

IN THE SUPREME COURT OF NEW ZEALAND

I TE KŌTI MANA NUI O AOTEAROA

**SC 175/2025
SC 2/2026
[2026] NZSC 40**

BETWEEN

LIYUN CHEN
First Applicant

LC1521319 DEVELOPMENT CO
LIMITED
Second Applicant

RHC PROPERTY INVESTMENT
LIMITED
Third Applicant

LIYUN CHEN AS TRUSTEE OF THE
ROYALL FAMILY TRUST
Fourth Applicant

AND

GOODMORE INVESTMENTS (NEW
ZEALAND) LIMITED
Respondent

**SC 176/2025
SC 1/2026**

BETWEEN

LIYUN CHEN
First Applicant

LC1521319 DEVELOPMENT CO
LIMITED
Second Applicant

AND

TAWA TRADE FINANCE LIMITED
Respondent

Court: Ellen France, Kós and Miller JJ

Counsel: First Applicant in Person
J Ding for Respondent in SC 175/2025 and SC 2/2026
D J Chisholm KC for Respondent in SC 176/2025 and SC 1/2026

Judgment: 1 May 2026

JUDGMENT OF THE COURT

- A The applications for leave to appeal are dismissed.**
 - B The applications to file reply submissions are dismissed.**
 - C The applications for stay of execution are dismissed.**
 - D The application to admit new evidence is dismissed.**
 - E The first applicant must pay each respondent costs of \$2,500.**
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REASONS

[1] Ms Chen sought to refinance her property portfolio. This judgment deals with four applications for leave to appeal related to her failure to obtain that finance.

Goodmore loan

[2] In January 2021, Goodmore Investments (New Zealand) Ltd—a construction and property development financier—entered into a loan agreement with Ms Chen (personally and as trustee of the Royall Family Trust (RFT)), LC1521319 Development Co Ltd (LCD) and RHC Property Investment Ltd (RHC). The loan provided 12-month interest-only financing to refinance four properties: Jeffs Road (owned by Ms Chen personally and then, with the loan monies, the RFT), Hillcrest Road (owned by RHC), Umbria Lane and Living Stream Road (both owned by LCD). The obligations were cross-guaranteed and secured by mortgages over the same.

[3] The borrowers defaulted. Goodmore discharged mortgages over Jeffs, Living Stream and Hillcrest between June and August 2022 for two partial repayments. It instructed Barfoot & Thompson (Barfoot) to market and sell Umbria. Ms Chen tried to stop the sale, but Goodmore accepted a \$2.15 million offer in June 2023.

[4] The borrowers sought relief in the High Court, pleading oppressive conduct under ss 118–120 of the Credit Contracts and Consumer Finance Act 2003 (CCCFA), faulty disclosure as to consumer credit contracts under s 17 of the CCCFA and, as to

the sale of Umbria, breach of Goodmore’s best price duty under s 176 of the Property Law Act 2007 (PLA).¹ In February 2024, Goodmore obtained summary judgment as to the borrowers’ claims as well as for its shortfall.²

Tawa loans

[5] Tawa Trade Finance Ltd, a similar financier, entered into a six-month loan agreement with LCD in June 2022 to refinance Jeffs and Living Stream. GST could not be claimed on the properties during the term. The parties entered into another agreement in August on similar terms to provide an equity release over another property, Tipu Road, owned by Ms Chen personally. Ms Chen provided guarantees, and the loans were secured by mortgage.

[6] Both loans expired without repayment. Tawa also instructed Barfoot. It sold Jeffs and Tipu by auction in July 2023, but Tawa still had a shortfall. In High Court proceedings, Ms Chen and LCD essentially reprised against Tawa the claims she had made against Goodmore. Tawa obtained summary judgment as to those claims and for its shortfall.³

Court of Appeal

[7] Ms Chen and the companies appealed, arguing the High Court was wrong to find the claims under the CCCFA and PLA untenable.⁴ The Court of Appeal found the loan agreements not to be subject to enhanced CCCFA protections because they were not consumer credit contracts.⁵ Nor did the Court consider Goodmore had breached its s 176 duty given the market conditions at the time of sale and the expiry of Umbria’s consent to subdivide.⁶ The Court did not accept any of Ms Chen’s arguments that Tawa had committed CCCFA oppression, which were made without evidence and

¹ Other claims were based in the Companies Act 1993, Anti-Money Laundering and Countering Financing of Terrorism Act 2009, Fair Trading Act 1986 and Consumer Guarantees Act 1993.

