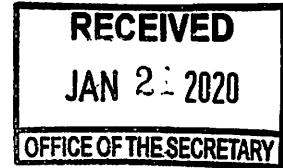# HARD COPY

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
FILED: January 17th, 2020

IN THE MATTER OF TIMOTHY W. CARNAHAN, AND CYIOS CORPORATION RESPONDENTS

ADMINISTRATIVE PROCEEDING
File No. 3-16386

Motion to Correct Manifest Errors of Fact

TO ALL PARTIES AND THEIR RESPECTIVE ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on **January 17th, 2020,** THE RESPONDENTS file Motion to Correct Manifest Errors of Fact of the (Initial Decision) Dated January 10th, 2020 issued by James E. Grimes, Administrative Law Judge pursuant to the Securities and Exchange Commission's Rules of Practice, 17 C.F.R. § 201.100.

Rule 111(h) of the Commission's Rules of Practice allows a party to file a motion to correct a manifest error of fact within ten days after issuance of an Initial Decision. It also provides that an Administrative Law Judge (ALJ) shall rule on a motion to correct. Finally, Rule 111(h) explains that a motion to correct is properly filed **"only if the basis for the motion is a patent misstatement of fact in the initial decision."** A brief in opposition may be filed within five days of a motion to correct. The hearing officer shall have 20 days from the date of filing of any brief in opposition filed to rule on a motion to correct.

Under Rule 410(b) of the Commission's Rules of Practice, if a motion to correct an initial decision with the hearing officer is filed, a party shall have 21 days from the date of the hearing officer's order resolving the motion to correct to file a petition for review.

Contents

Manifest Errors of Fact

Patent Misstatement of Fact #1: ~~February 26, 2010~~ change to April 15th, 2009... ~~"within"~~ change to "NOT within"

<u>From the Initial Decision (top of page 6):</u>
"The OIP was filed on February 13, 2015, and the relevant misconduct began with CYIOS's 2009 Form 10-K filed on <u>February 26, 2010</u>, which is <u>within</u> the five-year limitations period in 28 U.S.C. § 2462.26"

<u>Proof </u>of Patent Misstatement of #1:
CYIOS filed the (*alleged false statements/misconduct)* on their 2008 Form 10-K and continued to file the on all filings starting **2009-04-15** which is when the claim *"first accrues"* NOT on February 26, 2010 and which is NOT within the five-year limitation period in 28 U.S.C § 2462.26"

<u>Directly from the SEC.gov "company filings" site is below pertinent date:</u>
Filing Date
2009-04-15
Accepted
2009-04-15 10:44:02
Documents
4
Period of Report
2008-12-31
Please see https://www.sec.gov/Archives/edgar/data/1091566/000114036109009582/form10k.htm

SEC Home » Search the Next-Generation EDGAR System » Company Search » Current Page

Form 10-K - Annual report [Section 13 and 15(d), not S-K Item 405]   SEC Accession No. 0001140361-09-009582

Filing Date	Period of Report
2009-04-15	2008-12-31

Accepted
2009-04-15 10:44:02
Documents
4

Document Format Files

Seq	Description	Document	Type	Size
1	CYIOS CORPORATION 10-K 12-31-2008	form10k.htm	10-K	1056974
2	EXHIBIT 21.1	ex21_1.htm	EX-21.1	1871
3	EXHIBIT 31.1	e-31_1.htm	EX-31.1	17294
4	EXHIBIT 32.1	u-32_1.htm	EX-32.1	7407
	Complete submission text file	0001140361-09-009582.txt		1085283

CYIOS CORP (Filer) CIK: 0001091566 (see all company filings)
IRS No.: 593430720 | State of Incorp.: NV | Fiscal Year End: 1231
Type: 10-K | Act: 34 | File No.: 000-27243 | Film No.: 09750077
SIC: 7389 Services-Business Services, NEC
Office of Trade & Services

