

U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, DC

FORM 10-SB

General Form for Registration of Securities  
of Small Business Issuers Under Section 12(b)  
or 12(g) of the Securities Act of 1934

INTERUNION FINANCIAL CORPORATION

<TABLE>

<S>

Delaware

<C>

87-0520294

-----  
(State of Other jurisdictions of Incorporation of Organization)

(I.R.S. Employer

Identification No.)

249 Royal Palm Way, Suite 301 H, Palm Beach, FL

33480

-----  
(Address of Principal Executive Offices)

(Zip Code)

(561) 820-0084

-----  
(Issuer's Telephone Number)

</TABLE>

Securities to be registered under Section 12(b) of the Act:

<TABLE>

<S>

Title of Each Class  
to be so Registered

<C>

Name of Each Exchange on Which  
Each Class is to be Registered

-----  
</TABLE>

-----  
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Securities to be registered under Section 12(g) of the Act:

Common Stock, par value \$.001

-----  
(Title of Class)

-----  
(Title of Class)

INTERUNION FINANCIAL CORPORATION

FORM 10-SB

TABLE OF CONTENTS

<TABLE>

<CAPTION>

PART I.

PAGE

<S>	<C>
Item 1. Description of Business .....	3
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations .....	12
Item 3. Description of Property .....	15
Item 4. Security Ownership of Certain Beneficial Owners and Management .....	16
Item 5. Directors, Executive Officers, Promoters and Control Persons .....	18
Item 6. Executive Compensation .....	20
Item 7. Certain Relationships and Related Transactions .....	21
Item 8. Description of Securities .....	21
PART II.	
Item 1. Market Price of and Dividends on the Registrant's Common Equity and Other Shareholder Matters .....	24
Item 2. Legal Proceedings .....	25
Item 3. Changes in and Disagreements with Accountants .....	25
Item 4. Recent Sales of Unregistered Securities .....	25
Item 5. Indemnification of Directors and Officers .....	28
PART F/S .....	29
PART III.	
Item 1. Index to Exhibits .....	30
SIGNATURES .....	31
</TABLE>	

PART I

ITEM 1. DESCRIPTION OF BUSINESS

(a) BUSINESS DEVELOPMENT

InterUnion Financial Corporation (the "Company" or "IFC") was incorporated under the laws of the State of Delaware on July 15, 1994. At the time of incorporation, the name of the Company was: AU 'N AG, INC.

On February 15, 1994, a Certificate of Merger was executed by and between AU 'N AG, INC., a Utah corporation and AU 'N AG, INC., a Delaware corporation (the Company) and was filed in the office of the Secretary of State of Delaware on March 10, 1994. Under the Certificate of Merger AU 'N AG, INC., the Delaware corporation, was the surviving corporation.

Under the terms of the above-referenced merger each share of common stock of AU 'N AG, INC. (Utah) was converted into one share of AU 'N AG, INC. (Delaware). At the time of its incorporation, AU 'N AG, INC. (Delaware) had total authorized capital stock in the amount of 50,000,000 shares at \$.001 par value. Each holder of AU 'N AG, INC. (Utah) upon surrender to AU 'N AG, INC. (Delaware) of one or more certificates for such shares for cancellation

received one or more certificates for the number of shares of common stock of AU 'N AG, INC. (Delaware) represented by the certificates of AU 'N AG, INC. (Utah) so surrendered for cancellation by such holder.

As a result of the above-referenced merger, 23,297,800 shares of common stock of AU 'N AG, INC. (Delaware) were issued to the shareholders of the corporation formerly known as AU 'N AG, INC. (Utah). At the time of the merger, AU 'N AG, INC. (Utah) had no assets and was an inactive corporation.

On April 11, 1994, a Certificate of Amendment of the Certificate of Incorporation of AU 'N AG, INC. (Delaware) was executed, providing that the name of the Company be changed to: INTERUNION FINANCIAL CORPORATION. This change of name was filed by the office of the Secretary of State of Delaware n April 19, 1994.

Subsequent to a filing of information submitted to the National Association of Securities Dealers, Inc. (NASD) pursuant to Schedule H of the NASD By-Laws and Rule 15c 2-11 under the Securities Act of 1934, on July 27, 1994 IFC was

3

cleared for listing on the OTC Bulletin Board. The Company currently trades under the symbol: IUFC.

Subsequent to approval by the required shareholders at a meeting held October 14, 1994, the common stock was reverse split at a ratio of ten (10) to one (1). Further, based upon shareholder approval at that meeting, a Certificate of Amendment was filed with the Secretary of State, State of Delaware, showing capitalization as follows:

- (1) 100,000,000 shares of common voting stock at \$.001 par value.
- (2) 1,500,000 shares of Class A preferred stock at \$.10 par value.
- (3) 50,000,000 shares of Class B preferred stock with par value to be set by the Board of Directors.
- (4) 50,000,000 shares of Class C preferred stock with par value to be set by the Board of Directors.

On January 18, 1995 the Company acquired all of the stock of BEARHILL, LIMITED, INC., a British Virgin Islands corporation, for the issuance of 444,000 shares of common stock. On January 18, 1995 the Company also acquired all of the stock of GUARDIAN TIMING SERVICES, INC., a corporation organized under the laws of Ontario, Canada, for the issuance of 112,112 shares of common stock.

Upon application to the Florida Department of State, on February 2, 1995, the Company was qualified and authorized to transact business in the State of Florida. The Company moved its principal office to 249 Royal Palm Way, Suite 301-H, Palm Beach, Florida 33480.

On March 20, 1995, the Company acquired all of the stock of I & B, INC., a Delaware corporation, CREDIFINANCE CAPITAL, INC., a corporation organized under the laws of Ontario, Canada, CREDIFINANCE SECURITIES, LTD., a corporation organized under the laws of Ontario, Canada, and Ninety-Five percent (95%) of the stock of ROSEDALE REALTY CORPORATION, a corporation organized under the laws of Ontario, Canada, for the issuance of 1,500,000 shares of common stock. The Company further acquired the remaining outstanding stock of ROSEDALE REALTY CORPORATION for the issuance of 24,600 shares of common stock. It should be noted that in 1996 the Company disposed, by way

4

of an assignment in bankruptcy, of its shares in ROSEDALE REALTY CORPORATION (See Note 13 of InterUnion Financial Corporation Notes to Consolidated Financial Statements, March 31, 1996 and 1995, Part F/S).

At a special meeting of the shareholders held May 17, 1996, the Board of Directors was authorized to reverse split all authorized shares in a ratio of twenty (20) to one (1). At the time of this authorization, the total of all issued and outstanding voting shares of stock was 13,851,156.

REEVE, MACKAY & ASSOCIATES LIMITED was formed May 15, 1995 as a corporation organized under the laws of Ontario, Canada. All capital stock of this corporation was originally issued to InterUnion Financial Corporation. The corporation is a wholly-owned subsidiary of the Company.

## (b) BUSINESS OF ISSUER

### GENERAL

The Company was formed to act as a holding company to invest primarily in the equity securities of securities firms, investment management companies, banks, insurance companies, and other financial and brokerage companies located in the United States and Canada. Following its investment, the Company intends to function as an "information link" between these financial companies resulting in their immediate access to new markets and investment opportunities.

The Company will also engage in bridge financing, which involved providing capital for a company to go public or make targeted acquisitions, and the Company may also purchase restricted securities for resale, or publicly traded securities.

Because of the information link the Company is able to provide, the Company believes, but cannot assure investors, that it will be allowed to make investments in certain banks, insurance companies and securities firms that, without the information link would not be possible. The Company may invest both in debt as well as equity investments.

The Company may invest in securities of privately held firms, as well as securities listed in markets that are official, regulated, well recognized, normally functioning, and open to public investment in Europe, and North America. The Company may invest in those markets on a case-by-case basis, as opportunities arise.

## 5

There can be no assurance that the Company will generate adequate, or any, returns from securities investments. The risks inherent to securities investments are connected to the possible variations in the underlying prices of the securities. Securities prices can vary depending on the general trends in the economy, in the money markets, and in the securities markets, as well as on the specific economic and financial performance of the issuers. Investments in foreign securities present the added risk of foreign exchange fluctuations.

### PRODUCTS AND/OR SERVICES OF ACTIVE SUBSIDIARIES

In addition to the operations of InterUnion Financial Corporation as the parent, the Company owns five operating subsidiary corporations. A description of the business operations of these subsidiary corporations is as follows:

#### (1) CREDIFINANCE SECURITIES, LTD.

Credifinance Securities, Ltd. ("Credifinance") is an investment bank with office in Toronto and Montreal, and is a member of the Investment Dealers Association of Canada, the Toronto Stock Exchange, Montreal Exchange and the International Securities Market Association. Credifinance has 30 employees

engaged in fixed income and equity trading for Canadian institutions and in corporate finance. Credifinance's six person research team provides perspective on equity markets, companies and industries in Canada.

Credifinance Securities was started in 1990, engaging in institutional trading, investment banking and research. The consolidation in the brokerage/investment banking industry in Canada created opportunities for small companies to provide better service to institutions. This unit began by specializing in the trading of less than investment grade bonds. In 1991-92, it expanded into equity trading for its institutional clients. Unlike the large brokerage firms, Credifinance Securities acts strictly as an agent, and does not take positions against its clients.

To enhance its service for the institutional clients, Credifinance has developed research capability focusing on:

- biotechnology
- communications and media
- software
- telecommunications
- metals, minerals and precious metals mining
- oil and gas
- industrial products

6

Credifinance's corporate finance activities consist primarily of underwritings for small and medium-size, technology-intensive companies. Between 1993 and 1995, Credifinance has been the sole underwriter in five transactions, ranging in value from C (Canadian) \$1.5 to \$5.4 million; co-underwriter in two transactions of C\$32.5 million and C\$11 million; participated in a C\$135 million co-bought deal; and has been involved in two special transactions of C\$10 and C\$15 million.

In the first quarter of 1996, Credifinance has financed, through private placements of special warrants, the following companies:

- Getty Cooper (C\$5.9 million) - copper mining in British Columbia;
- Etruscan Enterprises (C\$7.0 million) - gold mining in Niger, West Africa;
- Novadx International (C\$1.8 million) - biotechnology company commercializing in vitro tests for arthritis, osteoporosis and other chronic diseases;
- Nortran Pharmaceuticals (C\$2.0 million) - pharmaceutical company focusing on research and commercial development of targeted small molecule drugs; and
- Imutec (C\$2.8 million) - biotechnology company engaged in the development of immunotherapeutic products.

In addition, Mariposa Steamship Company and Mancan Gold Limited have engaged Credifinance as their fiscal agent to take them public in 1996.

(2) GUARDIAN TIMING SERVICES, INC.

Guardian Timing Services, Inc. ("Guardian") is an investment management firm located in Toronto, Canada, currently having approximately C\$90 million in assets under management. Guardian manages the Canadian Protected Fund, the Protected American Fund and the First America Fund. It uses a proprietary ITM market timing model owned by Bearhill Limited, Inc., another subsidiary of the Company.

(3) CREDIFINANCE CAPITAL, INC.

Credifinance Capital, Inc. is an investment corporation located in Toronto, Canada. The business activities of this subsidiary corporation are limited to proprietary security investing using its own capital resources.

## (4) BEARHILL LIMITED, INC.

Bearhill Limited, Inc. ("Bearhill") is an investment management firm located in Toronto, Canada. Bearhill now manages the Rexmore Fund which invests primarily in U.S. equity mutual funds and offers management services in the international market place.

