

SECT

03012547

OMMISSION

503/5/03

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	September 30, 1998
Estimated average burden hours per response . . .	12.00

SEC FILE NUMBER
8- 25328

ANNUAL AUDITED REPORT FORM X-17A-5 PART III

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING JANUARY 1, 2002 AND ENDING DECEMBER 31, 2002
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

ARK INVESTMENTS

OFFICIAL USE ONLY

FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

23 1/2 SOUTH COURT STREET

(No. and Street)

ATEHNS

OHIO

45701

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

DOUGLAS K. ADIE

740 593-8888

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

JAMES P. SMITH

ARMSTRONG & SMITH, CPAs

(Name - if individual, state last, first, middle name)

49 JOHNSON RD, P O OBX 8, THE PLAINS, OHIO 45780

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

Certified Public Accountant

Public Accountant

Accountant not resident in United States or any of its possessions.

PROCESSED

MAR 27 2003

FOR OFFICIAL USE ONLY

THOMSON
FINANCIAL

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(3).

3-26

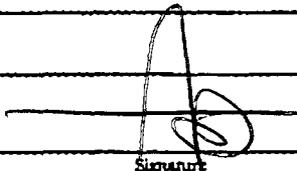
OATH OR AFFIRMATION

I, DOUGLAS K. ADIE, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of ARK INVESTMENTS, as of DECEMBER 31, 19 2002, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

PATRICIA A PAYNE
NOTARY PUBLIC, STATE OF OHIO
My Commission Expires August 26, 2007
Commission Recorded in Athens Co.



Notary Public



Signature

Title PROPRIETOR

This report** contains (check all applicable boxes):

- (a) Facing page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

**FORM
X-17A-5**

FOCUS REPORT

(Financial and Operational Combined Uniform Single Report)

Part IIA Quarterly 17a-5(a)

INFORMATION REQUIRED OF BROKERS AND DEALERS PURSUANT TO RULE 17

COVER

Select a filing method:

Basic Alternate [0011]

Name of Broker Dealer: ARK INVESTMENTS [0013]

SEC File Number: 8-25328
[0014]

Address of Principal Place
of Business: 23 1/2 S COURT STREET [0020]

ATHENS OH 45701
[0021] [0022] [0023]

Firm ID: 10613
[0015]

For Period Beginning 01/01/2002 And Ending 12/31/2002
[0024] [0025]

Name and telephone number of person to contact in regard to this report:

Name: DOUGLAS K. ADIE [0030] Phone: (740) 593-8888 [0031]

Name(s) of subsidiaries or affiliates consolidated in this report:

Name: _____ [0032] Phone: _____ [0033]

Name: _____ [0034] Phone: _____ [0035]

Name: _____ [0036] Phone: _____ [0037]

Name: _____ [0038] Phone: _____ [0039]

Does respondent carry its own customer accounts? Yes [0040] No [0041]

Check here if respondent is filing an audited report [0042]

securities

		<u> </u>		
		[0170]		
B.	Other securities			
		<u> </u>		
		[0180]		
8.	Memberships in exchanges:			
A.	Owned, at market			
		<u> </u>		
		[0190]		
B.	Owned, at cost		<u> </u>	
			[0650]	
C.	Contributed for use of the company, at market value		<u> </u>	<u> </u>
			[0660]	[0900]
9.	Investment in and receivables from affiliates, subsidiaries and associated partnerships	<u> </u>	<u> </u>	<u> </u>
		[0480]	[0670]	[0910]
10.	Property, furniture, equipment, leasehold improvements and rights under lease agreements, at cost-net of accumulated depreciation and amortization	<u> </u>	<u> </u>	<u> </u>
		295		295
		[0490]	[0680]	[0920]
11.	Other assets	<u> </u>	<u> </u>	<u> </u>
		90412	[0535]	[0735]
				[0930]
12.	TOTAL ASSETS	<u> </u>	<u> </u>	<u> </u>
		90412	[0540]	[0740]
				[0940]

