

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**  
**April 27, 2005**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-11912**

**In the Matter of**

**ePhone Telecom, Inc., and**  
**National Institute Companies of America, Inc.,**  
  
**Respondents.**

**ORDER INSTITUTING**  
**ADMINISTRATIVE**  
**PROCEEDINGS AND NOTICE OF**  
**HEARING PURSUANT TO**  
**SECTION 12(j) OF THE**  
**SECURITIES EXCHANGE ACT**  
**OF 1934**

**I.**

The Securities and Exchange Commission (“Commission”) deems it necessary and appropriate for the protection of investors that public administrative proceedings be, and hereby are, instituted pursuant to Section 12(j) of the Securities Exchange Act of 1934 (“Exchange Act”).

**II.**

After an investigation, the Division of Enforcement alleges that:

**A.     RESPONDENTS**

1.     ePhone Telecom, Inc.<sup>1</sup> (“EPHO”) (CIK 1085082) is a Florida corporation located in Herndon, Virginia with common stock registered with the Commission under Exchange Act Section 12(g). EPHO is delinquent in its periodic filings, having last filed a periodic report for the period ending June 30, 2003, and has an inactive status with the Secretary of State of Florida. EPHO reported assets of \$1,373,733, liabilities of \$3,363,117, and a net loss of \$3,747,644 for the six months ending June 30, 2003. EPHO’s common stock was quoted on the Pink Sheets as of February 7, 2005. For the six months ending November 18, 2004, EPHO had an average daily trading volume of 37,020 shares.

2.     National Institute Companies of America, Inc. (“NICM”) (CIK 1096858) is a New York corporation located in Carnegie, Pennsylvania with common stock registered with the Commission the Exchange Act Section 12(g). On August 20, 2004, the Commission obtained a permanent injunction against NICM in the United States District Court for the Western District of Pennsylvania. *Securities and Exchange*

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<sup>1</sup>     The short form of each Respondent’s name is also its stock symbol.

*Commission v. National Institute Companies of America, Inc., et al.*, Civ. Act. No. 00-1216 (W.D. Pa.) (June 22, 2000), enjoining NICM from further violations of the antifraud provisions of the federal securities laws. NICM has never filed a periodic report since its June 23, 2000 initial registration, and has a dissolved status with the Secretary of State of New York. In its Form 10-SB registration statement, NICM reported assets of \$3,435,136, liabilities of \$5,073,067, and a net loss of \$4,114,132 for the year ending December 31, 1999. NICM's common stock was quoted on the Pink Sheets as of February 7, 2005. For the six months ending November 18, 2004, NICM had an average daily trading volume of 68,820 shares.

**B. DELINQUENT PERIODIC FILINGS**

3. This case concerns two companies with classes of securities registered with the Commission that are delinquent in their periodic reports with the Commission (*see* Chart of Delinquent Filings, attached hereto as Appendix 1). These registrants have the following facts in common. First, they have been delinquent in their periodic filing obligations with the Commission for more than eighteen months. Second, they have registered securities that are quoted on the Pink Sheets. Third, they represent some of the highest volume delinquent issuers quoted on the Pink Sheets. Fourth, they are located in the Commission's Northeastern Region.

4. Exchange Act Section 13(a) and the rules promulgated thereunder require issuers with classes of securities registered pursuant to Exchange Act Section 12 to file with the Commission current and accurate information in periodic reports, even if the registration is voluntary under Section 12(g). Specifically, Rule 13a-1 requires issuers to file annual reports (Forms 10-K or 10-KSB), and Rule 13a-13 requires issuers to file quarterly reports (Forms 10-Q or 10-QSB).

5. As a result of the foregoing, all of the Respondents failed to comply with Exchange Act Section 13(a) and Rules 13a-1 and 13a-13 thereunder.

**III.**

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate for the protection of investors to institute public administrative proceedings to determine:

A. Whether the allegations in Section II are true and, in connection therewith, to afford the Respondents an opportunity to establish any defenses to such allegations; and,

B. Whether it is necessary and appropriate for the protection of investors to suspend for a period not exceeding twelve months, or revoke the registration of each class of securities of the Respondents identified in Section II registered pursuant to Section 12 of the Exchange Act.

#### IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice [17 C.F.R. § 201.110].

IT IS FURTHER ORDERED that Respondents shall file Answers to the allegations contained in this Order within ten (10) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice [17 C.F.R. § 201.220].

If Respondents fail to file the directed Answers, or fail to appear at a hearing after being duly notified, the Respondents may be deemed in default and the proceedings may be determined against them upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice [17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f), and 201.310].

This Order shall be served forthwith upon Respondents personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision not later than 120 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice [17 C.F.R. § 201.360(a)(2)].

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Jonathan G. Katz  
Secretary

Attachment

## Appendix 1

### Chart of Delinquent Filings

Company Name	Form Type	Period Ended	Due Date	Date Received	Months Delinquent (rounded up)
<b><i>ePhone Telecom, Inc.</i></b>					
	<i>10-QSB</i>	09/30/03	11/14/03	Not filed	17
	<i>10-KSB</i>	12/31/03	03/30/04	Not filed	13
	<i>10-QSB</i>	03/31/04	05/17/04	Not filed	11
	<i>10-QSB</i>	06/30/04	08/16/04	Not filed	8
	<i>10-QSB</i>	09/30/04	11/15/04	Not filed	5
	<i>10-KSB</i>	12/31/04	03/31/05	Not filed	1
Total Filings Delinquent	6				
<b><i>National Institute Companies of America, Inc.</i></b>					
	<i>10-QSB</i>	09/30/00	11/14/00	Not filed	53
	<i>10-KSB</i>	12/31/00	04/02/01	Not filed	48
	<i>10-QSB</i>	03/31/01	05/15/01	Not filed	47
	<i>10-QSB</i>	06/30/01	08/14/01	Not filed	44
	<i>10-QSB</i>	09/30/01	11/14/01	Not filed	41
	<i>10-KSB</i>	12/31/01	04/01/02	Not filed	36
	<i>10-QSB</i>	03/31/02	05/15/02	Not filed	35
	<i>10-QSB</i>	06/30/02	08/14/02	Not filed	32
	<i>10-QSB</i>	09/30/02	11/14/02	Not filed	29
	<i>10-KSB</i>	12/31/02	03/31/03	Not filed	25
	<i>10-QSB</i>	03/31/03	05/15/03	Not filed	23
	<i>10-QSB</i>	06/30/03	08/14/03	Not filed	20
	<i>10-QSB</i>	09/30/03	11/14/03	Not filed	17
	<i>10-KSB</i>	12/31/03	03/30/04	Not filed	13
	<i>10-QSB</i>	03/31/04	05/17/04	Not filed	11
	<i>10-QSB</i>	06/30/04	08/16/04	Not filed	8
	<i>10-QSB</i>	09/30/04	11/15/04	Not filed	5
	<i>10-KSB</i>	12/31/04	03/31/05	Not filed	1
Total Filings Delinquent	18				