Bearhill owns the rights to the ITM market timing trading model which is used by Guardian in making investment decisions for the funds it manages. The forecasting technique used by the ITM market timing model involves general market indicators, interest rates and monetary analysis, market perception indicators, and various statistical data to detect trends. An earlier version of the market timing model predicted the stock market downturn in October, 1987, allowing Guardian clients to get out of the market 10 days prior to the downturn. The model is continually updated and has been credited with successfully avoiding many of the overall market declines in the early part of the 1990s.

A major Canadian bank has acquired a three year option, renewable each year, to purchase the ITM software development by Bearhill. In the event that this option is exercised, InterUnion Financial Corporation will be a direct beneficiary of the option price of C\$15 million. There is, of course, no assurance that such an option will be exercised.

## (5) REEVE, MACKAY &amp; ASSOCIATES LIMITED

Reeve, Mackay & Associates Limited ("Reeve, Mackay") commenced business operations in July, 1995 as a Canadian auction house. Reeve, Mackay held auctions in 1995 on a monthly basis, which has increased, due to its successful sales, to two monthly with a continuing goal of holding four auctions monthly. In the first nine months of operation, Reeve, Mackay generated revenues of C\$1.6 million.

As a result of its sales and a considerable amount of media attention in the form of numerous unsolicited articles in the major Canadian press, Reeve, Mackay has reached an agreement with two of the largest international auction houses (Christie's and Phillips) whereby these companies have agreed to recommend it as the Canadian auctioneers for the portion of the Canadian estates that they will not sell in New York or London.

## COMPETITION

The search for potentially profitable investments is intensely competitive. A list of actual and potential competitors would include the multinational banks, regional banks, thrift institutions, investment banks, brokerage firms, finance and leasing companies, merchant banks, venture capitalists and other financial service companies. The Company may be at a disadvantage when competing with firms with substantially greater financial and management resources and capabilities than the Company.

The issue of competition also directly impacts the subsidiary companies owned by InterUnion Financial Corporation. Credifinance Securities, Ltd. concentrates on providing underwritings for small and medium-sized technology-intensive companies. Credifinance must compete with underwriting companies in Canada that are superior in asset strength and personnel staff. Guardian Timing Services, Inc. and Bearhill Limited, Inc. both operate as managers of funds. A decline in their investment performance could cause the loss of these essential accounts. And if the ITM market timing model used by both of these companies should not show an accurate forecast the companies could lose the managed accounts to larger investment management firms. Finally, the auction company of Reeve, Mackay & Associates Limited must directly compete for accounts with larger internationally recognized companies such as Christie's and Phillips. There is certainly no assurance that Reeve, Mackay can continue to attract substantial accounts for auction.

## GROWTH STRATEGY

The growth strategy consists of two complimentary components:

- Investing in the existing portfolio of financial services companies; and acquiring, when the appropriate opportunities arise, major positions in well-managed banks, thrifts, brokerage houses, investment banks and other financial services companies (e.g. leasing, insurance) positioned in niche markets in key international money centers; and
- Expansion of bridge financing and investment banking activities.

Entry into the U.S. market is the next step in the Company's long-term strategy to take major positions in investment banks, brokerage houses, insurance companies, and other financial services companies around the world. The Company is positioning itself to take advantage of opportunities. There is no pressure to make an acquisition at any time or at any cost.

## 9

But any acquisition will represent the second phase in the Company's growth strategy. The first phase involves building up the existing operations to more completely utilize the existing resources and to capitalize on each unit's competitive strengths. For example, the Montreal office of Credifinance Securities has been expanded and is fully bilingual, staffed by French Canadians to better serve Quebec institutions. The corporate finance capabilities of Credifinance will continue to be expanded to fully utilize the unit's research and corporate finance capabilities and trading networks. Additional capital will enable InterUnion to participate in more bridge financing opportunities that in turn, will provide more corporate finance work for Credifinance; and will permit Credifinance to increase its block trading activity.

Bearhill will launch a new fund in 1996 and Guardian will continue to expand the assets under its management by actively engaging in marketing for the first time in its history. A new fund may be established for U.S. investors.

A retail brokerage operation may be established in Canada to take advantage of the client lists provided by Reeve, Mackay and the investment products created by Guardian. InterUnion Financial Corporation also may create an investment banking presence in the United States by expanding Credifinance into this market and/or by following up on negotiations with individuals who are part of the Company's international network. Credifinance may expand into the United States in order to provide better service for Canadian corporations which increasingly are being listed on NASDAQ. On the other hand, if the latter partnership is created, this new division will provide research on markets and industries in the European Union and emerging markets in Europe and Asia, and trading services for U.S. clients in European and emerging markets equities and fixed income. This unit also will develop, over time, a corporate finance capability that will match European investment opportunities with U.S. investors.

A high priority has been assigned to acquiring hard assets, in the form of a bank, savings and loan company or insurance company, in order to add stability to revenues, provide access to new sources of capital and open new distribution channels. Moreover, these types of financial institutions will permit IFC to offer the companies, which it will advise and assist, a complete range of loan options. In addition, IFC will continue to search for and invest in financial services companies with talented partners and employees, predictable cash flows, low break evens and low marginal costs that are complementary with the Company's existing divisions. The Company will pay for the current cash flow with stock equity and share the incremental increase in cash flow with the owners/managers of the companies.

GOVERNMENT REGULATION

The operating activities of InterUnion Financial Corporation are not subject to governmental regulatory agencies. Likewise, the Canadian investment management companies of Guardian Timing Services and Bearhill Limited are not subject to direct government regulation in Canada.

Credifinance Securities, Ltd. is a member of the Investment Dealers Association of Canada, the Toronto Stock Exchange, Montreal Exchange and the International Securities Market Association. As such, it is subject to the rules, regulations, and administrative rulings of these entities. However, these regulatory entities are not considered as having any adverse impact on the ability of Credifinance to conduct its underwriting activities.

The auction firm of Reeve, Mackay is not subject to government regulation under Canadian law.

It should be noted that InterUnion Financial Corporation considers itself to be outside of the Investment Company Act of 1940, as amended (the "Act"). Section 3 of the Act broadly defines the term "investment company." It specifies that investment company means any issuer which is (a) primarily engaged in investing, reinvesting, or trading in securities, or (b) is in the business of issuing amount face- certificates of the installment type, or has been engaged in such business and has any such certificates outstanding. It is a matter of fact that IFC does not come within (a) or (b) above.

The third part of the investment company definition is a company that is engaged or proposes to engage in the business of investing, reinvesting, owning, holding or trading in securities, and owns or proposes to acquire investment securities having a value exceeding 40 per centum of the value of such issuer's total assets (exclusive of Government securities and cash items) on an unconsolidated basis. Section 3(a)(3) of the Act defines "investment securities" to include all securities except government securities, securities issued by employees' securities companies, and securities issued by majority-owned subsidiaries of the owner which are not investment companies. It has been clearly ruled that a holding company whose primary business is owning or holding securities issued by its non-investment company subsidiaries would not be an investment company. IRC clearly does not own 40 percent of its assets in investment securities.

EMPLOYEES

The employees of the Company and its subsidiaries are all full-time employees. The total number of such employees is listed below:

<TABLE>

<S>	<C>
InterUnion Financial Corporation .....	3
Credifinance Securities, Ltd. ....	30
Bearhill Limited .....	1
Guardian Timing Services .....	2
Reeve, Mackay & Associates Limited .....	14



&lt;/TABLE&gt;

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

During fiscal year 1996 (ending March 31), InterUnion reported consolidated revenues of US\$5.9 million. This represented a 45 percent increase over the consolidated revenues for fiscal 1995 of US\$40 million.

Revenues for fiscal 1996 were generated as follows: US\$4.5 million from commissions (US\$530,000 increase over fiscal 1995 commission, trading and investment income) and US\$1.4 million from fees (US\$1.3 million improvement from fiscal 1995 fee revenues).

Net earnings for the year were \$301,566 versus the previous year's loss of \$134,438. The increase reflects a gain on the disposition of Rosedale Realty and is also the result of middle management streamlining to better manage the Company's growth. The net earnings represent earnings per share of US\$0.60 on a weighted average of 501,535 common shares outstanding.

Cash flow from operations were a positive \$110,232 in fiscal 1996, as compared to a negative cash flow of \$110,166 in 1995.

Shareholders' equity increased by 14 percent to US\$4.1 million, representing a book value per share of \$5.98 on a total of 692,558 outstanding and issued common shares as of March 31, 1996.

Reeve, Mackay & Associates, which started operations in July 1995, had excellent results in November-December due to the quality of the consignments which generated substantial sales volumes and strong margins. Revenues generated in the first nine months of operation were C\$1.6 million. The reputation

12

of its specialists combined with its association with Credifinance Securities has secured important consignments from collectors and trust companies. Christie's and Phillips have agreed to recommend Reeve, Mackay as the Canadian auctioneers for the portion of the Canadian estates that they will not sell in New York or London.

Credifinance Securities Limited saw its commission income rise and the investment banking revenues for fiscal 1996 far exceeded the levels in 1995. Credifinance benefited from the strength of its research department in sectors which have been in demand by investors -- oil and gas, mining and biotechnology. This resulted in a significant increase in underwritings during the year to about C\$45 million. The last quarter of 1996 was particularly active as Credifinance raised C\$25 million in Canada and Europe for its clients.

Credifinance is steadily gaining market share as it continues to improve its institutional research and trading capability. There were several other positive changes in the last quarter for Credifinance. A new fixed-income operation was started in the Montreal office. The institutional equity desks were expanded. The decision to make the Montreal office a "French" franchise has met with the approval of Credifinance's Quebec-based institutional and corporate clients.

Guardian Timing Services, the investment management company, increased assets under management to approximately C\$90 million. The investment management firm is well positioned to achieve and surpass the C\$100 million ark for assets under management -- the target set for the 18 months following its acquisition by IFC in January 1995. The Company will commence marketing Guardian's services more systematically during the 1997 fiscal year.

Guardian Timing's sister company, Bearhill, has entered into an option agreement to sell its proprietary market timing model to a major financial institution for proceeds to IFC of approximately C\$15 million. The Company's interest in the software is valued at US\$774,450 and is included in the capital

assets.

The Company does not require an infusion of cash proceeds to maintain its business operations on a profitable level. However, in order to meet its growth plans, the Company issued a Confidential Private Offering Memorandum dated July 8, 1996. This Offering Memorandum offers for sale 250,000 units of the Company at a price of \$8.00 per unit. Each unit consists of one share of common voting stock and one warrant to purchase one share of common voting stock at \$9.00 per share, with an expiration date on the warrant of July 15, 1997. The total offering seeks to raise \$2,000,000, with anticipated net proceeds after commissions and offering costs of \$1,775,000.

13

The offering as noted above has not been registered under the Securities Act of 1933, as amended, in reliance on an exemption from registration under Regulation D (Rule 505) as promulgated by the Securities and Exchange Commission, and under Regulation S as promulgated by the Securities and Exchange Commission.

