U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-KSB

(Mark One)

[X] ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended March 31, 1997

[ ] 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 incorporation or organization)	(IRS Employer Identification No.)

249 Royal Palm Way, Suite 301 H, Palm Beach, Fl	33480
(Address of principal executive offices)	(Zip Code)

(561) 820-0084
(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 [ ]

Check if there is no disclosure of delinquent filers in response to item 405 of Regulation S-B is not contained in this form, and no disclosure will be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this form 10-KSB. [x]

State issuer's revenues for its most recent fiscal year. $5,712,183

State the aggregate market value of the voting stock held by non-affiliates computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within the past 60 days. $2,178,788 On June 16, 1997

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

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

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: $0.001 Par Value Common Shares - 969,714 as of June 16, 1997.

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

INTERUNION FINANCIAL CORPORATION
FORM 10-KSB
TABLE OF CONTENTS

<TABLE>
<S> <C>

</TABLE>

PART I

Item 1 DESCRIPTION OF BUSINESS

(a) BUSINESS DEVELOPMENT

On February 7, 1994, the shareholders of AU 'N AG, INC., a Utah corporation, approved without dissent, a proposal to change the domicile of the Company through the merger of the Company into AU 'N AG, INC., a Delaware corporation to be formed.

On February 15, 1994 a Certificate of Incorporation of AU 'N AG, INC., a Delaware corporation, was filed with the office of the Secretary of State, Division of Corporations, State of Delaware.

On February 15, 1994, the date of incorporation of AU 'N AG, Inc. of Delaware, the directors of that corporation approved a Pre-Organization Subscription and Letter of Non-Distributive Intent executed by the President of AU 'N AG, Inc., the Delaware corporation, for $10.00 with the understanding that the shares would be immediately canceled upon the effective date of the merger between AU 'N AG, INC. of Delaware and AU 'N AG, INC. of Utah. These shares were issued by the Company in reliance upon the exemption from the registration requirements of the Securities Act of 1933, as amended, as provided by Section 4(2) of that Act and upon a similar exemption contained in applicable state securities laws. The shares received by AU 'N AG, INC. were restricted securities, subject to Rule 144 promulgated under the Securities Act of 1933, as amended. See Exhibits at E-1 and E-4.

Further on February 15, 1994, a Plan and Agreement of Merger of AU 'NAG, INC. (Utah) and AU 'N AG, INC. (Delaware) was executed. On the same day a Certificate of Merger was executed by the above corporations. This Certificate of Merger was filed in the office of the Secretary of Delaware on March 10, 1994. Under the Certificate of Merger AU 'N AG, INC., the Delaware Corporation, was the surviving corporation. See Exhibit E-5 and E-9.

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.

As provided in the Plan and Agreement of Merger, the sole purpose of the above-referenced merger was to change the issuer's domicile from Utah to Delaware and the exchange of securities from one corporation to another was, in the opinion of management, therefore outside of the provisions of Rule 145 as promulgated by the Securities & Exchange Commission. Further, it is the position of management that the exchange of stock was a transaction by an issuer not involving any public offering and thus was within the protection of Section 4(2)

of the Securities Act of 1933, and exempted from registration requirements.

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 ("IFC" or the "Company"). This change of name was filed by the office of the Secretary of State of Delaware on 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 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, a British Virgin Islands corporation, for the issuance of 22,262 shares of common stock (adjusted for the 20 for 1 reverse stock split of May 1996). 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 5,566 shares of common stock (adjusted for the 20 for 1 reverse stock split of May 1996).

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 LIMITED, 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 75,000 shares of common stock (adjusted for the 20 for 1 reverse stock split of May 1996). The Company further acquired the remaining outstanding stock of ROSEDALE REALTY CORPORATION for the issuance of 1,230 shares of common stock (adjusted for the 20 for 1 reverse stock split of May 1996). It should be noted that in 1996 the Company disposed, by way of an assignment in bankruptcy, of its shares in ROSEDALE REALTY CORPORATION. This assignment was a voluntary petition filed by Credifinance Capital, Inc., the owner of Rosedale, on September 29, 1995. The decision to file for bankruptcy was made after negotiations for a merger of Rosedale with another firm were unsuccessful. Rosedale had never been profitable subsequent to its acquisition and Credifinance Capital, Inc. made the decision to cease financing Rosedale's operations. The bankruptcy was concluded and there are no outstanding lawsuits against either Credifinance Capital, Inc. or the parent, InterUnion Financial Corporation. (See Note 9 of InterUnion Financial Corporation Notes to Consolidated Financial Statements, March 31, 1997, Part II, Item 7).

At a special meeting of the shareholders held on 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 LTD 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. Reeve, Mackay is a wholly-owned subsidiary of the Company. Due to Reeve, Mackay's continued operating deficit and cash requirements, the Company has decided to dispose of its investment. The Company is currently engaged in discussions with potential buyers and anticipates to fully recover its cash advances and investments in Reeve, Mackay.

On September 26, 1996, the Company acquired an option to purchase all of the outstanding shares of NEW RESEARCHES CORPORATION (see Exhibit 10(vi), on page E-59). NEW RESEARCHES is a

corporation organized under the laws of Panama. The Company has until December 15, 1997 to exercise its option.

On January 19, 1997, the Company entered into an agreement where it would act as an investment banker in the recapitalization of RECEPTAGEN Ltd. (see Exhibit (10(vii), on page E-61). RECEPTAGEN is a corporation incorporated under the laws of Canada. RECEPTAGEN currently trades on the Toronto Stock Exchange (RCG) and the NASDAQ Over-the-Counter (RCEPF). Upon completion of the recapitalization of RECEPTAGEN, the Company will own over 40% of the outstanding common stock of RECEPTAGEN.

Currently, it is not the intention of the Company to consider its investment in RECEPTAGEN as an integral part of its business outside of its bridge financing and special situation activities.

(b) BUSINESS OF ISSUER

GENERAL

The Company was formed to acquire a majority interest in existing securities firms, banks, insurance companies, and other financial and brokerage companies. The Company intends to actively engage in the business of the companies in which it invests by serving as an "information link" between these companies. The Company's goal in providing this information link is to improve access to new markets and business opportunities for these companies.

