

UNITED STATES OF AMERICA  
before the  
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934  
Release No. 86989 / September 17, 2019

Admin. Proc. File No. 3-18017

In the Matter of

CAN-CAL RESOURCES, LTD.,  
CHINA FRUITS CORP., and  
SKYSTAR BIO-PHARMACEUTICAL CO.

SUPPLEMENTAL BRIEFING ORDER

On June 8, 2017, the Securities and Exchange Commission instituted proceedings pursuant to Section 12(j) of the Securities Exchange Act of 1934 against Can-Cal Resources, Ltd., China Fruits Corp., and SkyStar Bio-Pharmaceutical Co. to determine, among other things, whether the registration under Exchange Act Section 12 of respondents' registered securities should be suspended or revoked for failure to file required periodic reports.<sup>1</sup>

On April 5, 2019, the Division of Enforcement filed a motion to dismiss the proceedings against Can-Cal. The Division asserted that Can-Cal had become current on the filings alleged to have been delinquent in the order instituting proceedings ("OIP") and that because the proceeding had been reassigned to a new administrative law judge in light of *Lucia v. SEC*<sup>2</sup> it had in effect started over with Can-Cal having cured the delinquencies alleged in the OIP. In its motion, the Division stated that it would be "carefully monitoring Can-Cal to ensure its compliance with future required periodic filings" and other applicable requirements.

In the months since the Division's filing, Can-Cal has not made any periodic filings. On April 1, 2019, Can-Cal filed a Form NT 10-K stating that it could not file its Form 10-K for the year ending December 31, 2018 within the prescribed time period "because of delays in

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<sup>1</sup> *Can-Cal Res., Ltd.*, Exchange Act Release No. 80892, 2017 WL 2496530, at \*1 (June 8, 2017). On November 26, 2018, a law judge issued an initial decision of default revoking the registration of the registered securities of the two respondents other than Can-Cal. *Can-Cal Res., Ltd.*, Initial Decision Release No. 1309, 2018 WL 6177190, at \*1 (Nov. 26, 2018). The Commission issued a notice that that initial decision had become final. *China Fruits Corp.*, Exchange Act Release No. 85550, 2019 WL 1531823, at \*1 (Apr. 8, 2019).

<sup>2</sup> *Lucia v. SEC*, 138 S. Ct. 2044 (2018).

completing the preparation of its financial statements and its management discussion and analysis.” Can-Cal stated that it would file the Form 10-K on or before the fifteenth calendar day following the due date, but Can-Cal has not done so. Nor has it filed any subsequent quarterly reports.

On September 9, 2019, Can-Cal filed a Form 8-K stating that it “does not currently have the financial resources to bring the Company’s filings current with the Securities and Exchange Commission, including its deficient period reports.” Can-Cal also stated that it “is seeking to raise funds and hopes to be in a position to begin the preparation and filing of its deficient reports during the fourth quarter of 2019, of which there [can] be no assurance.”

Accordingly, it is ORDERED that the Division of Enforcement shall, and Can-Cal may, file a supplemental brief by October 1, 2019, addressing what effect, if any, the events discussed above have on the pending motion to dismiss.

For the Commission, by the Office of the General Counsel, pursuant to delegated authority.

Vanessa A. Countryman  
Secretary