

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

REPLY FROM TRACI J ANDERSON TO
THE DIVISION OF ENFORCEMENT'S
SUPPLEMENTAL BRIEFING AND
RESPONSE TO OCTOBER 30, 2015
SHOW CAUSE ORDER

The following is my response to the Division of Enforcement's (DOE) Supplemental Briefing and Response to the October 30, 2015 show cause order:

In its October 30, 2015 Order, the Court asked the Division to brief whether the issuer associational bar against me, Traci Anderson was impermissibly retroactive, since the conduct that gave rise to the bar occurred before Dodd-Frank Wall Street Reform and Consumer Protection Act of 2002 was enacted.

The DOE provides two weak reasons as to why the issuer association bar against me is not impermissibly retroactive. Both reasons presented by DOE are merely speculation.

First, the DOE speculates that the amendment at issue was just a clarification and since it was only a clarification then retroactive application is permissible. Presumptuously, the DOE surmises that Congress "always intended for a PCAOB associational bar to also prohibit association with issuers in an accountancy or financial capacity". The basis of this inference is merely speculation on the part of the DOE. I am barred from being associated with a registered public accounting firm, but I am not barred from being associated with an issuer.

Second, the Dodd-Frank amendment does attach new consequences to my actions. The issuer associational bar was a factor after my past conduct had occurred. Thus, applying the amendment to me retroactively impairs the rights that I possessed when my violations occurred which was before the July 2010 amendment. The case *Landgraf v USI Film Products* gives clarification on the unwillingness of courts to give statutes retroactive effect. “[T]he presumption against retroactive legislation is deeply rooted in our jurisprudence, and embodies a legal doctrine centuries older than our Republic. Elementary considerations of fairness dictate that individuals should have an opportunity to know what the law is and to conform their conduct accordingly; settled expectations should not be lightly disrupted.”¹ “For that reason, the principle that the legal effect of conduct should ordinarily be assessed under the law that existed when the conduct took place has timeless and universal appeal.”² My interpretation is that retroactive application of the amendment to my action and barring is prejudiced and violates my rights. The DOE overreaches and again speculates that since the Dodd-Frank amendments were merely procedural then the issuer associational bar is automatic. The DOE’s attempt to state that the changing of the wording in the text from “an issuer” to a “registered public accounting firm” is a minor edit is completely absurd and again speculative.

¹ Id. at 265 (citations omitted); see also Statement of Commissioner Troy A. Paredes at Open Meeting to Propose Rules Regarding Disqualification of Felons and Other “Bad Actors” from Rule 506 Offerings at 1, available at <http://www.sec.gov/news/speech/2011/spch052511tap-item1.htm>.

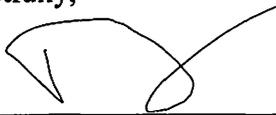
² *Landgraf*, 511 U.S. at 265 (citations and internal quotations omitted).

Again, the DOE's response to the "Show Cause Order" is merely speculation and quite presumptuous. It lacks any substantial proof that revisions were clarifications and merely procedural and it full of inferences and supposition as to what the revisions intended. Revisions to the Dodd-Frank Act make no mention that the said revisions should be retroactively applied. Plainly stated, retroactive application of the Dodd-Frank amendments in my case is a clear violation of my rights.

I respectfully request that the court reverse the DOE's summary disposition order and dismiss this case.

Date: 11/18/2015 4:52 PM

Respectfully,

A handwritten signature in black ink, appearing to be 'Traci Anderson', written over a horizontal line.

Traci Anderson

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 Opening Post Hearing Brief was served on November 18, 2015 to the persons listed below 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

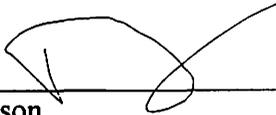
Chris Davis and Timothy McCole
Securities and Exchange Commission

Via email: DavisCa@SEC.GOV

Timothy W. Carnahan and CYIOS Corporation
President and CEO and Chairman CYIOS Corporation

Via email: carnahan@cyios.com

Date: 11/18/2015 4:54 PM
Respectfully,



Traci Anderson