

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-QSB

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the quarterly period ended June 30, 1999.

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from _____ to _____

Commission file number _____

INTERUNION FINANCIAL CORPORATION

(Exact name of small business issuer as specified in its charter)

Delaware 52-2002396

(State or other jurisdiction of (IRS Employer Identification No.)
incorporation or organization)

249 Royal Palm Way, Suite 301 H, Palm Beach, Fl. 33480

(Address of principal executive offices) (Zip Code)

(561) 820-0084 (561) 655-0146

(Issuer's telephone number) (Issuer's telecopier number)

(Former name, former address and former fiscal
year, if changed since last report)

Check whether the issuer (1) filed all reports required to be filed by section
13 or 15(d) of the Exchange Act during the past 12 months (or such shorter
period that the registrant was required to file such reports), and (2) has been
subject to such filing requirements for the past 90 days. Yes No

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY
PROCEEDINGS DURING THE PRECEDING FIVE YEARS

Check whether the registrant filed all documents and reports required to be
filed by Section 12, 13, or 15 (d) of the Exchange Act after the distribution
of securities under a plan confirmed by a court. Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes of
common equity, as of the latest practicable date:

\$0.001 Par Value Common Shares - 2,114,475 as of June 30, 1999

Transitional Small Business Disclosure Format (Check One) Yes No

ITEM 1 - FINANCIAL STATEMENTS

INTERUNION FINANCIAL CORPORATION
 UNAUDITED CONSOLIDATED STATEMENT OF OPERATIONS AND DEFICIT
 FOR THE THREE MONTHS ENDED JUNE 30, 1999

<TABLE>
 <CAPTION>

	3 Months Ended		12 Months Ended	
	Jun-99	Jun-98	Mar-99	Mar-98
<S>	<C>	<C>	<C>	<C>
REVENUES	581,060	274,012	1,348,466	2,642,958
Investment Banking	0	291,444	0	370,871
Investment Management**	35,643	38,888	115,418	101,578
Interest Income	-----	-----	-----	-----
	616,703	604,344	1,463,884	3,115,407
EXPENSES	260,316	618,773	1,504,959	3,674,548
Selling, General & Administration	64,406	81,705	200,171	240,886
Amortization & Depreciation	(100,401)	25,940	(104,493)	17,361
Foreign Exchange Loss (Gain)	24,417	71,948	246,611	76,627
Interest Expense	-----	-----	-----	-----
	248,738	798,366	1,847,248	4,009,422
PROFIT (LOSS) FROM CONTINUING OPERATIONS				
- before income taxes	367,965	(194,022)	(383,364)	(894,015)
GAIN ON SALE ON ISSUANCE OF SECURITY BY SUBSIDIARY			0	0
			486,099	0
EQUITY IN NET EARNINGS (LOSSES) OF UNCONSOLIDATED**			(147,513)	11,582
			(492,917)	(8,310)
PROVISION FOR INCOME TAXES (RECOVERABLE)			0	(2,548)
			0	82,864
PROFIT (LOSS) FROM CONTINUOUS OPERATIONS			220,452	(179,892)
			(390,182)	(819,461)
GAIN (LOSS) FROM DISCONTINUED OPERATIONS			0	0
			0	691
-----	0	0	0	803,483
GAIN (LOSS) ON DISPOSAL OF DISCONTINUED ASSETS				
NET PROFIT (LOSS) FOR THE PERIOD			220,452	(179,892)
			(390,182)	(15,287)
FOREIGN EXCHANGE TRANSLATION EFFECT			(7,526)	(42,785)
			(13,912)	4,146
RETAINED EARNINGS (DEFICIT) BEGINNING OF PERIOD			(1,982,713)	(1,578,619)
			(1,578,619)	(1,567,478)
RETAINED EARNINGS (DEFICIT) END OF PERIOD			(1,769,787)	(1,801,296)
			(1,982,713)	(1,578.619)
FINANCIAL OVERVIEW				
Common Shares Outstanding	2,114,425	1,673,803	2,114,425	1,654,001
Weighted Average Shares Outstanding - Basic	1,855,386	1,665,693	1,855,386	1,232,100
EPS - From Continuing Operations (Basic)	0.118	(0.11)	(0.21)	(0.66)
EPS - From Discontinuing Operations (Basic)	0.00	0.00	N/A	0.65
EPS	0.118	(0.11)	(0.21)	(0.66)
Weighted Average Common Shares Outstanding - Diluted	2,754,608	2,403,411	2,754,608	1,671,568
Weighted Average Preferred Shares Outstanding - Diluted	150,000	150,000	150,000	150,000
EPS - From Continuing Operations (FD)	0.08	(0.11)	(0.21)	(0.66)

