

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

FORM 10-QSB

(Mark One)

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

For the quarterly period ended September 30, 1996

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

For the transition period from to

Commission file number

INTERUNION FINANCIAL CORPORATION

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

Delaware 87-0520294

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

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

(Address of principal executive offices) (Zip Code)

(561) 820 - 0084

(Issuer's telephone number)

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

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

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

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

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of share outstanding of each of the issuer's classes of common
equity, as of the latest practicable date: \$0.001 Par Value Common Shares -
969,714 as of September 30, 1996.

Transitional Small Business Disclosure Format (Check One) Yes No

PART I - FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

INTERUNION FINANCIAL CORPORATION
CONSOLIDATED STATEMENT OF OPERATIONS AND DEFICIT
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 1996
(Expressed in U.S. Dollars)

<TABLE>
<CAPTION>

	Audited	Revised		
	6 mos ended	12 mos ended	12 mos ended	
	Sept-96	Mar-96	Mar-95	
	<C>	<C>	<C>	
REVENUES				
Commissions, trading & investment income		2,300,357	4,500,899	3,971,161
Sales	709,726			
Fee Revenue	317,308	1,364,297	56,907	
	-----	-----	-----	
	3,327,390	5,865,196	4,028,068	
	-----	-----	-----	
EXPENSES				
Cost of Goods Sold	709,726			
General & Administration	318,206	710,939	796,674	
Salaries & Benefits	514,436	759,361	291,687	
Selling, Marketing & Research	1,697,964	4,207,289	2,868,886	
Other Expenses	(1,108)	13,132		
Foreign Exchange Loss (Gain)		5	(20,902)	(247)
Interest & Bank Charges Expense (Income)		(12,647)	(37,337)	5,830
Amortization & Depreciation	164,353	218,084	24,272	
	-----	-----	-----	
	3,390,935	5,850,565	3,987,102	
	-----	-----	-----	
PROFIT (LOSS) FROM CONTINUING OPERATIONS		(63,545)	14,631	40,966
Loss from Discontinued Operation		(94,252)	(184,845)	
Gain on Disposal of Discontinued Assets		409,418		
		-----	-----	
PROFIT (LOSS) FOR THE PERIOD - BEFORE INCOME TAXES		(63,545)	329,797	(143,879)
PROVISION FOR INCOME TAXES (RECOVERABLE)		6,533	28,231	(9,441)
		-----	-----	
NET PROFIT (LOSS) FOR THE PERIOD		(70,078)	301,566	(134,438)
RETAINED EARNINGS (DEFICIT) - BEGINNING OF PERIOD		167,128	(134,438)	0
		-----	-----	
RETAINED EARNINGS (DEFICIT) - END OF PERIOD		97,050	167,128	(134,438)
	=====	=====	=====	
FINANCIAL OVERVIEW				
Common Shares Outstanding	969,714	692,572	369,058	
Weighted Average Shares Outstanding	738,129	501,335	157,531	
EPS - From Continuing Operations	(0.09)	0.03	0.24	
EPS - After Discontinued Operations	(0.09)	0.60	(0.85)	

</TABLE>

INTERUNION FINANCIAL CORPORATION
CONSOLIDATED BALANCE SHEET
AS AT SEPTEMBER 30, 1996
(Expressed in U.S. Dollars)

