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

SEC FILE NUMBER  
8- 25328

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 01/01/07 AND ENDING 12/31/07  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: DIANA ARK INVESTMENTS  
ADIE, Douglas Keith  
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
16170 CANAANVILLE ROAD  
(No. and Street)  
ATHENS OHIO 45781  
(City) (State) (Zip Code)

OFFICIAL USE ONLY  
FIRM I.D. NO.

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
DOUGLAS K. ADIE (740) 593-8888  
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
JAMES P. SMITH SMITH & BARNES  
(Name - if individual, state last, first, middle name)  
P O BOX 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

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\*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)(2)

SEC 1410 (06-02)

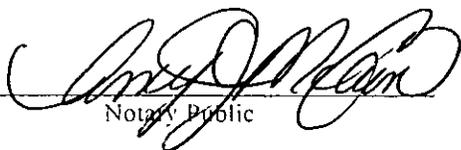
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*JP*  
03/04/08

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, 2007, 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:

**AMY J. MCCAIN**  
NOTARY PUBLIC, STATE OF OHIO  
My Commission Expires October 4, 2011  
Commission Recorded in Athens County

  
Notary Public

  
Signature  
**PRESIDENT**  
Title

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 Proprietors' 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).

**DOUGLAS K. ADIE dba  
ARK INVESTMENTS**

FINANCIAL STATEMENTS

December 31, 2007 and 2006

**SEC  
Mail Processing  
Section**

**FEB 27 2008**

**Washington, DC  
103**

Jim Smith, CPA



Jay Barnes, CPA

INDEPENDENT AUDITOR'S REPORT

Douglas K Adie, dba  
Ark Investments  
16170 Canaanville Road  
Athens, OH 45701

We have audited the accompanying balance sheets of Douglas K. Adie, dba Ark Investments (a sole proprietorship) as of December 31, 2007 and 2006 and the related statements of income, changes in owner's equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Douglas K. Adie, dba Ark Investments as of December 31, 2007 and 2006, and the results of its operations and its cash flow for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional information in schedules I, II and III is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

  
The Plains, OH  
February 4, 2008

DOUGLAS K. ADIE, dba  
Ark Investments  
Balance Sheets  
December 31, 2007 and 2006

	ASSETS	
	2007	2006
Current assets:		
Cash in banks	\$ 37,502	\$ 39,580
Cash deposit with broker	11,101	10,655
Investment Account	<u>252,732</u>	<u>153,950</u>
Total current assets	<u>\$ 301,335</u>	<u>\$ 204,185</u>
Total assets	<u><u>\$ 301,335</u></u>	<u><u>\$ 204,185</u></u>
	LIABILITIES & OWNER'S EQUITY	
Current liabilities:		
Accrued expenses	<u>\$150</u>	<u>\$150</u>
Total liabilities	\$150	\$150
Equity:		
Owner's equity	<u>\$ 301,185</u>	<u>\$ 204,035</u>
Total equity	<u><u>\$301,335</u></u>	<u><u>\$ 204,035</u></u>

See accompanying notes and accountants report

DOUGLAS K. ADIE, dba  
Ark Investments  
Statement of Income  
For the Year ended December 31, 2007 and 2006

	2007	2006
Income:		
Fees and commissions	\$ 11,212	\$ 8,794
Interest and dividends	<u>2,226</u>	<u>2,754</u>
Total income	\$ 13,438	\$ 11,548
Expenses:		
Communications	\$ 5,086	\$ 5,796
Occupancy expense	2,552	3,297
Regulatory fees and expenses	505	2,365
Other operating expenses	<u>4,703</u>	<u>4,581</u>
Total expense	<u>\$ 12,846</u>	<u>\$ 16,039</u>
Net Income (loss)	<u>\$ 592</u>	<u>\$ (4,491)</u>

See accompanying notes and accountants report

DOUGLAS K. ADIE, dba  
Ark Investments  
Statement of Changes in Owner's Equity  
For the Year ended December 31, 2007 and 2006

	2007	2006
Owner's equity at beginning of year	\$ 204,035	\$ 218,323
Net Income (loss) for the year	592	(4,491)
Unrealized gain (loss) on investments	93,358	(16,847)
Owner's contribution during year	<u>3,200</u>	<u>7,050</u>
Owner's equity at end of the year	<u>\$ 301,185</u>	<u>\$ 204,035</u>

See accompanying notes and accountants report

DOUGLAS K. ADIE, dba  
Ark Investments  
Statement of Cash Flows  
For the Year ended December 31, 2007 and 2006

	2007	2006
Cash flows from operating activities:		
Net Income (loss)	\$ 592	\$ (4,491)
Adjustments to reconcile net income to net cash provided by operating activities:		
Increase in investments	(98,782)	(13,188)
Increase in Accounts Payable	<u>-</u>	<u>150</u>
Net cash provided (used) by operations	\$ (98,190)	\$ (17,529)
 Cash flows from financing activities:		
Owners capital contribution	\$ 3,200	\$ 7,050
Unrealized gain (loss) on investments	<u>93,358</u>	<u>(16,847)</u>
Net cash provided by investing activities	<u>\$ 96,558</u>	<u>\$ (9,797)</u>
 Net increase (decrease) in cash	\$ (1,632)	\$ (27,326)
 Cash at beginning of year	<u>50,235</u>	<u>77,561</u>
 Cash at end of year	<u><u>\$ 48,603</u></u>	<u><u>\$ 50,235</u></u>

See accompanying notes and accountants report

DOUGLAS K. ADIE, dba  
Ark Investments  
December 31, 2007

1. Summary of Significant Accounting Policies:

Nature of Operations:

The Organization is a sole proprietorship offering investment services. Its main source of revenue is commissions on sales.