The Company also may provide bridge financing, which involves providing capital to a private company, to assist the company in making a public offering of its stock.

In addition, the Company may invest up to 40% of its total assets (exclusive of government securities and cash items), on an unconsolidated basis, in debt or equity securities issued by privately held firms, and in securities listed in markets that are open to public investment in Europe and North America.

InterUnion is both a holding company and an operating company engaging in activities separate from the activities of its named subsidiaries. Specifically, InterUnion derives independent revenues from financial consulting, the bridge financing of pre-IPOs, and its participation in new ventures.

PRODUCTS AND/OR SERVICES OF ACTIVE SUBSIDIARIES

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

(1) CREDIFINANCE SECURITIES LIMITED

Credifinance Securities Limited. ("Credifinance") is an investment bank with offices 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 25 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 was started in 1991, 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 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

Credifinance's corporate finance activities consist primarily of underwritings for small and medium-size companies. Between 1993 and 1995, Credifinance was 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 was involved in two special transactions of C$10 and C$15 million.

In fiscal 1996, Credifinance's corporate finance department participated in 4 deals and raised in excess of C$15.3 million. In fiscal 1997, Credifinance participated in 9 deals and raised in excess of C$150 million. The firm is continuing an aggressive expansion in the underwriting of companies in those sectors in which Credifinance's research specializes.

(2) GUARDIAN TIMING SERVICES INC.

Guardian Timing Services, Inc. ("Guardian") is an investment management firm located in Toronto, Canada, currently having approximately C$75 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

Bearhill Limited ("Bearhill") is an investment management firm.

On September 9, 1994 Bearhill entered into an ITM SOFTWARE DEVELOPMENT AGREEMENT with Guardian Timing Services, Inc. ("Guardian"). This Agreement acknowledged that Bearhill owns the proprietary rights to certain computer software known as ITM Software, which is a computer software program which is used to generate buy and sell signals with respect to any stock market monitored. The parties entered into the above-referenced agreement because Bearhill wishes to market investment advisory services internationally and it requires computer software in order to generate market timing signals. Guardian, in turn, has agreed to perform the development of Release I of the ITM software and the related documentation upon the terms and conditions of the Agreement. See Exhibit 10(i), page E-29, for details of the ITM Software Development Agreement.

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's 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.

On November 30, 1995 a Letter of Understanding was issued between the Bank of Nova Scotia ("BNS") and Guardian Timing Services, Inc., InterUnion Financial Corporation, Havensight Holdings Corp. and Bearhill Limited. This Letter of Understanding was issued as a condition precedent to the execution of an Investment Management Agreement pursuant to which BNS will retain the services of Guardian Timing Services, Inc. with regard to the management of an investment portfolio with a minimum size of $10,000,000 (Canadian).

The material terms of the Letter of Understanding may be summarized as follows:

a. As a consideration of BNS entering into the Investment Management Agreement, Bearhill (the owner of the ITM software) grants to the BNS an irrevocable option to acquire the ITM. If BNS elects to exercise its option, BNS shall acquire 100% of the Class B shares of Bearhill (the Class B shares shall represent 30% of the equity of Bearhill) for $750,000 and shall enter into an agreement to acquire the ITM for $30 million. This acquisition price of $30 million shall be financed by $10 million in cash and a $20 million 15-year non-recourse promissory note, with principal payable at the end of the term. The option as amended on April 16, 1997, calls for renewal for a 4-year indefinite term at the discretion of the BNS, subject to the payment of an option fee annually (in advance) commencing on April 23, 1996. The option fee for the year commencing April 23, 1996 is C$25,000; the following year is C$25,000, the following year is C$50,000 and the final year is $50,000 (see Exhibit 10(vi), on page E-57).

b. Even if the option is exercised, Guardian Timing Services, Inc.(GTS) retains the right (if J.P. Fruchet is in its employment) to be provided with the market signals generated by the ITM at no cost, provided that no more than $200 million of assets (or a larger amount as may be managed when notice to exercise the option is given) are managed using the ITM signals.

c. If the option is exercised, Bearhill is to use the $750,000 obtained for the Class B shares as working capital. The $10 million paid in cash shall be divided with $1.6 million going to a trust account and $8.4 million invested in Class 1 shares of the Nirvana Fund. All principal payments under the note are to be invested in Class 1 shares.

d. Bearhill is to pay BNS for use of the timing signals generated by the ITM (exercise of the option) 15% of its gross revenue as a fee. If this fee is not sufficient to satisfy BNS's interest obligations under the note, any deficiency shall be satisfied by Bearhill.

e. The only shares of Bearhill outstanding as of the date of this Letter of Understanding are Class A shares, now representing 100% of the equity of Bearhill, held currently by InterUnion.

NOTE: The Letter of Understanding at Page E-42 incorrectly states that the Class A shares are held equally by InterUnion and Havensight. Actually, this equal ownership will occur at such time as the ITM software owned by Bearhill is to be sold to any party. This Letter of Understanding contemplates that such a sale is to occur. For a further explanation, see the Agreement starting at page E-55.

f. If the Class B shares are issued upon the exercise of the option by BNS, the Class B shares shall receive 80% of all dividends paid by Bearhill until BNS has received $20 million, after which time the Class A and Class B shareholders are too share equally.

g. Havensight and InterUnion each grant to BNS an immediate option to acquire their respective Class A shares at a price equal to 90% of the book value, upon the occurrence of one or more of the following events:

i. the Note is satisfied in full prior to its maturity,

ii. the Class B shareholders have received an aggregate of $25,000,000 in dividends from Bearhill,

iii. Bearhill defaults on any of its obligations to BNS, becomes insolvent or commits an act of bankruptcy, or

iv. the Nirvana Fund under performs (meaning that the Fund's return averages less than 10% per annum compounded annually over any 36-month period).

The Letter of Understanding, including Schedule A, is included herein as Exhibit 10(ii), commencing at page E-42.

Subsequent to the execution of the above-referenced Letter of Understanding, on December 20, 1995 an Investment Management Agreement was issued between Guardian and BNS.

This Agreement formally appoints Guardian as the investment manager of an investment portfolio with an initial value of $10 million (Canadian). Guardian is to use the market timing signals generated by the software developed by Bearhill known as the "ITM Software" in handling the investment decisions of the investment portfolio. The Agreement is to continue until either party gives at least 30 days written notice of termination.

