

IN THE SUPREME COURT OF BRITISH COLUMBIA

Citation: *Wang v. Binance Holdings Ltd.*,
2026 BCSC 874

Date: 20260512
Docket: S250855
Registry: Vancouver

Between:

Lixiao Wang

Petitioner

And

Binance Holdings Ltd. and Coinbase Global, Inc.

Respondents

Before: The Honourable Justice Elwood

Reasons for Judgment

The Petitioner, appearing in person:

L. Wang

Counsel for the Respondent, Binance
Holdings Ltd.:

G.A. Hamilton
J. Cabott
B. Taylor

No other appearance

Place and Date of Hearing:

Vancouver, B.C.
February 20, 2026

Place and Date of Judgment:

Vancouver, B.C.
May 12, 2026

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I. INTRODUCTION

[1] Binance Holdings Ltd. (“Binance”) applies to set aside a without notice order and dismiss the underlying petition by Lixiao Wang.

[2] Binance is a digital marketplace platform on which registered users buy and sell cryptocurrencies, including bitcoin. Binance has no physical presence in British Columbia. Its servers are located in Japan.

[3] Mr. Wang alleges that he fell victim to a cryptocurrency investment scam. He says that bitcoin valued in excess of \$26 million was stolen from him by an unknown individual or individuals claiming to reside in British Columbia.

[4] Mr. Wang named Binance and another cryptocurrency platform as respondents in a petition. He sought orders that they produce information relating to the identities of the account holders who received certain transactions on their platforms, and orders that they preserve any cryptocurrency and fiat funds held by those account holders.

[5] Mr. Wang set the petition down for hearing without notice to the respondents. On February 6, 2025, I made production and preservation orders against the respondents. As a threshold issue, I found that the evidence established sufficient connections to British Columbia to assume *in personam* jurisdiction over the respondents.

[6] Binance argues that the orders should be set aside because they were made on the mistaken premises that Binance carries on business in British Columbia, and the cryptocurrency Mr. Wang says was stolen from him can be traced to accounts on the Binance.com platform. It argues that Mr. Wang failed to disclose material facts relating to Binance’s withdrawal from Canada and the restrictions it has placed on Canadian users, as well as limits on the ability of blockchain investigators to trace bitcoin through multiple accounts. On the whole of the evidence, Binance argues that the Court has no jurisdiction. It submits that the petition should be dismissed with special costs against Mr. Wang.

II. BACKGROUND

A. The Cryptocurrency Investment Scam

[7] In early 2024, Mr. Wang was contacted on WhatsApp by a person who identified herself as Qin Xin. Ms. Xin told Mr. Wang that she lived in Vancouver, British Columbia, and claimed to be a cryptocurrency investment expert. She introduced Mr. Wang to the website www.weeexploit.com and encouraged him to open an account and participate in what were called “events” on the website.

[8] 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 be able to withdraw his funds once the events concluded and receive a return on his investment.

[9] Mr. Wang did not have enough money to participate in the events on his own. Ms. Xin offered to invest with him and told him that he could pay her back once the events concluded. Ms. Xin told Mr. Wang that she had transferred certain cryptocurrency to his account for that purpose. Mr. Wang then made 13 bitcoin transfers totalling over \$26 million to his account on weeexploit.com from his account on a digital wallet service.

[10] When the second event concluded, Mr. Wang attempted to withdraw his funds. However, he was unable to log into his account. The weeexploit.com support team told him that his account had been locked because it was the target of cyber attacks.

[11] The support team offered to perform a security audit that would allow them to unlock Mr. Wang’s account, but required him to deposit additional funds totalling almost \$6 million to do so. Mr. Wang became suspicious and did not comply with this demand. He has since not been able to access his account or recover his funds.

[12] Mr. Wang retained Sean Tweed, a private investigator, to investigate Ms. Xin and conduct a blockchain analysis to trace the bitcoin that was involved in these transactions. Upon investigating, Mr. Tweed determined that the British Columbia

driver's licence provided by Ms. Xin was fake. He also determined that the photographs of her provided by Ms. Xin were used on various sites across the internet.

