

CANADA / JUDGMENT

Wang v. Binance Holdings Ltd.

2025 BCSC 425

COURT

Supreme Court of British Columbia

DECIDED

6 February 2025

Source: bccourts.ca · Research copy typeset by Esheria. Not court-issued or certified.

2025 BCSC 425 Wang v. Binance Holdings Ltd.

IN THE SUPREME COURT OF BRITISH COLUMBIA

Citation:

Wang v. Binance Holdings Ltd.,

2025 BCSC 425

Date: 20250206

Docket: S250855

Registry: Vancouver

Between:

Lixiao Wang

Petitioner

And

Binance Holdings Ltd. and Coinbase Global, Inc.

Respondents

Before: The Honourable Justice Elwood

Oral Reasons for Judgment

(In Chambers)

Counsel for the Petitioner:

N.N. Alavi

No other appearance

Place and Date of Hearing:

Vancouver, B.C.

February 4–6, 2025

Place and Date of Judgment:

Vancouver, B.C.

February 6, 2025

- [1] THE COURT: The petitioner, Lixiao Wang, applies for production orders, sometimes referred to as Norwich orders, requiring the respondent cryptocurrency platforms to disclose information relating to the identities of the account holders who received certain bitcoin transactions on their platforms, identified by transaction hashes.
- [2] Mr. Wang also applies for preservation orders that any cryptocurrency and fiat funds held by the account holders who received bitcoin in these transactions be preserved by the respondents.
- [3] Mr. Wang has not yet served the petition. This hearing was without notice. Mr. Wang does not allege any wrongdoing against the respondents. The purpose of the petition is to obtain the production and preservation orders only. If the orders are granted, Mr. Wang intends to commence an action against the account holders and possibly others.

Background

- [4] Mr. Wang alleges that he fell victim to a sophisticated cryptocurrency investment scam through which bitcoin valued in excess of \$26 million was stolen from him by an unknown individual or individuals claiming to reside in British Columbia.
- [5] A private investigator hired by Mr. Wang has traced the cryptocurrency transactions and provided expert evidence, relied on by Mr. Wang for this application, that the bitcoin flowed to accounts on the two cryptocurrency exchanges named as respondents, Binance Holdings Ltd. and Coinbase Global Inc. Binance is a company resident in the Cayman Islands; and Coinbase is a company resident in the United States of America.

Analysis

- [6] I will address up front the Court's jurisdiction to grant the orders sought against the non-resident respondents.

- [7] In *Equustek Solutions Inc. v. Google Inc.*, 2015 BCCA 265, the Court of Appeal upheld an injunction that prohibited Google from including certain websites and results delivered by its search engine. Google was not a party to the underlying litigation, nor was it alleged that Google had done anything unlawful. The injunction was granted to ensure that orders against the defendants in that case were effective.
- [8] In doing so, the Court of Appeal held that in personam jurisdiction to grant an injunction cannot be derived from the mere fact that a passive website can be accessed by residents of British Columbia.
- [9] The chambers judge in the *Equustek* case found a real and substantial connection between the subject matter of the underlying litigation and British Columbia and between Google's services and the defendant's actions.
- [10] The Court of Appeal found that Google itself was sufficiently connected to British Columbia for the court to assume in personam jurisdiction to grant an injunction. While Google did not have any servers or offices or resident staff in British Columbia, key parts of its business were carried out here. A real and substantial connection between Google and British Columbia arose because Google sold advertising to British Columbia clients and/or obtained data through its proprietary web crawler software data that was the property of individuals in British Columbia (*Equustek* at para. 54).
- [11] In *Jechow v. MEXC Global LLC*, unreported, May 28, 2024, Vancouver S237944, Justice Jones applied *Equustek* to find in personam jurisdiction to grant a preservation order against an offshore cryptocurrency platform resident in the British Virgin Islands by virtue of the petitioner in that case being able to access the platform in British Columbia.
- [12] Likewise, in this case, the respondents have more than a mere passive presence in British Columbia. Their apps are available for download in this jurisdiction from the Apple App store and the Google Play store. The apps allow users in British Columbia to create accounts, deposit funds, and trade various cryptocurrency on the platforms, including bitcoin.
- [13] In or about September of 2023, Binance communicated to account holders in British Columbia that it was "proactively withdrawing from the Canadian marketplace." However, as of February 5, 2025, a resident of British Columbia deposes he was still able to visit the *Binance.com* website and log into his Binance account, and confirm that his account was still active as of that date.
- [14] In my view, the evidence on this application provides sufficient connections to British Columbia for the court to assume in personam jurisdiction over the respondents to grant the order sought by Mr. Wang.
- [15] The first order sought is, as stated, a form of Norwich order. The test for a Norwich order is set out in *Kenney v. Loewen* (1999), 64 B.C.L.R. (3d) 346 (B.C.S.C.) at para. 33:

- [133] Since *Norwich Pharmacal*, many cases have considered the circumstances in which the extraordinary remedy of discovery should be granted. These may be summarized as follows:
- (a) the plaintiff must show that a bona fide claim exists against the unknown wrongdoer;
 - (b) the defendant must establish that the information is required in order to commence an action against the unknown wrongdoer, that is, the plaintiff must establish that disclosure will facilitate rectification of the wrong;
 - (c) the defendant must be the only practicable source of the information;
 - (d) there is no immunity from disclosure;
 - (e) the plaintiff must establish a relationship with the defendant in which the defendant is mixed up in the wrongdoing. Without connoting impropriety, this requires some active involvement in the transactions underlying the intended cause of action;
 - (f) disclosure by the defendant will not cause the defendant irreparable harm; and
 - (g) the interests of justice favour granting the relief.
- [16] I find that the test from *Kenney*, *supra*, is met on the evidence in this application.
- [17] Mr. Wang deposes that in early 2024, he was contacted on WhatsApp by a person who identified herself as Qin Xin. He deposes that Xin told him that she lived in Vancouver, British Columbia. Xin claimed to be a cryptocurrency investment expert. Xin introduced Mr. Wang to the website www.weeexploit.com. Xin encouraged Mr. Wang to open an account and participate in what were called "events" on weeexploit.com.
- [18] To participate in the events, Mr. Wang was required to invest a large amount of money for a specified period of time. Mr. Wang understood that he would not be able to withdraw the funds that he deposited for the specified time, but would receive a return on his investment and be able to withdraw his funds once the events concluded.
- [19] Mr. Wang did not have enough money to participate in the events on his own. Xin offered to invest with him and told him that he could pay her back once the events concluded. Xin told Mr. Wang that she transferred certain cryptocurrency to his account for that purpose.
- [20] Mr. Wang then made 13 bitcoin transfers totalling over \$26 million CAD to his account on weeexploit.com from his account on a digital wallet service. Each deposit was identified by a bitcoin transaction hash. Mr. Wang's weeexploit.com account showed confirmation of receipt of the cryptocurrency that he transferred to his account.
- [21] When the second event concluded, Mr. Wang attempted to withdraw his funds. However, he was not able to log into his account, and his account seemed to be locked. He was informed by the weeexploit.com support team that his account had been the target of cyber attacks, and that it had been locked as a precaution against further attacks.

- [22] The support team offered to perform a security audit that would allow them to unlock Mr. Wang's account, but said he would need to deposit additional funds totalling almost \$6 million CAD for them to perform this audit. Mr. Wang became suspicious and did not comply with this demand. He has since been unable to access his account and unable to recover his funds.
- [23] Mr. Wang retained Gregory Tweed, a private investigator, to investigate Xin and to conduct blockchain forensic work to trace the bitcoin that was involved in these transactions. Upon investigating, Mr. Tweed determined that the British Columbia driver's licence provided by Xin was fake. He also determined that the photographs provided by Xin of her were used on various sites across the internet.
- [24] Mr. Tweed traced the bitcoin that Mr. Wang lost to a series of transaction hashes, and from there into accounts controlled by the respondent cryptocurrency platforms. Mr. Tweed says in his expert report that the respondent cryptocurrency platforms will be able to associate these accounts on their platforms with account holders. If provided with the transaction hashes, Mr. Tweed says the respondents will be able to produce identifying information about the account holders and particulars of the transactions.
- [25] I find on the evidence that Mr. Wang has shown a prima facie claim against the individuals in control of the accounts on the respondents' cryptocurrency platforms acting together with Xin to perpetrate a fraudulent scheme to defraud him of his cryptocurrency.
- [26] I find that information about the account holders is necessary to commence an action, and that granting the Norwich orders sought by Mr. Wang may facilitate the return of his funds and rectification of the wrong that he has suffered.
- [27] I am satisfied that the respondents, Binance and Coinbase, are the only practical source of the personal information identifying the wrongdoers, and the only source of the information identifying the individuals in whose accounts the stolen bitcoin is presently being held.
- [28] I am also satisfied that there is a sufficient relationship between the respondent cryptocurrency platforms and the wrongdoing to satisfy the element of the Norwich test that the respondents have been "mixed up" in the wrongdoing without having committed any wrongdoing themselves.
- [29] I find that the interests of justice weigh in favour of granting the Norwich orders sought for two reasons:
- a) granting the orders will increase the probability that Mr. Wang, the alleged victim of a cryptocurrency scam, will recover stolen funds; and
 - b) individuals like those whose identities Mr. Wang seeks will be less inclined to engage in cryptocurrency scams if their identities may be exposed through Norwich orders.

- [30] I conclude that Mr. Wang has satisfied the test for a Norwich order as outlined by this Court in Kenney, supra.
- [31] Turning to the preservation order, I note that a preservation order was granted by Jones J. in the Jechow, supra, over bitcoin held by the cryptocurrency platform. As in Jechow, supra, I find that the test for a preservation order is met in this case:
- a) Mr. Wang has a proprietary interest in the bitcoin received by the respondent cryptocurrency platforms associated with the transaction hashes in the petition.
 - b) In the personal circumstances described by Mr. Wang, his belief that the bitcoin is threatened with disposition is reasonable.
 - c) There is a substantial question to be tried as to whether Mr. Wang may ultimately be entitled to all of the bitcoin associated with these transactions, and the balance of convenience is in favour of granting the order.
- [32] I conclude that the Court ought to exercise its discretion and order that the bitcoin associated with the identified transaction hashes on the respondents' cryptocurrency platforms be preserved.
- [33] For these reasons, I will grant the orders sought by Mr. Wang in the form that his counsel has drafted, appropriately incorporating relevant parts of the model order for preservation of assets.

"Elwood J."

Source & reproduction note

Judgment wording, source notices and original paragraph numbers are retained. Esheria supplies the layout and this PDF's page numbers; these are not the source pagination. This is a research copy, not an official or certified court document. Check quotations, citations and publication restrictions against the original source before relying on it.

ORIGINAL SOURCE <https://www.bccourts.ca/jdb-txt/sc/25/04/2025BCSC0425.htm>

CASE PAGE <https://chat.esheria.ai/case-law/canada/wang-v-binance-holdings-ltd-2025>

Prepared on 29 October 2026 · Esheria