Assuming a sale of all units offered, the Company anticipates that the net proceeds will be applied as follows:

<TABLE>  
<CAPTION>

Use	Approximate Amount	Percentage of Proceeds
-----	-----	-----
<S>	<C>	<C>
InterUnion Financial Corporation .....	US\$1,075,000	61
. business development including bridge financing		
Credifinance Securities Limited .....	US\$500,000	28
. increase statutory capital		
. upgrade equipment and leaseholds		
. expand research department		
. develop U.S. institutional equity business		
Guardian Timing; Bearhill; Reeve, Mackay .....	US\$200,000	11
. market the services of Guardian and Bearhill systematically		
. develop Reeve, Mackay into a market leader		
Total .....	US\$1,775,000	100%
	=====	=====

</TABLE>

The Company feels that the financial statements for the periods ending March 31, 1995 and March 31, 1996 accurately reflect the operations of the Company and its subsidiaries. In fact, the Company has taken every reasonable step to insure that its financial statements do not represent a distorted picture to anyone having a business reason to review such statements. As evidence of this commitment, see Note 1 of the InterUnion Financial Corporation Notes to Consolidated Financial Statements March 31, 1996 and 1995, Part F/S, explaining that a change in accounting policy resulted in a decreased value of goodwill and additional paid-in capital of \$7,103,020.

There are no material events and uncertainties known to the management of the Company that would cause the reported financial information to be other than indicative of future operating results or of future financial condition.

## ITEM 3. DESCRIPTION OF PROPERTY

Neither the Company nor any of its subsidiaries owns real estate.

The Company and certain of its subsidiaries do have leasehold interests in real estate as shown below.

<TABLE>  
<CAPTION>

Lessee & Location of Premises	Gross Area (S. Ft.)	Term	Annual Rent (Per S. Ft.)
<S>	<C>	<C>	<C>
Credifinance Securities, Ltd. Suite 3303 130 Adelaide Street W Toronto, Ontario	3,310	Feb. 92-Jan. 97 Feb. 97-Jan. 02	\$16.00 \$22.00
Credifinance Securities, Ltd. Suite 3304 130 Adelaide Street W Toronto, Ontario	927	Feb. 93-Jan. 97 Jul. 97-Jan. 02	\$12.00 \$15.00
Credifinance Securities, Ltd. Suite 1580 1501 McGill College Ave. Montreal, Quebec	1,386	Jun. 92-Jan. 98	\$16.00
Reeve, MacKay & Associates, Ltd. Suite 400 163 Queen St. E Toronto, Ontario	3,375	Jul. 96-Jun. 97	\$ 5.00
Reeve, MacKay & Associates, Ltd. Suite 102 163 Queen St. E Toronto, Ontario	2,053	Jul. 96-Jun. 97	\$ 3.00
InterUnion Financial Corp. Suite 301 249 Royal Palm Way Palm Beach, Florida	1,000	Mar. 96-Feb. 97	US\$365 per month

</TABLE>

## ITEM 4. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

## (a) SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following persons (including any group as defined in Regulation S-B, Section 228.403) are known to InterUnion Financial Corporation, as the issuer, to be the beneficial owner of more than five percent of any class of the said issuer's voting securities.

<TABLE>  
<CAPTION>

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Owner	Percent of Class
<S> Common	<C> RIF Capital Inc.(1) Price Waterhouse Centre PO Box 634C St. Michael, Barbados, WI	<C> 354,121	<C> 51.13%
Common	Capital Securities & Credit Corp. 114 Belmont Street Toronto, Ontario, Canada M5R 1P8	52,144	7.53%
Common	Finance Research Development (FRD) Trust Icaza, Ruiz-Gonzalez & Alemen Vanterpool Plaza, 2nd Floor Wickhams Cay, PO Box 873 Road Town, Tortola, BVI	50,500	7.29%
Common	Financiera Hispano-Suiza, SA 10 Rue Pierre-Fatio Geneva, Switzerland CH1204	50,050	7.23%
	TOTAL	506,815	73.18%
Preferred A	RIF Capital Inc. Price Waterhouse Centre PO Box 634C St. Michael, Barbados, WI	1,500,000	100.00%

</TABLE>

(1)RIF Capital Inc. is a wholly-owned subsidiary of Equibank Inc. which is wholly-owned by Central Investment Trust. Georges Benarroch is the sole protector of Central Investment Trust and is not a beneficiary of the Trust nor its subsidiaries.

(b) SECURITY OWNERSHIP OF MANAGEMENT

The following information lists, as to each class, equity securities beneficially owned by all directors and nominees, and of the directors and nominees of the issuer, as a group.

<TABLE>  
<CAPTION>

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Owner	Percent of Class
<S> Common	<C> Georges Benarroch Suite 3303 130 Adelaide Street Toronto, Ontario Canada, M5H 3P5	<C> 354,121 Trustee (voting power) of Central Investment Trust	<C> 51.13%
Preferred A	Georges Benarroch Suite 3303 130 Adelaide Street Toronto, Ontario Canada, M5H 3P5	1,500,000 Trustee (voting power) of Central Investment Trust	100.00%

Common	Directors and Executive Officers as a group (1 person)	354,121	51.13%
Preferred A	Directors and Executive Officers as a group (1 Person)	1,500,000	100.00%

</TABLE>

NOTE TO (A) AND (B): As to the beneficial owner(s) of the securities listed above in (a) and (b), no such owner has any right to acquire within sixty (60) days or otherwise, the right to acquire shares from options, warrants, rights, conversion privileges or similar obligations.

17

ITEM 5. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS

(a) IDENTIFY DIRECTORS AND EXECUTIVE OFFICERS

<TABLE>  
<CAPTION>

Name, Municipality of Residence	Age	Length of Service
-----		
<S> Georges Benarroch Toronto, Ontario Canada	<C> 49	<C> Appointed as President and Chairman of the Board, March 21, 1994
T. Jack Gary, III West Palm Beach, Florida	55	Appointed as Secretary January 30, 1995
Ann Glover Toronto, Ontario Canada	46	Appointed to Board of Directors February 17, 1995
Jacques Meyer de Stadelhofen Geneva, Switzerland	48	Appointed to Board of Directors December 16, 1994
Karen Lynn Bolens Geneva, Switzerland	49	Appointed to Board of Directors December 16, 1994

</TABLE>

GEORGES BENARROCH is the President, Chief Executive Officer and Chief Financial Officer of the Company. He is also the President, Chief Executive Officer, and Chairman of the Board of Credifinance Securities, Ltd., Credifinance Capital, Inc. and Reeve, Mackay & Associates, Ltd. -- all wholly-owned subsidiaries of the Company. He is also the president of

Equibank.

Since 1977, Mr. Benarroch has held the position of officer and partner/director with various investment firms and private/public companies in the United States, Canada and Europe. He has been a senior partner and/or

18

seat holder of a member firm of the Toronto Stock Exchange since 1982. His experience covers Euro-financings, venture capital, mining and high tech financings and bridge financings. Between 1988 and 1990, he was one of the largest foreign traders of Austrian and Eastern European securities. One of his holding companies, which indirectly is the largest current shareholder of InterUnion, owns or has owned substantial equity interest in financial companies in North America, mining companies in California and technology-oriented, venture capital firms.

T. JACK GARY, III is the Secretary of the Company. He is also Branch Manager of the West Palm Beach, Florida, office of Raymond James & Associates, a national brokerage firm, having held that position since 1995. He is the President of Crown Financial Advisors, Inc., an investment advisory firm. From April, 1988 to 1992 Mr. Gary was President and Chief Executive Officer of Crown Capital Advisors, Inc., a company registered as an investment advisor with the Securities and Exchange Commission and with the State of Florida under the Florida Securities and Investor Protection Act. From 1992, until his appointment with Raymond James, Mr. Gary served as Chief Executive Officer of Crown Financial and Executive Vice President of Crown Capital Advisors, Inc.

ANN GLOVER serves as a Director of the Company. She is a Director, Secretary/Treasurer, and Chief Operating Officer of Credifinance Securities, Limited a subsidiary of the Company. Ms. Glover has been an employee of Credifinance Securities, Limited since 1991, having held the position of a Director, Secretary/ Treasurer, and Chief Compliance Officer.

JACQUES MEYER DE STADELHOFFEN serves as a Director of the Company. Since 1981 through and including the present time, he has practiced as an attorney, specializing in tax and financial matters for international corporations and charitable organizations.

KAREN LYNN BOLENS serves as a Director of the Company. Since 1985 through and including the present time, she has practiced as an associate attorney, specializing in corporate, estate and family law for international clients.

19

## ITEM 6. EXECUTIVE COMPENSATION

### (a) SUMMARY COMPENSATION TABLE

<TABLE>  
<CAPTION>

NAME & PRINCIPAL POSITION	FISCAL YEAR	OTHER SALARY	OTHER BONUS	LONG TERM COMPENSATION	ALL OTHER COMPENSATION	ALL OTHER COMPENSATION
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Georges Benarroch, President & CEO	1996 1997	None None	None None	None \$50,000*	None None	None None

</TABLE>

\*Georges Benarroch was paid \$50,000 as compensation for services subsequent to the end of the fiscal year ending March 31, 1996. No other officer was paid compensation.

(B) ALL COMPENSATION COVERED

The Company's Board of Directors has approved payment of \$1,750 for the services of each of its directors for the fiscal year ending March 31, 1997. No payments to Directors have been made as of the date of this registration statement.

As of the date of this registration statement, the Company has no options, warrants, SARs, long-term incentive plans, pension or profit-sharing plans, insurance plans, medical reimbursement plans, or other compensation plans in any form, direct or indirect, in effect regarding any employees of the Company.

The Company feels that it does not have to include executive compensation for an executive officer of any subsidiary because under Rule 3b-7 under the Exchange Act (17 CFR 240.3b-7) no executive officer(s) of any subsidiary perform(s) policy making functions for the registrant.

As of the date of this registration statement, the Company has no agreement or understanding, express or implied, with any officer or director, or any other person regarding employment with the Company or compensation for services.

20

ITEM 7. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Not applicable.

ITEM 8. DESCRIPTION OF SECURITIES

(A) COMMON STOCK

The Company is authorized to issue 100,000,000 (One Hundred Million) shares of common voting stock, each share having one vote, at \$.001 par value.

There are no fixed rights to dividends on the common stock. Dividends may be paid as authorized by the Board of Directors in cash, in property, or in shares of capital stock.

Section 102 of the General Corporation Law of Delaware provides that no stockholder shall have any preemptive right to subscribe to an additional issue of stock or to any security convertible into stock unless, and except to the extent that, such right is expressly granted to him in the certificate of incorporation. The Certificate of Incorporation of InterUnion Financial Corporation contains no provision for preemptive rights.

(B) PREFERRED STOCK

(1) CLASS A PREFERRED STOCK

The Company is authorized to issue 1,500,000 (One Million Five Hundred Thousand) shares of Class A preferred stock at \$.10 par value.

The Class A preferred stock is voting stock, each share having 100 votes.

In any given fiscal year in which the directors shall declare a

dividend, the holder(s) of Class A preferred stock shall be entitled to a fixed yearly dividend in the percentage amount, which such amount shall be fixed and declared by the directors at the time of issuance of the Class A preferred stock. When such a dividend is declared, the holder(s) of the Class A preferred stock shall receive payment before any dividend shall be paid or set apart on the common stock. The dividends in respect to the Class A preferred stock shall be non-cumulative and shall be non-participating. These shares carry no terms of repayment and have no terms of conversion.

21

In the event of dissolution of the Company, the holder(s) of Class A preferred stock shall be entitled to be paid in full the par value of the shares before any amount is to be paid to the holders of common stock or the holders of Class B and C preferred stock.