Under the provisions of Schedule A, Guardian is to receive a management fee of 1/2 of one percent per month of the net asset value of the Portfolio determined at the end of each month and payable quarterly. There may be a bonus payable to Guardian annually determined under the more restrictive of two calculations, as specifically provided in Paragraph 4 of Schedule A of the said Agreement. Schedule A provides that the minimum fee and bonus to be paid to Guardian under the Agreement is $50,000 (Canadian).

The Investment Management Agreement, including Schedule A and a statement of the investment objectives and guidelines under the Guardian Timing Services portfolio, is included herein as Exhibit 10(iii) commencing at page E-46.

Subsequent to the acquisition of Bearhill by InterUnion (as the result of the purchase of all outstanding stock of Bearhill which was owned by Havensight Holdings, Ltd.), on January 19, 1995 an Agreement was executed between Havensight and InterUnion providing that if InterUnion should conclude an agreement of sale of the ITM software owned by Bearhill, Havensight will have the right to buy one-half of the Bearhill stock for a nominal consideration ($1.00). This Agreement is included herein as Exhibit 10(iv) starting at Page E-55.

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 Limited 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 staff. Guardian Timing Services Inc. and Bearhill Limited both operate as managers of funds. A decline in their investment performance could cause the loss of these essential accounts. 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.

GROWTH STRATEGY

The growth strategy consists of two complementary components:

o Investing in the existing portfolio of financial services companies, and acquiring, when the appropriate opportunities arise, major positions in investment managers, banks, thrifts, brokerage houses and other financial services companies (e.g. leasing, insurance) positioned in niche markets; and

o Expansion of bridge financing and investment banking activities.

However, 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, where its President is located, 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.

GOVERNMENT REGULATION

The operating activities of InterUnion Financial Corporation are not subject to governmental regulatory agencies. The investment management services of Bearhill Limited are not subject to direct government regulation in Canada.

Credifinance Securities Limited is a member of the Investment Dealers Association of Canada, The Toronto Stock Exchange, The Montreal Exchange and the International Securities Market Association. As such, it is subject to the rules, regulations, and administrative rulings of these entities.

Guardian Timing Services Inc. is regulated by the Ontario Secuirties Commission

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

InterUnion Financial Corporation is not subject to the Investment Company Act of 1940 (the "Act"). Section 3(a)(3) of the Act defines an "investment company" as "any issuer which . . . owns or proposes to acquire investment securities having a value exceeding 40 per cent of the value of such issuer's total assets (exclusive of Government securities and cash items) on an unconsolidated basis." "Investment securities" are defined for purposes of this section as "all securities except (A) Government securities, (B) securities issued by employees' securities companies, and (C) securities issued by majority-owned subsidiaries of the owner which are not investment companies."

The Company is not an investment company because it will invest no more than 40% of its total assets (excluding government securities and cash items), on an unconsolidated basis, in "investment securities" as defined in the Act. The Company considers its primary business to be engaging in non-investment company businesses through majority owned companies.

EMPLOYEES

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

InterUnion Financial Corporation	3
Bearhill Limited	0
Guardian Timing Services Inc.	2
Credifinance Capital Inc.	2
Credifinance Securities Limited	25
Total Employees	32

Item 2 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 (Sq. Ft.)	Term	Annual Rent Per Sq. Ft.
<S>	<C>	<C>	<C>
InterUnion Financial Corporation Suite 301 249 Royal Palm Way Palm Beach, Florida	1,000	Mar. 97-Feb. 98	USD $4.52
Credifinance Securities Limited Suite 3303 130 Adelaide Street W Toronto, Ontario	3,310	Feb. 97-Jan. 02	C$22.00
Credifinance Securities Limited Suite 3304 130 Adelaide Street W		Feb. 93-Jul. 97	C$12.00
Toronto, Ontario	927	Jul. 97-Jan. 02	C$15.00
Credifinance Securities Limited Suite 1580 1501 McGill College Ave. Montreal, Quebec	1,386	Jun. 92-Jan. 98	C$16.00

</TABLE>

Item 3 LEGAL PROCEEDINGS

Not applicable

Item 4 SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable.

PART II

Item 5 MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER 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 are as follows.

<TABLE>
<CAPTION>

Period	Open	High	Low	Close
<S>	<C>	<C>	<C>	<C>
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	7.00
FY 97 Qtr 2	7.00	15.00	4.75	5.00
FY 97 Qtr 3	5.00	6.00	4.50	4.50
FY 97 Qtr 4	4.50	6.00	4.50	5.00

</TABLE>

(b) HOLDERS

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

CLASS OF STOCK	NUMBER OF HOLDERS

Common Share	385
Class A Preferred	1
Class B Preferred	0
Class C Preferred	0

(c) DIVIDENDS

The company has never declared or paid dividends on its common stock or its preferred stock. There are no restrictions, other than state law that may be applicable, that limit the ability to payout all earnings as dividends. 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.

(d) RECENT SALES OF UNREGISTERED SECURITIES

(i) 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, Rule 504, promulgated by the Securities and Exchange Commission:

<TABLE>
<CAPTION>

Title of Class	Number Shares	Price per Share	Consideration	Date of Sale
<S>	<C>	<C>	<C>	<C>
Common	84,900	$ 0.29	$ 24,621	April 1994
Common	8,750	4.00	35,000	April 1994
Common	5,000	4.00	20,000	May 1994
Common	6,250	4.00	25,000	July 1994
Common	5,000	2.00	10,000	July 1994

</TABLE>

<TABLE>
<CAPTION>

Title of Class	Number Shares	Price per Share	Consideration	Date of Sale
<S>	<C>	<C>	<C>	<C>
Common	18,511	$ 2.00	$ 37,022	August 1994
Common	25,000	2.00	50,000	August 1994
Common	50,000	1.00	50,000	October 1994
Common	75,000	4.00	300,000	March 1994
Common	62,500	2.00	125,000	June 1995
Common	160,000	2.00	320,000	March 1996

</TABLE>

NOTES TO SALES PURSUANT TO REGULATION D

(1) All sales of securities are shown based upon subsequent reverse stock splits as approved by the shareholders (1 for 10 in October 14, 1994 and 1 for 20 in May 17, 1996).