</TABLE>

See Accompanying Notes to Unaudited Consolidated Financial Statements

INTERUNION FINANCIAL CORPORATION
 UNAUDITED CONSOLIDATED BALANCE SHEET

<TABLE>
 <CAPTION>

As of

As of

	June 30, 1999	June 30, 1998	March 31, 1999	March 31, 1998
<S>	<C>	<C>	<C>	<C>
CURRENT ASSETS				
Cash and cash equivalents	197,143	635,172	285,706	2,873,731
Marketable securities	111,102	176,944	19,885,302	35,169,986
Due from brokers and dealers	2,373,535	348,890	0	2,012
Due from clients	377,700	997,031	93,183	715,871
Accounts receivable	741,451	962,236	690,374	882,491
Refundable income tax	5,448	6,467	5,046	7,789
Prepaid expenses and other current items	48,770	51,655	25,772	56,733
Notes receivable	1,001,592	633,646	973,315	616,579
Total Current Assets	4,856,741	3,812,041	21,958,698	40,325,192
NON-CURRENT ASSETS				
Property & equipment, net	1,148,278	1,371,370	1,199,953	
Notes receivable, non-current portion	630,117	790,597	619,992	1,425,192
Other long-term assets	75,173	84,710	77,651	952,106
Investment in unconsolidated affiliates	5,745,201	3,887,687	5,591,892	84,710
Goodwill, net	0	2,084,782	0	3,488,322
Discontinued assets	0	0	0	2,468,210
Total Non-Current Assets	7,598,769	8,219,146	7,489,488	8,418,540
Total Assets	12,445,510	12,031,187	29,448,186	48,743,732
CURRENT LIABILITIES				
Due to brokers and dealers	0	0	18,899,072	34,663,322
Due to clients	2,618,752	1,248,476	979,783	3,057,747
Accounts payable and accrued liabilities	285,236	373,205	253,476	1,063,956
Due to affiliates	733,206	0	776,213	0
Notes payable, current portion	55,623	1,988,793	0	1,703,441
Bank loan	0	705,022	0	0
Total Current Liabilities	3,692,817	4,315,496	20,908,544	40,488,466
Due to related parties	0	500,000	0	0
Other liabilities	0	73,057	0	77,033
Notes payable, long-term portion	630,117	624,821	619,992	1,485,801
Discontinued liabilities	0	0	0	0
Deferred income tax liability	0	0	0	0
Total Liabilities	4,322,934	5,513,374	21,528,536	42,051,300
SHAREHOLDERS' EQUITY				
Capital stock and additional paid-in capital	9,902,363	8,319,109	9,902,363	8,271,051
Accumulated comprehensive income	0	(47,836)	0	0
Cumulative translation adjustment	(26,489)	0	(18,963)	(5,051)
Retained earnings (Deficit)	(1,743,298)	(1,753,460)	(1,963,750)	(1,573,568)
Total Shareholders' Equity	8,132,576	6,517,813	7,919,650	6,692,432
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		12,455,510	12,031,187	29,448,186
</TABLE>				48,743,732

See Accompanying Notes to Unaudited Consolidated Financial Statements

INTERUNION FINANCIAL CORPORATION
UNAUDITED CONSOLIDATED BALANCE SHEET
FOR THE PERIOD ENDED JUNE 30, 1999

<TABLE>
<CAPTION>

3 Months Ended

12 Months Ended

	June 30, 1999	June 30, 1998	March 31, 1999	March 31, 1998
<S>	<C>	<C>	<C>	<C>
Class A Preferred Stock, \$0.10 par value	150,000	150,000	150,000	150,000
Authorized - 1,500 shares				
Issued and outstanding - 1,500,000				
Class B Preferred stock, \$0.10 par value	0	0	0	0
Authorized - 1,000,000 shares				
Issued and outstanding - None				
Class C Preferred Stock, \$0.10 par value	0	0	0	0
Authorized - 1,000 shares				
Issued and outstanding - None				
Common Stock, \$0.01 par value				
Authorized-5,000,000 in 1999, 2,500,000 in 1998				
Issued and outstanding - 2,114, 425 in 1999, 1,654,001 in 1998	2,114	1,674	2,114	1,654
Additional paid-in-capital	9,750,249	8,167,435	9,750,249	8,119,397
Accumulated Comprehensive Income		(47,836)		
CUMULATIVE TRANSLATION ADJUSTMENT		(26,489)	0	(18,963)
ACCUMULATED DEFICIT		(1,743,298)	(1,753,460)	(1,963,750)
Total Shareholders' Equity	8,132,576	6,517,813	7,919,650	6,692,432

