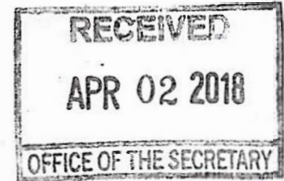


HARD COPY



UNITED STATES OF AMERICA

Before the

SECURITIES AND EXCHANGE COMMISSION

Admin. Proc. File No. 3-16386

In the Matter of
Timothy W. Camahan,
CYIOS Corporation
Respondents

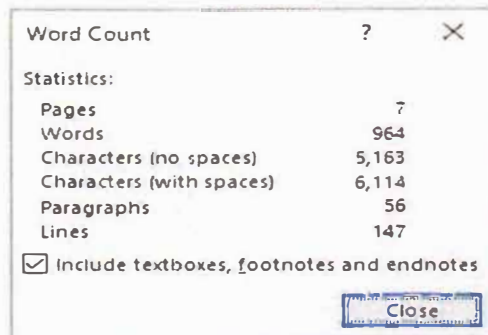
Dated: Monday, March 26, 2018

DUE: March 26th, 2018

Reply Brief:

“Per Supplemental Briefing Order - February 8th, 2018”

As requested, the supplementary reply documentation supplied in the following pages regarding the SEC Department of Enforcement’s opening brief. This document is in compliance to the request not to exceed 3000 words, by March 26, 2018.



It is literally unexplainable why the SEC states we’ve shown no evidence – read the story!!!

INTERNAL CONTROLS

(The pinnacle of capricious statements from the SEC)

SEC states over and over again that the statements were false in regard to Internal Controls on the 10K filings. The SEC stated that because the Internal Controls did not pick-up on the alleged Sarbanes-Oxley violation, the SEC capriciously and arbitrarily deemed CYIOS 10K statements where false. The SEC stated the controls were not reviewed and documented nor did they follow COSO Framework. See item #17 p.5 of Release No. 3638 / February 13, 2015.

The "RESPONDENTS" stated 1) there is and was NO Sarbanes-Oxley Violation and 2) our statements about the internal controls are true. We now know that #1 is true as stated by the SEC Initial Decision Release No. 930, 2015 LEXIS 5189 (DEC, 21, 2015).

Below #2 is true as well, the Respondents DEBUNK the SEC statements about the internal controls over and over again - the SEC was given documentation in 2014 – almost 4 years ago; today we give pictures. See **Email Exhibit 1** below and pictures following the email. KEEP READING!!!

IMPORTANT POINT to note before reading onward (copied for convenience of reading): from our Reply Brief to "Division of Enforcement Opposition brief" Dated – March 31, 2016 see page 4. B.

***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).

What the SEC has attempted to do is state we are using the COSO framework – the Respondents state that we are "USING CRITERIA SET FORTH IN...".

We are using our Product CYIPRO – (Patent pending US 14/806,989) – one of the use cases is for Sarbanes-Oxley and Internal Controls. Moreover, the below SEC link makes it crystal clear we don't have to "USE" COSO – as we stated, we are using CRITERIA set forth in COSO via our product CYIPRO.

<https://www.sec.gov/info/smallbus/404guide/controls.shtml>

Sarbanes-Oxley Section 404 A Guide for Small Business states:

The SEC doesn't have specific rules that tell smaller public companies how to do this. There is, however, useful guidance available from other sources. One of these is the internal control framework set out by a private sector organization called the Committee of Sponsoring Organizations of the Treadway Commission.

Email Exhibit 1:

Transaction: (331545)

8/25/2014 2:29:31 PM

CARNAHAN

Attachment(s):

Continuous_Process_Improvement_Support.docx

Date Sent: Monday, August 25, 2014 2:28:25 PM

Sent From: "Timothy Carnahan" <camahan@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
2023691984
CYIOS Corporation
Ronald Reagan Building
1300 Pennsylvania Ave.700
Washington,20004

powered by www.cyipro.com

We as asked include snapshots of more "Documentation" and it should be obvious about the review and what review was done regarding the internal control process in question. See below of a 10K process. These processes have Oversight, Organization separation of control and financial management control processes as well. Inclusive this is CYIPRO.

CYPRO
DO MORE WITH LESS

Start Project Overview Document Library Contact Calendar Mail Oversight Organization Signat Assets Finance Report

Sunday 5/25/2018 3:51:17 PM
Days left (days): 181 days(s)
Business days: 201 days(s)
Time: [redacted]
Last 1 min: [redacted]

You selected the following Template:
SEC 10K - 4/12/2006 9:26:36 PM - 35:00 Hour(s)

Select a Team to place project:
BOD (headquarters)
(select team)

Cancel Use Template Now

Template Contents
10K 2005 SEC Filing - 35:00 Hour(s) --> [copy all tasks](#)

