

CITATION: Luo et al. v. Wang et al., 2026 ONSC 2939
COURT FILE NO.: CV-25-3494
DATE: 2026-05-20

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

JING LUO and SHU ZHOU

Plaintiffs

- and -

ZHE WANG, CHONG XIA QIU, 11076779
CANADA INC., 2525371 ONTARIO INC.
and ENJOY-DRIVING AUTOMOTIVE INC.

Defendants

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) *J. Wang*, for the Plaintiffs
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) *A. Serpa*, for the Defendants
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) **HEARD:** May 15, 2026, via Zoom
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Justice W.D. Newton R.S.J.

Decision on Long Motion

Overview

[1] The plaintiffs, Luo and Zhou, have sued the defendants, Wang and Qiu,¹ and certain corporations for over \$2.5 million for repayment of loan principal and for over \$2.2 million for

¹ Surnames of the parties are used throughout for ease of reference.

interest on the loans, breach of contract, breach of trust, deceit, conversion, unjust enrichment, and constructive trust.

[2] Wang and Qiu deny that the plaintiffs loaned any money to them personally and state that any funds advanced by the plaintiffs were to the defendant 2525371 Ontario Inc., (hereinafter “SG Auto”), a company controlled by Wang.

The Motions

[3] The plaintiffs have brought a motion seeking:

- a. leave to issue a Certificate of Pending Litigation (“CPL”) against two homes: 411 Wenlock Avenue, Richmond Hill (“411 Wenlock”) and 2 Jarvis Avenue, Aurora (“2 Jarvis”);
- b. an order prohibiting the transfer or further encumbrance of these properties; or,
- c. an order directing that any net sale proceeds from the sale of these properties be paid into court.

[4] The defendants oppose the granting of leave to issue a CPL and seek:

- a. an order striking a notice registered by the plaintiffs under the *Land Titles Act*, R.S.O. 1990, c. L.5 (“*LTA*”) against 2 Jarvis;
- b. an order striking the claims against the defendant Qiu in the Amended Statement of Claim and in the Proposed Fresh Statement of Claim; or,
- c. an order striking the claims against the defendant Qiu in the Amended Statement of Claim and in the Proposed Fresh Statement of Claim for breach of trust, deceit, conversion, constructive trust, unjust enrichment, fraudulent conveyance; and
- d. an order striking the claims against all defendants in the Amended Statement of Claim and in the Proposed Fresh Statement of Claim for breach of trust, deceit, conversion, constructive trust, unjust enrichment, fraudulent conveyance.

[5] An agreement for purchase and sale has been executed for the sale of 2 Jarvis to third parties. That sale is scheduled to close on June 1, 2026 and, given the urgency for a decision on the CPL and *LTA* notice, the parties have agreed that I will release a decision as soon as possible with respect to the CPL and *LTA* notice followed later by a decision on the pleadings motion.

The Facts and Argument

[6] Filed on the motion were affidavits from the defendants, Wang and Qiu, and the plaintiff, Luo, and transcripts of the cross-examination on those affidavits. The plaintiff Zhou did not deliver an affidavit.

[7] The plaintiffs are “common law” partners. The defendants are married.

[8] The plaintiff Luo has a business management degree and worked at a law firm specializing in real estate transactions after graduation. She was a real estate agent until approximately two years ago. She and the plaintiff Zhou have been in the business of lending money since 2018, “in the hundreds of thousands”, to about a dozen parties using money from her family in China. She has asked for collateral or security before.

[9] The plaintiff Zhou is a real estate agent.

[10] The defendant Wang started a vehicle rental company called Enjoy-Driving Automotive Inc. in 2013. He deposed that the plaintiffs were interested in this business, but he declined that investment and, instead, discussed a different investment opportunity, 2525371 Ontario Inc. (SG Auto), with the plaintiffs. SG Auto was a luxury used car dealer. Wang deposed that he had an oral agreement with the plaintiffs whereby the plaintiffs’ capital investments would be used to

purchase inventory, and the plaintiffs would share in the profits of SG Auto. The plaintiff Luo was certified to become a salesperson for SG Auto in 2020 and became a director of SG Auto in 2021. The value of sales of SG Auto from 2018 exceeded \$14 million.

[11] The defendants Qiu and Wang have two school aged children. The defendant Qiu deposed that she has had limited involvement with SG Auto other than assisting with administrative tasks like “paperwork”. She deposed that she was not aware of the specific terms or details of the business arrangements between the plaintiffs and SG Auto.

[12] 2 Jarvis is owned solely by the defendant Qiu. 411 Wenlock is owned by defendant Qiu (60%) and another person (40%) as an investment property. The defendant Wang has never been an owner of these properties.

[13] The plaintiffs claim an interest in 2 Jarvis and 411 Wenlock on the basis that they have advanced funds to the defendants that were used to purchase or renovate these properties. The defendants deny this.