See Accompanying Notes to Unaudited Consolidated Financial Statements

Page 4 of 8

INTERUNION FINANCIAL CORPORATION
UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

<TABLE>
<CAPTION>

	3 Months Ended		12 Months Ended	
	June 30, 1999	June 30, 1998	March 31, 1999	March 31, 1998
<S>	<C>	<C>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Income (Loss)	220,452	(179,892)	(390,182)	(15,287)
Adjustment to reconcile net profit (loss) to net		0	0	0
Cash provided by (used in) operating activities		0	0	0
Depreciation and amortization	64,406	81,705	200,171	240,886
Loss on equity investments	147,513	0	492,917	0
Gain on sale of securities by subsidiary	0	0	(486,099)	0
Gain on disposal of discontinued operations		0	0	(804,174)
Non cash compensation	0	0	87,500	60,000
Non cash expenses	0	0	40,000	0
Deferred income taxes	0	0	0	(85,000)
Unrealized loss (gain) in marketable securities		(100,401)	27,817	(11,814)
	331,970	(70,370)	(67,507)	(443,644)
Changes in operating assets and liabilities net of effects				
from the purchase /divestiture of InterUnion Asset				
Management Limited	0	0	0	0
Increase in due to/from brokers and dealers, net	(21,272,607)	(35,010,200)	(15,762,238)	1,814,508
Decrease (increase) in due to/from client, net	1,354,451	(2,090,431)	(1,455,276)	6,988,991
Decrease (increase) in marketable securities	19,774,200	35,063,538	15,242,302	(5,871,852)
Increase in accounts receivable and other assets	(74,478)	73,345	124,263	(452,610)
Increase (decrease) in accounts payable and accruals	31,760	(690,751)	(572,359)	633,103
Increase (decrease) in assets and liabilities related to				(287,734)
Discontinued operations	0	0	0	0
NET CASH PROVIDED BY (USED IN) OPEARATING ACTIVITIES	145,296	(2,724,869)	(2,490,815)	2,380,662

CASH FLOW FROM FINANCING ACTIVITIES				
Net proceeds on issuance of capital stock	0	133,000	133,000	270,000
Increase (decrease) in due to related parties	(43,007)	500,000	771,109	0
Proceeds (repayment) of notes payable	17,221	(705,022)	(103,448)	1,508,712
Proceeds (repayment) of bank loan	0	705,022	0	0
NET CASH PROVIDED BY FINANCING ACTIVITIES		(25,786)	663,000	800,661
CASH FLOW FROM FINANCING ACTIVITIES				
Purchase of property and equipment, net		0	(7,438)	(2,032)
Purchase of long-term investment, net	(200,014)	0	(437,363)	(485,336)
Cash acquired on acquisition of subsidiary	0	0		151,922
Cash divested on sale of security by subsidiary	0	0	(195,304)	
Investment in notes receivable	0	0	(257,767)	(1,299,935)
NET CASH USED IN INVESTING ACTIVITIES		(200,014)	0	(897,872)
NET INCREASE (DECREASE) IN CASH		(80,504)	(2,091,869)	(2,588,026)
CASH AND CASH EQUIVALENTS - BEG. OF PERIOD		285,705	2,873,731	2,873,731
CASH AND CASH EQUIVALENTS - END OF PERIOD		197,143	635,172	285,705

See Accompanying Notes to Unaudited Consolidated Financial Statements

Page 5 of 8

INTERUNION FINANCIAL CORPORATION
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE * QUARTER ENDED JUNE 30, 99 *

- Interim information is unaudited; however, in the opinion of management, all adjustments necessary for a fair statement of interim results have been included in accordance with Generally Accepted Accounting Principals. All adjustments are of a normal recurring nature unless specified in a separate note included in these Notes to Unaudited Consolidated Financial Statements. The results for interim periods are not necessarily indicative of results to be expected for the entire fiscal year. These financial statements and notes should be read in conjunction with the Company's annual consolidated financial statements and the notes thereto for the fiscal year ended March 31, 1999, included in its Form 10-KSB for the year ended March 31, 1999.
- Earning per share is computed using the weighted average number of common shares outstanding during the period. Loss per share is computed using the weighted average number of common shares outstanding during the period.
- As of April 1, 1998, the Company adopted Statement of Financial Accounting Standards No. 130 "Reporting Comprehensive income." This statement establishes standards for reporting and display of comprehensive income and its components. Comprehensive income is net income plus certain items that are recorded directly to shareholders' equity bypassing net income. The only such item currently applicable to the Company is foreign currency translation adjustments.