<TABLE>
<CAPTION>

	Audited	Revised		
	6 mos ended	12 mos ended	12 mos ended	
	Sept-96	Mar-96	Mar-95	
CURRENT ASSETS				
<S>	<C>	<C>	<C>	
Cash	599,162	722,795	490,681	
Due from brokers and dealers		3,629,834	1,168,190	172,944
Client deposits	2,865,584	2,093,966	21,147,890	
Marketable securities	292,014	2,625,585	15,682,071	
Accounts receivable	1,076,333	208,727	55,262	
Income tax receivable	20,506	1,597	15,866	
Sundry assets and prepaid expenses		127,384	75,906	31,615
	-----	-----	-----	
	8,610,817	6,896,766	37,596,329	
	-----	-----	-----	
CAPITAL ASSETS		882,827	948,892	933,380
DEFERRED CHARGES		380,581	184,944	234,574
GOODWILL AND NON-CURRENT ASSETS			1,057,870	1,086,461
LONG TERM INVESTMENTS		913,834	913,834	900,361
OTHER ASSETS			240,693	
START-UP COSTS		394,923	438,803	
	-----	-----	-----	
	3,630,036	3,572,934	3,452,990	
	-----	-----	-----	
	12,240,853	10,469,700	41,049,319	
	=====	=====	=====	
CURRENT LIABILITIES				
Accounts payable and accrued liabilities		1,079,819	675,623	283,459
Due to brokers and dealers			2,499,665	30,168,593
Due to clients	6,388,090	3,035,310	6,368,681	
	-----	-----	-----	
	7,467,909	6,210,598	36,820,733	
	-----	-----	-----	
Other liabilities			499,377	
Due to related parties		119,462	100,873	
	-----	-----	-----	
	0	119,462	600,250	
	-----	-----	-----	
SHAREHOLDERS EQUITY				
Capital Stock and additional paid-in capital		4,675,894	3,972,512	3,762,774
Retained Earnings (Deficit)		97,050	167,128	(134,438)
	-----	-----	-----	
	4,772,944	4,139,640	3,628,336	
	-----	-----	-----	
	12,240,853	10,469,700	41,049,319	
	=====	=====	=====	

</TABLE>

INTERUNION FINANCIAL CORPORATION
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE SIX MONTHS ENDED SEPTEMBER 30, 1996
(Expressed in U.S. Dollars)

<TABLE>
<CAPTION>

	Audited	Revised			
	6 mos ended	12 mos ended	12 mos ended		
	Sept-96	Mar-96	Mar-95		
	<C>	<C>	<C>		
OPERATING ACTIVITIES					
Net Income (Loss)	(70,078)	301,566	(134,438)		
Amortization	164,353	218,084	24,272		
Gain on disposition of discontinued operations			(409,418)		
	-----	-----	-----		
	94,275	110,232	(110,166)		
Increase (decrease) in due to brokers and dealers, net		(4,961,309)	(28,664,174)	29,995,649	
Increase (decrease) in due to clients		2,581,162	15,720,553	(14,779,209)	
Increase (decrease) in marketable securities		2,333,571	13,056,486	(15,682,071)	
Increase (decrease) in accounts receivable & sundry assets			(937,993)	(183,488)	(102,741)
Decrease (increase) in accounts payable and accrued liabilities		404,196	392,164	283,460	
	-----	-----	-----		
CASH PROVIDED (USED) BY OPERATING ACTIVITIES				(486,098)	431,774 (395,078)
FINANCING ACTIVITIES					
Capital stock and additional paid-in capital issued		703,382	555,000	3,762,774	
Increase (decrease) in due to related parties		(119,462)	18,588	100,872	
	-----	-----	-----		
CASH PROVIDED (USED) BY FINANCING ACTIVITIES				583,920	573,588 3,863,646
INVESTING ACTIVITIES					
Acquisition Costs	(148,503)				
Capital assets	(2,405)	(132,534)	(957,653)		
Deferred & Reorganization Costs		(70,547)	(61,634)	(234,573)	
Discontinued operations		(126,804)	258,684		
Goodwill		(1,143,982)			
Investment in subsidiaries			(507,457)		
Long term investments		(13,473)	(900,360)		
Start-up costs	(438,803)				
	-----	-----	-----		
CASH PROVIDED (USED) IN INVESTING ACTIVITIES				(221,455)	(773,249) (3,485,341)
INCREASE (DECREASE) IN CASH				(123,633)	232,113 (16,775)
CASH - BEGINNING OF YEAR		722,795	490,681		
CASH ACQUIRED ON ACQUISITION OF SUBSIDIARIES					507,456
	-----	-----	-----		
CASH - END OF YEAR		599,162	722,795	490,681	
	=====	=====	=====		

</TABLE>

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS

During the second quarter of fiscal 1997 (three months ending September 30, 1996), InterUnion reported consolidated revenues of US\$1.2 million.