### (2) CLASS B PREFERRED STOCK

The Company is authorized to issue 50,000,000 (Fifty Million) shares of Class B preferred stock. The par value of this stock and the yearly dividend in a percentage amount to which the holder(s) of this stock shall be entitled, shall be determined by the directors at the time of first issuance of any such shares. In any given year in which the directors shall declare a dividend, the holder(s) of the Class B preferred stock shall receive payment before any dividend shall be set apart or paid on the common stock.

The Class B preferred stock is non-voting, non-cumulative and non-participating. These shares carry no terms of repayment and have no terms of conversion.

In the event of dissolution of the Company, the holder(s) of the Class B preferred stock shall be entitled to be paid in full the par value of the shares before any amount is to be paid to the holders of common stock or the holders of Class C preferred stock.

### (3) CLASS C PREFERRED STOCK

The Company is authorized to issue 50,000,000 (Fifty Million) shares of Class C preferred stock. The par value of this stock and the yearly dividend in a percentage amount to which the holder(s) of this stock shall be entitled, shall be determined by the directors at the time of first issuance of any such shares. In any given year in which the directors shall declare a dividend, the holder(s) of the Class C preferred stock shall receive payment before any dividend shall be set apart or paid on the common stock.

The Class C preferred stock is non-voting, non-cumulative and non-participating. These shares carry no terms of repayment.

The Class C preferred stock is convertible to common voting stock, provided, however, that the exchange ratio on such a conversion shall be subject to the price and terms as decided by the directors, and provided further, that the right of conversion shall be decided by the directors in their sole discretion. In the event, upon a conversion, it shall appear that a fraction of a common share

22

shall be issued, the Company shall pay cash for the pro rata market value of any such fraction, market value being based upon the last sale price for a share of common stock on the business day next prior to the date such fair market value is to be determined.

In the event of dissolution of the Company, the holder(s) of the Class



C preferred stock shall be entitled to be paid in full the par value of the shares before any amount is paid to the holders of common stock.

23

PART II

ITEM 1. MARKET PRICE OF AND DIVIDENDS ON THE REGISTRANT'S COMMON EQUITY AND OTHER SHAREHOLDER MATTERS

(a) MARKET INFORMATION

The issuer's common equity is traded on the OTC Bulletin Board under the symbol: IUFC.

The high and low sale prices for each quarter within the last two fiscal years and the first quarter of fiscal year 1977 are listed below. Only two quarters are shown for fiscal year 1995 because the stock was not cleared by the NASD for trading until July 27, 1994.

<TABLE>

<CAPTION>

	Open	High	Low	Close
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
FY 95 Qtr 3	\$52.50	\$100.00	\$52.50	\$80.00
FY 95 Qtr 4	\$80.00	\$102.50	\$77.50	\$80.00
FY 96 Qtr 1	\$80.00	\$ 85.00	\$32.50	\$40.00
FY 96 Qtr 2	\$40.00	\$ 50.00	\$15.00	\$30.00
FY 96 Qtr 3	\$30.00	\$ 32.50	\$10.63	\$21.25
FY 96 Qtr 4	\$21.25	\$ 21.25	\$ 5.00	\$13.75
FY 97 Qtr 1	\$13.75	\$ 13.75	\$ 5.00	

</TABLE>

(b) HOLDERS

The approximate number of holders of record of each class of common equity is as follows:

24

<TABLE>

<CAPTION>

CLASS OF STOCK	NUMBER OF HOLDERS
<S>	<C>
Common	383
Class A Preferred	1
Class B Preferred	0
Class C Preferred	0

</TABLE>

(c) DIVIDENDS

The company has never declared or paid dividends on its common stock or its preferred stock. The Board of Directors does not anticipate paying any dividends in the foreseeable future. It intends to retain its distributable earnings, if any, for the expansion and development of its business.

## ITEM 2. LEGAL PROCEEDINGS

The issuer is not a party to any pending legal proceeding, nor is its property the subject of a pending legal proceeding.

## ITEM 3. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS

Not applicable.

## ITEM 4. RECENT SALES OF UNREGISTERED SECURITIES

### (a) SALES PURSUANT TO REGULATION D

The following sales were made by the Company within the past three (3) years in reliance upon an exemption from the registration requirements of the Securities Act of 1933, as amended, as contained within Regulation D promulgated by the Securities and Exchange Commission:

25

<TABLE>  
<CAPTION>

Title of Class	Number Shares	Price per Share	Consideration	Date of Sale
<S>	<C>	<C>	<C>	<C>
Common	16,980,000	.00145 cents/share	\$ 24,621	April 1, 1994
Common	1,750,000	2 cents/share	\$ 35,000	April 22, 1994
Common	1,000,000	2 cents/share	\$ 20,000	May 16, 1994
Common	1,250,000	2 cents/share	\$ 25,000	July 26, 1994
Common	1,000,000	1 cent/share	\$ 10,000	July 26, 1994
Common	3,702,200	1 cent/share	\$ 37,022	Aug. 4, 1994
Common	5,000,000	1 cent/share	\$ 50,000	Aug. 17, 1994
Common	1,000,000	5 cents/share	\$ 50,000	Oct. 5, 1994
Common	1,500,000	20 cents/share	\$300,000	Mar. 23, 1994
Common	1,250,000	10 cents/share	\$125,000	June 5, 1995
Common	3,200,000	10 cents/share	\$320,000	Mar. 12, 1996

## NOTES TO SALES PURSUANT TO REGULATION D

- (1) All sales of securities are shown based upon the shares at the date of sale and do not reflect subsequent reverse stock splits as approved by the shareholders.
- (2) All sales were made directly by the Company as issuer. No commissions or underwriting discounts were paid in connection with the sales.
- (3) The class of persons to whom the Company sold the above-referenced securities were individuals or entities whom the Company had reason to believe were either accredited investors within the meaning of Regulation Section 230.501 or were investors having such knowledge and experience in financial and business matters that the purchaser could properly evaluate the risks and merits of the investment.

- (4) All sales as shown above were made to non-U.S. persons.

26

- (5) The company specifically relied upon compliance with Rule 504 of Regulation D (Regulation Section 230.504). The Company qualified for Rule 504 because all offers and sales were made by the issuer, the Company was not subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, the Company was not an investment company, and the Company was not a development stage company. Further, the Company was in compliance with the conditions as set forth in Regulation Section 230.504(b).

(B) SALES PURSUANT TO REGULATION S

The following sales were made by the Company within the past three (3) years in reliance upon an exemption from the registration requirements of the Securities Act of 1933, as amended, as contained within Regulation S promulgated by the Securities and Exchange Commission:

<TABLE>  
<CAPTION>

Title of Class	Number Shares	Price per Share	Consideration	Date of Sale
<S> Common	<C> 2,000,000	<C> .10 cents/share	<C> \$200,000	<C> Oct. 16, 1995

Title of Class	Number Shares	Price per Share	Consideration	Date of Sale
<S> Class A Preferred	<C> 1,500,000	<C> .10 cents/share	<C> \$150,000	<C> Dec. 21, 1994

</TABLE>

NOTES TO SALES PURSUANT TO REGULATION S

- (1) All sales of securities are shown based upon the shares at the date of sale and do not reflect subsequent reverse stock splits as approved by the shareholders.

27

- (2) All sales were made directly by the Company as issuer. No commissions or underwriting discounts were paid in connection with the sales.
- (3) The class of persons to whom the Company sold the above-referenced securities were individuals or entities whom the Company had reason to believe were either accredited investors within the meaning of Regulation Section 230.501 or were investors having such knowledge and experience in financial and business matters that the purchaser could properly evaluate the risks and merits of the investment.
- (4) All sales as shown above were made to non-U.S. persons.
- (5) The company specifically relied upon compliance with Regulation S as promulgated by the Securities and Exchanges Commission. The Company was in compliance with Category 3 of Rule 903 of Regulation S which provides an issuer safe harbor. Under this

Category the Company complied with the two general conditions of Rule 903(a) and (b) and to transactional and offering restrictions by the execution of an investor Subscription Agreement, and the placing of the appropriate restrictive legend on the stock certificate(s).

#### ITEM 5. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 14 of the By-laws of the Company provides for Indemnification to directors and officers. This section is as follows:

"Section 14. The corporation shall indemnify and reimburse each present and future director and officer of the corporation for and against all or part of the liabilities and expenses imposed upon or reasonably incurred by him in connection with any claim, action, suit or proceeding in which he may be involved or with which he may be threatened by reason of his being or having been a director or officer of the corporation or of any other corporation of which he shall at the request of this corporation then be serving or theretofore have served as a director or officer, whether or not he continues to be a director or officer, at the time such liabilities or expenses are imposed upon or incurred by him, including but without being limited to attorney's fees, court costs, judgments and reasonable compromise settlements; provided, however, that such indemnification and reimbursement shall not

28

cover: (a) liabilities or expenses imposed or incurred in connection with any matter as to which such director or officer shall be finally adjudged in such action, suit or proceeding to be liable by reason of his having been derelict in the performance of his duty as such director or officer, or (b) liabilities or expenses (including amounts paid in compromise settlements) imposed or incurred in connection with any matter which shall be settled by compromise (including settlement by consent decree or judgment) unless the board of directors of the corporation by resolution adopted by it (i) approves such settlement and (ii) finds that such settlement is in the best interest of the corporation and that such director or officer has not been derelict in the performance of his duty as such director or officer with respect to such matter. These indemnity provisions shall be separable, and if any portion thereof shall be finally adjudged to be invalid, or shall for any other reason be inapplicable or ineffective, such invalidity, inapplicability or ineffectiveness shall not affect any other portion or any other application of such portion or any other portion which can be given effect without the invalid, inapplicable or ineffective portion. The rights of indemnification and reimbursement hereby provided shall not be exclusive of other rights to which any director or officer may be entitled as a matter of law or by votes of stockholders or otherwise. As used in this paragraph, the terms "director" and "officer" shall include their respective heirs, executors and administrators."

This provision of the By-laws specifically does not provide any measure of indemnification under circumstances whereby the director or officer is adjudged to be derelict in the performance of his duty as an officer or director. There would be no indemnification of an officer or director for liabilities arising under the federal securities laws.

#### PART F/S

#### FINANCIAL STATEMENTS

The following audited consolidated financial statements for InterUnion Financial Corporation, covering fiscal years ending March 31, 1995 and March 31, 1996 are submitted in compliance with the requirements of Item 310 of

PART III

ITEM 1. INDEX TO EXHIBITS

<TABLE>  
<CAPTION>

Exhibit Table Number	Exhibit	Page No.
<S> (2)	<C> Certificate of Merger, dated February 15, 1994	<C> E-1
(3)(i)	Certificate of Incorporation of AU 'N AG, INC. Dated February 15, 1994	E-3
(3)(i)	Certificate of Amendment of Certificate of Incorporation of AU 'N AG, INC. Dated April 11, 1994	E-4
(3)(i)	Certificate of Amendment of Certificate of Incorporation of InterUnion Financial Corporation Dated October 17, 1994	E-5
(3)(ii)	Bylaws of InterUnion Financial Corporation	E-7
(21)	Subsidiaries of InterUnion	E-17

</TABLE>

SIGNATURES

In accordance with Section 12 of the Securities Exchange Act of 1934, the registrant caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

INTERUNION FINANCIAL CORPORATION  
(Registrant)

Date: July 15, 1996      By: /s/ Georges Benarroch  
-----  
Georges Benarroch  
President, Chief Executive Officer  
Chairman, Board of Directors

In accordance with the requirements of the Securities Exchange Act of 1934, this Registration Statement has been signed below by the following persons in their capacities on the dates indicated.

