

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SECURITIES EXCHANGE ACT OF 1934  
Release No. 52627/October 18, 2005

ADMINISTRATIVE PROCEEDING  
File No. 3-11979

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In the Matter of	:	
AMERICAN MACHINE, INC., <u>et al.</u>	:	ORDER MAKING FINDINGS AND REVOKING REGISTRATION BY DEFAULT AS TO ARCADIA INVESTMENTS CORPORATION

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**SUMMARY**

This Order revokes the registration of the common stock of Arcadia Investments Corporation (Arcadia). The revocation is based on Arcadia's repeated failure to file required periodic reports with the Securities and Exchange Commission (Commission).

**I. BACKGROUND**

The Commission initiated this proceeding on July 13, 2005, with an Order Instituting Proceedings (OIP), pursuant to Section 12(j) of the Securities Exchange Act of 1934 (Exchange Act). The OIP alleges that Arcadia's common stock is registered with the Commission under Section 12(g) of the Exchange Act, and that Arcadia has failed to file any required annual and quarterly reports with the Commission since a Form 10-QSB for the quarter ended March 31, 2001, filed June 6, 2001.<sup>1</sup> Arcadia, a Wyoming corporation, was served with the OIP on September 2, 2005, in accordance with 17 C.F.R. § 201.141(a)(2)(ii) and Wyo. Stat. § 17-16-504(a). Its Answer was due within ten days of service, that is, by September 12, 2005. See 17 C.F.R. § 201.220(b); OIP at 6. Arcadia failed to file an Answer,<sup>2</sup> and the Division of Enforcement (Division) filed a Motion for Default Judgment (Motion) as to Arcadia on October 5, 2005. Arcadia did not file an opposition to the Motion. Thus, Arcadia has failed to answer, to respond to a dispositive motion within the time provided, or otherwise to defend

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<sup>1</sup> Forms 10-KSB and 10-QSB may be filed, in lieu of Forms 10-K and 10-Q, by a company that is a "small business issuer." See 17 C.F.R. § 228.10(a).

<sup>2</sup> On July 27, 2005, the Commission received a document entitled "Dan Hodges's Answer to Order Instituting Proceedings" that disavows any responsibility, authority, or control by Hodges over any of the twenty respondents in this proceeding at the time of the alleged violations. Hodges is identified in Arcadia's October 4, 2000, Form 10-QSB, which reported that, effective with a June 2000, reverse merger and installation of new management, Hodges, who had been sole officer and director, had resigned. It goes without saying that the Hodges filing is not an answer to the OIP on behalf of Arcadia.

the proceeding within the meaning of 17 C.F.R. § 201.155(a)(2). Accordingly, Arcadia is in default, and the undersigned finds that the allegations in the OIP are true as to Arcadia. See 17 C.F.R. §§ 201.155(a), .220(f); OIP at 7.

## II. FINDINGS OF FACT

Arcadia is a Wyoming shell corporation. Its common stock has been registered with the Commission pursuant to Section 12(g) of the Exchange Act since December 17, 1999. Arcadia failed to file annual reports on Form 10-KSB and quarterly reports on Form 10-QSB for any fiscal period subsequent to its Form 10-QSB, filed on June 6, 2001, for the quarter ended March 31, 2001. That Form 10-QSB, which is publicly available on the Commission's EDGAR database, reported that Arcadia had no assets and \$1,783 in liabilities. Currently, there is no active public market for Arcadia's stock.

## III. CONCLUSIONS OF LAW

By failing to file required annual and quarterly reports, Arcadia violated Exchange Act Section 13(a) and Rules 13a-1 and 13a-13.

## IV. SANCTION

Revocation of the registration of the stock of Arcadia will serve the public interest and the protection of investors, pursuant to Section 12(j) of the Exchange Act. Revocation will help ensure that the corporate shell is not later put to an illicit use involving publicly traded securities manipulated to the detriment of market participants. Further, revocation accords with Commission sanction considerations set forth in Steadman v. SEC, 603 F.2d 1126, 1140 (5th Cir. 1979), and with the sanctions imposed in similar cases in which corporations violated Exchange Act Section 13(a) and Rules 13a-1 and 13a-13 by failing to file required annual and quarterly reports. See Neurotech Dev. Corp., 84 SEC Docket 3938 (A.L.J. Mar. 1, 2005); Hamilton Bancorp, Inc., 79 SEC Docket 2680 (A.L.J. Feb. 24, 2003); WSF Corp., 77 SEC Docket 1831 (A.L.J. May 8, 2002). Arcadia's violations were recurrent, egregious, and deprived the investing public of current and accurate financial information on which to make informed decisions.

Failure to file periodic reports violates a crucial provision of the Exchange Act. The purpose of the periodic reporting requirements is to publicly disclose current, accurate financial information about an issuer so that investors may make informed decisions:

The reporting requirements of the Securities Exchange Act of 1934 is the primary tool which Congress has fashioned for the protection of investors from negligent, careless, and deliberate misrepresentations in the sale of stock and securities. Congress has extended the reporting requirements even to companies which are "relatively unknown and insubstantial."

SEC v. Beisinger Indus. Corp., 552 F.2d 15, 18 (1st Cir. 1977) (quoting legislative history); accord e-Smart Tech., Inc., 83 SEC Docket 3586, 3590 (Oct. 12, 2004). The Commission has warned that "many publicly traded companies that fail to file on a timely basis are 'shell companies' and, as such, attractive vehicles for fraudulent stock manipulation schemes." e-Smart Tech., Inc., 83 SEC Docket at 3590-91 n.14.

**V. ORDER**

IT IS ORDERED that, pursuant to Section 12(j) of the Securities Exchange Act of 1934, 15 U.S.C. § 78l(j), the REGISTRATION of the common stock of Arcadia Investments Corporation IS REVOKED.

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Carol Fox Foelak  
Administrative Law Judge