

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 ___ September 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
(State or other jurisdiction of
Incorporation or organization)

52-2002396
(IRS Employer Identification No.)

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 - 2,114,425 as of September 30, 1999.

Transitional Small Business Disclosure Format (Check One) Yes No

PART I - FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

INTERUNION FINANCIAL CORPORATION
UNAUDITED CONSOLIDATED STATEMENT OF OPERATIONS AND DEFICIT
FOR THE PERIOD ENDED SEPTEMBER 30, 1999

<TABLE>
<CAPTION>

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	30-Sep-99	30-Sep-98	30-Sep-99	30-Sep-98
<S>	<C>	<C>	<C>	<C>
REVENUE				
Investment Banking	296,177	(8,523)	877,237	265,489
Investment Management	0	448,544	0	739,988
Interest Income	33,338	20,939	68,981	59,827
	-----	-----	-----	-----
	329,515	460,960	946,218	1,065,304
	-----	-----	-----	-----
EXPENSES				
Selling, General & Administration	268,159	707,193	528,475	1,325,966
Amortization & Depreciation	36,443	56,694	100,849	138,399
Foreign Exchange Loss (Gain)	92,758	(88,737)	(7,643)	(62,797)
Interest Expense	24,812	43,815	49,229	115,763
	-----	-----	-----	-----
	422,172	718,965	670,910	1,517,331
	-----	-----	-----	-----
P & (LOSS) FROM CONTIN. OPERATIONS BEF./ TAX			(92,657)	(258,005)
			275,308	(452,027)
GAIN ON SALE ON ISSUANCE OF SECURITY BY SUBS			0	0
EQUITY IN NET EARN (LOSS) OF UNCONSOL. AFFILIATES ...			(58,605)	0
			(206,118)	0
EQUITY IN NET EARN (LOSS) OF CONSOL. AFFILIATES			0	(36,577)
			0	(24,995)
PROVISION FOR INCOME TAXES (RECOVERABLE)			0	(2,548)
			0	0
PROFIT (LOSS) FROM CONTINUOUS OPERATIONS			(151,262)	(297,130)
			69,190	(477,022)
GAIN (LOSS) FROM DISCONTINUED OPERATIONS			0	0
GAIN (LOSS) ON DISPOSAL OF DISCONTINUED ASSETS			0	0
NET PROFIT (LOSS) FOR THE PERIOD			(151,262)	(297,130)
			69,190	(477,022)
FOREIGN EXCHANGE TRANSLATION EFFECT			7,526	(155,458)
			(18,963)	(198,243)
RETAINED EARNINGS (DEFICIT) Beg. Of period			(1,769,787)	(1,801,296)
			(1,963,750)	(1,578,619)
RETAINED EARNINGS (DEFICIT) - END OF PERIOD			(1,913,523)	(2,253,884)
			(1,913,523)	(2,253,884)
FINANCIAL OVERVIEW				
Common Shares Outstanding	2,114,425	1,935,945	2,114,425	1,935,945
Weighted Average Shares Outstanding - Basic ...	1,855,386	1,770,466	1,855,386	1,766,456
EPS - From Continuing Operations (Basic)	(0.082)	(0.168)	0.037	(0.270)
EPS - From Discontinuing Operations (Basic) ...	0.00	0.00	0.00	0.00
EPS	(0.072)	(0.153)	0.033	(0.246)
Weighted Average Common Shares Outstanding - ..				2,592,637
Diluted	2,754,608	2,683,795	2,754,608	
Weighted Average Preferred Shares Outstanding - Diluted		150,000	150,000	150,000
EPS - From Continuing Operations (FD)	(0.082)	(0.168)	0.025	(0.270)