[13] Mr. Tweed prepared a report for Mr. Wang that purported to trace the lost bitcoin into accounts on the respondents' platforms using a series of transaction hashes. A transaction hash is a unique 64-character hexadecimal string that acts as a digital receipt for a transaction. Mr. Tweed traced three deposits by Mr. Wang, through intermediary addresses, into addresses which Mr. Tweed associated with Binance.com. Mr. Tweed opined that Binance should be able to relate these addresses to accounts on its platform and produce identifying information about the account holders and particulars of the transactions.

B. The Petition and Supporting Affidavits

[14] Mr. Wang filed the petition on February 3, 2025, naming Binance and Coinbase Global, Inc. ("Coinbase") as respondents. The petition does not allege any wrongdoing against Binance or Coinbase. The only relief sought in the petition is the production and preservation orders.

[15] The petition alleges a real and substantial connection to British Columbia because the proceeding concerns a tort committed in British Columbia and businesses carried on there. It asserts that the Supreme Court of British Columbia has jurisdiction over the respondents under ss. 3(e), 10 of the *Court Jurisdiction and Proceedings Transfer Act*, S.B.C. 2003, c. 28. It alleges that Binance carries on business in British Columbia by "having allowed British Columbians to access, trade on and store funds on [its exchange]" and "offer[ing] access to [its] platform to Canadians, including British Columbians, by offering [its application] for download in Apple's App Store and Google's Play Store in Canada."

[16] Mr. Wang set the petition down for hearing without notice to the respondents, before serving the pleadings on them. At the without notice hearing, Mr. Wang relied on four affidavits:

- a) His own affidavit, setting out the facts of the alleged cryptocurrency scam;
- b) An affidavit by Mr. Tweed, attaching the report with his trace of the bitcoin transactions;
- c) An affidavit by Greg McMullen, describing how, as a resident of Vancouver, he registered for and used accounts on the respondent cryptocurrency platforms, including how he accessed his Binance account on February 5, 2025, after Binance announced it was withdrawing from the Canadian marketplace; and
- d) An affidavit by Ray Barbour, attaching corporate records searches and receipts for 13 bitcoin transactions, and confirming that on January 30, 2025, the respondents' cryptocurrency apps were available to download in Vancouver from the Apple App store and the Google Play store.

C. Reasons for Judgment on the Without Notice Hearing

[17] In oral reasons for judgment, now transcribed and indexed at 2025 BCSC 425 (“RFJ”), I granted the orders sought in the petition. In doing so, I addressed as a threshold issue the Court's jurisdiction to make the orders sought against the non-resident respondents.

[18] I referred to *Equustek Solutions Inc. v. Google Inc.*, 2015 BCCA 265, where the Court of Appeal held that *in personam* jurisdiction cannot be derived from the mere fact that a passive website can be accessed by residents of British Columbia, but may arise from a real and substantial connection between an online business and British Columbia without any physical presence in British Columbia.

[19] I also referred to *Jechow v. MEXC Global LLC*, unreported, May 28, 2024, Vancouver S237944, where Justice Jones applied *Equustek* to find jurisdiction to grant a preservation order against an offshore cryptocurrency platform because the petitioner could access the platform from British Columbia.

[20] I found that the Court had jurisdiction over Binance in this case because Binance had “more than a mere passive presence in British Columbia”, saying that:

- a) The Binance app is “available for download in this jurisdiction from the Apple App store and the Google Play store,” and the apps “allow users in British Columbia to create accounts, deposit funds, and trade various cryptocurrencies on the platforms, including bitcoin” (RFJ at para. 12).
- b) “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” (RFJ at para. 13).

[21] I concluded that the evidence provided “sufficient connections to British Columbia for the Court to assume *in personam* jurisdiction over the respondents to grant the orders sought by Mr. Wang” (RFJ at para. 14).

[22] I went on to find that the evidence satisfied the test for a *Norwich* production order. In doing so, I found that the respondents were “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” (RFJ at para. 27). I also found “that the evidence satisfied the test for a preservation order” (RFJ at para. 31).

D. Binance’s Evidence on this Application

[23] Binance relies on an affidavit by Tim Molcsan-Spidel. Mr. Molcsan-Spidel is an investigator with Ality Technologies Limited, a Canadian firm that provides services to Binance. In this role, he works with the blockchain and blockchain analytics. He deposes that he is familiar with the process of transferring cryptocurrency in and out of Binance account holders’ wallets.

