

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

FORM 10-QSB/A

(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  
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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

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(State or other jurisdiction of  
incorporation or organization)

(IRS Employer  
Identification No.)

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

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(Address of principal executive offices) (Zip Code)

(561) 820 - 0084

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(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 X No

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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

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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 December 31, 1996.

Transitional Small Business Disclosure Format (Check One) Yes No X

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## 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)

&lt;TABLE&gt;

&lt;CAPTION&gt;

	6 mos ended Sept-96	6 mos ended Sept-95	12 mos ended Mar-96	12 mos ended Mar-95		
<S>	<C>	<C>	<C>	<C>		
<b>REVENUES</b>						
Commissions, trading & investment income .....		2,300,357	2,156,556	4,500,899	3,971,161	
Sales .....	709,726					
Fee Revenue .....	317,308	456,524	1,364,297	56,907		
	-----	-----	-----	-----		
	3,327,390	2,613,080	5,865,196	4,028,068		
	-----	-----	-----	-----		
<b>EXPENSES</b>						
Cost of Goods Sold .....	709,726					
Selling, Marketing & Research .....	1,697,964	2,056,179	4,207,289	2,868,886		
Salaries & Benefits .....	514,436	315,976	759,361	291,687		
General & Administration .....	318,206	290,310	710,939	796,674		
Other Expenses .....	(1,108)	1,083	13,132			
Foreign Exchange Loss (Gain) .....	5	(22,780)	(20,902)	(247)		
Interest & Bank Charges Expense (Income) .....		(12,647)	(20,274)	(37,337)	5,830	
Amortization & Depreciation .....	164,353	107,686	218,083	24,272		
	-----	-----	-----	-----		
	3,390,935	2,648,180	5,850,565	3,987,102		
	-----	-----	-----	-----		
PROFIT (LOSS) FROM CONTINUING OPERATIONS .....		(63,545)	(35,100)	14,631	40,966	
Loss from Discontinued Operation .....		(94,252)	(94,252)	(184,845)		
Gain on Disposal of Discontinued Assets .....		409,418	409,418			
		-----	-----	-----	-----	
PROFIT (LOSS) FOR THE PERIOD - BEFORE INCOME TAXES		(63,545)	280,066	329,797	(143,879)	
PROVISION FOR INCOME TAXES (RECOVERABLE) .....		6,533	5,909	28,231	9,441	
		-----	-----	-----	-----	
NET PROFIT (LOSS) FOR THE PERIOD .....	(70,078)	274,157	301,566	(134,438)		
RETAINED EARNINGS (DEFICIT) - BEGINNING OF PERIOD		167,128	(134,438)	(134,438)	0	
		-----	-----	-----	-----	
RETAINED EARNINGS (DEFICIT) - END OF PERIOD .....	97,050	139,719	167,128	(134,438)		
	=====	=====	=====	=====		

**FINANCIAL OVERVIEW**

Common Shares Outstanding .....	969,714	531,558	692,572	369,058
Weighted Average Shares Outstanding .....	738,129	482,140	501,335	157,531
EPS - From Continuing Operations .....	(0.09)	(0.07)	0.03	0.24
EPS - After Discontinued Operations .....	(0.09)	0.57	0.60	(0.85)

&lt;/TABLE&gt;

See Accompanying Notes

Page 2 of 8

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

&lt;TABLE&gt;

&lt;CAPTION&gt;

6 mos ended 6 mos ended 12 mos ended 12 mos ended  
 Sept-96 Sept-95 Mar-96 Mar-95

<S>	<C>	<C>	<C>	<C>
<b>CURRENT ASSETS</b>				
Cash .....	599,162	294,528	722,795	490,681
Due from brokers and dealers .....	3,629,834	568,355	1,168,190	172,944
Client deposits .....	2,865,584	10,036,091	2,093,966	21,147,890
Marketable securities .....	292,014	161,069	2,625,585	15,682,071
Accounts receivable .....	1,076,333	241,039	208,727	55,262
Income tax receivable .....	20,506	22,941	1,597	15,866
Sundry assets and prepaid expenses .....	127,385	57,261	75,906	31,615
	8,610,818	11,381,283	6,896,766	37,596,329
<b>CAPITAL ASSETS</b> .....				
	882,827	984,869	948,892	933,380
<b>START-UP COSTS</b> .....				
	394,923	241,914	438,803	
<b>LONG TERM INVESTMENTS</b> .....				
		913,834	927,913	913,834
<b>DEFERRED CHARGES</b> .....				
	380,581	190,120	184,944	234,574
<b>GOODWILL</b> .....				
	1,057,870	1,115,052	1,086,461	1,143,982
<b>DISCONTINUED ASSETS</b> .....				
				240,693
	3,630,035	3,459,868	3,572,934	3,452,990
	12,240,853	14,841,151	10,469,700	41,039,319
<b>CURRENT LIABILITIES</b>				
Accounts payable and accrued liabilities ...	1,079,819	487,471	675,623	283,459
Due to brokers and dealers .....		353,503	2,499,665	30,168,593
Due to clients .....	6,388,090	10,006,099	3,035,310	6,368,681
	7,467,909	10,847,073	6,210,598	36,820,733
<b>DUE TO RELATED PARTIES</b> .....				
		168,094	119,462	100,873
<b>DISCONTINUED LIABILITIES</b> .....				
				499,377
	0	168,094	119,462	600,250
<b>SHAREHOLDERS EQUITY</b>				
Capital Stock and additional paid-in capital	4,675,894	3,686,265	3,972,512	3,762,774
Retained Earnings (Deficit) .....	97,050	137,719	167,128	(134,438)
	4,772,944	3,825,984	4,139,640	3,628,336
	12,240,853	14,841,151	10,469,700	41,039,319