² *Chen v Goodmore Investments (New Zealand) Ltd* [2024] NZHC 139 (Associate Judge Taylor) [Goodmore judgment].

³ *Chen v Tawa Trade Finance Ltd* [2024] NZHC 410 (Associate Judge Taylor) [Tawa judgment].

⁴ *Chen v Goodmore Investments (New Zealand) Ltd* [2025] NZCA 617 (Katz, Grice and Powell JJ) [Goodmore appeal]; and *Chen v Tawa Trade Finance Ltd* [2025] NZCA 618 (Katz, Grice and Powell JJ) [Tawa appeal].

⁵ Goodmore appeal, above n 4, at [31]–[41]; and Tawa appeal, above n 4, at [34]–[43].

⁶ Goodmore appeal, above n 4, at [78]–[88].

largely for the first time in the Court of Appeal.⁷ It dismissed the appeals and refused Ms Chen’s subsequent applications for stay of execution of the High Court judgments—advanced on the basis appeals to this Court would be rendered nugatory.⁸

Proposed appeals

[8] Ms Chen proposes to argue that on the proper approach under the CCCFA, all the agreements were (at least partly) consumer credit contracts, as well as that both Goodmore and Tawa committed CCCFA fraud. As to the sale of Umbria, she says the Court of Appeal erroneously minimised the relevance of a \$5.05 million valuation from February 2022.

[9] She now alleges self-dealing by Barfoot, seeking to admit evidence that the name of the registered proprietor of Jeffs is also the name of a Barfoot agent. She says Tawa therefore breached its s 176 duty by selling Jeffs and Goodmore committed CCCFA oppression by using Barfoot, a self-dealing firm. Finally, she also alleges for the first time that the Tawa loans were “illegal, void and unenforceable” because Tawa was not registered under the Financial Service Providers (Registration and Dispute Resolution) Act 2008 (FSPRDR Act) at the time.

[10] She seeks also leave to appeal the refusals of stay and applies for stay afresh.

Our assessment

[11] We note Ms Chen purports to act for the companies in these applications without leave to do so—a point raised persistently with her in the High Court and Court of Appeal.⁹ While we consider the applications must be treated formally as having been filed only on Ms Chen’s behalf, we have considered the arguments advanced for the companies and are satisfied that no purpose would be served by directing that counsel be engaged.

⁷ Tawa appeal, above n 4, at [59]–[68].

⁸ *Chen v Goodmore Investments (New Zealand) Ltd* [2025] NZCA 666 (French P and Katz J) [Goodmore stay]; and *Chen v Tawa Trade Finance Ltd* [2025] NZCA 667 (French P and Katz J) [Tawa stay].

⁹ Goodmore judgment, above n 2, at [37]; Goodmore appeal, above n 4, at [93]; Goodmore stay, above n 8, at [3], n 4; and Tawa stay, above n 8, at [3], n 4.

[12] We are not satisfied it is in the interests of justice to hear or determine the proposed appeals against the substantive judgments, nor therefore against refusals of stay.¹⁰

[13] The proposed appeals raise essentially factual questions, lack any realistic prospects of success and therefore raise no matter of general or public importance.¹¹ Nothing Ms Chen proposes to argue suggests the loans were anything but commercial under the CCCFA. Nor does she raise anything justifying greater reliance on Umbria's February 2022 valuation, which (for the reasons given by the Court of Appeal) had lost relevance by the time Umbria was again valued then sold. As to the oppression arguments against Tawa, they failed because they were (and still are) supported only by assertion and largely made in the Court of Appeal for the first time.