(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 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	Commission	Date of Sale
<S>	<C>	<C>	<C>	<C>	<C>
Class A Preferred	1,500,000	0.10	$ 150,000	$ nil	December 1994
Common	100,000	2.00	200,000	nil	October 1995
Common	1,000	20.00	Services	nil	
Common	151,500	1.00	151,500	nil	August 1996
Common	105,642	5.00	528,210	32,371	October 1996

</TABLE>

NOTES TO SALES PURSUANT TO REGULATION S

(1) All sales of securities are shown based upon subsequent reverse stock splits as approved by the shareholders (1 for 10 in October 14, 1994 and 1 for 20 in May 17, 1996).

(2) All sales were made directly by the Company as issuer.

(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).

(6) The 1,000 common shares issued for services in March 1996, was for work done in connection with the development of a business plan and market research for said business plan. These shares were given to a non related party.

Item 6 MANAGEMENT'S DISCUSSION AND ANALYSIS

(a) OVERVIEW

InterUnion Financial Corporation (the "Company") was incorporated on February 7, 1994. The underlying operational strategy of the Company is to acquire a significant influence in operating companies primarily of a financial nature on the basis of an exchange of stock, with certain additional incentives (such as stock warrants) depending upon the particular company to be acquired, and to actively participate in the management of these companies. Accordingly, the Company has acquired the following operating subsidiary corporations as outlined below:

<TABLE>
<CAPTION>

Corporation Acquired	Nature of the Company	Date Acquired
<S>	<C>	<C>
Bearhill Limited	Investment Management	1-18-95
Guardian Timing Services, Inc.	Investment Management	1-18-95
Credifinance Capital Inc.	Investment Company	3-20-95
Credifinance Securities Limited	Investment Bank	3-20-95
Rosedale Realty Corporation	Real Estate Sales	3-20-95
Reeve, Mackay & Associates Ltd.	Auction Sales	5-15-95

</TABLE>

Note: All of the above-listed subsidiaries are active, with the

exception of Rosedale Realty Corporation which was disposed of by the Company pursuant to an assignment in bankruptcy in 1996. In addition, the Company is actively pursuing the sale of Reeve, Mackay & Associates Ltd.

Because of the nature of the Company as a holding company, it was to be expected that no revenues would be realized initially after the date the Company commenced business operations. All funding to the Company from its inception to the date of its first subsidiary acquisition was derived from a series of private (non-registered) sales of stock under Regulation D as promulgated by the United States Securities and Exchange Commission.

The Company commenced its revenues stream with its first acquisitions on January 18, 1995. The following table shows the gross revenue from its subsidiaries prior to consolidation and elimination for the completed years of 1995, 1996 and 1997. The table also includes gross revenues generated by InterUnion, itself. The table does not include revenue from Rosedale Realty Corporation due to its termination in 1996 or Reeve, Mackay & Associates as the Company plans to divest itself of this entity.

<TABLE>
<CAPTION>

Company	FY 1995	FY 1996	FY 1997
<S>	<C>	<C>	<C>
Bearhill	-0-	30,000	14,000
Guardian Timing	65,000	355,000	365,000
Credifinance Capital	-0-	65,000	180,000
Credifinance Securities	4,000,000	4,500,000	3,725,000
InterUnion	5,000	900,000	1,475,000
Total	4,070,000	5,850,000	5,759,000

</TABLE>

Bearhill Limited is an investment management firm. However, the primary asset of Bearhill remains its ownership of a computer software program, ITM Software. If the Bank of Nova Scotia exercises an option to purchase the ITM Software (see Exhibit 10(ii) at page E-42) this could produce major revenue for the Company. If the option is not exercised, Bearhill will not be adversely affected nor will the Company.

Guardian Timing Services Inc. is an investment management firm. The increase in revenues from $63,240 in fiscal 1995 to $355,904 in fiscal 1996 is due primarily to the fact that income from Guardian is included in fiscal 1995 was for only 3 months. In addition, assets under management for Guardian have risen from C$20 million in fiscal 1995 to C$80 million in fiscal 1996 and maintained that level in fiscal 1997 which explains the low growth in fiscal 1997.

Credifinance Capital Inc. primarily invests its own capital resources. There is no reason to expect any consequential change in attained and projected revenues.

Credifinance Securities Limited is an investment bank. The revenues for fiscal year 1997 were 17.2% lower than attained revenues in fiscal 1996. The decrease is primarily attributable to the refocusing of its activities from agency trading to corporate finance. Management expects revenues to return to the $4 - 5 million level by the end of fiscal 1998.

InterUnion Financial Corporation's increase in revenue from $900,000 in fiscal 1996 to $1,475,000 is due to a stronger than expected return on its marketable securities. As of March 31, 1997, this revenue had not been realized. InterUnion derives its own revenues primarily from bridge financing and special situations and some limited investment in marketable securities.

Although the Company did secure certain bridge financing in the first half of fiscal 1997, in the latter portion of the fiscal year it became heavily involved in financial negotiations with two corporations:

1. New Researches Corporation, a Geneva based company whose primary asset is ownership of approximately 3.2 million shares and 200,000 warrants of Genesis Microchip, Inc., a Canadian corporation.

In early 1990, a decision was made to re-structure Genesis as a "fabless" semiconductor company emphasizing engineering intensive and video/image DSP oriented integrated circuits (ICs). At the same time, the ASIC design business continued to grow. Genesis began investing heavily in research and development in order to bring to market a number of ICs aimed at providing new capabilities to the emerging multimedia/video networking/video editing/ projection system/high end display markets as well as the existing video/image markets in the medical, industrial, broadcast, compression and commercial image

processing fields.

Genesis is positioned to become an important supplier of leading edge video/image resizing, de-interlacing and related video DSP ICs. With the introduction of its GENESIS SCALING and GENESIS VIDEO LINE DOUBLING series of ICs, board-level reference design and software solutions, Genesis has entered the next state of its corporate development as a volume IC supplier, with almost all of its revenues coming from the sale of IC product.

Audited financial statements of Genesis, dated May 31, 1996, show that Genesis had revenue in FY 1995 of CDN $388,000 and revenue in FY 1996 of CDN $1,892,000. Genesis anticipates that it will file a public registration within the next 12 months.