Business Address
1300 PENNSYLVANIA AVE NW
SUITE 700
WASHINGTON DC 20004
202-204-3008

Mailing Address
1300 PENNSYLVANIA AVE NW
SUITE 700
WASHINGTON DC 20004

<u>**2009-04-15 is when the claim *"first accrues"* and is NOT within the five-year limitations** period in 28 U.S.C. § 2462.26.</u>

It is sinister and is judicial bias in regards for TWO ALJs and all the SEC attorneys to assert the wrong date and time for the benefit of the SEC. This wrongfully assessed date has prejudice the respondents who have filed motions to this fact and objected countless times during the hearing to even having the hearing at all, and to all the arbitrary and capricious questions during the hearing. This failure to

assert the wrong date is proof of incompetence and an act of vengeance of the court, attorneys and judges.

28 U.S.C. § 2462 bars the government from bringing suit to enforce "any civil fine, penalty, or forfeiture" after five years from when the ***claim first accrued***.
In resolving the question of when the statute begins to run the <u>Supreme Court</u> focused on the phrase ***"first accrues"*** from the statute. In view of this language section 2462 "begins only once, when a claim first accrues." (emphasis original).
In view of these words the statute cannot reset each day because the concept of "first" would "have no operative" force, <u>the Supreme Court found</u> in the SEC v. Kokesh, No. 15-2087 (10 Cir. Decided March 5, 2018). *Thus, from the Kokesh case, the Court held, the application of the "statute-of-limitations issue in this case . . . turns on whether Defendant's misappropriations of funds from the BDCs are properly viewed as a continuing violation or as a number of discrete wrongs,".*

The respondents as the ALJ both agree that the "alleged misconduct" was a *"continuing"* alleged violation. However, the date <u>2009-04-15 is when the claim *"first accrues"*</u> and is **NOT within the five-year limitations** period in 28 U.S.C. § 2462.26.

Proof of the *"first accrues* and *continuing"* of filings:

Excerpt from 2008 10-K : Filed: 2009-04-15
We evaluated and assessed the effectiveness of our internal control over financial reporting as of December 31, 2008, using criteria set forth in the Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Excerpt from 2009 10-K : Filed: 2010-02-26
We evaluated and assessed the effectiveness of our internal control over financial reporting as of December 31, 2007, using criteria set forth in the Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Excerpt from 2010 10-K : Filed: 2011-04-15
We evaluated and assessed the effectiveness of our internal control over financial reporting as of December 31, 2007, using criteria set forth in the Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Excerpt from 2011 10-K : Filed: 2012-04-02
We evaluated and assessed the effectiveness of our internal control over financial reporting as of December 31, 2007, using criteria set forth in the Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In the SEC v. Kokesh case,
Judge Garaufis reasoned that "[a]llowing discovery to proceed with respect to claims that appear to be time-barred . . . would constitute 'entertain[ing]' those claims, which § 2462 clearly prohibits."
see Id.at 18. Also, see Cohen, Mem. & Order Granting Mot. to Dismiss at 19, ECF No. 68.

Judge Garaufis findings were against the SEC. It is contemptuous judicial misconduct for SEC to have ignored the respondent's motions to dismiss and the verbal objections to this **stated law** during the hearing to continue the hearing. Judge Grimes actions to ignore were malicious and sinister as well as prejudice the respondents.

Patent Misstatement of Fact #2: "~~using the COSO Framework~~" change to *"using criteria set forth in the Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO)."*

From ID top of page 14 Highlighted below is incorrect:

CYIOS's statements that management had evaluated the company's internal controls using the COSO framework were false.

Proof of Patent Misstatement of #2:

CYIOS was not "using the COSO Framework" as patently misstated as FACT in ID by the ALJ,
CYIOS was "using criteria set forth in the Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO)".

