



BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

JEFF HATCH-MILLER, Chairman
WILLIAM A. MUNDELL
MARC SPITZER
MIKE GLEASON
KRISTIN K. MAYES

Arizona Corporation Commission
DOCKETED

AUG 25 2005

DOCKETED BY [Signature]

In the matter of:
ARKAD INVESTMENT SERVICES, INC.
dba Arkad Investment Services
13236 North 7th Street, Suite No. 4288
Phoenix, AZ 85022
Respondent.
DOCKET NO. S-03598A-05-0000
DECISION NO. 68099
ORDER OF DENIAL

On June 15, 2005, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Notice of Opportunity ("Notice") to Arkad Investment Services, Inc. dba Arkad Investment Services ("Respondent") alleging that Arkad has engaged in acts, practices and transactions that constitute grounds to deny its application for investment adviser licensure under the Investment Management Act ("IM Act").

On June 16, 2005, the Notice was served on RESPONDENT by serving David Medansky, President. Service was also made by certified mail, return receipt requested. The Notice specified that Respondent would be afforded an opportunity for an administrative hearing regarding this matter upon filing a written request with Docket Control of the Commission within ten days of receipt of the Notice. RESPONDENT failed to request a hearing within the required time.

I.
FACTS

1. RESPONDENT failed to request a hearing or to answer the Notice within the required time.

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1 2. At all relevant times, David Medansky was the President of RESPONDENT.

2 3. ARKAD INVESTMENT SERVICES, INC. is an Arizona corporation, incorporated
3 August 30, 2004, whose business address is 13236 North 7th Street, Suite No. 4288, Phoenix, AZ
4 85022.

5 4. On or about September 30, 2004, the Division received notice through the
6 Investment Advisory Registration Depository system (IARD) that RESPONDENT sought
7 licensure in Arizona as an investment adviser. The IARD is a central information depository
8 maintained by the National Association of Securities Dealers that is used by state and federal
9 securities regulators for the registration and licensing of investment advisers.

10 5. In its application for licensure as an investment adviser, RESPONDENT disclosed a
11 Maricopa County Grand Jury indictment against David Medansky, President of RESPONDENT,
12 for seven (7) felony counts of identity theft, forgery, and theft.

13 6. On October 20, 2004, the Division advised RESPONDENT in writing of
14 deficiencies in its application for licensure. In the written notification of deficiencies, the Division
15 also requested court documents relating to the indictment against David Medansky.

16 7. On November 26, 2004, the Division received notification through the IARD
17 system that RESPONDENT had requested to be registered with the Securities and Exchange
18 Commission ("SEC") as a federal investment adviser.

19 8. On January 3, 2005, the Division received notification through the IARD system
20 that RESPONDENT was registered with the SEC as a federal investment adviser.

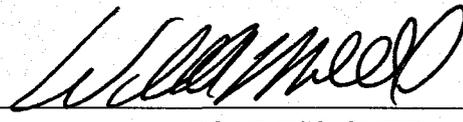
21 9. On February 23, 2005, before the Maricopa County Superior Court, David
22 Medansky pled guilty to taking the identity of another, *a class 4 felony*, and to theft, *a class 3*
23 *felony*.

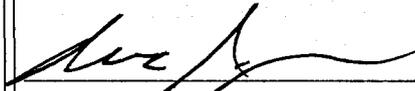
24 10. On May 16, 2005, RESPONDENT withdrew its investment adviser registration with
25 the Securities and Exchange Commission.

1 IT IS ORDERED, pursuant to A.R.S. § 44-3201, that RESPONDENT'S application as an
2 investment adviser is denied.

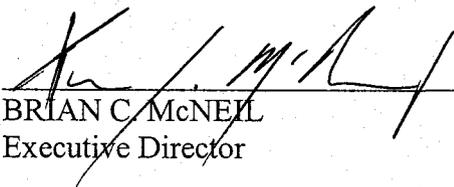
3 IT IS FURTHER ORDERED that this Order shall become effective immediately.

4
5 **BY ORDER OF THE ARIZONA CORPORATION COMMISSION**

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7 _____
8 CHAIRMAN COMMISSIONER

9   
10 _____
11 COMMISSIONER COMMISSIONER COMMISSIONER

12 IN WITNESS WHEREOF, I, BRIAN C. McNEIL,
13 Executive Director of the Arizona Corporation
14 Commission, have hereunto set my hand and caused the
15 official seal of the Commission to be affixed at the
16 Capitol, in the City of Phoenix, this 25th day of
17 August, 2005.

18 
19 _____
20 BRIAN C. McNEIL
21 Executive Director

22 _____
23 DISSENT

24 _____
25 DISSENT

26 This document is available in alternative formats by contacting Linda Hogan, Executive Assistant
to the Executive Director, voice phone number 602-542-3931, E-mail lhogan@azcc.gov

(egj)