<TABLE>  
<CAPTION>

Signature	Title	Date
----- <S>	----- <C>	----- <C>
/s/ Georges Benarroch ----- Georges Benarroch	President, Chief Executive Officer, Chairman, Board of Directors	July 15, 1996 -----
/s/ Georges Benarroch ----- Georges Benarroch	Chief Financial Officer	July 15, 1996 -----
/s/ Jacques Meyer de Stadelhofen ----- Jacques Meyer de Stadelhofen	Director	July 15, 1996 -----
/s/ Ann Glover ----- Ann Glover	Director	July 15, 1996 -----

</TABLE>

EXHIBIT 2

STATE OF DELAWARE  
 CERTIFICATE OF MERGER      SECRETARY OF STATE  
 DIVISION OF CORPORATIONS  
 of      FILED 10:51 AM 03/10/1994  
           944037960 - 2377973

AU 'N AG, INC.  
 (A Delaware Corporation)

into

AU 'N AG, INC.  
 (A Delaware Corporation)

The undersigned officers, president and secretary of AU 'N AG, INC., a Utah corporation, and AU 'N AG, INC., a Delaware Corporation hereby certify that the Plan and Agreement of Merger between the parties to the merger has been approved, adopted, certified, executed and acknowledged by each of the constituent corporations in accordance with the requirements of Section 252 of the General Corporation Law of Delaware by the shareholders of AU 'N AG, INC., a Utah corporation, at a special shareholders' meeting which was duly called and was held on the 7th day of February 1994, after due notice had been given to the shareholders, and was approved by the sole shareholder of AU 'N AG, INC., a Delaware corporation, by consent action. The surviving corporation shall be AU 'N AG, Inc., a Delaware corporation. The executed copy of the Plan is on file at the principal place of business of the surviving corporation 357 South 200 East, Suite 300, Salt Lake City, Utah 34111. A copy of the Plan will be furnished by the surviving corporation, on request and without cost, to any stockholder of any constituent corporation. The authorized capital stock of AU 'N AG, INC., a Utah Corporation, is 50,000,000 shares of common stock, \$.001 par value.

The number of shares outstanding of each class of each corporation which were entitled to vote on the Plan and the number of shares of each class of each corporation consenting and not consenting to the Plan, is as follows:

<TABLE>  
 <CAPTION>

Class	Number of Shares Outstanding	Number of Shares		
		Consenting	Not Consenting	
-----	-----	-----	-----	
<S>	<C>	<C>	<C>	
AU 'N AG, INC. (a Utah Corporation)	Common stock (\$ .001 par)	23,297,800	17,005,000	0
AU 'N AG, INC. (a Delaware Corporation)	Common stock (\$ .001 par)	10	10	0

</TABLE>

The certificate of incorporation of the AU 'N AG, Inc., a Delaware corporation, the surviving corporation, shall be the certificate of incorporation of the surviving corporation.

All of the presently outstanding shares of AU 'N AG, INC., a Delaware corporation are owned and held by AU 'N AG, INC., a Utah corporation.

IN WITNESS WHEREOF, AU 'N AG, INC., a Utah corporation, and AU 'N AG, INC., a Delaware corporation, have caused this Certificate of Merger to be executed in their respective corporate names by their respective presidents and their respective secretaries this 15th day of February 1994.

Attest: AU 'N AG, INC.  
A Utah Cororation

/s/ Max Morrill, Secretary	/s/ R.G. Listul, President
-----	-----
Max Morrill, Secretary	R.G. Listul, President

Attest: AU 'N AG, INC.  
A Delaware Corporation

/s/ Ronald N. Vance, Secretary	/s/ Ronald N. Vance, President
-----	-----
Ronald N. Vance, Secretary	Ronald N. Vance, President



EXHIBIT (3)(i)

STATE OF DELAWARE  
SECRETARY OF STATE  
DIVISION OF CORPORATIONS  
FILED 09:00 AM 02/15/94  
944020578 - 2377973

CERTIFICATE OF INCORPORATION  
OF  
AU 'N AG, INC.

FIRST: The name of this corporation is AU 'N AG, INC.

SECOND: Its registered office in the state of Delaware is to be located at Three Christina Centre, 201 N. Walnut Street, Wilmington, DE 19801, New Castle County. The registered agent in charge thereof is The Company Corporation, address "same as above."

THIRD: The nature of the business and, the objects and purposes proposed to be transacted, promoted and carried on, are to do any or all the things herein mentioned as fully and to the same extent as natural persons might or could do, and in any part of the world, viz: The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

FOURTH: The amount of the total authorized capital stock of this corporation is divided into 50,000,000 shares of stock at \$.001 par value.

FIFTH: The name and mailing address of the incorporator is as follows:  
Vanessa Foster, Three Christina Centre, 201 N. Walnut Street, Wilmington DE 19801.

SIXTH: The Directors shall have power to make and to alter or amend the By-Laws; to fix the amount to be reserved as working capital, and to authorize and cause to be executed mortgages and liens without limit as to the amount, upon the property and franchise of the Corporation.

With the consent in writing, and pursuant to a vote of the holders of a majority of the capital stock issued and outstanding, the Directors shall have the authority to dispose, in any manner, of the whole property of this corporation.

The By-Laws shall determine whether and to what extent the accounts and books of this corporation, or any of them shall be open to the inspection of the stockholders; and no stockholder shall have any right of inspecting any account, or book or document of this Corporation, except as conferred by the law or the By-Laws, or by resolution of the stockholders.

The stockholders and directors shall have power to hold their meetings and keep the books, documents, and papers of the Corporation outside of the State of Delaware, at such places as may be from time to time designated by the By-Laws or by resolution of the stockholders or directors, except as otherwise required by the laws of Delaware.

It is the intention that the objects, purposes and powers specified in the Third paragraph hereof shall, except where otherwise specified in said paragraph, be nowise limited or restricted by reference to or inference from the terms of any other clause or paragraph in this certificate of incorporation, that the objects, purposes and powers specified in the Third paragraph and in each of the clauses or paragraphs of this charter shall be regarded as independent objects, purposes and powers.

SEVENTH: Directors of the corporation shall not be liable to either the corporation or its stockholders for monetary damages for a breach of fiduciary duties unless the breach involves: (1) a director's duty of loyalty to the corporation or its stockholders; (2) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (3) liability for unlawful payments of dividends or unlawful stock purchase or redemption by the corporation; or (4) a transaction from which the director

derived an improper personal benefit.

I, THE UNDERSIGNED, for the purpose of forming a Corporation under the laws of the State of Delaware, do make, file and record this Certificate and do certify that the facts herein are true; and I have accordingly hereunto set my hand.

DATED: February 15, 1994                      /s/ Vanessa Foster

-----  
Vanessa Foster

EXHIBIT (3)(ii)

BYLAWS  
OF  
INTERUNION FINANCIAL CORPORATION  
(A DELAWARE CORPORATION)

ARTICLE I  
OFFICES

Section 1. The principal office in the State of Delaware shall be at the address of the registered agent for the corporation in the State of Delaware.

Section 2. The corporation may also have offices at such other places both within and without the State of Delaware and within or without the United States of America as the board of directors may from time to time determine as the business of the corporation may require.

ARTICLE II  
MEETINGS OF STOCKHOLDERS

Section 1. All meetings of the stockholders for the election of directors shall be held at such place as may be fixed from time to time by the board of directors, either within or without the State of Delaware. Meetings of stockholders for any other purpose may be held at such time and place, within or without the State of Delaware, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 2. Annual meetings of stockholders shall be held at times designated by the board of directors, and at such meetings the stockholders shall elect by a plurality vote a board of directors, and transact such other business as may properly be brought before the meeting.

Section 3. Written notice of the annual meeting shall be given to each stockholder entitled to vote thereat at least ten days and not more than sixty days before the date of the meeting.

Section 4. The officer who has charge of the stock ledger of the corporation shall prepare and make, at least ten days before every election of directors, a complete list of the stockholders entitled to vote at said election, arranged in alphabetical order, showing the address of and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, during ordinary business hours, for a period of at least ten days prior to the election, either at a place within the city, town, or village where the election is to be held and which place shall be specified in the notice of the meeting, or if not specified, at the place where said meeting is to be held, and the list shall be produced and

E-7

kept at the time and place of election during the whole time thereof, and subject to the inspection of any stockholder who may be present.

Section 5. Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by the certificate of incorporation, may be called by the president and shall be called by the president or secretary at the request in writing of the board of directors, or at the request in writing of stockholders owning a majority in amount of the entire capital stock of the corporation issued and outstanding and entitled to vote. Such request shall state the purpose or purposes of the proposed meeting.

Section 6. Written notice of a special meeting of stockholders, stating the time, place and object thereof, shall be given to each stockholder entitled to vote thereat, at least ten days before the date fixed for the meeting.

Section 7. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

Section 8. The holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute or by the certificate of incorporation. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified.

Section 9. When a quorum is present at any meeting, the vote of the holders of a majority of the stock having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which by express provision of the statutes or of the certificate of incorporation, a different vote is required in which case such express provision shall govern and control the decision of such question.

Section 10. Each stockholder shall at every meeting of the stockholders be entitled to one vote in person or by proxy for each share of the capital stock having voting power held by such stockholder, but no proxy shall be voted on after six months from its date, and, except where the transfer books of the corporation have been closed or a date has been fixed as a record date for the determination of its stockholders entitled to vote, no share of stock shall be voted on at any election for directors which has been transferred on the books of the corporation within twenty days next preceding such election of directors.

Section 11. Whenever the vote of stockholders at a meeting thereof is required or permitted to be taken in connection with any corporate action by any provisions of the statutes or of the certificates of incorporation, the meeting and vote of stockholders may be dispensed with, if all the stockholders who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such corporate action being taken.

E-8

### ARTICLE III DIRECTORS

Section 1. The number of directors which shall constitute the whole board shall be not less than three and not more than seven, unless approved by all of the directors. The directors shall be elected at the annual meeting of the stockholders, except as provided in Section 2 of this article, and each director elected shall hold office until his successor is elected and qualified. Directors need not be stockholders.

Section 2. Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, and the directors so chosen shall hold office until the next annual election and until their successors are duly elected and shall qualify, unless sooner displaced.

Section 3. The business of the corporation shall be managed by its board of directors which may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the certificate of incorporation or by these by-laws directed or required to be exercised or done by the stockholders.

#### MEETINGS OF THE BOARD OF DIRECTORS

Section 4. The board of directors of the corporation may hold meetings, both regular and special, either within or without the State of Delaware.

Section 5. The first meeting of each newly elected board of directors shall be held immediately following the final adjournment of the annual meeting of the stockholders. No notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting, provided a quorum shall be present.

Section 6. Regular meetings of the board of directors may be held without notice at such time and such place as shall from time to time be determined by the board.

Section 7. Special meetings of the board may be called by the president on

forty-eight hours notice to each director, either personally or by mail or by telegram setting forth the time and place thereat; special meetings shall be called by the president or secretary in like manner and on like notice on the written request of two directors.

Section 8. At all meetings of the board a majority of the directors then in office shall constitute a quorum for the transaction of business and the act of a majority of the directors, except as may be otherwise specifically provided by statute or by the certificate of incorporation. If a quorum shall not be present at any meeting of the board of directors the directors present thereat may adjourn the meeting from time to time, without notice other than an announcement at the meeting, until a quorum shall be present.

