

ADMINISTRATIVE PROCEEDING
FILE NO. 3-11909


UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
August 4, 2005

In the Matter of :
: ORDER
:
PHLO CORPORATION, :
JAMES B. HOVIS, and :
ANNE P. HOVIS :

The Securities and Exchange Commission (Commission) issued its Order Instituting Proceedings on April 21, 2005. A public hearing is scheduled to commence on August 8, 2005, at 9:30 a.m. EDT in Hearing Room 2 at the Commission's Headquarters, 100 F St., N.E., Washington, D.C. 20549. I held a telephonic prehearing conference with the parties on August 2, 2005. One of the issues discussed was whether Depository Trust & Clearing Corporation (DTC) has made full production of materials in response to a subpoena that I issued at the request of Phlo Corporation on June 15, 2005. A representative of DTC is scheduled to testify for the Division of Enforcement (Division) at the hearing.

By letter dated August 3, 2005, Susan Geigel (Geigel) of DTC confirms that DTC provided Phlo Corporation with certain materials in response to the June 15 subpoena. A copy of the Geigel letter is attached to this Order. While the Geigel letter is of some assistance, it does not address the specific issues of concern to Phlo Corporation and to me. The issues to be addressed by DTC are: (1) whether the materials DTC has already provided to Phlo contain everything in DTC's possession, custody, and control within the scope of the June 15 subpoena; and (2) whether DTC has withheld any responsive materials within the scope of the June 15 subpoena. In short, the inquiry is not whether DTC has produced some materials for Phlo Corporation, but whether it has made full production.

The Division is ORDERED to consult with DTC on this subject promptly. DTC is requested to supplement its August 3 letter by 10:00 a.m. EDT on August 5, 2005, to address the specific issues identified in the immediately preceding paragraph. DTC should provide a copy of its supplemental letter to this Office, the Division, and Phlo.



James T. Kelly
Administrative Law Judge



Susan Geigel
Director

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The Depository Trust &
Clearing Corporation
55 Water Street
New York, NY 10041-0099

August 3, 2005

VIA DHL AND FACSIMILE ((202) 777-1031)

Honorable James T. Kelly
Administrative Law Judge
U.S. Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-9303

Re: In the Matter of Phlo Corporation, et al., Administrative Proceeding No. 3-11909

Dear Honorable James T. Kelly:

Scott Masel, Senior Trial Counsel of the U.S. Securities and Exchange Commission informed us, that your Honor has requested confirmation of The Depository Trust Company's ("DTC") response to the subpoena dated June 15, 2005, from Phlo Corporation's counsel.

DTC provided Phlo Corporation with responsive documents stamped DTC 1 through DTC 875. The documents included "any communications between the Depository Trust & Clearing Corporation or The Depository Trust Company and the following: (1) Phlo Corporation, any officer, employee, or agent of the Phlo Corporation, Anne P. Hovis, any employee or agent of Anne P. Hovis, James B. Hovis, or any employee or agent of James B. Hovis; (2) the Securities and Exchange Commission; and 3) any person, including any broker-dealer, with respect to requests for, or the delivery of, physical certificates of Phlo Corporation common stock".

If you have any questions or need additional information, please contact Isaac Montal, Esq. at (212) 855-3253.

Very truly yours,

A handwritten signature in cursive script that reads "Susan Geigel".

Susan Geigel
Enclosures