

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

ADMINISTRATIVE PROCEEDINGS RULINGS
Release No. 1597/July 9, 2014

ADMINISTRATIVE PROCEEDING
File No. 3-15941

In the Matter of

BIOMEDICAL TECHNOLOGY SOLUTIONS
HOLDINGS, INC.,
CHAOLEI MARKETING AND FINANCE
COMPANY,
CLEAR-LITE HOLDINGS, INC.,
ENCOMPASS GROUP AFFILIATES, INC.
(n/k/a RE-ACT ENTERPRISES, INC.),
HYDRON TECHNOLOGIES, INC.,
SUN AMERICAN BANCORP, and
XENACARE HOLDINGS, INC.

ORDER EXTENDING DUE
DATE FOR XENACARE
HOLDINGS, INC.'S ANSWER,
POSTPONING HEARING, AND
SCHEDULING PREHEARING
CONFERENCE

On June 24, 2014, the Securities and Exchange Commission (Commission) issued an Order Instituting Administrative Proceedings (OIP) against Respondents, pursuant to Section 12(j) of the Securities Exchange Act of 1934 (Exchange Act). The OIP alleges that Respondents have securities registered with the Commission pursuant to Exchange Act Section 12(g) and are delinquent in their periodic filings, in violation of Exchange Act Section 13(a) and Rules 13a-1 and 13a-13 thereunder. A hearing is scheduled to commence on July 28, 2014.

On July 8, 2014, XenaCare Holdings, Inc., filed a Notice of Appearance; Motion for Extension of Time to Answer the OIP; and Request for Continuance for Suspension of Trading of XenaCare Stock.¹ XenaCare states in the Motion that it is considering a proposed settlement, but that it needs up to twenty-one days to consult with its board and officers and an attorney

¹ XenaCare's "current" trading suspension that it seeks to continue falls outside the scope of this proceeding. In addition to issuing the OIP in this matter on June 24, 2014, the Commission instituted a separate, ten-day trading suspension of XenaCare's stock, pursuant to Exchange Act Section 12(k), which has already lapsed. See Order of Suspension of Trading as to BioMedical Technology Solutions Holdings, Inc., et al., available at <http://www.sec.gov/litigation/suspensions/2014/34-72450-o.pdf> (last visited July 9, 2014).

before making a decision regarding the proposed settlement and answering the OIP.² The Division of Enforcement filed an opposition to XenaCare's Motion also on July 8, 2014. The Division, pointing to Commission Rule of Practice 161(b), argues that XenaCare has not made a strong showing that the denial of the Motion would substantially prejudice its case.

There is good cause to grant XenaCare's Motion, as it needs to consult with its board and officers and counsel, and it could be substantially prejudiced without a brief extension of time to answer. See 17 C.F.R. § 161(b)(1). Rule 161(b)(1) provides, additionally:

In determining whether to grant any [extension] requests, the Commission or hearing officer shall consider, in addition to any other relevant factors: (i) the length of the proceeding to date; (ii) the number of postponements, adjournments or extensions already granted; (iii) the stage of the proceedings at the time of the request; (iv) the impact of the request on the hearing officer's ability to complete the proceeding in the time specified by the Commission; and (v) any other such matters as justice may require.

The first three factors weigh in favor of granting an extension to XenaCare: (1) the OIP was recently filed on June 24, 2014; (2) no postponements, adjournments, or extensions have been granted; and (3) nothing substantive has occurred in the case to date. Accordingly, an extension is appropriate.

The fourth factor, however, weighs against granting the twenty-one day extension XenaCare requests. The Initial Decision is due 120 days after service. See OIP at 4; 17 C.F.R. § 201.360(a)(2). Assuming, if settlement negotiations fail, this case would proceed by motions for summary disposition pursuant to Rule 250, and the parties are allowed sufficient time to prepare motions, oppositions, and replies, it would leave limited time to prepare and issue an initial decision within the allotted 120 days if I grant a twenty-one day extension. See 17 C.F.R. §§ 201.161(b)(1)(iv), .250. A fourteen-day extension would allow XenaCare sufficient time to consult with its leadership and counsel, yet leave sufficient time to decide the proceeding as to XenaCare should it proceed.

² According to a Certified Mail return receipt, the OIP was served on XenaCare on June 28, 2014, pursuant to 17 C.F.R. § 201.141(a)(1)(ii). The OIP provides that XenaCare's Answer is due ten days after service, or by Friday, July 11, 2014, which includes the three extra days allowed for response where service is made by mail. See OIP at 4; 17 C.F.R. §§ 201.160(b), .220(b).

Order

For good cause shown, the Motion is GRANTED IN PART, and XenaCare's Answer shall be due by Friday, July 25, 2014. It is FURTHER ORDERED that the hearing set for July 28, 2014, is POSTPONED sine die, and a prehearing conference is scheduled for July 28, 2014, at 10:00 a.m. EDT.

James E. Grimes
Administrative Law Judge