Section 9. Unless otherwise restricted by the certificate of incorporation of these by-laws, any action required or permitted to be taken at any meeting of the board of directors or of any committee thereof may be taken without a meeting, if prior to such action a written consent thereto is signed by all members of the board or of such committee as the case may be, and such written consent is filed with the minutes of proceedings of the board or committee.

E-9

Section 10. Unless otherwise restricted by the certificate of incorporation of these by-laws, members of the board of directors or any committee designed by the board may participate in a meeting of such board or committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other and participation in a meeting in this manner shall constitute presence in person at such meeting.

#### COMMITTEES OF DIRECTORS

Section 11. The directors may appoint an executive committee from their number. The executive committee may make its own rules of procedure and shall meet where and as provided by such rules, or by a resolution of the directors. A majority shall constitute a quorum, and in every case the affirmative vote of a majority of all the members of the committee shall be required for the adoption of any resolution.

Section 12. During the intervals between the meetings of the directors, the executive committee may exercise all the powers of the directors in the management and direction of the business of the corporation, in such manner as such committee shall deem best for the interest of the corporation, and in all cases in which specific directions shall not have been given by the directors.

Section 13. The Board of directors may, by resolution passed by a majority of the whole board, designate one or more other committees, each committee to consist of two or more of the directors of the corporation, which, to the extent provided in the resolution, shall have and may exercise the powers of the board of directors in the management of the business and affairs of the corporation and may authorize the seal of the corporation to be affixed to all papers which may require it. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the board of directors.

#### COMPENSATION OF DIRECTORS

Section 14. Directors shall not receive any stated salary for their services as directors, but by resolution of the board, a fixed fee and expenses of attendance may be allowed for attendance at each meeting. Nothing herein contained shall be construed to preclude any director from serving the corporation in any capacity as an officer or otherwise and receiving compensation therefor.

#### ARTICLE IV NOTICES

Section 1. Notices to directors and stockholders shall be in writing and delivered personally or mailed to the directors or stockholders at their addresses appearing in the books of the corporation. Notice by mail shall be deemed to be given at the time when the same shall be mailed. Notice to directors may also be given by telegram.

Section 2. Whenever any notice is required to be given under the provisions of the statutes or of the certificate of incorporation or of these by-laws, a waiver thereof in writing, signed by the person or persons entitled

to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

E-10

#### ARTICLE V OFFICERS

Section 1. The officers of the corporation shall be chosen by the board of directors and shall be a president, a vice-president, a secretary and treasurer. The board of directors may also choose additional vice-presidents, and one or more assistant secretaries and assistant treasurers. Two or more offices may be held by the same person.

Section 2. The board of directors at its first meeting after each annual meeting of stockholders may choose a president, one or more vice-presidents, a secretary and a treasurer.

Section 3. The board of directors may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the board.

Section 4. The salaries of all officers of the corporation, if any, shall be fixed by the board of directors.

Section 5. The officers of the corporation shall hold office until their successors are chosen and qualify. Any officer elected or appointed by the board of directors may be removed at any time by the affirmative vote of a majority of the board of directors. Any vacancy occurring in any office of the corporation shall be filled by the board of directors.

#### THE PRESIDENT

Section 6. The president shall be the chief executive officer of the corporation, shall preside at all meetings of the stockholders and the board of directors, shall have general and active management of the business of the corporation and shall have power to call meetings of the directors and stockholders in accordance with these by-laws, appoint and remove, subject to the approval of the directors, servants, agents and employees of the corporation and fix their compensation, make and sign contracts and agreements in the name and on behalf of the corporation; he shall see that the books, reports, statements and certificates required by the statute under which the corporation is organized or any other laws applicable thereto are properly kept, made and filed according to law; and he shall generally do and perform all acts incident to the office of president, or which are authorized or required by law.

#### THE VICE-PRESIDENTS

Section 7. The vice-president, or if there shall be more than one, the vice-presidents in the order determined by the board of directors, shall, in the absence or disability of the president, perform the duties and exercise the powers of the president and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

E-11

#### THE SECRETARY AND ASSISTANT SECRETARIES

Section 8. The secretary shall attend all meetings of the board of directors and all meetings of the stockholders and record all the proceedings of the meetings of the corporation and the board of directors in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the board of directors, and shall perform such other duties as may be prescribed by the board of directors or president, under whose supervision he shall be. He shall have custody of the corporate seal of the corporation and he, or an assistant secretary, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by his signature or by the signature of such assistant secretary. The board of directors may give general authority to any other officer to affix the seal of the corporation and to attest the affixing by his

signature.

Section 9. The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the board of directors, shall, in the absence or disability of the secretary, perform such other duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

#### THE TREASURER AND ASSISTANT TREASURERS

Section 10. The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all monies and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the board of directors.

Section 11. He shall disburse the funds of the corporation as may be ordered by the board of directors, taking proper vouchers for such disbursements, and shall render to the president and the board of directors, at its regular meeting, or when the board of directors so requires, an account of all his transactions as treasurer and of the financial condition of the corporation.

Section 12. If required by the board of directors, he shall give the corporation a bond (which shall be renewed every six years) in such sum and with such surety or sureties as shall be satisfactory to the board of directors for the faithful performance of the duties of his office and for the restoration to the corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the corporation.

Section 13. The assistant treasurer, or if there shall be more than one, the assistant treasurers in the order determined by the board of directors, shall, in the absence or disability of the treasurer, perform the duties and exercise the powers of the treasurer and shall perform such other duties and have such other powers as the board of directors may from time to time prescribe.

#### INDEMNIFICATION

Section 14. The corporation shall indemnify and reimburse each present and future director and officer of the corporation for and against all or part of the liabilities and expenses

E-12

imposed upon or incurred by him, including but without being limited to attorney's fees, court costs, judgments and reasonable compromise settlements; provided, however, that such indemnification and reimbursement shall not cover: (a) liabilities or expenses imposed or incurred in connection with any matter as to which such director or officer shall be finally adjudged in such action, suit or proceeding to be liable by reason of his having been derelict in the performance of his duty as such director or officer, or (b) liabilities or expenses (including amounts paid in compromise settlements) imposed or incurred in connection with any matter which shall be settled by compromise (including settlement by consent decree or judgment) unless the board of directors of the corporation by resolution adopted by it (i) approves such settlement and (ii) finds that such settlement is in the best interest of the corporation and that such director or officer has not been derelict in the performance of his duty as such director or officer with respect to such matter. These indemnity provisions shall be separable, and if any portion thereof shall be finally adjudged to be invalid, or shall for any other reason be inapplicable or ineffective, such invalidity, inapplicability or ineffectiveness shall not affect any other portion or any other application of such portion or any other portion which can be given effect without the invalid, inapplicable or ineffective portion. The rights of indemnification and reimbursement hereby provided shall not be exclusive of other rights to which any director or officer may be entitled as a matter of law or by votes of stockholders or otherwise. As used in this paragraph, the terms "director" and "officer" shall include their respective heirs, executors and administrators.

#### ARTICLE VI CERTIFICATES OF STOCK

Section 1. Every holder of stock in the corporation shall be entitled to have a certificate, signed by, or in the name of the corporation by, the

president or a vice-president or a vice-president and the treasurer or an assistant treasurer, or the secretary or an assistant secretary of the corporation, certifying the number of shares owned by him in the corporation.

Section 2. Where a certificate is signed (1) by a transfer agent or an assistant transfer agent (other than the corporation or a transfer clerk who is an employee of the corporation) or (2) by a registrar (other than the corporation or its employee), all other signatures may be a facsimile. In case any officer or officers, transfer agent, or registrar, whether because of death, resignation, or otherwise, before such certificate or certificates have been delivered by the corporation, such certificate or certificates may nevertheless be adopted by the corporation and be issued and delivered as though the person or persons who signed such certificate or certificates or whose facsimile signature or signatures have been used thereon had not ceased to be such officer, transfer agent or registrar.

#### TRANSFER AGENT AND REGISTRAR

Section 3. The corporation may have such transfer agents and registrars as the board of directors may designate and appoint.

E-13

#### LOST CERTIFICATES

Section 4. The board of directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost or destroyed, upon the making of an affidavit of the fact by the person claiming the certificate of stock to be lost or destroyed. When authorizing such issue of a new certificate or certificates, the board of directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as it shall require and/or to give the corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost or destroyed.

#### TRANSFERS OF STOCK

Section 5. Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

#### CLOSING OF TRANSFER BOOKS

Section 6. The board of directors may close the stock transfer books of the corporation for a period not exceeding forty-five days preceding the date of any meeting of stockholders or the date for payment of any dividend or the date for the allotment of rights or the date when any change or conversion or exchange of capital stock shall go into effect, or for a period of not exceeding forty-five days in connection with obtaining the consent of stockholders for any purpose. In lieu of closing the stock transfer books as aforesaid, the board of directors may fix in advance a date, not exceeding forty-five days preceding the date of any meeting of stockholders, or the date for payment of any dividend, or the date for the allotment of rights, or the date when any change or conversion or exchange of capital stock shall go into effect, or a date in connection with obtaining such consent, as a record date for the determination of the stockholders entitled to notice of, and to vote at, any such meeting, and any adjournment thereof, or entitled to receive payment of any such dividend, or to any such allotment of rights, or to exercise the rights in respect of any such change, conversion or exchange of capital stock, or to give such consent and in such case such stockholders and only such stockholders as shall be stockholders of record on the date so fixed shall be entitled to such notice of, and to vote at, such meeting and any adjournment thereof, or to receive payment of such dividend, or to receive such allotment of rights, or to exercise such rights, or to give such consent, as the case may be notwithstanding any transfer of any stock on the books of the corporation after any such record date fixed as aforesaid.

#### REGISTERED STOCKHOLDERS

Section 7. The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive



dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner

E-14

of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

## ARTICLES VII GENERAL PROVISIONS

### DIVIDENDS

Section 1. Dividends upon the capital stock of the corporation, subject to the provisions of the certificate of incorporation, if any, may be declared by the board of directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of capital stock, subject to the provisions of the certificate of incorporation.

Section 2. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, for such other purposes as the directors shall think conducive to the interest of the corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

### RESIGNATIONS

Section 3. Any director, member of any committee or other officer may resign at any time. Such resignation shall be made in writing, and shall take effect at the time specified therein, and if no time be specified therein at the time of its receipt by the president or secretary, the acceptance of a resignation shall not be necessary to make it effective.

### CHECKS

Section 4. All checks or demands for money and notes of the corporation shall be signed by such officers or such other person or persons as the board of directors may from time to time designate.

### FISCAL YEAR

Section 5. The fiscal year of the corporation shall be as determined by the Board of Directors.

## ARTICLE VIII AMENDMENTS

Section 1. These by-laws may be altered or repealed at any regular meeting of the stockholders or of the board of directors or at any special meeting of the stockholders or of the

E-15

board of directors if notice of such alteration or repeal be contained in the notice of such special meeting.

## CERTIFICATE OF SECRETARY

### KNOW ALL MEN BY THESE PRESENTS:

That the undersigned does hereby certify that the undersigned is the secretary of AU 'n AG, INC. a corporation duly organized and existing under and by virtue of the laws of the State of Delaware; that the above and foregoing Bylaws of said corporation were duly and regularly adopted as such by the Board of Directors of said corporation by unanimous consent on the 15th day of February 1994; and that the above and foregoing Bylaws are now in full force and effect.

