

BRITISH COLUMBIA SECURITIES COMMISSION
Securities Act, RSBC 1996, c. 418

Citation: Re Zefiro Methane Corp., 2026 BCSECCOM 76

Date: 20260306

**Zefiro Methane Corp., Talal Debs,
X Machina Sustainable Technologies Inc., X Machina Capital Strategies Fund I LP,
Catherine Flax, David McGrath and Michael McGavick**

Panel	Gordon Johnson Marion Shaw Douglas Seppala	Vice Chair Commissioner Commissioner
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Submissions completed March 4, 2026

Ruling date March 6, 2026

Appearing

Samantha Gordon Adam D.H. Chisholm Carina Chiu Paul Davis Steve Saville	For Talal Debs, X Machina Sustainable Technologies Inc. and X Machina Capital Strategies Fund I LP
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Shane C. D'Souza Jessica Mank Gregory Ringkamp	For Zefiro Methane Corp.
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Sean K. Boyle Zackary Goldford	For Catherine Flax
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Teresa Tomchak Sarah Cormack	For David McGrath and Michael McGavick
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Elizabeth Allan Gordon Smith Nazma Lee Laura Lam	For the Executive Director
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Decision

I. Introduction

- [1] This proceeding was commenced by an application filed on February 2, 2026, and amended on February 10, 2026 (Application). The Applicants are Dr. Talal Debs (Debs), X Machina Sustainable Technologies Inc. (XMST) and X Machina Capital Strategies Fund I LP (XMC). The Respondents are Zefiro Methane Corp. (Zefiro) and three individual respondents who are lenders and shareholders in Zefiro, Catherine Flax (Flax), David McGrath (McGrath) and Michael McGavick (McGavick). The relief sought in the Application includes orders rescinding the issuance of certain shares of Zefiro to Flax, McGrath and McGavick, or alternatively that

those individual respondents be restrained from voting those shares at a pending annual general meeting of Zefiro.

- [2] On February 17, 2026, at the first hearing management meeting at which counsel for the individual respondents attended, counsel for McGrath expressed an intention to immediately file a cross-application to restrain Debs from voting the shares of Zefiro held by XMST, XMC or certain of his own shares of Zefiro. McGrath filed that cross-application on February 18, 2026 (Cross-Application). The Cross-Application alleges that if Debs is permitted to vote certain of his shares of Zefiro or the shares of Zefiro held by XMST or XMC, that will be abusive based on Debs's fiduciary duties, his duties under the XMC limited partnership agreement, and obligations under a side-letter which Debs entered into with McGrath and others.
- [3] In our Ruling *Re Zefiro Methane Corp.*, 2026 BCSECCOM 63, we partially stayed the Cross-Application and granted leave to McGrath to allocate a portion of his oral submission to convincing us that we have a broader jurisdiction than we concluded in that Ruling.
- [4] On March 3 and 4, 2026, we heard the Application and the Cross-Application.

II. Decision

- [5] After considering the written and oral submissions of the parties, the Commission dismisses both the Application and the Cross-Application.
- [6] Our reasons will follow.

March 6, 2026

For the Commission

Gordon Johnson
Vice Chair

Marion Shaw
Commissioner

Douglas Seppala
Commissioner