</TABLE>

See Accompanying Notes to Unaudited Consolidated Financial Statements

INTERUNION FINANCIAL CORPORATION
UNAUDITED CONSOLIDATED BALANCE SHEET

<TABLE>
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	As at September 30		As at March 31		
	1999	1998	1999	1998	
<S>	<C>	<C>	<C>	<C>	
CURRENT ASSETS:					
Cash and cash equivalent	231,924		338,877	285,706	2,873,731
Marketable Securities	93,554		180,412	19,885,302	35,169,986
Due from brokers and dealers	2,700,647		587,548	0	2,012
Due from Clients	279,988		153,223	93,183	715,871
Accounts Receivable	715,861		535,942	690,374	882,491
Refundable Income Taxes	0		0	5,046	7,789
Prepaid expenses and other current assets ..	40,042		121,318	25,772	56,733
Notes receivable	1,057,433		415,456	973,315	616,579
Total Current Assets	5,119,449		2,332,776	21,958,698	40,325,192
NON-CURRENT ASSETS:					
Property & equipment, net	1,076,802		1,315,568	1,199,953	1,425,192
Notes receivable, non-current portion	628,577		778,942	619,992	952,106
Other long-term assets	156,630		84,710	77,651	84,710
Investment in unconsolidated affiliates	5,625,295		4,156,363	5,591,892	3,488,322
Goodwill, net	0	1,999,918		0	2,468,210
Discontinued Assets	0		0		0
Total non-current assets	7,487,304		8,335,501	7,489,488	8,418,540
TOTAL ASSETS	12,606,753		10,668,277	29,448,186	48,743,732
LIABILITIES					
CURRENT LIABILITIES:					
Due to brokers and dealers	0		145,225	18,899,072	34,663,322
Due to Clients	2,854,918		595,547	979,783	3,057,747
Accounts payable and accrued liabilities ...	244,397		219,489	253,476	1,063,956
Due to affiliates	833,386		0	776,213	0
Notes Payable, current portion	56,635		731,548	0	1,703,441
Bank Loan	0		656,313	0	0
Total Current liabilities	3,989,336		2,348,122	20,908,544	40,488,466
Due to Related Parties	0		522,566	0	0
OTHER LIABILITIES	0		68,852	0	77,033
NOTES PAYABLE, Long-term Portion			628,577	614,944	619,992
Discontinued Liabilities	0		0		0
Deferred Income Tax Liability	0		0		0
Total Liabilities	4,617,913		3,554,484	21,528,536	42,051,300
SHAREHOLDERS' EQUITY					
Capital Stock and additional paid-in-capital	9,902,363		9,367,677	9,902,363	8,271,051
Accumulated Comprehensive Income	0		(203,294)	0	0
Cumulative Translation Adjustment	(18,963)		0	(18,963)	(5,051)
Retained Earnings (Deficit)	(1,894,560)		(2,050,590)	(1,963,750)	(1,573,568)
Total Shareholders' Equity	7,988,840		7,113,793	7,919,650	6,692,432
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY ...			12,606,753	10,668,277	29,448,186
				48,743,732	

</TABLE>

See Accompanying Notes to Unaudited Consolidated Financial Statements

INTERUNION FINANCIAL CORPORATION
UNAUDITED CONSOLIDATED BALANCE SHEET

<TABLE>
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	As at September 30,		As at March 31			
	30-Sep-99	30-Sep-98	31-Mar-99	31-Mar-98		
	<C>	<C>	<C>	<C>		
<S>						
SHAREHOLDERS' EQUITY						
Class A Preferred Stock, \$0.10 par value		150,000	150,000	150,000	150,000	
Authorized - 1,500,000 shares						
Issued and outstanding - 1,500,000						
Class B Preferred stock, \$0.10 par value						
Authorized - 1,000,000 shares						
Issued and outstanding - None						
Class C Preferred Stock, \$0.10 par value						
Authorized - 1,000 shares						
Issued and outstanding - None						
Common Stock, \$0.001 par value						
Authorized - 5,000,000 in 1999, 2,500,000 in 1998						
Issued and outstanding - 2114, 425 in 1999,		2,114	1,936	2,114	1,654	
1,654,001 in 1998						
Additional paid-in-capital	9,750,249	9,215,741	9,750,249	8,119,397		
Accumulated Comprehensive Income		0	(203,294)	0	0	
CUMULATIVE TRANSLATION ADJUSTMENT			(18,963)	0	(18,963)	(5,051)
ACCUMULATED DEFICIT	(1,894,560)	(2,050,590)	(1,963,750)	(1,573,568)		
TOTAL SHAREHOLDERS' EQUITY		7,988,840	7,113,793	7,919,650	6,692,432	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		12,606,753	10,668,277	29,448,186	48,743,732	