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS

(1) Overview

InterUnion Financial Corporation ("IUFC" or "Inter Union"), was incorporated on February 7, 1994. InterUnion's strategy is to acquire, when possible, a majority interest in financial services business, using cash and issuance of its own Common Stock, which subsequently, can be reduced to a minority interest

or sold. InterUnion and its subsidiaries, (collectively, the "Company"), also provides bridge financing or takes temporary equity positions as part of its merchant banking activities.

In 1999, the Company has realigned its interest in the Canadian side of its investment management business, in order to facilitate InterUnion Asset Management Ltd growth strategy. Upon this realignment, IUAM issued 878,170 Common Shares for gross proceeds of C\$10million from Working Venture Canadian Fund ("WVCF"). The effect of this transaction was to reduce the Company's interest in IUAM to 44% from 100%. During the first quarter, IUAM informed its shareholders that its wholly owned subsidiary, AILIS, contrary to earlier plans, was not going to create a family of funds to be distributed by WVCF.

Since the Company's interest in IUAM is 44% and it has three of seven seats on the board of directors, IUAM is accounted for on the equity method and is considered as part of the Company's merchant banking activities.

Selected financial data from InterUnion's fiscal statements is (figures in 000's except per share data):

<TABLE>

<CAPTION>

	3 mos. Ended June 99*	3 mos. ended June 98	3 mos.ended June 97
<S>	<C>	<C>	<C>
Working Capital	1,164	(503)	2,146
Cash Flow	332	(70)	242
Total Assets	12,456	12,031	10,063
Shareholders' Equity	8,132	6,518	5,617
Common Share #	2,114,425	1,673,803	1,255,250
Book Value Per share	3.84	3.89	4.48

</TABLE>

(2) NET REVENUES

Until the end of fiscal 1999, the Company has dedicated without compensation the majority of its human and financial resources to IUAM in order to allow that subsidiary to obtain financing. In the current quarter, the Company has been able to generate fees as it could dedicate its resources towards its investment banking business.

During the first three months of fiscal 2000, InterUnion reported consolidated revenues of \$616,703 versus \$604,344 in the first three months of fiscal 1999, an increase of 2.05%. Investment management revenues were affected by a \$147,513 loss in net earnings in unconsolidated affiliate, IUAM. IUAM revenues for the quarter have been \$1,179,445 versus \$1,163,320 in the same

Page 6 of 8

period in 1998. IUAM's net earnings for the quarter have been recorded in the books of InterUnion on the equity method basis. (44%). IUAM's net loss for the quarter amounted to \$335,256 versus \$149,411. IUAM investment management revenues have been affected by increased spending related to a larger payroll and the AILIS business. Investment banking revenues increased to \$581,060 from \$274,012 during the same period in the previous year.

(3) EXPENSES

During the first three months, the Company reduced its expenses by 68.84% to \$248,738 from \$798,336. The decrease is attributable to reduction of the Company's direct costs related to IUAM as well as a foreign exchange gain of \$100,401.

(4) NET INCOME

Net profit from operations (basic) for the three months ending June 30, 1999

was \$220,452 or \$0.118 per share versus a loss of \$179,892 or \$0.11 per share during the same period in fiscal 1999. The increase is due to drastic reduction in fixed costs, direct costs associated with the management of IUAM as well as with increased investment banking activity. The Company net income however, will continue to be affected by the losses incurred by its 44% owned subsidiary IUAM and certain amortization costs associated with the investment management business.

The basis weighted average number of Common Shares (diluted) outstanding for the three months ending June30, 1999 is 2,754,608 versus 2,403,411 the previous year. The increase is due to the issuance of shares in the form of Regulation "S" financing in order to meet obligations resulting from the purchase of investment managers, their realignment and the expenses associated with the sale of 56% of the Company's interest in IUAM.

(5) LIQUIDITY AND CAPITAL RESOURCES

In order to meet its growth plans and fund any operating cash requirements, the Company's policy is to issue additional capital stock, when possible. To date the Company has done this either through the issuance of common stock under Regulation "D" or Regulation "S". The following are details of these private placements during the previous three fiscal years.

<TABLE>

<CAPTION>

Date	# of Shares	Amount	Type
<S>	<C>	<C>	<C>
June 1995	62,500	\$ 125,000	Regulation "D"
October 1995	100,000	200,000	Regulation "D" & "S"
March 1996	160,000	320,000	Regulation "D"
September 1996	277,142	759,710	Regulation "S"
May 1998	17,002	68,008	Regulation "S"
June 1998	35,000	140,000	Regulation "S"
July 1998	262,142	1,048,568	Regulation "S"
December 1998	10,000	40,000	Regulation "S"

</TABLE>

(6) CONCLUDING REMARKS

There are no other known trends, events or uncertainties that may have, or are reasonably likely to have, a material impact on the Company's short-term or long-term liquidity that have not been discussed above.