After extensive negotiation, InterUnion entered into a Letter of Understanding with New Researches Corporation et al. as of September 26, 1996 which granted to InterUnion an irrevocable option to acquire 3,216,667 common shares and 200,000 common share purchase warrants of Genesis Microchip, Inc. The terms of this option may be summarized as follows:

a. InterUnion paid $80,000 (US) to the Vendors, as defined in The Letter of Understanding (see Exhibit 10(vi), on page E-59), for the option rights.

b. The option has an expiration date of December 15, 1997.

c. If the option is exercised, InterUnion shall pay to the Vendors the sum of $2 million (US) and upon sales of the Genesis stock, InterUnion is to pay to the Vendors 80% of the proceeds of such sales in excess of CDN $1.00 per share.

d. If the Vendors receive a bona fide offer from a third party to purchase the New Researches shares, InterUnion shall then have the right to counter the offer or exercise its option. The Letter of Understanding is included herein as Exhibit 10(vi) at page E-59.

2. Receptagen Ltd. is a Canadian public corporation involved in biotechnology (drug discovery and development) and the sales of its products. InterUnion has entered into an agreement (subject to the approval by creditors of Receptagen) to provide a secured bridge loan to that company exchangeable into a convertible debenture. Also, the Company will give trade creditors of that company its common stock in exchange for their debt and then plan to convert the debt into shares of Receptagen. Creditors approval was received in April 1997.

An agreement between InterUnion and Receptagen was executed as a Letter of Agreement on January 7, 1997 (see Exhibit 10(vii), on page E-61). This agreement was subsequently modified to reflect the creditors approval and may be summarized as follows:

a. The recapitalization of Receptagen will be done in three stages.

b. The first stage involves a bridge loan from InterUnion of CDN $400,000 to maintain the Company's operations until the proceeds from the proposed Special Warrants Offering are released to the Company. CDN $100,000 is available to the Company as of February 7, 1997. The bridge loan is secured by a security agreement, granting security in patents and patent rights, and is convertible into units at CDN $0.105 per unit for a period of five years. Each unit consists of common shares and common share purchase warrants of Receptagen Ltd. pursuant to a secured convertible debenture.

c. In stage two, the trade creditors will exchange their debt of approximately CDN $9 million for shares of stock of InterUnion. The creditors will received CDN $0.20 per CDN $1.00 in InterUnion shares, amounting to approximately 260,000 shares and 213,000 share purchase warrants with an exercise price of USD $4.00. InterUnion will then receive units of Receptagen at CDN $0.07 per unit, the amount of which depends upon the settlement amount with the creditors. Each unit consists of one common share and one non-transferable common share purchase warrant with an exercise price of CDN $0.14.

d. The third stage involves an agreement between Receptagen Ltd. and Credifinance Securities Limited, a Canadian investment dealer based in Toronto with seats on both The Montreal and Toronto Stock Exchanges, and a wholly-owned subsidiary of Credifinance Capital Inc., for a $2,500,000 Special Warrants Offering priced at CDN $0.116 per Special Warrant. Receptagen was successful in raising the funds as the subscription was closed on May 23, 1997.

The Letter of Agreement is included herein, as Exhibit 10(vii), starting at page E-61.

In the event that InterUnion should decide to exercise its option to purchase the stock of New Researches Corporation, it will obtain the necessary cash by a private placement offering of its stock under Rule 506. However, if Central Investment Trust, acting for RIF Capital, is agreeable, this acquisition may be achieved by the issuance of a promissory note to the vendor and the issuance of InterUnion stock.

There is no assurance that the Company will find acceptable companies for bridge financing in the future and there is no method of forecasting this probability except on a historical basis.

Cost of Revenues

The principal elements comprising costs of revenues are: commissions paid out and salaries paid to research analysts. In general, non-administrative personnel within InterUnion are remunerated solely on performance, as this permits the Company to keep overhead to a minimum and to maintain a high correlation between its revenues and its personnel costs, as InterUnion and its subsidiaries are extremely labor intensive. The only exception to this remuneration policy was Reeve, Mackay, where the salaries are fixed but the marketing and research expense can fluctuate with the size of the auction. Therefore, commissions paid out and marketing expenditures are the most important expense and generally rise and fall along with revenues of the Company.

Across all of the Company's subsidiaries, the contribution margin (contribution margin is defined as Revenues less variable expenses) was 43.0% in fiscal 1997 versus 36.1% in 1996 versus 33.4% in 1995. The increase in margin is primarily due to a shift in Credifinance revenue from secondary market agency to primary market revenue from corporate finance and underwriting activities. The Company expects to maintain these margins due to the growth in revenues summarized above and the stability of its commission payout structure.

Interest Income Net of Interest Expense

The Company's only debt that causes a revenue or an expense arises from its broker/dealer operation and from funds borrowed on a short term basis for its trading activity. This amount is not expected to be significant with respect to revenues on a yearly or quarterly basis.

Discontinued Operations

The Company acquired Rosedale Realty Corporation in March 1995. Rosedale recorded operating losses of $94,253 in 1996. As a result of continuing losses and further analysis, Management felt that the prospect of future profit was not sufficient for Rosedale to be retained as a subsidiary. Therefore, fiscal 1996 will be the last year in which the income statement will carry any item regarding Rosedale, as the Company disposed of it.

In May 1995, Reeve, Mackay and Associates Ltd. was created to act as the Company's auction subsidiary. Reeve, Mackay recorded operating losses of $390,829 and $452,291 in 1997 and 1996 respectively. Due to the competitive nature of the auction industry and the difference in the compensation philosophy of the Company, management has decided to divest itself of its investment in Reeve, Mackay. The Company expects to complete this process within the first half of fiscal 1998.

Exposure to International Operations

Although all of the Company's revenues are generated from North America, 26% was derived from the United States in 1997 and less then 15% in 1996; the balance is primarily earned in Canada. Therefore, a small foreign exchange risk does exist. Due to the size of the risk and that each company within the InterUnion Group operates independently of each other, the Company does not purchase any derivative products to offset this risk. In addition, the Company considers North America as its domestic market.