CYIOS's statement directly from the sec.gov filing highlighted below is correct:
Excerpt from 2008 10-K

We evaluated and assessed the effectiveness of our internal control over financial reporting as of December 31, 2008, using criteria set forth in the Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Patent Misstatement of Fact #3: "~~Carnahan could not explain how he evaluated the effectiveness of CYIOS's internal controls~~" change to "Carnahan fully explained with documentation how he evaluated the effectiveness of CYIOS's Internal controls

From ID top of page 9 below is incorrect:

When asked during his investigative testimony, however, Carnahan could not explain how he evaluated the effectiveness of CYIOS's internal controls. He testified that: he kept track of the company's revenue and payroll himself; because he wrote the payroll system, "it can't be flawed"; and he was the company's "internal control" and "did the internal controls" in his "mind," so he could not document himself.50 This testimony—which Carnahan did not dispute, disavow, or attempt to explain during the hearing—established that the periodic filings were the only documentation of CYIOS's internal controls and, as the company's sole director and officer serving in every relevant role, he was his "own quality assurance."

Proof of Patent Misstatement of #3:

Email where Carnahan fully explained with documentation how CYIPRO was use as the "De Facto" standard when he evaluated the effectiveness of CYIOS's Internal Controls.

Date Sent: Monday, August 25, 2014 2:28:25 PM Sent From: "Timothy Carnahan" <carnahan@cyios.com> Sent To: "King, David R." <KingDR@SEC.GOV> Sent CC: "McGuire, Margaret S." <MCGUIREM@SEC.GOV>, "Peavler, David L." <PeavlerD@SEC.GOV>, "Woodcock, David R." <WoodcockD@SEC.GOV> Subject: RE: Re: CYIOS Corporation (FW-3921) Attachments: [Continuous_Process_Improvement_Support.docx]

David,

A. From my earlier email, I've attached how the processes (ME, MYSELF and I) created to run CYIOS (CYIO).

A.1 These processes to ALL of the invoicing and payroll that are incorporated into our SEC filings. Traci is more or less a bookkeeper in her capacity as a contractor. Our website has many purposes — none have been formally deemed for use for our shareholders. Please see 2008 SEC guidance on use and historical factors.

A.2 Please read as all my "Internal Controls" related to financial reports are covered through my automation of the processes.

B. My claim is that the SEC failed to evaluate these processes and further ignored my testimony; thus coming to the wrong conclusions.

B.1 I also claim the SEC failed to evaluate under the 2008 guidance — http://www.sec.gov/news/press/2008/2008-158.htm

B.2 My "MAJOR" concern is that the SEC actions have cause a "Hardship" on the company.

C. As for the "Late filings", we received a letter from SEC about our filings, we talked about our situation and the SEC was fine with our form 15 filed May 2014.

My intent is to resolve any concerns as needed immediately, please advise when we can have our next conversation.

Vr, Tim: _____
Timothy W. Carnahan
CEO CYIOS Corporation Ronald Reagan Building 1300 Pennsylvania Ave,700 Washington,20004

powered by www.cyipro.com

<u>Email response from SEC:</u>
From: "King, David R." <KingDR@SEC.GOV> Date Sent: 8/25/2014 5:15:58 PM To: "Timothy W. Carnahan" <carnahan@cyios.com> CC: "McGuire, Margaret S." <MCGUIREM@SEC.GOV>, "Peavler, David L." <PeavlerD@SEC.GOV>, "Woodcock, David R." <WoodcockD@SEC.GOV> Subject: RE: Re: CYIOS Corporation (FW-3921)

Mr. Carnahan,
We will consider the material you provided and will get back to you to propose times that we can discuss this matter.
David R. King, CPA
U. S. Securities and Exchange Commission
Enforcement Division

Again, there was no false statements as per Exchange Act Rule 13a-15(c) contains an explicit requirement that management's evaluation of the issuer's internal controls must be based on a suitable, recognized control framework. CYIPRO was our internal product which was "using criteria set forth in the Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The respondent did not violate Rule 13a-15 or 13a-14 as ISO 9000:2008 is a recognized standard by the government of United States. CYIPRO is must have capability to win any Federal Contract, especially in DoD.