Basis of Accounting:

The Organization utilizes the accrual basis of accounting.

Income Taxes:

The proprietorship itself is not a taxpaying entity for purposes of federal and state income taxes. Federal and state income taxes of the proprietor are computed on his total income from all resources; accordingly, no provision for income tax is made in these statements.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires the proprietor to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

## COMPUTATION OF NET CAPITAL

1.	Total ownership equity from Statement of Financial Condition		<u>301,185</u>	
				(3480)
2.	Deduct ownership equity not allowable for Net Capital		<u>301,185</u>	(3490)
3.	Total ownership equity qualified for Net Capital		<u>301,185</u>	(3500)
4.	Add:			
	A. Liabilities subordinated to claims of general creditors allowable in computation of net capital		<u>0</u>	(3520)
	B. Other (deductions) or allowable credits (List)			
		<u>                    </u>	<u>                    </u>	
		(3525A)		(3525B)
		<u>                    </u>	<u>                    </u>	
		(3525C)		(3525D)
		<u>                    </u>	<u>                    </u>	
		(3525E)		(3525F)
5.	Total capital and allowable subordinated liabilities		<u>301,185</u>	(3530)
6.	Deductions and/or charges:			
	A. Total nonallowable assets from Statement of Financial Condition (Notes B and C)		<u>0</u>	(3540)
	B. Secured demand note deficiency		<u>                    </u>	(3590)
	C. Commodity futures contracts and spot commodities - proprietary capital charges		<u>                    </u>	(3600)
	D. Other deductions and/or charges		<u>                    </u>	(3610)
				<u>0</u>
				(3620)
7.	Other additions and/or credits (List)			
		<u>                    </u>	<u>                    </u>	
		(3630A)		(3630B)
		<u>                    </u>	<u>                    </u>	
		(3630C)		(3630D)
		<u>                    </u>	<u>                    </u>	
		(3630E)		(3630F)
8.	Net capital before haircuts on securities positions		<u>301,185</u>	(3640)
9.	Haircuts on securities (computed, where applicable, pursuant to 15c3-1(f)):			
	A. Contractual securities commitments		<u>                    </u>	(3660)
	B. Subordinated securities borrowings		<u>                    </u>	(3670)
	C. Trading and investment securities:			



	(3820A)	(3820B)	
	-----	-----	
	(3820C)	(3820D)	
	-----	-----	
	(3820E)	(3820F)	
		0	-----
		(3820)	(3830)
19. Total aggregate indebtedness			150
			-----
			(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)

# EXEMPTIVE PROVISIONS

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

- A. (k)  [4550]  
 (1)–Limited business (mutual funds and/or variable annuities only)
- B. (k)  [4560]  
 (2)(i)–"Special Account for the Exclusive Benefit of customers" maintained
- C. (k)  [4570]  
 (2)(ii)–All customer transactions cleared through another broker-dealer on a fully disclosed basis. Name of clearing firm(s)
- | Clearing Firm SEC#s | Name                               | Product Code    |
|---------------------|------------------------------------|-----------------|
| 8- 45411<br>[4335A] | RBC DAIN RAUSCHER INC.<br>[4335A2] | ... A11 [4335B] |
| 8-<br>[4335C]       | .....<br>[4335C2]                  | [4335D]         |
| 8-<br>[4335E]       | .....<br>[4335E2]                  | [4335F]         |
| 8-<br>[4335G]       | .....<br>[4335G2]                  | [4335H]         |
| 8-<br>[4335I]       | .....<br>[4335I2]                  | [4335J]         |
- D. (k)  [4580]  
 (3)–Exempted by order of the Commission

DOUGLAS K. ADIE, dba  
Ark Investments  
Reconciliation of Audited Net Capital to Broker/Dealer's  
Unaudited Net Capital as Reported on Form X-17A-5

	Audited	Unaudited	Difference
Net capital as reported	\$ 301,185	\$ 301,185	0
Differences			
Cash & Investments	301,335	301,335	0
Accounts Payable	<u>(150)</u>	<u>(150)</u>	<u>0</u>
Totals	<u>\$ 301,185</u>	<u>\$ 301,185</u>	<u>0</u>

DOUGLAS K. ADIE, dba  
Ark Investments  
Report on Material Inadequacies

No material inadequacies were found to exist during the period of this audit.

**END**