

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 85596 / April 10, 2019

Admin. Proc. File No. 3-18731

In the Matter of

CHINA HEALTH RESOURCE, INC., AND
CHINA LOGISTICS GROUP, INC.,

Respondents.

ORDER TO SHOW CAUSE

The Securities and Exchange Commission (“Commission”) issued an Order Instituting Proceedings (“OIP”) on September 7, 2018, pursuant to Section 12(j) of the Securities Exchange Act of 1934, against respondents China Health Resource, Inc. and China Logistics Group, Inc. (collectively, “Respondents”).¹

The Division of Enforcement initially filed two declarations concerning service. On September 24, 2018, the Division filed the Declaration of Ronald Turnbaugh, which stated that service of the OIP was made on China Health Resource, Inc. on September 20, 2018, “by delivering two copies . . . at the office of the Delaware Secretary of State, Division of Corporations, . . . with . . . a clerk or other person in charge of the office.” On October 5, 2018, the Division filed the Declaration of George Sano, which stated that service of the OIP was made on China Logistics Group, Inc. on October 1, 2018, by “serv[ing] the [OIP]” on “Theresa Shum, a person of suitable age and discretion who resides” at the “personal residence” of “Davy H. Shum, Vice President of International Marketing for China Logistics Group, Inc.”

In response to a Commission request for supplemental information concerning service on Respondents,² the Division filed two additional declarations on December 20, 2018: the Declaration of Neil J. Welch, Jr. and the supplemental Declaration of George Sano. As to respondent China Health Resource, Inc., the Declaration of Neil J. Welch, Jr. described the steps taken by the Division to determine that no option for service within the State of Delaware was

¹ *China Health Resource, Inc.*, Exchange Act Release No. 84059, 2018 WL 4293443 (Sept. 7, 2018).

² *China Health Resource, Inc.*, Exchange Act Release No. 18731 (Dec. 11, 2018), available at <https://www.sec.gov/litigation/opinions/2018/34-84797.pdf>.

available other than delivering the OIP to the Delaware Secretary of State, Division of Corporations.³ As to respondent China Logistics Group, Inc., the Declaration of Neil J. Welch, Jr. described the steps taken by the Division to determine that Davy H. Shum is an officer of the company, and to determine the address of his personal residence.⁴ The supplemental Declaration of George Sano reiterated that the process server served the OIP at the personal residence of Davy H. Shum “by leaving a copy . . . with Theresa Shum, a person of suitable age and discretion who resides therein.”⁵

As stated in the OIP, Respondents’ answers were required to be filed within ten days of service of the OIP.⁶ As of the date of this order, Respondents have not filed an answer. The prehearing conference and the hearing are thus continued indefinitely.

Accordingly, Respondents are ORDERED to SHOW CAUSE by April 24, 2019, why the registrations of their securities should not be revoked by default due to their failures to file an answer and to otherwise defend this proceeding. When a party defaults, the allegations in the OIP will be deemed to be true and the Commission may determine the proceeding against that party upon consideration of the record without holding a public hearing.

If Respondents fail to respond to this order to show cause, they may be deemed in default, the proceeding may be determined against them, and their securities may be revoked.⁷ Upon review of the filings in response to this order, the Commission will either direct further proceedings by subsequent order or issue a final order resolving the matter.

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

Vanessa A. Countryman
Acting Secretary

³ See 8 Del. Code § 321(b).

⁴ See Rule of Practice 141(a)(2)(i)-(ii), 17 C.F.R. § 201.141(a)(2)(i)-(ii).

⁵ See Rule of Practice 141(a)(2)(i), 17 C.F.R. § 201.141(a)(2)(i).

⁶ Rules of Practice 151(a), 160(b), 220(b), 17 C.F.R. §§ 201.151(a), .160(b), .220(b).

⁷ Rules of Practice 155, 180, 17 C.F.R. § 201.155, .180; see *China Health Resource, Inc.*, 2018 WL 4293443, at *2 (“If Respondents fail to file the directed Answers, . . . [they] may be deemed in default and the proceedings may be determined against them . . .”).