[14] In May 2015, the defendant Qiu and her father-in-law purchased a home in Richmond Hill. That home was sold in 2020, and the proceeds were used to purchase a home at 45 Archerhill Court in Aurora for just under \$2 million. That home was sold to a developer for over \$4 million with net proceeds of about \$2.5 million. Qiu used the proceeds to purchase 2 Jarvis and her interest in 411 Wenlock in June and July 2021. The plaintiff Zhou acted as the real estate agent for the defendant Qiu on these transactions and, therefore, knew that the defendant Qiu held title to the properties.

[15] Throughout her affidavit, the plaintiff Luo asserts that she entered into a loan agreement with both Wang and Qiu and that funds were provided to both Wang and Qiu pursuant to that loan agreement. Luo asserted that there were 26 transfers to Wang between May 2020 and February 2023 and a \$30,000 transfer to Qiu on November 16, 2022, and a \$100,000 transfer to Qiu on November 28, 2022.

[16] However, counsel for the plaintiffs conceded in submissions that there is no evidence that Qiu received funds from the plaintiffs. The \$30,000 transfer on November 16, 2022, was, in fact, a payment to the plaintiff Luo from the defendant Qiu's joint account and the cheque was signed by Wang. Qiu's evidence was that she was not aware that her husband had transferred those funds to the plaintiff Luo. The November 28, 2022, transfer to the defendant Qiu from the plaintiff Luo for \$100,000 has a memo note "BMW X7" and coincides with the date that the plaintiff Luo was a director of SG Auto and bought out the lease on her vehicle. There was a further allegation that \$20,000 in cash was transferred by the plaintiff Luo for renovations to Qiu's property, but it was conceded by the plaintiff Luo that this money was paid back soon thereafter.²

[17] The plaintiffs rely on the timing of certain advances to the defendant Wang as evidence that the advances were used to fund the purchase of properties. The plaintiffs are unable to state what amount was used for any purchase. The plaintiff Luo point to transfers from her to the defendant Wang of \$400,000 in May and June of 2021, prior to the purchase of the 411 Wenlock and 2 Jarvis properties by the defendant Qiu.

² The defendants assert that this cash transaction was to "launder" cash from Luo.

[18] The plaintiffs also rely upon certain representations made by the defendant Wang to the plaintiffs that he would return money “guaranteeing this with my house”. However, another message from the plaintiff Luo acknowledges that the defendant Qiu, as owner of the properties, would have to be involved in any attempt to refinance the home. The plaintiff Luo confirmed on cross-examination that she never told the defendant Qiu that she believed that she had a beneficial interest in any of the properties.

[19] The defendant Qiu acknowledged that she obtained a second mortgage on 2 Jarvis to make funds available for her husband’s business and that her husband used those funds to return a portion of the plaintiffs’ investment and pay other business obligations.

[20] She subsequently listed 2 Jarvis for sale. As stated, 2 Jarvis is to be sold to a third party on June 1, 2026.

[21] In December 2025, counsel for the defendant Qiu discovered that a notice was registered against 2 Jarvis by the plaintiff Luo in accordance with s. 71 of the *LTA*³ on July 25, 2025, without any notice to the defendant Qiu. The notice states that the plaintiff Luo has an “unregistered estate, right, interest, or equity in the land”. Despite repeated requests from counsel for the defendant Qiu that the plaintiff Luo remove that notice, the notice has not been removed.

The Law

³**Protection of unregistered estates**

71 (1) Any person entitled to or interested in any unregistered estates, rights, interests or equities in registered land may protect the same from being impaired by any act of the registered owner by entering on the register such notices, cautions, inhibitions or other restrictions as are authorized by this Act or by the Director of Titles.

The Test for Leave to Issue a CPL

[22] The threshold question is whether the plaintiffs have a reasonable claim to an interest in the land in question.⁴

[23] In *Asmani, et al. v. Ideal (JS) Developments Inc., et al.*⁵ the legal principles applicable to a contested motion for a CPL were reviewed:

(i) The test on a motion for leave to issue a CPL made on notice to the defendants is the same as the test on a motion to discharge the CPL;

(ii) The threshold in respect of the ‘interest in land’ issue in a motion respecting a CPL is whether there is a triable issue as to such interest, not whether the plaintiff will likely succeed.

(iii) The onus is on the party opposing the CPL to demonstrate that there is no triable issue in respect to whether the party seeking the CPL has “a reasonable claim to the interest in the land claimed”;

(iv) Factors that the court can consider on a motion to discharge a CPL include (i) whether the plaintiff is a shell corporation, (ii) whether the land is unique, (iii) the intent of the parties in acquiring the land, (iv) whether there is an alternative claim for damages, (v) whether damages would be a satisfactory remedy, (vi) the presence or absence of a willing purchaser and (vii) the harm to each party if the CPL is or is not removed with or without security; and

(v) The governing test is that the court must exercise its discretion in equity and look at all relevant matters between the parties in determining whether the CPL should be granted or vacated. [Emphasis added.]

