

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

Administrative Proceedings Rulings
Release No. 6395 / December 11, 2018

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 on Service

The Securities and Exchange Commission issued an order instituting proceedings (OIP) against these respondents on June 18, 2015. The proceeding was assigned to me following the Commission's order dated August 22, 2018. *Pending Admin. Proc.*, Securities Act of 1933 Release No. 10536, 2018 SEC LEXIS 2058 (Aug. 22, 2018); *Pending Admin. Proc.*, Admin. Proc. Rulings Release No. 5955, 2018 SEC LEXIS 2264 (ALJ Sept. 12, 2018).

The only respondent remaining is GC China Turbine Corp., and the single issue at this time is service.¹ The allegations are that GC China Turbine is a revoked Nevada corporation located in Wuhan, China, with securities registered with the Commission and that it has not filed any periodic reports since it filed a Form 10-Q for the period ended September 30, 2011, which reported a net loss of \$10,130,256 for the prior nine months. OIP at 2. According to the OIP, on June 9, 2015, GC China Turbine was quoted on OTC Link, had eight market makers, and was eligible for the "piggyback" exception of Rule 15c2-11(f)(3) under the Securities Exchange Act of 1934.²

¹ *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).

² "OTC Markets Group Inc. . . . has discontinued the display of quotes . . . for this security because it has been labeled Caveat Emptor (Buyer Beware)." OTCMarkets, GC China Turbine, <https://www.otcmartets.com/stock/GCHT/overview> (last visited Dec. 10, 2018).

The Commission on or about June 15, 2015, sought to obtain service on GC China Turbine via the Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters, *done* Nov. 15, 1965, 20 U.S.T. 361, T.I.A.S. No. 6638, 658 U.N.T.A. 163. Having heard nothing despite several requests for updates from the Chinese Ministry of Justice, the entity that handles service under the Hague Convention, the Division of Enforcement gave notice on October 3, 2018, that it intended to move for a default judgment pursuant to Article 15 of the Hague Convention. On October 31, 2018, the Division filed the Chinese Hague Convention’s return of service dated September 30, 2018, which certifies that service was not made because “[t]he address provided in the request does not exist.”

Ruling

GC China Turbine has not been served under the provisions of the Hague Convention because there is no showing that it received a copy of the OIP or that a method to achieve service was used that is reasonably calculated to give notice. 17 C.F.R. § 201.141(a)(2)(ii), (iv). However, where there is a will, there is sometimes a way.

The state of Nevada requires every business entity registered in the state to designate a registered agent residing in the state. Nev. Rev. Stat. § 78.090(1). If a corporation fails to appoint a registered agent or when the address of the registered agent is not staffed, Section 14.030(1) provides that the corporation can be served with legal process by delivering a copy of the service papers to the Secretary of State with a citation to Section 14.030 and a \$10 filing fee—essentially making the Secretary of State an “agent authorized by . . . law to receive” service for the purposes of Rule 141(a)(2)(ii). Before service is authorized, the person requesting service must file an affidavit setting forth facts showing the exercise of due diligence in ascertaining the whereabouts of the corporate officers to be served, and that it cannot accomplish “direct or personal service on, or notice to,” the corporation. Nev. Rev. Stat. § 14.030(3). *See China Domestica Bio-technology Holdings, Inc.*, Admin. Proc. Rulings Release No. 6385, 2018 SEC LEXIS 3400 (ALJ Dec. 3, 2018); *ANV Sec. Grp., Inc.*, Admin. Proc. Rulings Release No. 6255, 2018 SEC LEXIS 2974 (ALJ Nov. 25, 2018).

Given these facts, I suggest the Division might consider proceeding under Nev. Rev. Stat. § 14.030(1).³

Brenda P. Murray
Chief Administrative Law Judge

³ The Commission might consider modifying the Rules of Practice that allow companies headquartered outside the United States avoid service of the OIP.