Dated this 15th day of February 1994.

/s/ Ronald N. Vance  
-----  
Ronald N. Vance, Secretary

E-16

EXHIBIT (21)

SUBSIDIARIES  
OF  
INTERUNION FINANCIAL CORPORATION

<TABLE>  
<CAPTION>

Name of Subsidiary	Jurisdiction of Incorporation
-----	-----
<S>	<C>
Guardian Timing Services, Inc.	Ontario, Canada
Bearhill Limited, Inc.	British Virgin Islands
I & B, Inc.	State of Delaware
Credifinance Securities, Ltd.	Ontario, Canada
Credifinance Capital, Inc.	Ontario, Canada
Reeve, Mackay & Associates, Ltd.	Ontario, Canada

</TABLE>

NOTE: All subsidiaries do business under their official names.

E-17

INTERUNION FINANCIAL CORPORATION  
FINANCIAL STATEMENTS  
MARCH 31, 1996 AND 1995

F-1

INTERUNION FINANCIAL CORPORATION  
MARCH 31, 1996 AND 1995

CONTENTS

<TABLE>

PAGE

<S>

<C>

Auditors' Report

F-3

Financial Statements:

Consolidated Balance Sheet	F-4
Consolidated Statement of Operations and Retained Earnings	F-6
Consolidated Statement of Changes in Financial Position	F-7
Notes to Consolidated Financial Statements	F-8

</TABLE>

F-2

[MINTZ & PARTNERS LETTERHEAD]

#### AUDITORS' REPORT

To The Shareholders,  
InterUnion Financial Corporation

We have audited the consolidated balance sheet of InterUnion Financial Corporation as at March 31, 1996 and 1995 and the consolidated statements of operations and retained earnings and changes in financial position for the years 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 generally accepted auditing standards. Those standards require that we plan and perform our audits to obtain reasonable assurance whether the financial statements are free of material misstatement. Audits include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Audits also include assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the company as at March 31, 1996 and 1995 and the results of operations and changes in financial position for the years then ended in accordance with generally accepted accounting principles.

/S/ MINTZ & PARTNERS

Toronto, Ontario.  
May 10, 1996.

CHARTERED ACCOUNTANTS

INTERUNION FINANCIAL CORPORATION  
 CONSOLIDATED BALANCE SHEET  
 (EXPRESSED IN U.S. DOLLARS)

<TABLE>  
 <CAPTION>

AS AT MARCH 31 1996 1995

---

A S S E T S

	<C>	<C>	
<b>&lt;S&gt;</b>			
<b>CURRENT ASSETS</b>			
Cash	\$ 722,795	\$ 490,681	
Due from brokers and dealers	1,168,190	172,944	
Client deposits	2,093,966	21,147,890	
Marketable securities	2,625,585	15,682,071	
Accounts receivable	208,727	55,262	
Income tax receivable	1,597	15,866	
Prepaid expenses and sundry assets	75,906	31,615	
	-----	-----	
	6,896,766	37,596,329	
	-----	-----	
<b>OTHER ASSETS</b>			
Start-up costs	438,803	--	
Long-term investments	913,834	900,361	
Capital assets (Note 3)	948,892	933,380	
Reorganization costs	184,944	234,574	
Goodwill	1,086,461	1,143,982	
Assets of discontinued operations (Note 13)	--	240,693	
	-----	-----	
	3,572,934	3,452,990	
	-----	-----	
	\$10,469,700	\$ 41,049,319	
	=====	=====	

APPROVED ON BEHALF OF THE BOARD:

\_\_\_\_\_ Director \_\_\_\_\_ Director

</TABLE>

See Accompanying Notes

F-4

INTERUNION FINANCIAL CORPORATION  
 CONSOLIDATED BALANCE SHEET  
 (EXPRESSED IN U.S. DOLLARS)

<TABLE>  
<CAPTION>

AS AT MARCH 31

	1996	1995
--	------	------

LIABILITIES

<S>	<C>	<C>
CURRENT LIABILITIES		
Due to brokers and dealers	\$ 2,499,665	\$30,168,593
Due to clients	3,035,310	6,368,681
Accounts payable and accrued liabilities	675,623	283,459
	-----	-----
	6,210,598	36,820,733
LOANS PAYABLE (Note 4)	119,462	100,873
LIABILITIES OF DISCONTINUED OPERATIONS (Note 13)		-- 499,377
	-----	-----
	6,330,060	37,420,983
	-----	-----

SHAREHOLDERS' EQUITY

CAPITAL STOCK AND ADDITIONAL PAID-IN CAPITAL (Note 7)		3,972,512	3,762,774
RETAINED EARNINGS (DEFICIT)		167,128	(134,438)
	-----	-----	
	4,139,640	3,628,336	
	-----	-----	
	\$10,469,700	\$41,049,319	
	=====	=====	

</TABLE>

See Accompanying Notes F-5

INTERUNION FINANCIAL CORPORATION  
CONSOLIDATED STATEMENT OF OPERATIONS AND RETAINED EARNINGS  
(EXPRESSED IN U.S. DOLLARS)

<TABLE>  
<CAPTION>

FOR THE YEAR ENDED MARCH 31

	1996	1995
--	------	------

<S>	<C>	<C>
REVENUES		
Commissions, trading and investment income	\$4,500,899	\$3,971,160
Fee revenue	1,356,297	56,907
	-----	-----
	5,857,196	4,028,067
	-----	-----
EXPENSES		
Selling, marketing and research	4,207,289	2,868,886
Salaries and benefits	759,361	291,687
General and administration	702,938	796,673
Other	13,132	--
Gain on foreign exchange	(20,902)	(247)
Interest, bank charges and interest income, net	(37,337)	5,830
Amortization	218,084	24,272
	-----	-----
	5,842,565	3,987,101
	-----	-----

INCOME FROM CONTINUING OPERATIONS		14,631	40,966
LOSS FROM DISCONTINUED OPERATIONS		(94,252)	(184,845)
GAIN ON DISPOSITION OF SUBSIDIARY (Note 13)		409,418	--
	-----		
INCOME (LOSS) - Before income taxes		329,797	(143,879)
PROVISION FOR (RECOVERY OF) INCOME TAXES		28,231	(9,441)
	-----		
NET INCOME (LOSS)		301,566	(134,438)
DEFICIT - Beginning of year		(134,438)	--
	-----		
RETAINED EARNINGS (DEFICIT) - End of year		\$ 167,128	\$ (134,438)
	=====		
EARNINGS (LOSS) PER SHARE (Note 14)			
From continuing operations		\$ 0.03	\$ 0.26
	=====		
After discontinued operations and gain on disposition of subsidiaries		\$ 0.60	\$ (0.85)
	=====		

</TABLE>

See Accompanying Notes

F-6

INTERUNION FINANCIAL CORPORATION  
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION  
(EXPRESSED IN U.S. DOLLARS)

<TABLE>  
<CAPTION>

FOR THE YEAR ENDED MARCH 31		1996	1995
	<C>	<C>	
OPERATING ACTIVITIES			
Net income (loss)	\$	301,566	\$ (134,438)
Items not affecting cash			
Amortization		218,084	24,272
Gain on disposition of subsidiary		(409,418)	--
	-----		
		110,232	(110,166)
(Decrease) increase in due to brokers and dealers, net		(28,664,174)	29,995,649
Decrease (increase) in client deposits		15,720,553	(14,779,20)
Increase (decrease) in marketable securities		13,056,486	(15,682,07)
Increase in accounts receivable and sundry assets		(183,487)	(102,741)
Increase in accounts payable and accrued liabilities		392,164	283,460
	-----		
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			431,774 (395,078)
	-----		
FINANCING ACTIVITIES			
Proceeds on issuance of capital stock and additional paid-in capital		555,000	3,762,774
Increase in loans payable		18,589	100,872
	-----		
CASH PROVIDED BY FINANCING ACTIVITIES		573,589	3,863,646
	-----		
INVESTING ACTIVITIES			

Start-up costs	(438,803)	--	
Long-term investments	(13,472)	(900,361)	
Purchase of capital assets	(132,533)	(957,653)	
Reorganization costs	(61,632)	(234,574)	
Goodwill	--	(1,143,982)	
Investment in subsidiaries (Note 5)		--	(507,457)
Discontinued operations	(126,809)	258,684	
	-----	-----	
CASH USED IN INVESTING ACTIVITIES		(773,249)	(3,485,343)
	-----	-----	
INCREASE (DECREASE) IN CASH		232,114	(16,775)
CASH - Beginning of Year	490,681	--	
CASH ACQUIRED ON ACQUISITION OF SUBSIDIARIES		--	507,456
	-----	-----	
CASH - End of Year	722,795	\$ 490,681	
	=====	=====	

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</TABLE>

See Accompanying Notes

F-7

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INTERUNION FINANCIAL CORPORATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 1996 AND 1995  
(EXPRESSED IN U.S. DOLLARS)

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1. CHANGE IN ACCOUNTING POLICY

During the year, the company changed its method of valuing certain subsidiaries from fair value of consideration, which was based on the market price of shares given up to the carrying value of the underlying assets to reflect that the effective control of these subsidiaries did not change on acquisition.

The change has been applied retroactively, and has resulted in a restatement of 1995 balances. The effect of this is a decrease in goodwill and additional paid-in capital, of \$7,103,020.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with generally accepted accounting principles and reflect the following policies:

a) Principles of consolidation

The attached consolidated financial statements of InterUnion Financial Corporation, a Delaware Corporation, ("the Company") contain the financial position, results of operations and changes in financial position of the Company and its subsidiaries, Bearhill Limited, Credifinance Capital Inc., Credifinance Securities Limited, Guardian Timing Services Inc., I & B Inc. and Reeve, MacKay & Associates Limited. All transactions and balances between the company and its subsidiaries have been eliminated.

b) Marketable securities

Marketable securities are stated at market value.

c) Security transactions

Security transactions are recorded in the accounts on trade date. Commission income and related expenses for transactions executed but not yet settled are accrued as of the financial statement date.

d) Capital assets

Capital assets are stated at cost less accumulated amortization. It is the company's policy to provide amortization over the estimated useful lives of the capital assets at the following rates:

<TABLE>

<S>	<C>
Automobile	30% on diminishing balance
Computer equipment	30% on diminishing balance
Furniture, fixtures and equipment	20% on diminishing balance
Computer software	over 10 years
Leasehold improvements	over the lease term
Research materials	20% on diminishing balance

</TABLE>

/Continued...

F-8

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INTERUNION FINANCIAL CORPORATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 1996 AND 1995  
(EXPRESSED IN U.S. DOLLARS)

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

e) Start-up Costs

Costs incurred in start-up of the company's wholly-owned auction subsidiary will be amortized on a straight-line basis over 5 years commencing in the 1997 fiscal year.

f) Reorganization Costs

Costs incurred in reorganizing the structure of the company are amortized on a straight-line basis over 5 years commencing in the 1996 fiscal year.

g) Goodwill

Goodwill represents the deficit of Au 'N Ag Inc. at acquisition date and is amortized on a straight-line basis over 20 years commencing in the 1996 fiscal year.

h) Long-Term Investments

Long-term investments in non-marketable securities where control or significant influence is not exercised are recorded at cost. The long-term investment in shares of the company held by a subsidiary is included with long-term investments until sold. The sale of these shares will be accounted for as a capital transaction.

