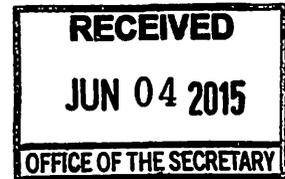


UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION



ADMINISTRATIVE PROCEEDING
File No. 3-16386

IN THE MATTER OF
TRACI J ANDERSON, CPA,
TIMOTHY W. CARNAHAN,
AND CYIOS CORPORATION
RESPONDENTS

SUPPLEMENTAL REPLY TO THE DIVISION OF
ENFORCEMENT'S SUMMARY DISPOSITION
SUBMITTED MAY 15, 2015

In accordance with the Hearing Officer's Order entered March 23, 2015, Traci J Anderson, CPA, Timothy W. Carnahan and CYIOS Corporation (the Respondents) submit our reply to the Division of Enforcement's (DOE) Summary Disposition dated May 1, 2015. We motion that the court rule in favor of the nonmoving parties based on our summary below.

First, Traci Anderson, Timothy Carnahan and CYIOS Corporation question the substance of the case and address the issues of the facts. We believe that Traci Anderson was permitted to perform accounting functions in any capacity with an issuer after her firm's license was revoke by the PCAOB. Anderson believed then as she does now that her revocation and barring by the PCAOB meant that she was not permitted to do audits of public companies. Anderson complied with the PCAOB's order by notifying all her public company audit clients of her revocation and barring and has not performed any audits nor has she done any work pertaining to the issuance of the audit report for issuers. Anderson believed then as she does now that she is permitted to work in any capacity of the accounting functions as long as she does not perform work pertaining to the issuance of the audit report for issuers. Anderson did not believe that she was performing work prohibited by her PCAOB order, and thus did not believe she needed the consent of the PCAOB or the SEC in order to do general accounting work for CYIOS Corporation (an issuer).

Second, we, the respondents, question the substance of this case. This case is unmerited and excessive given the facts. It is unfair, unjust and unnecessary for the SEC Enforcement to be this harsh as we did not willfully violate any regulations. Anderson is not in violation of her PCAOB order and has complied with it by not working on audits for issuers. Traci Anderson did not willfully violate the regulations as she reasonably believed that she was in compliance with her order and not performing prohibited work. If Anderson had believed she may be violating her PCAOB order by working in the accounting capacity for issuers and was aware that she needed permission then she would have requested consent from the PCAOB and the SEC to perform such work. It would have been more equitable of the SEC to make Anderson aware that she may be in violation of regulations and in order to comply with said violation she needed consent. Anderson strives to comply with all rules and regulations and thus would have obtained express consent to comply with said rules and regulations. The SEC unnecessarily has spent many hours to pursue an inequitable case after a company and individuals who have reasonably believed that they have not willfully violated any rules or regulations and who further would have made themselves in compliance if made aware they needed consent to further stay in compliance. The respondents always comply with the rules, regulations and policies of the 1934 Act without exception.

Third, we, the respondents reiterate our request that the Division of Enforcement's statement in the Summary Disposition regarding Traci Anderson's lack of contrition be stricken from the records. It is unjust and unnecessary for the DOE to attack Anderson's character by misconstruing a few sentences in a letter to audit clients. Anderson is in fact full of remorse for what transpired from her PCAOB order and the effects it had upon her audit clients.

Fourth, CYIOS does have internal controls over financial reporting. The DOE does not have any evidence to prove this otherwise. CYIPRO is a control framework and within this framework holds the controls and procedures over the financial reporting. The DOE has not "audited" the CYIPRO system and therefore does not have any substantive evidence that it does not comply with the COSO framework. Thus, CYIOS does have internal controls over financial reporting as we have stated and our filings are true and accurate and the financial statements in our filings are not materially misleading.

In conclusion, the respondents do not admit or agree with the violations set forth by the DOE. We disagree with all the alleged violations set forth. We believe that Anderson was permitted to work in the accounting capacity for CYIOS and that this was not a violation of her PCAOB order; we believe that we did not willfully violate Sarbanes-Oxley Section 105; Carnahan and CYIOS did not violate Sections 17(a)(2) and 17(a)(3); CYIOS did cease to make filings but filed Form 15 to remedy this issue; Carnahan did assess internal controls over financial reporting; and CYIOS and Carnahan have internal controls over financial reporting and the SEC does not have any solid evidence to prove otherwise.

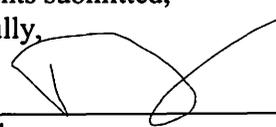
We respectfully motion for the judge to rule in favor of the nonmoving party and dismiss all the allegations set forth in the Administrative Order. We do not agree that we the respondents willfully violated the rules and regulations. And, moreover, we believe this case to be prejudiced and excessive.

The Respondents stand ready to confer with the Division and the Court in order to resolve any issues.

Date: 6/3/2015 4:15:10 PM

Respondents submitted,

Respectfully,



Traci Anderson



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 Division of Enforcement's Summary Disposition was served on the persons listed below June 3, 2015 via United States Postal Service or email where indicated:

Honorable Brenda P. Murray Chief
Administrative Law Judge
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-2557
via USPS

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

Chris Davis
Timothy McCole
801 Fort Worth Regional Office
Securities and Exchange Commission
801 Cherry Street, Suite 1900
Fort Worth, TX 76102
DavisCa@SEC.GOV

Traci J. Anderson, CPA

[REDACTED]

Charlotte, NC [REDACTED]

[REDACTED]

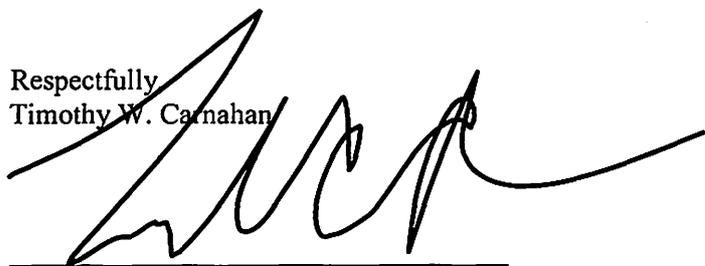
Timothy W. Carnahan
President and CEO and Chairman CYIOS
Corporation
1300 Pennsylvania Ave., 700
Washington DC 20004

[REDACTED]

CYIOS Corporation
c/o Timothy W. Carnahan, President, CEO and
Chairman
Ronald Regan Building
1300 Pennsylvania Ave., 700
Washington, DC 20004

[REDACTED]

Respectfully
Timothy W. Carnahan

A handwritten signature in black ink, appearing to be 'T. Carnahan', written over a horizontal line. The signature is stylized and cursive.