

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

Administrative Proceedings Rulings
Release No. 4889/June 26, 2017

Administrative Proceeding
File No. 3-18017

In the Matter of

**Can-Cal Resources Ltd.,
China Fruits Corp., and
SkyStar Bio-Pharmaceutical Co.**

**Order on Motion Postponing
Hearing and Ordering
Prehearing Conference**

The Securities and Exchange Commission issued an order instituting proceedings (OIP) on June 8, 2017, pursuant to Section 12(j) of the Securities Exchange Act of 1934, alleging that Respondents have securities registered with the Commission and have not filed required periodic reports.¹ The OIP was served on the registered agent of SkyStar Bio-Pharmaceutical on June 12, 2017, and U.S. Postal Service tracking information shows attempted delivery on Can-Cal Resources on June 15, 2017. I ask that the Division of Enforcement submit a declaration regarding the status of service of the OIP on China Fruits by June 29, 2017.

A hearing is scheduled to begin on Friday, June 30, 2017. On June 19, 2017, thirty-five shareholders (collectively, Intervenors) in Can-Cal filed a motion to intervene as parties, or otherwise on a limited basis, pursuant to Rule 210(b), (c), and (f) of the Commission's Rules of Practice, and to have a hearing. The motion has four exhibits: Ex. 1 is the complaint in *Ronald D. Sloan v. Can-Cal Resources, Ltd.*, No. A-14-701465-B (Nev. Dist. Ct. Clark

¹ On September 1, 2015, the Commission temporarily suspended trading in China Fruits Corp., and on June 9, 2017, the Commission temporarily suspended trading in Can-Cal Resources Ltd. and SkyStar Bio-Pharmaceutical Co. *China Fruits Corp.*, Exchange Act Release No. 75796, 2015 SEC LEXIS 3566 (Sept. 1, 2015); *Can-Cal Res. Ltd.*, File No. 500-1, 2017 SEC LEXIS 1680 (June 8, 2017).

Cty. May 29, 2014); Ex. 2 is Candeo Lava Products Inc.'s annual meeting presentation dated December 11, 2015; Ex. 3 is a cease trade order issued by the British Columbia Securities Commission on March 7, 2017, against Can-Cal Resources Ltd., 2017 BCSECCOM 87; Ex. 4 is a cease trade order issued by the Alberta Securities Commission on March 3, 2017, against Can-Cal Resources Ltd., 2017 ABASC 34.

The Intervenors represent that they own about seventeen percent of Can-Cal's forty-two million outstanding shares and that Can-Cal's officers and directors are attempting to fraudulently transfer valuable property from Can-Cal to Candeo Lava Products, a company controlled by a former Can-Cal president and board chair. Motion at 2-3. According to the Intervenors, the transfer is detrimental to Can-Cal's present shareholders, and Can-Cal's officers and directors want the company's registration to be revoked so that Can-Cal will not have to submit reports and be subject to the Commission's proxy rules and other Exchange Act requirements. Motion at 3.

Ruling

Under the Commission's rules, a party has five days after service of the motion, not counting weekends, to reply to the motion. 17 C.F.R. §§ 201.154(b), .160. The certificate of service shows that the motion was sent to Can-Cal but it is not clear if, or when, the Division of Enforcement was served with the motion.

Given that the hearing is scheduled to begin in four days, I am POSTPONING the hearing and ORDERING a telephonic prehearing conference at 2:00 p.m. on June 30, 2017, at which Intervenors will be allowed limited participation. 17 C.F.R. § 201.210(c). It might be well for Intervenors to discuss their position with the Division of Enforcement prior to the prehearing conference

Brenda P. Murray
Chief Administrative Law Judge