LIABILITIES AND OWNERSHIP EQUITY

	Liabilities	A.I. Liabilities	Non-A.I. Liabilities	Total
13.	Bank loans payable	[1045]	[1255]	[1470]
14.	Payable to brokers or dealers:			
	A. Clearance account	[1114]	[1315]	[1560]
	B. Other	[1115]	[1305]	[1540]
15.	Payable to non-customers	[1155]	[1355]	[1610]
16.	Securities sold not yet purchased, at market value		[1360]	[1620]
17.	Accounts payable, accrued liabilities, expenses and other	[1205]	[1385]	[1685]
18.	Notes and mortgages payable:			
	A. Unsecured	[1210]		[1690]
	B. Secured	[1211]	[1390]	[1700]
19.	Liabilities subordinated to claims of general creditors:			
	A. Cash borrowings:			
	1. from outsiders		[1400]	[1710]
		[0970]		
	2. Includes equity subordination (15c3-1(d)) of			
		[0980]		
	B. Securities borrowings, at market value: from outsiders		[1410]	[1720]
		[0990]		
	C. Pursuant to secured demand note collateral agreements:			
	1. from outsiders		[1420]	[1730]

	[1000]		
2.	Includes equity subordination (15c3-1(d)) of		
	[1010]		
D.	Exchange memberships contributed for use of company, at market value	[1430]	[1740]
E.	Accounts and other borrowings not qualified for net capital purposes	[1440]	[1750]
20.	0	[1220]	0
	TOTAL LIABILITIES	[1230]	[1760]

Ownership Equity

		Total
21.	Sole proprietorship	90412
		[1770]
22.	Partnership (limited partners _____ [1020])	[1780]
23.	Corporations:	
A.	Preferred stock	[1791]
B.	Common stock	[1792]
C.	Additional paid-in capital	[1793]
D.	Retained earnings	[1794]
E.	Total	[1795]
F.	Less capital stock in treasury	[1796]
24.	TOTAL OWNERSHIP EQUITY	90412
		[1800]
25.	TOTAL LIABILITIES AND OWNERSHIP EQUITY	90412
		[1810]

NET INCOME

17.	Net Income(loss) before Federal income taxes and items below (Item 9 less Item 16)	<u>(7529)</u>
		[4210]
18.	Provision for Federal Income taxes (for parent only)	<u></u>
		[4220]
19.	Equity in earnings (losses) of unconsolidated subsidiaries not included above	<u></u>
		[4222]
a.	After Federal income taxes of	<u></u>
		[4238]
20.	Extraordinary gains (losses)	<u></u>
		[4224]
a.	After Federal income taxes of	<u></u>
		[4239]
21.	Cumulative effect of changes in accounting principles	<u></u>
		[4225]
22.	Net income (loss) after Federal income taxes and extraordinary items	<u>(7529)</u>
		[4230]
MONTHLY INCOME		
23.	Income (current monthly only) before provision for Federal income taxes and extraordinary items	<u></u>
		[4211]

EXEMPTIVE PROVISIONS

25. If an exemption from Rule 15c3-3 is claimed, identify below the section upon which such exemption is based

- A. (k) (1)–Limited business (mutual funds and/or variable annuities only) [4550]
- B. (k) (2)(i)–“Special Account for the Exclusive Benefit of customers” maintained [4560]
- C. (k) (2)(ii)–All customer transactions cleared through another broker-dealer on a fully disclosed basis. Name of clearing firm(s) [4570]

Clearing Firm SEC#s	Name	Product Code
8- <u>45411</u> [4335A]	<u>DAIN RAUSCHER INCORPORATED</u> [4335A2]	<u>ALL</u> [4335B]
8- _____ [4335C]	_____	_____ [4335D]
8- _____ [4335E]	_____	_____ [4335F]
8- _____ [4335G]	_____	_____ [4335H]
8- _____ [4335I]	_____	_____ [4335J]

- D. (k) (3)–Exempted by order of the Commission [4580]

COMPUTATION OF NET CAPITAL

1.	Total ownership equity from Statement of Financial Condition		90412	
				[3480]
2.	Deduct ownership equity not allowable for Net Capital			[3490]
3.	Total ownership equity qualified for Net Capital		90412	[3500]
4.	Add:			
	A. Liabilities subordinated to claims of general creditors allowable in computation of net capital			[3520]
	B. Other (deductions) or allowable credits (List)			
		[3525A]	[3525B]	
		[3525C]	[3525D]	
		[3525E]	[3525F]	[3525]
5.	Total capital and allowable subordinated liabilities			[3530]
6.	Deductions and/or charges:			
	A. Total nonallowable assets from Statement of Financial Condition (Notes B and C)	295		[3540]
	B. Secured demand note deficiency			[3590]
	C. Commodity futures contracts and spot commodities - proprietary capital charges			[3600]
	D. Other deductions and/or charges		295	[3610]
7.	Other additions and/or credits (List)			[3620]
		[3630A]	[3630B]	
		[3630C]	[3630D]	
		[3630E]	[3630F]	[3630]
8.	Net capital before haircuts on securities positions		90117	[3640]
9.	Haircuts on securities (computed, where applicable, pursuant to 15c3-1(f)):			
	A. Contractual securities commitments			[3660]
	B. Subordinated securities borrowings			[3670]
	C. Trading and investment securities:			
	1. Exempted securities			[3735]
	2. Debt securities			[3733]
	3. Options			[3730]