[24] On a contested motion, the court will review all the evidence and determine whether there is a triable issue. As Master McLeod, as he the was, noted:

⁴ *Senaltindag v. Kizilirmak*, 2024 ONSC 4097, at para. 23; see also *1561178 BC Ltd. v. 1001433633 Ontario Corp. et al.*, 2026 ONSC 1746, at para. 18.

⁵ 2022 ONSC 5407, at para. 40, citing *Perruzza v. Spatone*, 2010 ONSC 841; see also *Binio v. Kotarak*, 2026 ONSC 7330, at para. 12 and *Riddell v. Huynh*, 2022 ONSC 2153, at para. 15.

In making this determination the court need not accept the pleadings or the affidavit evidence uncritically but will examine all of the evidence after cross examination to determine whether or not the claim has a reasonable prospect of success.⁶

[25] The duty of the judge “is to examine the whole of the evidence as it stands after cross examination and, without deciding disputed issues of fact and credibility, consider whether on the whole of the evidence the plaintiff’s case constitutes a reasonable claim to the interest in land claimed”.⁷

[26] While a claim for a constructive trust can ground a claim for a CPL,⁸ the plaintiffs must have some evidence to enable an inference to be drawn that a constructive trust is present to raise a triable issue. Simply alleging the monies were used to fund improvements or acquire property is insufficient to raise a triable issue.⁹ Beliefs and speculation are not sufficient to sustain a finding that there is a triable issue of a reasonable claim to an interest in property.¹⁰

[27] A CPL should be available only in limited circumstances and should generally not be used as a form of execution before judgment.¹¹ A CPL is intended to protect an interest in land in situations where other remedies would be ineffective and not intended to be an instrument to secure a claim for damages.¹²

The notice under the LTA

⁶ *Interrent v. 1167750 Ontario*, 2013 ONSC 4746, at para. 15.

⁷ *Waxman v. Waxman*, [1991] O.J. No. 89, at para. 8; see also *Senaltindag v. Kizilirmak*, 2024 ONSC 4097, at para. 23.

⁸ *Boal v. International Capital Management Inc.*, 2018 ONSC 2275, at para. 65.

⁹ *Saggi v. Grillone*, 2020 ONSC 4140, at para. 62 (“Saggi”).

¹⁰ *Saggi*, at para. 55.

¹¹ *Lancorp Construction Co. v. Royal Vista Homes (Weston) Ltd.*, [2008] O.J. No. 4698, at para. 19.

¹² *Tribecca Development Corporation v. Danieli*, 2015 ONSC 7638, at para. 20.

Section 62(1) of the *LTA* provides:

62 (1) A notice of an express, implied or constructive trust shall not be entered on the register or received for registration.

[28] A request for a CPL is an equitable remedy and registering a notice improperly and without notice to the affected parties must count against the party seeking the CPL.¹³

Analysis and Disposition

[29] The notice under the *LTA* is clearly improper and I order that the notice be removed. The notice is based on a constructive trust claim and registration of such a claim is expressly prohibited by s. 62 of the *LTA*. Further, the registration was without notice and has not been removed despite repeated requests. These are factors to consider in granting equitable relief such as a CPL.

[30] The claims that funds were used to acquire or improve the properties are based on speculation alone.

[31] Like the *Saggi* case, there is no evidence that the plaintiffs' funds were used to acquire or improve the value of the properties. There is no evidence that the defendant Qiu received any funds from the plaintiffs. Timing alone is insufficient to ground an inference. To make such an inference is speculative and does not raise a triable issue that the plaintiffs have a reasonable claim to the land registered to the defendant Qiu. The defendant Qiu has discharged her onus in the circumstances of this case.

¹³ *Claireville Holdings Limited v. Botiuk*, 2014 ONSC 6505, at para. 22.

[32] I conclude that the request of leave to issue a CPL is simply an attempt to secure execution before judgment.

[33] If I am incorrect in my conclusion that a triable issue as to a reasonable claim to an interest in land is not raised, I would nevertheless deny the claim for a CPL. The harm to the defendants and the innocent third party is extreme. There is nothing that is unique about the properties to the plaintiffs. They will always have the right to pursue damages. The conduct of the plaintiffs in registering the improper notice under the *LTA*, without notice, and failing to remove it when requested to do so, counts against the party seeking an equitable remedy such as a CPL.

[34] The alternate relief sought by the plaintiffs, orders restricting the transfer or encumbrance of the properties, and the payment of net sale proceeds into court, are premised on the conclusion that leave should be granted to issue the CPLs. As I have concluded that there not grounds for the CPLs, this alternate relief is not ordered.

[35] The plaintiffs' motion is dismissed.

[36] The defendants' motion for an order that the *LTA* notice registered against 2 Jarvis on July 25, 2025, as instrument number YR3820184, be permanently removed from title is granted effective immediately.

[37] I will seek costs submissions from the parties once I rule on the pleadings motion.

The Hon. Justice W.D. Newton R.S.J.

Released: May 20, 2026

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