Seasonal

InterUnion Financial Corporation and its subsidiaries do not operate in any business which is affected by changes in season.

(b) RESULTS OF OPERATIONS

Fiscal 1997 marks a number of firsts for the Company.

- The first year as a reporting company, as our Form 10-SB cleared the SEC;
- The first year that the Company reports solely under US GAAP; and
- The first year that the Company is reporting profit from continuing operations.

Financial highlights are as follows:

<TABLE>
<CAPTION>

	1997	1996	1995
<S>	<C>	<C>	<C>
Revenues	5,712,183	5,857,157	4,028,068
Income from continuing operations	160,676	(75,378)	(179,468)
Discontinued Operations	(390,829)	(429,248)	(184,845)
Net Loss	(230,153)	(504,626)	(364,313)
Assets	38,820,507	9,364,007	40,404,190
Shareholders' Equity	3,639,337	3,033,848	2,983,475
Working Capital	1,750,889	928,268	775,965
Book Value per Share	3.75	4.38	8.08
Common Shares Outstanding	969,714	692,558	369,058

</TABLE>

Fiscal Year 1997 Compared to Fiscal Year 1996

(1) Overview

In fiscal 1997, revenues decreased by $144,974 (or 2.5%) over fiscal year 1996. For the year, costs of revenues as a percentage of sales decreased to 67.1% from 71.8% a year earlier. Fixed overhead and non cash expenses also decreased by 61,082 or 4.2%. These three factors contributed to the Company realizing income from continuing operations of $160,676 versus a loss of $75,378 a year earlier. The Company reported a net loss of $230,153 in 1997 versus a net loss of $504,626 due to the losses the Company recorded in relation to Rosedale Realty Corporation and Reeve, Mackay & Associates as discontinued operations. Excluding these discontinuned operations, the Company's earnings per share from continuing operations was $0.18 versus a loss of $0.15 a year earlier.

(2) Revenues

Revenues decreased by $144,974 (or 2.5%) over fiscal year 1996 (from $5,857,196 to $5,712,183). The majority of the decrease came from the activities of Credifinance Securities Limited, the Company's main operating subsidiary, as its revenue decreased almost $800,000 or 17.8% (from $4,532,482 to $3,727,292). The reason why Credifinance Securities' revenues decreased was due to the firm restucturing its efforts from agency activities to corporate finance activities. This decrease was offset by an increase in InterUnion's revenues of almost $0.6 million or 62.1% (from $911,094 to $1,477,062).

(3) Cost of Revenues

Costs of revenues (Selling, General and Administrative expenditures) for the year decreased by $515,520 or 9.0% to $5,214,477 from $5,729,997. This decrease is due to the fact that the Company's revenues are generated more from underwritings then from buy and sell orders, where it retains a greater percentage, as variable costs decreased to 57.2% of revenues from 63.9% a year earlier. In addition

cost cutting of fixed overhead contributed a savings of approximately $125,000. The Company was able to cut personnel due to the change in target market.

(4) Income from Continuing Operations

Income from continuing operations net of the provision for income taxes, increased to $160,676, or $0.18 per share, from a loss of $75,378, or $0.15 per share, a year earlier. As discussed above the increase in profitability has been attained by the combination of two things. The Company is deriving its revenues from sources where the commissions to be paid out are less (underwriting versus agency) and the cost saving discussed above. The average number of common shares outstanding for the year ending March 31, 1997 is 907,097 versus 501,335 a year earlier. These figures do not include an losses of $390,829 and $429,248 in 1997 and 1996 respectively due to the discontinued operations of Reeve, Mackay & Associates Ltd. and Rosedale Realty Corporation.

Fiscal Year 1996 Compared to Fiscal Year 1995

(1) Overview

In fiscal 1996 revenues increased by over $1.8 million (or 45.4%) over fiscal year 1995. For the year, costs of revenues as a percentage of sales decreased to 63.9% from 66.6%. Fixed overhead and non cash expenses increased $128,334 or 9.7% to $1,452,313 from $1,323,979. The loss from continuing operations decreased to $75,378 from $179,468. The Company overall reported a Net Loss of $504,626 in 1996 versus a loss of $364,313 after discontinued operations. Excluding these discontinued operations, the Company's loss per share from continuing operations was $0.15 versus $1.14 a year earlier.

(2) Revenues

Revenues increased by over $1.8 million (or 45.4%) over fiscal year 1995 (from $4,028,067 to $5,857,196). The majority of the increase came from the activities of InterUnion itself, as it had almost $1 million in revenues on its own in 1996 versus only interest income of $5,270 a year earlier. In addition, Guardian Timing's contribution to the Company increased to $355,904 from $63,240. Without these two revenue sources, InterUnion's growth in revenue would have been just 13.2%.

(3) Cost of Revenues

Costs of revenues (Selling, General and Administrative expenditures) for the year increased by $1,538,042 or 36.7% to $5,729,997 from $4,191,955. This increase is due to additional commissions to be paid out due to increased revenues and the fact that the Company hired additional staff in anticipation of the increasing business that the bull market was providing. The hiring was done in advance of the business in order to be prepared for the higher volume.

(4) Loss from Continuing Operations

Loss from continuing operations net of provision for income taxes for the year was $75,378 or $0.15 per share versus $179,468 or $1.14 per share a year earlier. The average number of common shares outstanding for the year ending March 31, 1996 is 501,335 versus 157,531a year earlier. These figures do not include losses of $429,248 and $184,845 in 1996 and 1995 respectively due to the discontinued operations of Reeve, Mackay & Associates Ltd. and Rosedale Realty Corporation.