</TABLE>

See Accompanying Notes to Unaudited Consolidated Financial Statements

INTERUNION FINANCIAL CORPORATION
UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED

<TABLE>
<CAPTION>

	6 Months to		12 Months to		
	30-Sep-99	30-Sep-98	31-Mar-99	31-Mar-98	
	<C>	<C>	<C>	<C>	
<S>					
CASH FLOWS FROM OPERATING ACTIVITIES					
Net Income (loss)	69,190	(477,022)	(390,182)	(15,287)	

Adjustment to reconcile net profit (loss) to net cash provided by (used in) operating activities					
Depreciation and amortization	100,849	138,399	200,171	240,886	
Loss on equity investments	206,118	0	492,917	0	
Gain on sale of securities by subsidiary	0	0	(486,099)	0	
Gain on disposal of discontinued operations	0	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	(7,643)	(11,813)	(11,814)	159,831	
	-----	-----	-----	-----	
	368,514	(350,436)	(68,243)	(443,744)	
Changes in operating assets and liabilities net of effects from the purchase/divestiture of IUAM Limited					
Decrease (Increase) in due to/from brokers and dealers, net.....	(21,599,719)	(35,103,633)	(15,762,238)	1,814,508	
Decrease (increase) in due to/from client, net	1,688,330	(2,060,496)	(1,455,276)	6,988,991	
Decrease (increase) in marketable securities	19,791,748	35,128,577	15,242,302	(5,871,852)	
Decrease (increase) in accounts receivable and other assets.....	(34,711)	289,753	124,263	(452,610)	
Inc (decrease) in a/c payable and accrued liabilities.....	(9,079)	(844,467)	(572,359)	633,103	
Increase (decrease) in assets and liabilities related to \ discontinued operations	0	0	0	(287,734)	
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	205,083	(2,940,702)	(2,490,815)	2,380,662	
CASH FLOWS FROM FINANCING ACTIVITIES					
Net proceeds on issuance of capital stock	0	133,000	133,000	270,000	
Increase (Decrease) in due to related parties	57,173	522,566	771,109	0	
Proceeds (repayment) of notes payable	(48,050)	(541,847)	(103,448)	1,508,712	
Proceeds (repayment) of bank loan	0	656,313	0	0	
NET CASH PROVIDED BY FINANCING ACTIVITIES	9,123	770,032	800,661	1,778,712	
CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of property and equipment, net	0	0	(7,438)	(2,032)	
Purchase of long-term investment, net	(175,284)	(364,184)	(437,363)	(485,336)	
Cash acquired on acquisition of subsidiary	0	0	0	151,922	
Cash divested on sale of security by subsidiary	0	0	(195,304)	0	
Investment in notes receivable	(92,703)	0	(257,767)	(1,299,935)	
NET CASH USED IN INVESTING ACTIVITIES	(267,987)	(364,184)	(897,872)	(1,635,381)	
NET INCREASE (DECREASE) IN CASH	(53,781)	(2,534,854)	(2,588,026)	2,523,993	
CASH AND CASH EQUIVALENTS - BEG. OF PERIOD	285,705	2,873,731	2,873,731	349,738	
CASH AND CASH EQUIVALENTS - END OF PERIOD	231,924	338,877	285,705	2,873,731	

See Accompanying Notes to Unaudited Consolidated Financial Statements

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 Principles. 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

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS

(1) OVERVIEW

Since the Company's interest has been reduced during the 1st quarter 2000 to 44% of InterUnion Assets Management Ltd. ("IUAM"), as a result of C\$10 million capital injection by an institutional investor, IUAM is accounted for on the equity method and is considered as part of the Company's merchant banking activities.