Our Internal Controls are governed and assessed using our inhouse product CYIPRO as stated in several emails (see Internalcontrols.docx). Further, we have completely mapped CYIPRO to ISO 9000:2008 framework to comply with COSO again, (see Continuous_Process_Improvement_Support.docx).
These documents were emailed to SEC during initial investigation dated: <u>August 25, 2014 2:28 PM.</u>
Date Sent: Monday, August 25, 2014 2:28:25 PM
Sent From: "Timothy Carnahan" <carnahan@cyios.com>
Sent To: "King, David R." <KingDR@SEC.GOV> Sent CC: "McGuire, Margaret S." <MCGUIREM@SEC.GOV>, "Peavler, David L." <PeavlerD@SEC.GOV>, "Woodcock, David R." <WoodcockD@SEC.GOV>.
Subject: RE: Re: CYIOS Corporation (FW-3921) Attachments: [Continuous_Process_Improvement_Support.docx]

Again, Carnahan and CYIOS did in fact evaluate ICFR for each 10-K and 10-Q. Carnahan and CYIOS do maintain documentation of management's assessments of ICFR. As Carnahan discussed with the SEC back in July 2014, CYIOS does maintain "evidential matter, including documentation to provide reasonable support for management's assessment of the effectiveness" of CYIOS' internal control over financial reporting—the CYIPRO program-based operating system that Carnahan created was built with ICFR and COSO in mind. Carnahan's certifications that CYIOS had assessed ICFR are true.
What's most compelling from the respondents is that in 2014, the respondents stated and further stated in the investigation and further stated again in all written briefs, emails and letters as well as all hearings but especially the letters emailed **Date Sent:** Monday, August 25, 2014 2:28:25 PM specifically and substantively laid out how CYIPRO works. This demonstrably allowed CYIOS to win Government Top Secret contract at the highest level of the Department Defense,

FBI, State and other executive agencies; not just one year but 20 years!!! Let's not forget CYIPRO was used to pass the DCAA audit – the audit required before any contract is allowed to be awarded.

So, while this is further "***Proof*** *of Patent Misstatement of #3*", it is further proof that there are no false statements on any filings. It is merely not just "IMPOSSIBLE" for the statements not to be true it has been proven with the success of CYIOS the statements must be true. Moreover, every SEC 10K CYIOS filed was audited and paid by an external audit company under the PCAOB, they all would have to have been wrong in giving a favorable audit!

On the following pages, we have presented for ease of reading the Continuous_Process_Improvement_Support document sent to the SEC. **Date Sent:** Monday, August 25, 2014 2:28:25 PM.

CYIPRO –a Defined Process Enhancing Continuous Improvement

3.8 Continuous Process Improvement Support

CYIPRO ensures total accountability, visibility and control of work activity, by providing the time management automation. This system helps the managers to efficiently plan and use their human resources, to optimize and control the process. The workforce can be effectively planned and scheduled, by automatically tracking the employee time and identifying new process improvement possibilities. Time is a valuable resource in a production process. An accurate time tracking system can underline some improvement possibilities in the production process, in order to save production time or to decrease costs. The time management automation ensures these advantages, and huge saving at the same time, by replacing sometimes a whole department involved in this process. The systems also can provide useful information for continuous improvement of production system, and for optimizing the business costs.

These advantages are very useful in the attempt to apply the ISO 9001:2008 principles regarding the planning (Chapter 5.4 *Planning*), the resource management (Chapter 6 *Resource management*), the planning of product realization (Chapter 7.1 *Planning of product realization*), and the continual improvement (Chapter 8.5.1 *Continual improvement*).

