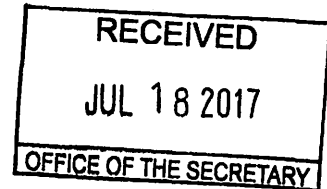


**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 80892 / June 8, 2017**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-18017**



**In the Matter of**  
  
**Can-Cal Resources Ltd.,**  
**China Fruits Corp., and**  
**SkyStar Bio-Pharmaceutical Co.,**  
  
**Respondents.**

**RESPONDENT**                    **CAN-CAL**  
**RESOURCES LTD.'S ANSWER TO**  
**ORDER**                    **INSTITUTING**  
**ADMINISTRATIVE PROCEEDINGS**  
**AND NOTICE OF HEARING**  
**PURSUANT TO SECTION 12(j) OF**  
**THE SECURITIES EXCHANGE ACT**  
**OF 1934**

Respondent Can-Cal Resources Ltd. ("Can-Cal"), by and through its counsel of Justin C. Jones, Esq. of Jones Lovelock, hereby answers the allegations contained in the Securities and Exchange Commission's ("Commission") Order Instituting Administrative Proceedings and Notice of Hearing Pursuant to Section 12(j) of the Securities Exchange Act of 1934 (the "Order") as follows:

**WITH RESPECT TO SECTION I**

Respondent Can-Cal admits, upon information and belief, that the Commission's public official files disclose the matters set forth in paragraph 1, and refers to said files for their contents.

**WITH RESPECT TO SECTION II**

1. With respect to Paragraph 1 of Section II, Respondent Can-Cal: admits, that Respondent is a Nevada corporation based in Las Vegas, Nevada; admits that Respondent Can-Cal's common stock is registered under Section 12(g) of the Exchange Act; however,

Respondent Can-Cal alleges that it does not have and cannot obtain information sufficient to admit or deny any other allegations contained in such paragraph, and on that basis denies such allegations.

2. With respect to Paragraph 2 of Section II, Respondent Can-Cal alleges that it does not have and cannot obtain information sufficient to admit or deny any other allegations contained in such paragraph, and on that basis denies such allegations.

3. With respect to Paragraph 3 of Section II, Respondent Can-Cal alleges that it does not have and cannot obtain information sufficient to admit or deny any other allegations contained in such paragraph, and on that basis denies such allegations.

4. With respect to Paragraph 4 of Section II, Respondent Can-Cal denies the allegations contained therein.

5. With respect to Paragraph 5 of Section II, Respondent Can-Cal admits the allegations contained therein.

6. With respect to Paragraph 6 of Section II, Respondent Can-Cal denies the allegations contained therein.

#### WITH RESPECT TO SECTION III

With respect to Section III, Respondent Can-Cal does not have and cannot obtain information sufficient to admit or deny the statements contained in said paragraph, however, denies that a public administrative proceeding instituted pursuant to Section 12(j) of the Exchange Act is appropriate for the protection of investors.

#### WITH RESPECT TO SECTION IV

With respect to Section IV, Respondent Can-Cal admits, upon information and belief, that the Commission's public official files disclose the matters set forth in said Section, and refers to said files for their contents, and the Orders stated therein.

This Respondent, Can-Cal denies each and every allegation of the Division of Enforcement not herein admitted, qualified, or denied.

#### FIRST AFFIRMATIVE DEFENSE

Respondent Can-Cal alleges and believes that the Commission lacks authority to conduct the proceedings herein.

#### SECOND AFFIRMATIVE DEFENSE

The allegations of the Office of the Division of Enforcement fail to state a claim upon which the Commission can render sanctions as requested in Section III(B) of the Order Instituting Administrative Proceeding.

#### THIRD AFFIRMATIVE DEFENSE

The allegations of the Office of the Division of Enforcement are barred by laches.

#### FOURTH AFFIRMATIVE DEFENSE

In light of the allegations contained in Section II of the Order, the allegations that the Commission deems it necessary and appropriate for the protection of investors that a public administrative proceeding be instituted against Respondent Can-Cal to suspend for a period not exceeding twelve months, or revoke the registration of each class of Can-Cal's securities is inconsistent with Section 13(a) of the Exchange Act and Rules 13a-1 and 13a-13 thereunder.

#### FIFTH AFFIRMATIVE DEFENSE

The sanctions as proposed by the Division of Enforcement constitute punitive remedies against individual and indispensable parties who have not had an opportunity for appearance herein, and on that basis it would be unconstitutional for the Commission to take any disciplinary action based thereon.

#### SIXTH AFFIRMATIVE DEFENSE

That the relief sought in Section III(B) is vague and ambiguous.

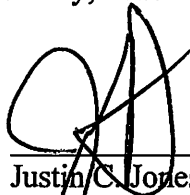
#### SEVENTH AFFIRMATIVE DEFENSE

Pursuant to Section 12g-4(b) of the Exchange Act, Respondent was entitled to a 60-day period following the filing of the Form 15/A to bring its missing reports current. Therefore, any proceeding to revoke or suspend the registration of the Respondent's securities is premature.

WHEREFORE, having fully answered, Respondent, Can-Cal prays:

1. That the relief described in Section III(B) of the Order be denied and the proceedings herein dismissed; and
2. That Respondent Can-Cal be given all and such other further relief as the Commissioner may deem just and proper.

Respectfully submitted this 10<sup>th</sup> day of July, 2017.



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*Attorneys for Respondent  
Can-Cal Resources, Ltd.*

**CERTIFICATE OF SERVICE**

I hereby certify that true and correct copies of Can-Cal's Answer were served this 10th day of July, 2017, by U.S. mail on the following:

The Honorable Brenda P. Murray  
Chief Administrative Law Judge  
Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549-2557

Kevin P. O'Rourke  
Neil J. Welch, Jr.  
Securities and Exchange Commission  
100 F Street, N.E.  
Washington, DC 20549-6010

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