[14] The remainder of the proposed appeals involve three novel allegations. Two—oppression by Goodmore in using Barfoot and failure to obtain best price by Tawa—lack evidential foundation. The third, concerning Tawa's status under the FSPRDR Act, is irrelevant: assuming it was unregistered, Tawa would only be precluded from enforcing consumer credit contracts, which these loans were not.¹²

[15] Nor for these reasons is there any appearance of a substantial miscarriage of justice as that term is understood in the civil context.¹³ Ms Chen applies to file reply submissions.¹⁴ While we formally refuse those applications, we considered the submissions she sought to make and conclude they ultimately do not help her.

¹⁰ See Senior Courts Act 2016, s 74(1). Nor therefore do we grant Ms Chen her applications for stay of execution of the High Court judgments.

¹¹ See s 74(2)(a).

¹² See Credit Contracts and Consumer Finance Act 2003 [CCCFA], s 99B.

¹³ See Senior Courts Act, s 74(2)(b); and *Junior Farms Ltd v Hampton Securities Ltd (in liq)* [2006] NZSC 60, (2006) PRNZ 369 at [5].

¹⁴ Those applications are three. In two applications, she sought leave to reply to Goodmore's and Tawa's submissions on the applications for leave to appeal. She also filed further submissions (which we treat as an application for leave to reply) on her separate application to adduce new evidence which in substance reply to Tawa's submissions in response.

Ms Chen’s authorities

[16] Many of Ms Chen’s authorities are irrelevant or do not exist—in either case appearing to be hallucinations of a generative artificial intelligence application.¹⁵ As this Court remarked recently:¹⁶

Misuse of AI in legal proceedings has serious implications for the administration of justice and public confidence in the justice system. Persons filing submissions in court must ensure all authorities referred to are genuine and correctly cited.

[17] Such misuse may in serious cases amount to obstruction of justice or contempt of court. Some such cases may call for costs sanctions.¹⁷ We do not take that step in all the circumstances of this case.

Result

[18] The applications for leave to appeal are dismissed.

[19] The applications to file reply submissions are dismissed.

[20] The applications for stay of execution are dismissed.

[21] The application to admit new evidence is dismissed.

¹⁵ For example, “*Peterson v Forbes* 1997 2 NZLR 216 (CA)” is said by Ms Chen to emphasise the substance-over-form approach in the CCCFA. “*Peterson v Forbes*” does not exist, and the closest reported case, *Tui Food Ltd v New Zealand Milk Corp Ltd* [1997] 2 NZLR 214, is a High Court case about passing off. Ms Chen also cites “*Dorchester Finance Ltd v Deloitte* [2012] NZCA 226”, a real case said by Ms Chen to be about CCCFA oppression. However, the case is about contract interpretation. Finally, “*Vélez v Ticketmaster NZ Limited* 2023 NZSC 113” is said by Ms Chen to require consideration of a statute’s purpose (here, the Financial Service Providers (Registration and Dispute Resolution) Act 2008) to determine whether it may render contracts unenforceable. “*Vélez v Ticketmaster NZ Limited*” does not exist, and “[2023] NZSC 113” is the neutral citation for this Court’s judgment *Yan v Mainzeal Property and Construction Ltd (in liq)*.

¹⁶ *Jones v Family Court at Whangārei* [2026] NZSC 1 at [7] (footnote omitted).

¹⁷ See *R (Ayinde) v Haringey London Borough Council* [2025] EWHC 1383 (Admin), [2025] 1 WLR 5147 at [23] and [30]; and *Bandla v Solicitors Regulation Authority* [2025] EWHC 1167 (Admin), [2025] 4 WLR 63 at [55].

[22] The first applicant must pay each respondent costs of \$2,500.

Solicitors:

Neilsons Lawyers, Auckland for Respondent in SC 175/2025 and SC 2/2026.

Claymore Partners, Auckland for Respondent in SC 176/2025 and SC 1/2026.