</TABLE>

See Accompanying Notes

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>

<S>	6 mos ended Sept-96	6 mos ended Sept-95	12 mos ended Mar-96	12 mos ended Mar-95
	<C>	<C>	<C>	<C>

OPERATING ACTIVITIES

Net Income (Loss) .....	(70,078)	274,157	301,566	(134,438)	
Amortization .....	164,353	107,686	218,083	24,272	
Gain on disposition of discontinued operations		(409,418)	(409,418)		
	94,275	(27,575)	110,231	(110,166)	
Increase (decrease) in due to brokers and .... dealers, net	(4,961,309)	(30,210,501)	(28,664,174)	29,995,649	
Increase (decrease) in due to clients .....	2,581,162	14,749,217	15,720,553	(14,779,209)	
Increase (decrease) in marketable securities .	2,333,571	15,521,002	13,056,486	(15,682,071)	
Increase (decrease) in accounts receivable & . sundry assets	(937,993)	(218,497)	(183,487)	(102,741)	
Decrease (increase) in accounts payable and .. accrued liabilities	404,196	204,012	392,164	283,460	

CASH PROVIDED (USED) BY OPERATING ACTIVITIES

(486,098) (17,658) 431,774 (395,078)

FINANCING ACTIVITIES

Capital stock and additional paid-in capital . issued	703,382	325,000	555,000	3,762,774	
Increase (decrease) in due to related parties	(119,462)	(67,221)	18,589	100,872	

CASH PROVIDED (USED) BY FINANCING ACTIVITIES ...

583,920 392,221 573,589 3,863,646

INVESTING ACTIVITIES

Capital assets .....	(2,405)	(57,914)	(132,533)	(957,654)	
Start-up costs .....		(241,914)	(438,803)		
Long term investments .....		(27,552)	(13,472)	(900,361)	
Deferred & Reorganization Costs .....	(70,547)	(20,546)	(61,632)	(234,574)	
Goodwill .....			(1,143,982)		
Investment in subsidiaries .....			(507,456)		
Acquisition Costs .....			(148,503)		
Discontinued operations .....		(258,684)	(126,809)	258,684	

CASH PROVIDED (USED) IN INVESTING ACTIVITIES ...

(221,455) (606,032) (773,249) (3,485,343)

INCREASE (DECREASE) IN CASH ..... (123,633) (196,153) 232,114 (16,775)

CASH - BEGINNING OF YEAR ..... 722,795 490,681 490,681

CASH ACQUIRED ON ACQUISITION OF SUBSIDIARIES ... 507,456

CASH - END OF YEAR ..... 599,162 294,528 722,795 490,681

</TABLE>

See Accompanying Notes

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

1. Interim information is unaudited; however, in the opinion of the Company's management, all adjustments necessary for a fair statement of interim results have been included in accordance with Generally Accepted Accounting Principles in Canada. All adjustments are of a normal recurring nature unless specified in a separate note included in these Notes to Consolidated Financial Statements. The results for interim periods are not necessarily indicative of results to be expected for the entire year. These financial statements and notes should be read in conjunction with the Company's annual consolidated financial statements and the notes thereto for the fiscal year ended March 31, 1996, included in its on Form 10-SB/A for the year ended March 31, 1996 (the "1996 Form 10-SB/A") and available from the Company. As of March 31, 1997, the Company will report solely under US GAAP.

2. In the second quarter of 1997, the Company issued 277,142 common shares for

gross proceeds to the Company of US\$759,710. The Company incurred approximately US\$56,328 in costs associated with the issuance of these common shares: these costs are accounted for as a deduction from the gross proceeds.