[24] Mr. Molcsan-Spidel deposes that Binance withdrew from the Canadian digital marketplace in 2023. On June 1, 2023, Binance implemented procedures to prevent persons who are located or resident in Canada from registering on the Binance.com

platform and trading in Binance accounts. Binance also updated its terms of use to exclude users in Canada. On September 25, 2023, Binance placed all existing Canadian accounts into “liquidation-only” mode, restricting the account holders to transactions associated with withdrawing their assets from the platform.

[25] Accordingly, although the Binance.com app can still be downloaded in Canada, Mr. Molcsan-Spidel deposes that a person in Canada can no longer open an account or trade cryptocurrency in an existing account using the app.

[26] Mr. Molcsan-Spidel further deposes that the cryptocurrency Mr. Wang deposited with www.weeexploit.com cannot be traced reliably to the Binance.com platform.

[27] Mr. Tweed traced a portion of these funds through an address which Mr. Molcsan-Spidel identifies as a digital wallet on an exchange called BigONE. Mr. Molcsan-Spidel deposes that BigONE pools funds from multiple users. He opines that crypto assets cannot be traced through an omnibus exchange like BigONE, where there is a significant commingling of funds.

III. ANALYSIS

[28] When a party appears *ex parte* before the court, they are under a strict duty to disclose all material facts. In *Su v. Atom Holdings*, 2025 BCCA 199, the Court of Appeal confirmed that a party seeking an order without notice is required to disclose any and all information “which might have influenced the court's decision”. Full disclosure also requires the applicant to conduct reasonable inquiries “to ascertain whether additional material facts exist” and to disclose “any defence which the applicant has reason to anticipate”: *Su* at paras. 36–38.

[29] A failure to make full and fair disclosure weighs heavily in any subsequent application to set aside the order. If material non-disclosure is established, it is open to the reviewing judge to set aside the order without regard to the merits of the application: *Su* at para. 39; *Gulf Islands Navigation Ltd. v. Seafarers' International Union*, 18 D.L.R. (2d) 625, 1959 CanLII 272 (B.C.C.A.).

[30] The decision whether to consider the merits is discretionary: *Su* at para. 40; *Bank of Credit and Commerce International (Overseas) Ltd. v. Akbar*, 2001 BCCA 204 at para. 39. If the judge does consider the merits, they do so *de novo*, and it is open to them to consider fresh evidence: *Bank of Credit* at paras. 30–33, 43–47.

[31] A reviewing judge has the discretion to continue an order or issue a new order, despite a finding of material non-disclosure: *Su* at para. 41; *MacLachlan v. Nadeau*, 2017 BCCA 326 at paras. 31–32, 37(vi). That discretion must be exercised judicially, in accordance with established principles including those outlined in *Brinks-MAT Ltd. v. Elcombe*, [1988] 3 All E.R. 188 (C.A.): *MacLachlan* at para. 37(vii).

[32] The principles in *Brinks-MAT* include the following statement quoted by our Court of Appeal in *Su* at para. 43:

...

(vi) Whether the fact not disclosed is of sufficient materiality to justify or require immediate discharge of the order without examination of the merits depends on the importance of the fact to the issues which were to be decided by the judge on the application. The answer to the question whether the non-disclosure was innocent, in the sense that the fact was not known to the applicant or that its relevance was not perceived, is an important consideration but not decisive by reason of the duty on the applicant to make all proper inquiries and to give careful consideration to the case being presented.

(vii) Finally, it 'is not for every omission that the injunction will be automatically discharged. A locus poenitentiae may sometimes be afforded'. The court has a discretion, notwithstanding proof of material non-disclosure which justifies or requires the immediate discharge of the *ex parte* order, nevertheless to continue the order, or to make a new order on terms:

'... when the whole of the facts, including that of the original non-disclosure, are before it, [the court] may well grant such a second injunction if the original non-disclosure was innocent and if an injunction could properly be granted even had the facts been disclosed.'

A. Did Mr. Wang Fail to Disclose Material Facts?

[33] The evidence on this application establishes that Binance implemented procedures in June 2023 to block Canadian users from opening new accounts. It

also establishes that Binance placed all existing Canadian accounts into “liquidation-only” mode in September 2023, restricting them to transactions associated with withdrawing assets from the platform.