InterUnion's revenue growth (figures in 000's):

<TABLE>
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	FY 97Q2	FY 97Q1	FY 1996	FY 1995
	-----	-----	-----	-----
	<C>	<C>	<C>	<C>
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Commission Income	936	1,364	4,500	3,871
Sales	194	516		
Fee Revenue	87	230	1,365	57
Total	1,217	2,110	5,865	4,028

Financial overview of InterUnion's financial statements:

<TABLE>
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	FY 97 Q2	FY 1996	FY 1995	
<S>	<C>	<C>	<C>	
Common Shares Issued		969,714	692,572	369,058
EPS - operations		-0.09	0.027	0.243
EPS - After discontinued operations		-0.09	0.602	-0.853
Working Capital	1,143,908	686,186	775,593	
Cash Flow - operations	94,275	204,486	74,678	
Cash Flow. - After discontinued operations		94,275	110,233	-110,167
Shareholders Equity	4,772,944	4,139,640	3,628,774	
Book Value per Share	4.92	5.98	9.83	

</TABLE>

The reduction in the second quarter revenues is due to the following factors:

- Credifinance Securities Limited: most of the sales and research staff effort was directed towards corporate finance activities which allowed the completion of two transactions (efforts continue to hire, traders/salespeople).
- Reeve, Mackay & Associates Limited: as previously stated in the 10-QSB MDA, there are two high seasons in the auction business: fall (November & December) and late spring (May/June). Reeve, Mackay incurred a great portion of the expenses related to important sales in the off season months: moving and storage of goods, marketing of consignments and cataloging.

Net loss for the six months ended September 30, 1996 was \$70,078 on a weighted average of 738,129 common shares for the period. Therefore, the loss per share for the period is 0.09. Consolidated cash flow for the period was \$94,275.

The company's book value per share at the end of the second quarter is \$4.92 versus \$5.98 six months earlier. The reduction is primarily due to the issuing of 277,142 new common stock for net proceeds of \$703,382.

As reported in our 10-QSB for the first quarter, InterUnion has raised \$759,710 and received commitment for an additional \$1.5 million but the Company would rather finalize the Placement at the same time that it announces an acquisition or it receives its NASDAQ listing.

The Company continues to explore opportunities for the acquisition of operating companies that will provide additional liquidity and cash flow. The Company anticipates that such acquisitions would be financed by the use of the cash generated by the above mentioned financing as well as the issuance of common stock from treasury. Management of the Company would like to add that a number of opportunities have presented themselves, however, none have been consummated as the parameters originally set out were not met.

The Company feels that the financial statements for the periods ending September 30, 1996, March 31, 1996 and March 31, 1995 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.

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 conditions.

PART II - OTHER INFORMATION

ITEM 1 - LEGAL PROCEEDINGS.

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

ITEM 2 - CHANGES IN SECURITIES

None.

ITEM 3 - DEFAULTS UPON SENIOR SECURITIES

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

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

None.

ITEM 5 - OTHER INFORMATION

None.

ITEM 6 - EXHIBITS AND REPORTS ON FORM 8-K

None.

SIGNATURES

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

InterUnion Financial Corporation

(Registrant)

/s/ Georges Benarroch

Date November 13, 1996 Georges Benarroch, Director

(Signature)*

/s/ Ann Glover

Date November 13, 1996 Ann Glover, Director

(Signature)*

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

<TABLE> <S> <C>

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM INTERUNION FINANCIAL CORPORATION CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND QUARTER OF FISCAL YEAR ENDING MARCH 31, 1997, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

</LEGEND>

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