During the first six months of fiscal 2000 (six months ending September 30, 1999), InterUnion reported consolidated revenues of \$946,218 versus \$1.1 million a year earlier.

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

<TABLE>

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	6 mos. Ended Sept.- 99	6 mos. ended Sept.- 98	6 mos. Ended Sept. - 97
<S>	<C>	<C>	<C>
Revenues	946	1,065	2,664
Net Profit (Loss)	69	(477)	914
EPS - Operations (basic)	0.037	(0.27)	0.09
EPS - Discontinued Operations (basic)		0.00	0.00
EPS (basic)	0.037	(0.27)	0.77
Working Capital	1,130	(15)	1,418
Cash Flow	368	(350)	396
Total Assets	12,607	10,668	11,335
Shareholders' Equity	7,989	7,114	6,254
Common Share, #	2,114,425	1,935,945	1,220,250
Book Value Per Share	3.77	3.67	5.13

</TABLE>

(2) NET REVENUES

During the first six months of fiscal 2000 InterUnion reported consolidated revenues of \$946,218 versus \$1.1 million a year earlier, for a decrease of 11%, as the 1999 figure included the revenue from investment management as IUAM was a 100% subsidiary. Investment banking revenues have increased by 230% at \$877,237 versus \$265,489, reflecting the ability of management to provide cash flow through agency and principal trading activity, advisory services and participation in new issues. This has been allowed as the time dedicated to the day to day operations of IUAM is no longer required.

(3) EXPENSES

During the first six months, the Company reduced its expenses from \$1,517,331 to \$670,910 representing a decrease of 56%. This decrease is attributable to continuing of the monitoring of certain expenses, liquidation of equipment made obsolete by Internet services, such as certain trading screens and news services, as well as the cost of operating IUAM. Interest expenses have been reduced by 58% as loans have been repaid. The 60% reduction in the Selling, General &

Administration which has declined from \$1,325,966 to \$528,475 is mostly attributable to direct IUAM costs which are no longer carried by the Company as well as the monitoring of certain information systems made redundant. Although the amortization and depreciation has been reduced by 27% from \$138,399 to \$100,849, it is still quite high due essentially to amortization of ITM software owned by its 100% subsidiary, Bearhill Limited.

(4) NET INCOME

Net profit from operations (basic) for the six months ending September 30, 1999 was \$69,190 or \$0.033 per Common share versus a loss of \$477,022 or \$0.27 per Common share, representing a 112% improvement. The increase in net income is attributable to continuing reduction of fixed costs, the interruption of direct costs associated with the day to day operations of IUAM and with increased activity in investment banking. 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 acquisition of wealth management companies.

The basic weighted average number of common shares outstanding for the six months ending September 30, 1999 is 1,855,386 versus 1,766,456 a year earlier. The increase is due to the issuance of shares in the form of Regulation "S" financings, for the acquisition of investment managers and the settlement of liabilities that arose from these acquisitions.

(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>

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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"
February 1999	180,000	630,000	Regulation "S"
March 1999	25,000	87,500	Regulation "S"
March 1999	1,140	4,560	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 it has not been discussed above.

In addition, there are no significant income or losses that has risen from the Company's continuing operations that has not been analyzed or discussed 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 level systems and reporting. These systems will either be upgraded and tested to be in compliance

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for the year 2000 or the Company will take necessary steps to replace the supplier. Management is testing new systems for which it is responsible. It is the Company's objective to be year 2000 compliance for all systems by December 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 periods ending September 30, 1999 accurately reflect the operations of the Company and 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 has 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 legislation and should be evaluated in the context of these factors.

PART II - OTHER INFORMATION

ITEM 1 - LEGAL PROCEEDINGS

The Company is not a party to any pending legal proceeding, 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.

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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

(Registrant)

Date November 11, 1999

/s/ Georges Benarroch, Director

(Signature)*

Date November 11, 1999

/s/ Robert Crosbie, Director

(Signature)*

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

<TABLE> <S> <C>

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM INTERUNION FINANCIAL CORPORATION CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 1999 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH 10-QSB FILING.

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