A reliable time tracker is necessary for recording the billable work activities performed for a client. Deficiencies in the time tracking system can cause customer complaint or the company may lose the client. At the same time, the complaint solving procedure would require a detailed checking of the time records, involving huge costs related to the working hours spent on these verifications. CYIPRO saves valuable time and helps the management avoid some customer complaints on billable activities, or solve these complaints very quickly and demonstrate the clients that an organization has a reliable billing system, and they are not overcharged. The purpose it is not to prove the client is wrong, but to prove that the company is reliable. We can conclude that CYIPRO helps an organization to enhance the customer satisfaction (ISO 9001:2008, Chapter 5.2 *Customer focus* and Chapter 8.2.1 *Customer satisfaction*), to successfully communicate with the clients (ISO 9001:2008 Chapter 7.2.3 *Customer communication*), to monitor and measure the processes (ISO 9001:2008, Chapter 8.2.3 *Monitoring and measurement of processes*), and to monitor and measure the product (ISO 9001:2008, Chapter 8.2.4 *Monitoring and measurement of product*). If the product is quantified as working hours, the system can ensure the control of the non-conforming product (ISO 9001:2008, Chapter 8.3 *Control of nonconforming product*), and avoid the complaints and the decrease of customer satisfaction (too many hours billed for one activity), because it ensures the rapid identification of the non-conformity (delay) and allows immediate actions.

The format of the recordings provided by CYIPRO is perfect for the data analysis necessary for the Quality Management System evaluation (ISO 9001:2008, Chapter 8.4 *Analysis of data*), and helps the management to identify the problems and the risks in the system, in order to ensure the continual improvement (ISO 9001:2008, Chapter 8.5.1 *Continual improvement*), to propose and apply corrective actions (ISO 9001:2008, Chapter 8.5.2 *Corrective action*) and preventive actions (ISO 9001:2008, Chapter 8.5.3 *Preventive action*).

CYIPRO eliminates the massive overhead of paper timesheets, time clocks, spreadsheets and manual data re-entry, and captures all the billable hours, including the short periods of time servicing a customer, such as phone calls and email. The accuracy increases the customer satisfaction, and the automation saves valuable time, enhancing the resource management.

The system also can provide information on the activities of employees in the office or in the field, enhancing a proper time management. This information can be used for employee evaluation (ISO 9001:2008, Chapter 6.2 *Human resources*), for assigning the right person to a new project, and to optimize the costs of the project. The Management can identify in real time the employees that are underutilized and can be assigned to a new project, or to a high priority project.

The Email to Project function ensures the billing on the hours spent for the new project, and it is a very useful tool for gaining the client trust and increasing the customer satisfaction.

Time Management Automation,
Integrated with Invoices and Payroll

CYIPRO provides very useful information for the Human Resources Manager regarding overtime, vacation, sick days, tardiness and low productivity. The data analysis allows the identification of some situation when the employees become dissatisfied with their job, and the Management can find a solution for avoiding the decrease of working hour return.

The system allows the accurate quantification of the costs on each project and process, providing valuable information for continuous improvement and planning, by enlightening the need for training, for automation, or for redefining job roles. By analyzing the data provided by CYIPRO, the Management can optimize the personnel costs on each project or department, ensuring all the time the correct dimensioned human resource for a new task (ISO 9001:2008, Chapter 6.2 *Human resources*).

CYIPRO combines scheduling, tracking and payroll in one workflow, and eliminates the risk of errors generated during the use of multiple databases by many employees. The automation reduces the number of errors in the payrolls, and the direct consequence is the decrease in the amount of working hours spent on records review.

The invoices are created automatically, and the system provides full information about the supporting documents, ensuring businesses visibility to the true cost of servicing a contract or providing products or services. The accuracy of the billing system can be checked, and the visibility has a positive impact on customer satisfaction.

The What Do I Do First feature ensures the correct prioritization of the projects, which is the key of a successful business.