- > task [share Holders notice](#) --> [copy to template](#) - Mar 22 2006 06:39AM by Timothy Carnahan
- > task [Item 1 - Business](#) --> [copy to template](#) - Mar 24 2006 04:00PM by Timothy Carnahan
- > task [Item 2 - Description of Property](#) --> [copy to template](#) - Mar 24 2006 04:03PM by Timothy Carnahan
- > task [Item 3 - Legal Proceedings](#) --> [copy to template](#) - Mar 24 2006 04:03PM by Timothy Carnahan
- > task [Item 4 - Submission of Matters to a Vote of Security Holders](#) --> [copy to template](#) - Mar 24 2006 04:04PM by Timothy Carnahan
- > task [Item 5 - Market for Common Equity and Related Stockholder Matters](#) --> [copy to template](#) - Apr 05 2006 10:44AM by [redacted]
- > task [10K Form](#) --> [copy to template](#) - Apr 12 2006 09:26PM by Timothy Carnahan
- > task [Item 6 - Management's Discussion and Analysis or Plan of Operation](#) --> [copy to template](#) - Mar 24 2006 04:12PM by [redacted]
- > task [Item 7 - Financial Statements](#) --> [copy to template](#) - Mar 24 2006 04:12PM by [redacted]
- > task [Item 8 - Changes In and Disagreements With Accountants on Accounting and Financial Disclosure](#) --> [copy to template](#) - Mar 24 2006 04:13PM by [redacted]
- > task [Item 8A - Controls and Procedures](#) --> [copy to template](#) - Mar 24 2006 04:13PM by [redacted]
- > task [Item 8B - Other Information](#) --> [copy to template](#) - Mar 24 2006 04:13PM by [redacted]
- > task [Item 9 - Directors, Executive Officers, Promoters and Control Persons, Compliance With Section 16\(a\)](#) --> [copy to template](#) - Apr 05 2006 10:44AM by [redacted]
- > task [Item 10 - Executive Compensation](#) --> [copy to template](#) - Mar 24 2006 04:14PM by [redacted]
- > task [Item 11 - Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters](#) --> [copy to template](#) - Mar 24 2006 04:14PM by [redacted]
- > task [Item 12 - Certain Relationships and Related Transactions](#) --> [copy to template](#) - Mar 24 2006 04:14PM by [redacted]
- > task [Item 13 - Exhibits](#) --> [copy to template](#) - Mar 24 2006 04:15PM by [redacted]
- > task [Item 14 - Principal Accountant Fees and Services](#) --> [copy to template](#) - Mar 24 2006 04:15PM by [redacted]
- > task [Regulation S-B](#) --> [copy to template](#) - Mar 24 2006 04:23PM by [redacted]
- > task [BUILD DRAFT COPY OF 10K](#) --> [copy to template](#) - Apr 12 2006 06:34PM by [redacted]

Search
Advanced Search

CYIOS
Use Template
Current Status: Ready
My Projects

HELP DESK
What do I do first?

Here is another process in action based upon an Auditor Change – the SEC should be able to relate directly to their Comment Letter as per dates in captured in image from CYIPRO.

The screenshot displays the CYIPRO software interface. At the top, there is a navigation bar with icons for Home, Project Overview, Projects Library, Contacts, Calendar, Mail, Overview, Organizational Hierarchy, Alerts, and Finance Mgmt. Below this, the user's profile and current date (Sunday, 3/25/2018 4:02:07 PM) are visible. The main content area shows a project template titled 'SEC SK - AUDITOR CHANGE' with a 'Select a Team to place project' dropdown menu set to 'DEPTOFFINANCE (theaduisters)'. A 'Template Contents' section lists various tasks and documents, including 'Letter from Joe and filing of SK', 'CYIOS Corporation S-K A 2-10-2009 pdf', 'SEC Comment Letter dated 7-23-09 SK Auditor Change', and 'Final Letter from SEC 2.11.10'. A 'HELP DESK' sidebar on the left contains a question mark icon and the text 'What do I do first?'.

If the SEC wants to be in the business of evaluating software, they may want to quit before they get started as it's not their charter to do so. With that stated, the SEC severely misevaluated our internal controls as merely a "time sheet" system.

Please see more whitepapers on <http://cyipro.com> – though these whitepapers are not conclusive of COSO framework but gives the reader an understanding of how COSO Framework is a derived capability of CYIPRO as well as other frameworks with regard to risk, compliance, financial reporting and total accountability. Moreover, how it was used in CYIOS to meet the regulations, policy and rules of the United States Government.

Conclusion and Relief requested:

Notwithstanding all above and all the years of explaining to the SEC our statements are true, and contrary to ZERO evidence from the SEC that the statements are NOT true, the respondents would add that NONE of the REQUIRED outside Audits have ever mentioned that the INTERNAL controls were not compliant nor that any statements were not true. This being over a period of 10 years of NASDAQ PCAOB Auditing Compliance – it does not pass the reasonableness check that Now we have a problem. Adding one more statement – CYIPRO has been used in all our DCAA audit compliance for financial records as well for over 20 years.

Based upon above, the respondents request for dismissal of the Administrative Proceeding collectively and relief granted as deemed in appeal brief and if further needed a Justice Department Review of this matter.

Vr,



3/26/2018

Timothy Carnahan

(date)



3/26/2018

Timothy Carnahan, CEO and President of CYIOS

(date)

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 document was served on the persons listed below on the 12 day of March, 2018 via electronic mail or in person as indicated.

Honorable Cameron Elliot, Administrative Law Judge
Securities and Exchange Commission 100 F Street, N.E.
Washington, DC 20549-2557

By Electronic mail: ALJ@SEC.GOV

Chris Davis, Timothy McCole
801 Fort Worth Regional Office
Securities and Exchange Commission 801 Cherry Street, Suite 1900
Fort Worth, TX 76 102

By Electronic Mail DavisCa@SEC.GOV

Timothy W. Carnahan, CYIOS Corporation
President and CEO and Chairman CYIOS Corporation
2637 E. Atlantic Blvd 28464
Pompano Beach, FL 33062

By Electronic Mail to carnahan@cyios.com