3. Earnings per share is computed using the weighted average number of common shares outstanding during the period. Loss per share is computed using the weighted average number of common shares outstanding during the period.

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.

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

<TABLE>  
<CAPTION>

	3 mos ended Sept-96	3 mos ended Sept-95	6 mos ended Sept-96	6 mos ended Sept-95
<S>	<C>	<C>	<C>	<C>
Commission	936	763	2,300	2,157
Sales	194		710	
Fee Revenue	87	697	317	456
Total	1,217	1,460	3,327	2,613
E.P.S. - Continuing Operations		(0.10)	(0.20)	(0.09)
E.P.S. - Discontinuing Operations		(0.10)	0.61	(0.09)
				0.57
	3 mos ended Sept-96	3 mos ended Jun-96	3 mos ended Mar-96	3 mos ended Dec-95
Working Capital	1,143	653	686	419
Shareholders' Equity	4,773	4,146	4,140	3,782

</TABLE>

The sales component under Revenues represents the revenues that the Company's auction subsidiary generates net of commissions and buyers premium. This amount is offset by the Cost of Goods Sold item under Expenses. Had the revenue component been excluded, total revenues would have been the same as a year earlier at \$2.6 million for the six months and down 30% for the three months ending September 1996.

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

- 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. In the corresponding period a year earlier net income was \$280,066 for E.P.S of \$0.57 on a weighted average number of common shares outstanding of 482,140. The

figure for the six months ending September 1995 includes a profit from discontinued operations of \$315,166 or \$0.64 per share. Therefore, from operations, the Company had a net loss of \$41,009 or \$0.07 per share.

Operating losses increased marginally due to increased non cash expenses. Differences in cash related expenditures offset each other. Selling, Marketing & Research were down as more revenues are being generated from new financing than from agency commission. Administration, General Expenditures and Salaries are up in comparison to a year earlier as the Company is no longer capitalizing the start-up of the new auction business. In the previous fiscal year, the Company capitalized \$438,803 in start-up costs under Canadian GAAP. This amount is to be charged to earnings over five years, under US GAAP this amount has already been charged to earnings.

The increase in the cost of business results, in part, from the labor costs associated with the auction business which is a fixed cost, unlike the other subsidiaries in which labor costs are variable expenditure.

The Company's book value per share at the end of the second quarter is \$4.92 versus \$5.98 six months earlier and \$7.20 at September 30, 1995. The reduction is primarily due to the issuance of 277,142 new common stock for net proceeds of \$703,382 during the second quarter of the current fiscal year.

Page 6 of 8

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 advises that, while a number of opportunities have been explored, none have been consummated as the Company's parameters were not satisfied.

#### Concluding Remarks

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

In addition, there are no significant income or losses that have arisen from the Company's continuing operations that has not been analyzed or discussed above, nor has there been any material change in any line item that is presented on the financial statements which has also not been discussed above.

#### Certain Risk Factors Which May Impact Future Operations

The Company and its subsidiaries operate in a rapidly changing environment that involves a number of factors, some of which are beyond management's control, such as financial market trend and investors appetite for new financings.

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

In the opinion of management the financial statements for the periods ending September 30, 1996 accurately reflect the operations of the Company and its subsidiaries. The Company has taken every reasonable step to ensure that its quarterly financial statements do not represent a distorted picture to anyone having a business reason to review such statements and who has also reviewed its previous audited annual financial statements dated January 28, 1997.

Page 7 of 8

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 with the exception of the following.

As reported in our Form 10-SB, a Statement of Claim was filed in Ontario Court (General Division) on May 31, 1996 against Credifinance Securities Limited, InterUnion Financial Corporation, Georges Benarroch and Ann Glover by Mr. John Illidge, a former President and Chief Operating Officer of Credifinance Securities Limited and Director of the Company. The plaintiff is seeking in excess of \$1.8 million. In the opinion of management and its legal advisors, the likelihood that this law suit will adversely affect the Company is negligible

There has not been any change in the status of this claim.

ITEM 2 - CHANGES IN SECURITIES

None.

ITEM 3 - DEFAULTS UPON SENIOR SECURITIES

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

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

None.

ITEM 5 - OTHER INFORMATION

None.

ITEM 6 - EXHIBITS AND REPORTS ON FORM 8-K

Exhibit 27.....Financial Data Schedule (for S.E.C. use only).

SIGNATURES

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

InterUnion Financial Corporation

-----  
(Registrant)

Date February 10, 1997 /s/ Georges Benarroch, Director  
-----  
(Signature)\*

Date February 10, 1997 /s/ Ann Glover, Director  
-----  
(Signature)\*

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

<TABLE> <S> <C>

<ARTICLE> 5

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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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