[34] These facts were relevant to the jurisdictional issue and whether Binance carried on business in British Columbia. As part of that analysis, I said: “The apps allow users in British Columbia to create accounts, deposit funds, and trade various cryptocurrencies on the platforms, including bitcoin” (RFJ at para. 12). That statement was incorrect as of February 6, 2025, when the Court made the orders against Binance.

[35] A careful reading of the affidavits from the without notice hearing shows that Mr. Wang did not misrepresent the facts to the Court. Mr. McMullen deposed that:

3. On or about January 16, 2021, while a resident of Vancouver, I registered for an account with Binance.com (“Binance Account”). I used my Binance Account to trade various cryptocurrencies, including bitcoin.
4. On or about September 23, 2023, I received an email from Binance indicating that Binance was “proactively withdrawing from the Canadian marketplace”.
5. I withdrew most of the cryptocurrency remaining in my Binance Account but left a small amount of bitcoin in the custody of Binance.
6. On February 5, 2025, from my residence in Vancouver, I visited the Binance.com website and attempted to log into my Binance Account. My Binance Account was still active, and still contained a balance of \$11.75 CAD in bitcoin in the custody of Binance. As such, Binance provides me with custodial services for the bitcoin in my Binance Account.

[36] Binance has not shown that Mr. McMullen’s evidence was untruthful. His evidence was accurate, so far as it went. However, combined with the allegations in the petition, it created an incorrect impression. As the presiding judge, I found incorrectly that, as of February 6, 2025, British Columbians could still create accounts, deposit funds, and trade cryptocurrency on the Binance.com platform. That error may have been mine, but it was an error that could have been avoided with more complete disclosure by Mr. Wang’s deponents.

[37] The restrictions on Canadian users would have been apparent to anyone who reviewed Binance’s terms of use or attempted to trade anything more than a nominal amount of cryptocurrency. Mr. McMullen was aware that the functionality of the website had changed since he first opened his account in 2021. His affidavit reflects knowledge that changes had been made. In my view, Mr. Wang’s counsel at the time anticipated that those changes might be relevant to the jurisdictional issue, hence the statement by Mr. McMullen that Binance still provided “custodial services”. Reasonable inquiries by Mr. McMullen or counsel would have alerted them to the fact that British Columbians could no longer create accounts, deposit funds, or trade cryptocurrencies.

[38] These facts may have changed the outcome of the jurisdictional analysis and, for that reason, the outcome of the hearing. Accordingly, the without notice orders must be set aside based on material non-disclosure.

[39] Binance argues that Mr. Wang also failed to disclose that the report by Mr. Tweed purported to trace the bitcoin through an omnibus exchange and was therefore erroneous and unreliable.

[40] In my view, the reliability of Mr. Tweed’s trace is an issue on the merits after considering the responding evidence from Binance, rather than a further concern with non-disclosure by Mr. Wang.

B. Should the Orders be Continued?

[41] Despite the material non-disclosure, I would exercise my discretion to consider the merits of the orders. The non-disclosure was innocent in the sense that there is no evidence that Mr. Wang or Mr. McMullen intended to mislead the Court. Also, Mr. Wang is now self-represented. He asks that the orders be continued.

[42] I would not continue the orders or issue new orders. With the benefit of evidence from Binance and submissions by its counsel, I have concluded that the Court does not have the jurisdiction to issue these orders.

[43] In *Club Resorts Ltd. v. Van Breda*, 2012 SCC 17, the Supreme Court of Canada held that carrying on business in a jurisdiction may be an appropriate connecting factor in a jurisdictional analysis, but one that must be considered carefully in the context of online businesses. Advertising in the jurisdiction or the fact that a website can be accessed from the jurisdiction would not suffice to establish that a party is carrying on business there. The notion of carrying on business requires some form of actual, not only virtual, presence in the jurisdiction, such as maintaining an office or regularly visiting the territory of the particular jurisdiction: *Club Resorts* at para. 87.

[44] In *Equustek*, the Court of Appeal held that Google was sufficiently connected to British Columbia to issue an injunction. While Google did not have any servers or offices or resident staff in British Columbia, the Court found that key parts of its business were carried out here. A real and substantial connection arose because Google sold advertising to British Columbian clients and/or obtained data through its proprietary web crawler software that was the property of individuals in British Columbia: *Equustek* at para. 54.

