

Ontario  
Securities  
Commission

Commission des  
valeurs mobilières  
de l'Ontario

P.O. Box 55, 19<sup>th</sup> Floor  
20 Queen Street West  
Toronto ON M5H 3S8

CP 55, 19e étage  
20, rue queen ouest  
Toronto ON M5H 3S8

---

Web Site: [www.osc.gov.on.ca](http://www.osc.gov.on.ca)

**IN THE MATTER OF THE SECURITIES ACT  
R.S.O. 1990, c. S.5, AS AMENDED**

**AND**

**IN THE MATTER OF XI BIOFUELS INC., BIOMAXX SYSTEMS INC., RONALD  
DAVID CROWE AND VERNON P. SMITH**

**AND**

**IN THE MATTER OF XIIVA HOLDINGS INC. CARRYING ON BUSINESS  
AS XIIVA HOLDINGS INC., XI ENERGY COMPANY, XI ENERGY  
AND XI BIOFUELS**

**ORDER**

**(Section 127 of the *Securities Act*)**

**WHEREAS** on November 22, 2007, the Ontario Securities Commission (the "Commission") issued a Temporary Order pursuant to subsections 127(1) and (5) of the *Securities Act*, R.S.O. 1990, c.S.5, as amended (the "Act") that all trading by XI Biofuels Inc. ("XI") and Biomaxx Systems Inc. ("Biomaxx") shall cease, that XI, Biomaxx, Ronald David Crowe ("Crowe") and Vernon P. Smith ("Smith") (the "XI Respondents") cease trading in all securities and that the exemptions contained in Ontario securities law do not apply to the XI Respondents (the "XI Temporary Order");

**AND WHEREAS** the Commission further ordered that pursuant to subsection 127(6) of the Act, the XI Temporary Order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by order of the Commission;

**AND WHEREAS** on November 22, 2007, the Commission issued a Notice of Hearing to be held on December 7, 2007 at 10:00 a.m., to consider, among other things, the extension of the XI Temporary Order (the "XI Hearing");

**AND WHEREAS** on December 7, 2007, upon being advised that the XI Respondents agreed to extend the XI Temporary Order without prejudice to their ability to argue the merits of the grounds for granting the XI Temporary Order, the Commission ordered that the XI Temporary Order be extended and that the XI Hearing be adjourned to March 25, 2008;

**AND WHEREAS** on December 14, 2007, the Commission issued a Temporary Order (the "Xiiva Temporary Order") pursuant to subsections 127(1) and (5) of the Act that all trading in securities of Xiiva Holdings Inc. ("Xiiva"), incorrectly described at paragraph 1 of the Xiiva Temporary Order as XI Holdings Inc., shall cease and that the exemptions contained in Ontario securities law do not apply to it;

**AND WHEREAS** the Commission further ordered that pursuant to subsection 127(6) of the Act, the Xiiva Temporary Order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by order of the Commission;

**AND WHEREAS** on December 14, 2007, the Commission issued a Notice of Hearing to be held on December 19, 2007 at 2:00 p.m., to consider, among other things, the extension of the Xiiva Temporary Order (the "Xiiva Hearing");

**AND WHEREAS** on December 19, 2007, upon being advised that Xiiva agreed to extend the Xiiva Temporary Order without prejudice to its ability to argue the merits of the grounds for granting the Xiiva Temporary Order, the Commission ordered that the Xiiva Temporary Order be extended and that the Xiiva Hearing be adjourned to March 25, 2008 and that paragraph 1 of the Xiiva Temporary Order be amended to replace the reference to "XI Holdings Inc." with "Xiiva Holdings Inc.";

**AND WHEREAS** the XI Respondents and the Xiiva Respondents (collectively, the "Respondents") served a notice of motion returnable on March 25, 2008 in respect of the XI Temporary Order and the Xiiva Temporary Order (collectively, the "Temporary Orders") and other matters including a constitutional question (the "Respondents' Motion");

**AND WHEREAS** on March 20, 2008, the Respondents served a Notice of Constitutional Question and an Amended Notice of Constitutional Question;

**AND WHEREAS** the 15-day notice period for the Notice of Constitutional Question under section 109 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended, had not been satisfied;

**AND WHEREAS** on March 25, 2008, Staff of the Commission ("Staff") and the Respondents agreed to adjourn the XI Hearing and the Xiiva Hearing for the extension of the Temporary Orders to May 5, 2008, at 10:00 a.m., or such earlier date as fixed by the Office of the Secretary, and agreed to the extension of the Temporary Orders to May 6, 2008;

**AND WHEREAS** on March 25, 2008, the Commission ordered that the XI Hearing and the Xiiva Hearing for the extension of the Temporary Orders and the hearing of the Respondents' Motion be adjourned to May 5, 2005;

**AND WHEREAS** on March 25, 2008, the Commission ordered that the Temporary Orders be extended to May 6, 2008;

**AND WHEREAS** on May 5, 2008, the Commission adjourned the XI Hearing and the Xiiva Hearing to extend the Temporary Orders and the hearing of the Respondents' Motion to May 22, 2008, at 2:00 p.m., on the basis that certain of the Respondents were the subject of an application for a bankruptcy order which was scheduled to be heard on May 22, 2008;

**AND WHEREAS** on May 5, 2008, the Commission ordered that the Temporary Orders be extended to May 23, 2008;

**AND WHEREAS** on May 22, 2008, counsel for Staff and counsel for the Respondents appeared before the Commission;

**AND WHEREAS** on May 22, 2008, counsel for the Respondents advised that a trustee in bankruptcy has been appointed with respect to some of the Respondents;

**AND WHEREAS** on May 22, 2008, counsel for the trustee in bankruptcy did not appear, and counsel for the other respondents requested an adjournment of the XI Hearing and the Xiiva Hearing to extend the Temporary Orders and the hearing of the Respondents' Motion to allow counsel for the trustee in bankruptcy to appear before the Commission;

**AND WHEREAS** the Commission requests that the trustee in bankruptcy or counsel for the trustee in bankruptcy appear before the Commission to make submissions with respect to this matter;

**AND WHEREAS** the Commission is of the opinion that it is in the public interest to make this Order;

**IT IS ORDERED** that the Temporary Orders are extended to June 13, 2008;

**AND IT IS FURTHER ORDERED** that the XI Hearing and the Xiiva Hearing for the extension of the Temporary Orders and the hearing of the Respondents' Motion are adjourned to June 12, 2008 at 10:30 a.m.

Dated at Toronto this 22<sup>nd</sup> day of May, 2008.

*"Patrick J. LeSage"*

---

Patrick J. LeSage, Q.C.

*"Wendell S. Wigle"*

---

Wendell S. Wigle

*"David L. Knight"*

---

David L. Knight, FCA