	4. Other securities	1280	
			[3734]
D.	Undue Concentration		[3650]
E.	Other (List)		
		[3736A]	[3736B]
		[3736C]	[3736D]
		[3736E]	[3736F]
			(1280)
		[3736]	[3740]
10.	Net Capital		88837
			[3750]

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Part A

11.	Minimum net capital required (6-2/3% of line 19)		[3756]
12.	Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with <u>Note(A)</u>	50000	[3758]
13.	Net capital requirement (greater of line 11 or 12)	50000	[3760]
14.	Excess net capital (line 10 less 13)	38837	[3770]
15.	Excess net capital at 1000% (line 10 less 10% of line 19)	88837	[3780]

COMPUTATION OF AGGREGATE INDEBTEDNESS

16.	Total A.I. liabilities from Statement of Financial Condition		[3790]
17.	Add:		
A.	Drafts for immediate credit	[3800]	
B.	Market value of securities borrowed for which no equivalent value is paid or credited	[3810]	
C.	Other unrecorded amounts(List)		
		[3820A]	[3820B]
		[3820C]	[3820D]
		[3820E]	[3820F]
		[3820]	[3830]
19.	Total aggregate indebtedness		

[3840]

20. Percentage of aggregate indebtedness
to net capital (line 19 / line 10)

% _____
[3850]

OTHER RATIOS

21. Percentage of debt to debt-equity total computed in accordance
with Rule 15c3-1(d)

% _____
[3860]

SCHEDULED WITHDRAWALS

Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, (as defined below), which have not been deducted in the computation of Net Capital.

<u>Type of Proposed Withdrawal or Accrual</u>	<u>Name of Lender or Contributor</u>	<u>Insider or Outsider</u>	<u>Amount to be Withdrawn (cash amount and/or Net Capital Value of Securities)</u>	<u>Withdrawal or Maturity Date (MMDDYYYY)</u>	<u>Expect to Renew</u>
[4600]	[4601]	[4602]	[4603]	[4604]	[4605]
[4610]	[4611]	[4612]	[4613]	[4614]	[4615]
[4620]	[4621]	[4622]	[4623]	[4624]	[4625]
[4630]	[4631]	[4632]	[4633]	[4634]	[4635]
[4640]	[4641]	[4642]	[4643]	[4644]	[4645]
[4650]	[4651]	[4652]	[4653]	[4654]	[4655]
[4660]	[4661]	[4662]	[4663]	[4664]	[4665]
[4670]	[4671]	[4672]	[4673]	[4674]	[4675]
[4680]	[4681]	[4682]	[4683]	[4684]	[4685]
[4690]	[4691]	[4692]	[4693]	[4694]	[4695]
		TOTAL			
		\$			
			[4699]		
			Omit Pennies		

Instructions Detail listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and payments of liabilities secured by fixed assets (which are considered allowable assets in the capital computation pursuant to Rule 15c3-1(c)(2) (iv)), which could be required by the lender on demand or in less than six months.

Withdrawal Code	Description
1	Equity Capital
2	Subordinated Liabilities
3	Accruals

4

15c3-1(c)(2)(iv) Liabilities

STATEMENT OF CHANGES

STATEMENT OF CHANGES IN OWNERSHIP EQUITY (SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION)

1.	Balance, beginning of period		90716
			[4240]
A.	Net income (loss)		(7529)
			[4250]
B.	Additions (includes non-conforming capital of	[4262]	7225
			[4260]
C.	Deductions (includes non-conforming capital of	[4272]	[4270]
			90412
2.	Balance, end of period (From item 1800)		[4290]

STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED TO CLAIMS OF GENERAL CREDITORS

3.	Balance, beginning of period		[4300]
A.	Increases		[4310]
B.	Decreases		[4320]
4.	Balance, end of period (From item 3520)		[4330]