(c) LIQUIDITY AND CAPITAL RESOURCES

The Company does not have any long term debt. In order to meet its growth plans and any operating cash requirements the Company's current policy is to issue additional capital stock. To date the Company has done this either through the issuance of Confidential Private Placement Offerings under Regulation "D" or Regulation "S". The following are details of these private placements:

<TABLE>
<CAPTION>

Date	# of Shares	Amount	Type
<S>	<C>	<C>	
April 1994	2,500	$ 10,000	Regulation "D"
May 1994	5,000	20,000	Regulation "D"
July 1994	11,250	35,000	Regulation "D"
August 1994	43,511	87,022	Regulation "D"
October 1994	5,000	50,000	Regulation "D"
March 1995	75,000	300,000	Regulation "D"
June 1995	62,500	125,000	Regulation "D"
October 1995	100,000	200,000	Regulation "D" & "S"
March 1996	160,000	320,000	Regulation "D"
September 1996	277,142	759,710	Regulation "S"

</TABLE>

Currently all operating units with the exception of Reeve, Mackay are contributing positive cash flows. Therefore, the Company does not anticipate the need to raise further funds unless required to conclude an acquisition. Previous cash requirements were needed to fund the operations of Reeve. Mackay & Associates Ltd and Rosedale Realty Corporation. As stated earlier, the Company has started to search for a purchaser of Reeve, Mackay and the Company has already divested itself of Rosedale.

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.

In addition, there is no significant income or losses that have risen 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 statements constitute "forward looking statements" within the meaning of the Private Securities Litigations Reform Act of 1995. Such forward looking statements involve risks, uncertainties and other factors which may cause the actual results, performance and achievements of the Corporation to be materially different from future results, performance or achievement expressed or implied by such forward looking statements.

The audited consolidated financial statements for InterUnion Financial Corporation, covering fiscal years ended March 31, 1997 and 1996 are submitted in compliance with the requirements of Item 310 of Regulation S-B.

Item 8 CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Effective March 4, 1997, InterUnion Financial Corporation ("InterUnion") has retained Goldstein, Golub, Kessler & Company, P.C. ("GGK") of New York as its new certifying accountants. GGK, a member of Nexia International, replaces Mintz & Partners ("MP") of Toronto, also a member of Nexia International. MP's report on InterUnion's financial statements during the two most recent fiscal years and all subsequent interim periods preceding the date hereof contained no adverse opinion or a

disclaimer of opinion, and was not qualified as to uncertainty, audit scope or accounting principles. The decision to change accountants was approved by InterUnion's Board of Directors.

During the last two fiscal years and subsequent interim period to the date hereof, there were no disagreements between InterUnion and MP on any matters of accounting principles or practices, financial disclosure, or auditing scope or procedure, which disagreements, if not resolved to satisfaction of Mintz, would have caused it to make a reference to the subject matter of the disagreements in connection with its reports.

None of the "reportable events" described in Item 304(a) (1) (ii) occurred with respect to InterUnion within the last two fiscal years and the subsequent interim period to the date hereof.

Effective March 04, 1997, InterUnion engaged GGK as its principal independent accountants. During the last two fiscal years and the subsequent interim period to the date hereof, InterUnion did not consult GGK regarding any matter or events set forth in Item 304(a)(2)(i) and (ii) of Regulation S-K.

In accordance with Item 304(a)(3), a letter from the Company's former principal independent accountants agreeing with the statement set forth is enclosed as Exhibit 16, on page E-67.

PART III

Item 9 DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT

(a) IDENTIFY DIRECTORS AND EXECUTIVE OFFICERS

Name, Municipality of Residence	Age	Length of Service
Georges Benarroch Toronto, Ontario Canada	50	Appointed as President and Chairman of the Board, March 21, 1994
T. Jack Gary, III West Palm Beach, Florida	56	Appointed as Secretary January 30, 1995
Ann Glover Toronto, Ontario Canada	47	Appointed to Board of Directors February 17, 1995
Jacques Meyer de Stadelhofen Geneva, Switzerland	49	Appointed to Board of Directors December 16, 1994
Karen Lynn Bolens Geneva, Switzerland	50	Appointed to Board of Directors December 16, 1994
Selwyn J. Kletz Toronto, Ontario Canada	52	Nominated to the Board and Vice-President

GEORGES BENARROCH is the President, Chief Executive Officer and Chief Financial Officer of the Company. He is also the Chief Executive Officer, and Chairman of the Board of Credifinance

Securities Limited, President, Chief Executive Officer, and Chairman of the Board of Credifinance Capital Inc. and Chief Executive Officer, and Chairman of

the Board of 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 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.

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. Mr. Gary will devote approximately 10% of his time to his duties as Secretary at InterUnion.

ANN GLOVER serves as a Director of the Company. She is a Director, Secretary/Treasurer 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. Ms. Glover will devote approximately 10% of her time to InterUnion as she is also a director and officer of Credifinance Securities Limited.

JACQUES MEYER DE STADELHOFEN 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. Mr. Stadelhofen's duties for InterUnion will be limited to his participation at Board Meetings.

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. Ms. Bolens' duties for InterUnion will be limited to her participation at Board Meetings.

SELWYN J. KLETZ has held the position of officer and partner/director with various investment firms and private/public companies in Canada and South Africa. His experience in the investment industry covers research, investment banking, merchant banking, corporate finance and investment management. Mr. Kletz will be devoting 100% of his time to InterUnion.

(1) No director of InterUnion is currently a director of any other reporting company.

(2) Under Section 1, ARTICLE III, of the By-Laws, the directors shall serve until the next annual meeting of the stockholders, as prescribed by the Board of Directors, at which time directors are elected by the stockholders.

(3) In accordance with Item 405 no director, executive officer and beneficial owner of more than ten percent (10%) of any class of equity securities of the Company failed to file on a timely basis reports required by section 16(a) of the Exchange Act during the most recent two fiscal years to the best of the Company's knowledge.

(b) IDENTIFY SIGNIFICANT EMPLOYEES

The Company does not expect to receive a significant contribution from employees that are not executive officers.

(c) FAMILY RELATIONSHIPS

Currently, there are no directors, executive officers or persons nominated or person chosen by the Company to become a director or executive officer of the Company which is related to an individual which currently holds the position of director or executive officer or is nominated to one of the said positions.

(d) INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS

There are no material events that have occurred in the last five years that would affect the evaluation of the ability or integrity of any director, person nominated to become a director, executive officer, promoter or control person of the Company.

(e) COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT

For the two fiscal years ended March 31, 1997, to the best of The Company's knowledge no director, executive officer and beneficial owner of more than ten percent (10%) of any class of equity securities of the Company failed to file on a timely basis reports required by section 16(a) of the Exchange Act.

