr. Li shall retain his interests in Zodiac and 403 free and clear of any claim or interest of Ms. Zhang;
- m) Except as otherwise set out herein, each party shall retain all chattels, financial assets, and household contents currently in their possession and shall be responsible for all debts in their respective names, free and clear of any claim or interest by the other party.
- n) Mr. Li shall be solely responsible for the loan owing to Ms. Yan as reflected in the Bare Trust Agreement;
- o) Ms. Zhang shall be solely responsible for payment of the mortgage debt registered against title to the Oak Street Property;
- p) Pursuant to s. 37 of the LEA and s. 97 of the FLA, the Oak Street Property shall be vested solely in Ms. Zhang's name, and she shall retain all rights, title, and interest in the property, free and clear of any claim or interest of Mr. Li or Ms. Yan;
- q) Following transfer of his interest in the Oak Street Property to Ms. Zhang, Mr. Li remains liable to pay Ms. Zhang \$39,172.50 and Ms. Zhang is entitled to judgment against him in that amount.

Costs

[246] Under Rule 16-1(7) of the Supreme Court Family Rules, B.C. Reg. 169/2009, costs of a family law case must be awarded to the successful party, unless the Court otherwise orders. Rule 16-1(1)(c) in turn provides that costs must be assessed in accordance with Appendix B, unless the court awards lump sum costs for the family law case and fixes those costs under 16-1(14) in an amount the court considers appropriate.

[247] Ms. Zhang is the successful party and is therefore entitled to her costs of this action, to be assessed.

[248] I will remain seized of any matters between the parties arising out of these reasons for judgment for a period of six months from the date hereof, or until such other time as I determine.

"Hughes J."

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Prepared on 29 October 2026 · Esheria