The time tracking system ensures a correct evaluation of employees' activity, and allows them to improve their work, and to find the weak spots in their activity. This proves that CYIPRO enhances continuous improvement of an organization both from Management analysis and decisions (ISO 9001:2008, Chapter 5.6 *Management review*), and from employee's awareness and self-evaluation (ISO 9001:2008, Chapter 6.2.2 *Competence, training and awareness*).

CYIPRO enhances the control of documents (ISO 9001:2008, Chapter 4.2.3 *Control of documents*), and the control of records (ISO 9001:2008, Chapter 4.2.4 *Control of records*), ensuring the proper storage of documents and recordings, which can be quickly located and accessed. The requirements of ISO 9001:2008 standard regarding the Quality Management System documents are not the employees concern anymore, as the system ensures their identification, the use of most current version and the prevention of unintended use of obsolete document, and it also archives and deletes documents according to the organizational requirements.

The variations in the final product's quality are prevented by facilitating the knowledge management, and by preventing the loss of information and skills caused by employees leaving, and by enhancing the access to past information and experience.

The organization has a very clear set of standard processes that were tested, applied in practical situation, and improved continuously, and they allow the use of previous experience in certain risk situation. During the development of the standard processes, the organization eliminated the encountered risks, and used every small achievement for improving the new software development process. As a result, the set of standard processes can be successfully adapted to many types of particular projects, and they are also the guidelines during times of distress.

CYIPRO has a very clear purpose, ensuring the updating of the production software according to client's requirements, which may include adaptive, emergency, preventative, or perfective maintenance changes requests.

The inputs of the process of releasing new software to the production environment include documented and validated requirements, design documentation, updated code, newly written code, and testing results.

The entry criteria consist of the documented requirements from clients.

The activities related to the standard process include the software development planning, analysis, design, testing, implementation, and maintenance. The standard process of releasing new software to the production environment consists of well-defined steps that are followed for each new particular project, and integrated to the specific requirements and additional steps. Every process follows the pre-established guidelines of tailoring on base of the organization's standard processes, and can provide valuable experience to the continuous improvement of the system.

In each particular process, the Clients, the Project Manager, the Proponent, the Stakeholders, and the Software Developers play pre-defined roles.

The measures for the particular projects are represented by the successful user acceptance testing, the lack of errors after release, and the client starting to use the new features.

The verification steps consist of the unit testing, the entire system testing, user acceptance, and the error monitoring.

The output of the process is represented by a new version of the software, adapted to customer's needs.

The exit criterion is the completion of releasing steps.

With every test and improvement, the organization updated the descriptions of the standard processes, as a base for the detailed and accurate description of every particular process.

The personnel are encouraged to find risks and to propose preventive actions, in order to avoid most of the possible problems. The software is subject to many tests before the implementation phase, in order to identify most of the problems it may encounter in the new system. The tests are standardized, and a new problem that occurs in a process generates new tests for the future projects.

The CYIOS process of releasing new SLDMS software to the production environment can be described as a defined process, very rigorous, and having all the elements very clearly stated. The process is managed proactively, in order to avoid the occurrence of errors after the new software release. All the new particular processes are tailored according to the customer's needs, on base of the standard processes.

The characteristics of the standard processes run by CYIOS recommend them as CMMI capability level 3.

The standard processes are very well described and understood, and the organization developed comprehensive procedures, and stated the tools and methods to be used for each process. The organization ensures software maintenance, and all the new problems are treated with a high commitment from the entire team, in order to propose and apply the appropriate corrective action. The Knowledge Management software developed by the organization proves the understanding of the importance of past experience in continuous improvement of the standard processes. The standard processes were testes many times, and they proved that their foundation is stable, and resists under stress.

Alongside the CMMI capability level 3 requirements, the processes run by CYIOS also satisfy the requirements for CMMI maturity level 3.

