

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

Administrative Proceedings Rulings
Release No. 4901/June 30, 2017

Administrative Proceeding
File No. 3-16604

In the Matter of

**BioCoral, Inc.,
GC China Turbine Corp.,
Race World International, Inc.,
and
Worldwide Biotech &
Pharmaceutical Co.**

**Order Scheduling
Prehearing Conference**

The Securities and Exchange Commission instituted this proceeding in June 2015. With the exception of respondent GC China Turbine Corp., the proceeding was resolved in 2015 by default or settlement. *BioCoral, Inc.*, Securities Exchange Act of 1934 Release No. 75728, 2015 SEC LEXIS 3452 (Aug. 19, 2015); *BioCoral, Inc.*, Initial Decision Release No. 832, 2015 SEC LEXIS 2922 (ALJ July 16, 2015), *finality order*, *Race World Int'l, Inc.*, Exchange Act Release No. 75779, 2015 SEC LEXIS 3530 (Aug. 28, 2015).

The Division of Enforcement has attempted to serve GC China Turbine in accordance with the Hague Convention. *See BioCoral, Inc.*, Admin. Proc. Rulings Release No. 3213, 2015 SEC LEXIS 4159 (ALJ Oct. 9, 2015). In October 2015, I directed the Division to update my office on its efforts to serve GC China Turbine “every three months ... until service is accomplished.” *Id.* The Division has complied with this direction but has so far been unsuccessful in serving GC China Turbine. In June 2016, the Chinese Ministry of Justice reported to the Commission’s Office of International Affairs that the case was in its court system being processed and that it would notify International Affairs with any updates. Since then, there have been no further updates.

In *Richard Cannistraro*, an administrative law judge dismissed a proceeding without prejudice after the Division was unable for six months to serve the respondent. Exchange Act Release No. 39521, 1998 WL 2614, at *1

(Jan. 7, 1998). On review, after the Division appealed, the Commission held that although the respondent's efforts to evade service constituted "good cause" sufficient to justify initially postponing the hearing, "any postponement must be for a definite period of time and cannot be open-ended." *Id.* On this basis, the Commission summarily affirmed the administrative law judge and dismissed the proceeding without prejudice. *Id.* at *2.

In light of *Richard Cannistraro*, two rules are apparent. First, open-ended continuances are improper, even in the case of a respondent who attempts to evade service. Second, given that the Commission summarily affirmed, it is appropriate to dismiss a proceeding where it is apparent that the Division cannot serve a respondent within a definite period of time.

In light of the foregoing, I direct that a telephonic prehearing conference will take place on July 18, 2017, at 11:00 a.m. EDT. The Division should be prepared to discuss *Richard Cannistraro* and how best to proceed in this matter. In the alternative, the Division may file a motion to discontinue under 17 C.F.R. § 200.30-10(a)(8).

James E. Grimes
Administrative Law Judge