[45] In contrast, Binance bars British Columbians from accessing the core aspects of its business. It no longer allows people in British Columbia to open accounts, deposit funds, or trade cryptocurrency. There is no evidence that it sells advertising in British Columbia or collects data from British Columbia. At most, it allows resident legacy account holders, such as Mr. McMullen, to maintain a balance in their existing accounts and facilitates transactions solely for the purpose of recovering those funds.

[46] Binance argues that it never carried on business in British Columbia, even prior to 2023, when residents like Mr. McMullen could open accounts, deposit funds, and trade cryptocurrency. It cites *Shirodkar v. Coinbase Global, Inc.*, 2024 ONSC 1399, where the Ontario Superior Court of Justice held that the fact that a cryptocurrency platform's trading services could be virtually accessed by people

located in Ontario was not sufficient to conclude that it carried on business in the province: *Shirodkar* at para. 37.

[47] In my view, a decision by this Court on these broad terms should await a case with a proper evidentiary record. Whatever its services prior to 2023, Binance no longer carries on business in British Columbia at this time, as that concept is explained in *Equustek*.

[48] The residual custodial and recovery services that Binance provides for legacy account holders are not sufficient. Those services are akin to a passive website that may be accessed from British Columbia. Binance does not solicit interactions with existing account holders in British Columbia and does not allow them to deposit additional funds or trade cryptocurrencies.

[49] I agree with Binance’s counsel that the question I posed during oral submissions—whether a resident legacy account holder could seek relief from this Court to recover assets from the platform—does not arise on the facts of this case.

[50] I conclude on the evidence as a whole that there are insufficient connections to British Columbia for the Court to assume *in personam* jurisdiction over Binance to grant the production and preservation orders sought by Mr. Wang.

[51] Since the production and preservation orders are the only relief sought in the petition, the petition must be dismissed as against Binance.

C. Should Special Costs be Awarded Against Mr. Wang?

[52] Binance argues that Mr. Wang should be ordered to pay special costs of this application. It argues that an award of special costs is warranted when an applicant like Mr. Wang is found to have breached the duty of full and frank disclosure on a without notice application, including where that breach results from a failure to undertake reasonable inquiries.

[53] In *Garcia v. Crestbrook Forest Industries Ltd.* (1994), 9 B.C.L.R. (3d) 242, 1994 CanLII 2570, the Court of Appeal established that special costs are awarded

only if a party has engaged in reprehensible conduct during the litigation.

Reprehensible conduct encompasses “scandalous or outrageous conduct” but it also encompasses milder forms of misconduct “deserving of reproof or rebuke”: *Garcia* at para. 17.

[54] The authority to award special costs should be exercised with restraint so as to preserve its punitive and deterrent purposes. The party seeking special costs must demonstrate exceptional circumstances to justify special costs: *Low v. Straiton Development Corporation*, 2023 BCSC 593 at para. 71; *Westsea Construction Ltd. v. 0759553 B.C. Ltd.*, 2013 BCSC 1352 at para. 73.

[55] Material non-disclosure or misrepresentation on a without notice application may be grounds for special costs. Conduct in this context that is deserving of reproof or rebuke need not rise to the level of deliberate misconduct. Carelessness in some circumstances may be deserving of censure by the court: *Bank of Credit and Commerce International (Overseas) Ltd. v. Akbar*, 2001 BCCA 204 at paras. 18–19.

[56] In *Canadian Western Bank v. John Doe*, 2024 BCSC 555, for example, Justice Loo awarded special costs where the applicant’s failures, while not deliberate, were “severe” and included unfounded allegations of fraud, misstatement of facts, and the use of hearsay evidence: *Canadian Western Bank* at paras. 52–55.

[57] In this case, Mr. Wang did not make any allegation of wrongdoing against Binance. He did not misstate the facts. The orders he obtained were made without jurisdiction largely because of a misunderstanding of the evidence by the Court without the benefit of submissions from the respondents. There is no evidence that Mr. Wang intended to mislead the Court. In my view, he applied in good faith to obtain information with which to prosecute a claim against unknown fraudsters who defrauded him of millions of dollars.

[58] The appropriate order in the circumstances is costs on the normal tariffs.

IV. CONCLUSION

[59] The orders against Binance made on February 6, 2025, are set aside.

[60] The petition is dismissed as against Binance.

[61] Binance is entitled to costs of this application on the normal tariffs.

“Elwood J.”