Stock exchange seats are recorded at cost and included in long-term investments. Declines in market value are only recorded when there is an indication of permanent decline in value.

i) Valuation of Subsidiaries Acquired

Subsidiaries acquired from non-related parties are valued at acquisition based on the fair market value of the underlying assets acquired.



INTERUNION FINANCIAL CORPORATION  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 MARCH 31, 1996 AND 1995  
 (EXPRESSED IN U.S. DOLLARS)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

## j) Additional Paid-in Capital

Additional paid-in capital represents the proceeds on issuance of common shares in excess of par value of shares issued, net of costs to issue such shares.

## k) Translation of Foreign Currencies

Foreign currency amounts have been translated to U.S. funds as follows:

- i) Monetary assets and liabilities, at the rate of exchange prevailing on the balance sheet date.
- ii) Revenues and expenses, at average rate of exchange for the month of the transaction.

Gains and losses on translation of foreign currencies, which are not significant, are included in the statement of operations.

## l) Capital Leases

Leases which transfer substantially all of the benefits and risks incident of ownership of the property to the company, are treated as "capital leases" and are recorded as the acquisition of an asset and the incurrence of an obligation.

<TABLE>  
 <CAPTION>

## 3. CAPITAL ASSETS

	Cost	Accumulated		Net Carrying Amount	
		Amortization	1996	1996	
<S>	<C>	<C>	<C>	<C>	<C>
Automobile	\$ 21,781	\$ 8,192	\$ 13,589	\$ 3,123	
Computer equipment	104,024	47,944	56,080	44,573	
Furniture, fixtures and equipment	118,299	32,393	85,906	30,253	
Leasehold improvements	1,273	1,273	--	--	
Research materials	20,964	2,097	18,867	--	
Computer software (Note 12)	864,554	90,104	774,450	855,432	
	=====	=====	=====	=====	
	\$1,130,895	\$182,003	\$948,892	\$933,381	
	=====	=====	=====	=====	

</TABLE>

Automobile and furniture, fixtures and equipment includes amounts under capital leases with a cost of approximately \$21,000. The \$19,000 obligation under these capital leases is included in accounts payable.

INTERUNION FINANCIAL CORPORATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 1996 AND 1995  
(EXPRESSED IN U.S. DOLLARS)

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4. LOANS PAYABLE

The amounts are due to shareholders or parties that are directly or indirectly related to shareholders. The loans are non-interest bearing and have no specific repayment terms.

5. ACQUISITION OF SUBSIDIARIES

During 1995, the company acquired the subsidiaries described in Note 2(a). The consideration for these acquisitions was a combination of common shares of the company and 27,828 common share purchase warrants (Note 8).

The acquisition of the subsidiaries is summarized as follows:

<TABLE>	
<S>	<C>
Cash	\$ 507,456
Computer software (Note 12)	855,432
Other non-cash liabilities assumed in excess of assets acquired	(40,542)
	-----
	\$1,322,346
	=====

</TABLE>

6. CHANGE OF NAME

Effective, April 17, 1994, subsequent to the controlling interest being acquired by the company's shareholders on April 11, 1994, the name of the company was changed to InterUnion Financial Corporation from Au 'N Ag, Inc.

Because effective control was acquired by the shareholders of the company in an arm's length transaction, the deficit of \$1,143,643 in Au 'N Ag at April 11, 1994 has been included in 1995 goodwill in the attached consolidated balance sheet.

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/Continued...

F-11

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INTERUNION FINANCIAL CORPORATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 1996 AND 1995  
(EXPRESSED IN U.S. DOLLARS)

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7. CAPITAL STOCK AND ADDITIONAL PAID-IN CAPITAL

<TABLE>  
<S>      <C>  
AUTHORIZED

1,500,000	Non-cumulative, non-participating, (\$.10 par value) Class A preference shares entitled to 100 votes for every one share issued
50,000,000	Non-cumulative, non-participating non-voting Class "B" preference shares with a par value to be determined at date of first issue
50,000,000	Non-cumulative, non-participating, non-voting, convertible into common shares at a conversion rate to be determined at the date of first

conversion, Class "C" preference shares with a  
par value to be determined at date of first issue  
100,000,000 Common shares (\$.001 par value)

</TABLE>

<TABLE>  
<CAPTION>

ISSUED

	Number of Shares	Capital Stock	Additional Paid-In Capital	Total
<S>	<C>	<C>	<C>	<C>
Class A preference shares	1,500,000	\$ 150,000	\$ --	\$ 150,000
Common shares (adjusted for reverse stock splits)				
Balance, April 15, 1994	122,739	\$ 24,546	\$ 1,122,059	\$ 1,146,605
Shares issued during 1995, net of costs	246,319	49,264	2,416,905	2,466,169
Balance, March 31, 1995	369,058	73,810	3,538,964	3,612,774
Shares issued during 1996, net of costs, and other adjustments	323,500	64,700	145,038	209,738
Balance, March 31, 1996	692,558	138,510	3,684,002	3,822,512
	\$ 288,510	\$ 3,684,002	\$ 3,972,512	

</TABLE>

/Continued...

F-12

INTERUNION FINANCIAL CORPORATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 1996 AND 1995  
(EXPRESSED IN U.S. DOLLARS)

7. CAPITAL STOCK AND ADDITIONAL PAID-IN CAPITAL - Continued

During 1995, a reverse stock split of 10 (ten) to 1 (one) was approved.

Subsequent to the 1996 year-end, a reverse stock split of 20 (twenty) to 1 (one) was approved, as explained in Note 14.

8. OPTIONS AND WARRANTS

Subsequent to year-end, options for 40,250 shares (adjusted for the 20 to 1 reverse stock split described in Note 7) at \$40.00 and warrants for 102,828 shares (adjusted for the 20 to 1 reverse stock split described in Note 7) at \$40.00 outstanding as at March 31, 1995 and 1996 were cancelled.

9. INCOME TAX MATTERS

The company's subsidiaries have available losses, the benefits of which have not been recorded, of approximately \$650,000 to be applied against future taxable income. These losses expire as follows:

<TABLE>	<S>	<C>
	1999	\$ 160,000
	2000	240,000
	2001	60,000
	2002	190,000
		-----
		\$ 650,000
		=====

</TABLE>

## 10. CONTRACTS AND COMMITMENTS

### a) Agreement with Canada Trust Securities Inc.

A subsidiary of the company has entered into an agreement with Canada Trust Securities Inc. ("CT") whereby CT will perform certain securities trading and clearing activities and record-keeping as agent for and on behalf of the company in various securities markets. The agreement requires CT to hold securities and/or cash of the clients of the company in segregation or safekeeping as the case may be, as and when required by regulatory requirements. In summary, the services provided by CT are merely administrative in nature and all obligations to pay for securities purchased and to deliver securities sold for the company's clients rests with the company and not CT.

/Continued...

F-13

INTERUNION FINANCIAL CORPORATION  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 MARCH 31, 1996 AND 1995  
 (EXPRESSED IN U.S. DOLLARS)

## 10. CONTRACTS AND COMMITMENTS - Continued

### b) Lease Commitments

The total annual rent obligations under the operating leases for equipment is approximately \$13,000

Minimum annual rentals, exclusive of additional operating costs, under the leases for the company's premises in each of the next five years are approximately:

<TABLE>	<S>	<C>
	1996	\$ 100,000
	1997	115,000
	1998	135,000
	1999	120,000
	2000	120,000

</TABLE>

## 11. WARRANTS HELD

The company, holds warrants for common shares in public companies received as fees in connection with underwritings and other services provided. No value has been recorded in respect of these warrants.

## 12. SALES COMMITMENT

The company entered into an option agreement with a major international financial institution whereby software owned by its

subsidiary, Bearhill Inc. may be sold for proceeds to the company of approximately \$15,000,000 Cdn. (March 31, 1996 - \$11,000,000 U.S.). The company's interest in this software through its interest in Bearhill Inc. is valued at approximately \$770,000 and is included in capital assets (Note 3).

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F-14

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INTERUNION FINANCIAL CORPORATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 1996 AND 1995  
(EXPRESSED IN U.S. DOLLARS)

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13. DISCONTINUED OPERATIONS

During 1996 the company disposed, by way of an assignment in bankruptcy of its real estate sales subsidiary, Rosedale Realty Corporation ("Rosedale").

Accordingly, the assets and liabilities of Rosedale as at March 31, 1995 and the results of operations for the year ended March 31, 1995 and until the effective date of disposition (September 26, 1995) are accounted for as discontinued operations in the attached consolidated financial statements.

As a result of the disposition of Rosedale, the company has a gain to the extent that the deficit of Rosedale exceeds the company's net investment at disposition date. There is no tax charge required in respect of this gain.

At March 31, 1995, Rosedale's summarized financial position is as follows:

<TABLE>

<S>	<C>
Current assets	\$ 168,000
Capital assets	72,000
	-----
	\$ 240,000
	=====
Current liabilities	\$ 240,000
Long-term debt	260,000
	-----
	500,000
	-----
Share capital	360,000
Deficit	(620,000)
	-----
	\$ (260,000)
	-----
	\$ 240,000
	=====

</TABLE>

Revenues of Rosedale up to September 26, 1995 were approximately \$400,000 (\$1,300,000 for the year ended March 31, 1995).

14. EARNINGS (LOSS) PER SHARE

Earnings (loss) per share have been calculated on the weighted average number of common shares outstanding, adjusted for the reverse stock splits described in Note 7, which amounted to 501,335

shares (1995 - 157,531 shares).

Fully diluted earnings per share for 1995 have not been computed as the effect would have been anti-dilutive. All options and warrants that were outstanding at the end of 1995 have been cancelled as described in Note 8.

/Continued...

F-15

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INTERUNION FINANCIAL CORPORATION  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 1996 AND 1995  
(EXPRESSED IN U.S. DOLLARS)

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15. INCOME TAXES

The company's approximate income tax charges (recovery) and approximate effective rates are as follows:

<TABLE>  
<CAPTION>

	1996		1995	
	---	---	---	---
<S>	<C>	<C>	<C>	<C>
	%	%	%	%
	-	-	-	-
Statutory income tax rate (recovery)	\$ 149,000	45	\$ (64,000)	(45)
Non-taxable gains	(176,000)	(53)	(5,000)	(3)
Other non-deductible items	13,000	4	--	---
Losses not tax affected	42,000	12	60,000	42
	-----	---	-----	---
Net taxes (recovery) and effective rate	\$ 28,000	8	\$ (9,000)	(6)
	=====	====	=====	====

</TABLE>

16. 1995 FINANCIAL STATEMENTS

1995 financial statements have been restated and reclassified to reflect the change in accounting policy described in Note 1.

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F-16

Exhibit (21)

SUBSIDIARIES  
OF  
INTERUNION FINANCIAL CORPORATION

<TABLE>

<CAPTION>

NAME OF SUBSIDIARY -----	JURISDICTION OF INCORPORATION -----
<S>	<C>
Guardian Timing Services, Inc.	Ontario, Canada
Bearhill Limited, Inc.	British Virgin Islands
I & B, Inc.	State of Delaware
Credifinance Securities, Ltd.	Ontario, Canada
Credifinance Capital, Inc.	Ontario, Canada
Reeve, Mackay & Associates, Ltd.	Ontario, Canada

</TABLE>

NOTE: ALL SUBSIDIARIES DO BUSINESS UNDER THEIR OFFICIAL NAMES.