In addition, there is no significant income or loss that has risen from the Company's continuing operations that has not been analyzed or specified above. In addition, there has not been any material change in any line item that is presented on the financial statements that has not been discussed above.

(7) CERTAIN RISK FACTORS WHICH MAY IMPACT FUTURE OPERATIONS

The Company and its subsidiaries operate in a rapidly changing environment that involves a number of factors, some of which are beyond management's control, such as financial market trends and investors' appetite for new financings. It should also be emphasized that, should the Company not be successful in completing its own financing (either by debt or by the issuance of securities from treasury), its strategy to grow by acquisition will be affected.

Management has compiled a list of both internally and externally supplied information systems that utilize imbedded date codes which could experience operational difficulties in the year 2000. The Company uses third party applications or suppliers for all high

to replace the supplier. Management is testing new systems for which it is responsible. It is the Company's objective to be year 2000 compliant for all systems by the end of fiscal 1999, however, no assurances can be given. The Company believes that it has provisioned sufficient amounts to cover future expenditures.

In the opinion of management the financial statements for the period ending June 30, 1999, accurately reflect the operation of the Company of its subsidiaries. The Company has taken every reasonable step to ensure itself that its quarterly financial statements do not represent a distorted picture to anyone having a business reason to review such statements and who have also reviewed its previous audited annual financial statements for the year ended March 31, 1999.

Forward looking statements included in Management's Analysis and Discussion reflects management's best judgment based on known factors and involves risks and uncertainties. Actual results could differ materially from those anticipated in these forward-looking statements. Forward-looking information is provided by InterUnion pursuant to the safe harbor established by recent securities and should be evaluated in the context of these factors.

PART 11 - OTHER INFORMATION

ITEM 1 - LEGAL PROCEEDINGS

The Company is not a party to any pending legal proceedings nor is its property the subject of a pending legal proceeding for which the claims, exclusive of interest and costs, exceed 10% of the current assets of the Company on a consolidated basis.

ITEM 2 - CHANGES IN SECURITIES

None.

ITEM 3 - DEFAULTS UPON SENIOR SECURITIES

There have been no defaults in the payment of principal or interest with respect to any senior indebtedness of InterUnion Financial Corporation.

ITEM 4 - SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

ITEM 5 - OTHER INFORMATION

None.

ITEM 6 - EXHIBITS AND REPORTS ON FORM 8-K

Exhibit 27 Financial Data Schedule (for SEC use only).

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

InterUnion Financial Corporation

<TABLE>

<S>

<C>

Date August 12, 99 _____ /s/ Georges Benarroch, Director

(Signature)*

Date __August 12, 1999_____ /s/ Robert Crosbie, Director

(Signature)*

</TABLE>

* Print the name of each signing officer under his signature.

<TABLE> <S> <C>

<ARTICLE> 5

<LEGEND>

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM (A)
INTERUNION FINANCIAL CORPORATION AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE
TO SUCH (B) 10-QSB FILING

</LEGEND>

<S>	<C>
<PERIOD-TYPE>	3-MOS
<FISCAL-YEAR-END>	MAR-31-2000
<PERIOD-START>	APR-01-1999
<PERIOD-END>	JUN-30-1999
<CASH>	197,143
<SECURITIES>	111,102
<RECEIVABLES>	741,451
<ALLOWANCES>	0
<INVENTORY>	0
<CURRENT-ASSETS>	4,856,741
<PP&E>	2,067,696
<DEPRECIATION>	(919,418)
<TOTAL-ASSETS>	12,445,510
<CURRENT-LIABILITIES>	3,692,817
<BONDS>	0
<PREFERRED-MANDATORY>	0
<PREFERRED>	150,000
<COMMON>	2,114
<OTHER-SE>	9,750,249
<TOTAL-LIABILITY-AND-EQUITY>	12,455,510
<SALES>	0
<TOTAL-REVENUES>	616,703
<CGS>	0
<TOTAL-COSTS>	260,316
<OTHER-EXPENSES>	(35,995)
<LOSS-PROVISION>	0
<INTEREST-EXPENSE>	24,417
<INCOME-PRETAX>	367,965
<INCOME-TAX>	0
<INCOME-CONTINUING>	220,452
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	220,452
<EPS-BASIC>	0.118
<EPS-DILUTED>	0.08

</TABLE>