

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
June 10, 2005

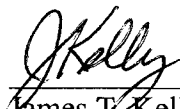
In the Matter of :
: ORDER
: PHLO CORPORATION,
: JAMES B. HOVIS, and
: ANNE P. HOVIS
:

I held a telephonic prehearing conference with the parties on June 7, 2005. At that conference, Peter Stefanou (Stefanou), CPA, the outside auditor for Phlo Corporation (Phlo), explained his schedule for auditing and certifying Phlo's financial statements for fiscal years 2004 and 2005. The Division of Enforcement (Division) had a full opportunity to question Stefanou.

Stefanou expects to complete field work for the fiscal year 2004 audit by June 17, 2005, and to certify the 2004 financial statements by June 27, 2005. If Phlo's audited financial statements and annual report for fiscal year 2004 have not been filed with the Securities and Exchange Commission in proper EDGARized format by July 7, 2005, Stefanou agreed to write a letter to the undersigned on that date, explaining the facts and circumstances.

As a separate matter, the parties agreed to hold a telephonic prehearing conference on August 2, 2005, at 2:00 p.m. EDT. The Division shall initiate the call and obtain a court reporter.

SO ORDERED.



James T. Kelly
Administrative Law Judge