Reference

ISO 9001:2008 *Quality management systems —Requirements*

CMMI Product Team (2010). *CMMI® for Development, Version 1.3.* Retrieved from: http://www.sei.cmu.edu

Patent Misstatement of Fact #4: CYIPRO Patent Application: 500382568
Carnahan did little on cross-examination to discredit Lundelius's testimony, choosing to chiefly focus on whether Lundelius had reviewed CYIOS's patent.[73] Carnahan, however, failed to present any evidence about CYIOS's patent or whether it had one.

Proof of Patent Misstatement of #4: "Google: CYIOS CYIPRO Patent"
Google: "CYIOS CYIPRO Patent"
Done!
https://www.prnewswire.com/news-releases/cyios-applies-for-patent-for-cyipro-129392273.html

It is abundantly clear Judge Grimes is incompetent, submitted an Initial Decision only to smear the respondents and company with Judicial bias.

The problem here with the patent misstatement of fact on the ID is that the SEC witness stated he never reviewed CYIPRO. If this is the case, then the ALJ has been misinformed — but the respondents stated this in the hearing; yet the ALJ ignored the facts and drafted up an Initial Decision (ID) like a fictional movie director.

Patent Misstatement of Fact #5: "By failing to make required periodic filings" change to "CYIOS made required periodic filings, it was administrative error not timely filing the Form 15-12G"
From the Initial Decision (ID) (top page 17):
By failing to make required periodic filings during that time, CYIOS violated Exchange Act Section 13(a) and Rules 13a-1 and 13a-13.

<u>Proof</u> of Patent Misstatement of #5:
CYIOS made required periodic filings, it was administrative error not timely filing the Form 15-12G.

CYIOS didn't violate any laws here – it was administrative error which was corrected as soon as we were told about the oversight of filing the Form 15-12G. CYIOS filed March 29th 2013 NT 10K and May 15th, 2013 NT 10-Q; CYIOS was having financial hardship and was not able to continue paying for auditors and lawyers for the filings so Timothy Carnahan did voluntarily file Form 15-12G as the appropriate paperwork May 29th, 2014 Notice of Termination of Registration after speaking with the merger attorney. If we would have known of this error, we would have filed it timely. We have less than 300 shareholders 102 at the time of the filing. We did not see any rule stating we needed to file the 15-12G as we thought we were exempt due to size. Moreover, we knew that we were still responsible for filing delinquent periodic reports and Mr. Carnahan called 202 551-3245 and spoke to SEC explaining we are going to do a merger and get all the delinquent filings up to date.
Most importantly, if it had not been for the negligence of SEC Enforcement's case in question that started mid-June of 2014, we would have been compliant, and the SEC would not have had and issue which would have been the best for the shareholders.

<u>CONCLUSION</u>

For the foregoing reasons, the respondents respectfully request that Your Honor grant this motion and grant relief from destroying a company, defamation of the respondent's character and mangling a company financials with malign intent.

Timeliness: The Order was received January 10th, 2020, this motion is timely.

Date: January 17th, 2020
Respondents submitted,
Respectfully,

_____
Timothy Carnahan

_____
Timothy Carnahan, CEO and President of CYIOS

Service List

In accordance with Rule 150 of the Commission's Rules of Practice, I hereby certify that a true and correct copy of the foregoing Reply to the Order was served on the persons listed below as per date of this document via United States Postal Service or email where indicated:

Office of the Secretary
100 F Street, NE
Washington, DC 20549
Mailed Hard Copy
Fax: 703-813-9793

Judge James E. Grimes
Administrative Law Judge
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-2557
ALJ@sec.gov

Matthew J. Gulde
Burnett Plaza, Suite 1900
SEC
801 Cherry Street, Suite 1900
Unit 18
Fort Worth, TX 76102
guldem@SEC.GOV

Timothy W. Carnahan
via email

CYIOS Corporation
c/o Timothy W. Carnahan, President,
CEO and Chairman
via email

Respectfully,
Timothy W. Carnahan

X_____