Item 10 EXECUTIVE COMPENSATION

(a) SUMMARY COMPENSATION TABLE

<TABLE>
<CAPTION>

NAME & PRINCIPAL POSITION	FISCAL YEAR	SALARY	BONUS	OTHER COMPENSATION	LONG TERM COMPENSATION	ALL OTHER COMPENSATION
<S>	<C>	<C>	<C>	<C>	<C>	
Georges Benarroch	1996	None	None	$50,000*	None	None
President & CEO	1997	None	None	None	None	None
Selwyn J. Kletz	1996	None	None	None	None	None
Vice-President	1997	None	None	None	13,265	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. Mr. Benarroch was paid his compensation in the form of cash.

(B) ALL COMPENSATION COVERED

The Company's Board of Directors has approved payment of $1,750 for the services of each of its independent directors for the fiscal year ending March 31, 1997.

As of the date of this registration statement, the Company has no options, warrants, SARs, long-term incentive plans, pension or profit-sharing plans, or other compensation plans, 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.

Section 14 of ARTICLE III of the By-Laws of InterUnion provides that directors do not receive any stated salary for their services as directors. However, by board resolution, a fixed fee and expenses of attendance may be allowed for each meeting. These limitations do not affect compensation for a person serving as an officer or otherwise for the Company and receiving compensation therefor.

Item 11 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>	<C>	<C>	<C>
Common	RIF Capital Inc. (1) Price Waterhouse Centre PO Box 634C St. Michael, Barbados, WI	532,499	54.91%
Common	Capital Securities & Credit Corp. 114 Belmont Street Toronto, Ontario, Canada M5R 1P8	50,919	5.25%

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	5.21%
Common	Financiera Hispano-Suiza, SA 10 Rue Pierre-Fatio Geneva, Switzerland CH1204	50,050	5.16%
	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.

(2) The principal and 100% beneficial owner of Capital Securities and Credit Corp. is Mrs. S. Benarroch, 68 Rue Spontini, 75116 Paris, France.

(3) The principal and 100% beneficial owner of Finance Research Development Trust is Mr. G. Serfati, Cogeser S.A.R.L., 11 bis Ave de Versaile, 75116 Paris, France.

(4) The principal and 100% beneficial owner of Financiera Hispano-Suiza, SA is Mrs. N. Balloul, 21 rue Curial, 75019.

(5) Mrs. S. Benarroch is the mother of Georges Benarroch. The 532,499 shares as listed for RIF Capital, Inc. do not include the 52,144 shares owned by Capital Securities & Credit Corp. Mr. Benarroch disclaims ownership of the 52,144 shares, directly or indirectly and does not hold voting power of these shares.

(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>	<C>	<C>	<C>
Common	Georges Benarroch Suite 3303 130 Adelaide Street Toronto, Ontario Canada, M5H 3P5	532,499 Trustee (voting power) of Central Investment Trust	54.91%
Common	Selwyn J. Kletz 499 Riverside Drive Toronto, Ontario Canada, M6S 4B6	40,000	4.10%
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 (2 person)	572,499	59.01%
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.

(c) CHANGES IN CONTROL

Currently, there is no such arrangement which may result in a change in control of the Company.

Item 12 CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

In the proposed acquisition of New Researches Corporation (see Exhibit 10(vi), on page E-59), the vendors are Rif Capital Inc. and Central Investment Trust. Both are related parties as Rif Capital Inc. controls the Company and Central Investment Trust owns all of the issued and outstanding common shares of Rif Capital Inc.

The terms of the acquisition is as follows:

a. InterUnion shall pay to the Vendors, or at their direction, a non-refundable Option fee of US$80,000 on or before December 15, 1996.

b. The Option shall expire on December 15, 1997 ("Closing Date").

c. InterUnion shall provide written notice of its intention to exercise the Option to the Vendors and NRC.

d. The purchase price paid by InterUnion to the Vendors, upon exercise of the option shall be:

i) US$2,000,000 payable on or before the Closing Date (4:00 p.m. Palm Beach time); and

ii) upon the sale of any of the common shares of Genesis, including any shares issued pursuant to the exercise of the common share purchase warrants of Genesis, after the Closing Date, InterUnion shall pay to the Vendors eighty percent (80%) of the proceeds realized from such sales, in excess of C$1.00 per share. This condition shall not expire except by mutual agreement of all parties to this Agreement.

e. In the event that NRC receives a bona fide offer from a third party to purchase its common shares during the term of the Option and, if NRC should desire to accept said offer, NRC shall immediately forward a copy of the offer to InterUnion. InterUnion shall have a period of ten calendar days from the receipt of the offer to counter the offer or exercise the Option by giving notice, at its sole discretion, in accordance with term c. If InterUnion fails to match the offer or exercise the Option, NRC shall have the absolute right to accept the offer from the third party and to declare the Option to be null and void.

During the fiscal year ended March 31, 1997, the Company paid to Rif Capital Inc. $1.4 million for research and recomendation services, in addition to management services.

Item 13 EXHIBITS AND REPORTS ON FORM 8-K

<TABLE>
<CAPTION>

SIGNATURES

In accordance with Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

INTERUNION FINANCIAL CORPORATION
(Registrant)

Date: June 20, 1997 By: /s/ Georges Benarroch

Georges Benarroch
President, Chief Executive Officer
Chairman, Board of Directors

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in their capacities on the dates indicated.

Signature	Title	Date
/s/ Georges Benarroch Georges Benarroch	President, Chief Executive Officer, Chairman, Board of Directors	June 20, 1997
/s/ Georges Benarroch Georges Benarroch	Chief Financial Officer	June 20, 1997
/s/ Jacques Meyer de Stadelhofen Jacques Meyer de Stadelhofen	Director	June 20, 1997
/s/ Ann Glover Ann Glover	Director	June 20, 1997

INTERUNION FINANCIAL CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 1997

INTERUNION FINANCIAL CORPORATION

MARCH 31, 1997

CONTENTS

<TABLE>
<CAPTION>

</TABLE>

INDEPENDENT AUDITOR'S REPORT

To The Directors and Shareholders,

We have audited the accompanying consolidated balance sheet of InterUnion Financial Corporation as of March 31, 1997 and the related consolidated statements of operations, shareholders' equity and cash flows for the year 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 the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of InterUnion Financial Corporation as of March 31, 1997 and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

/s/ GOLDSTEIN GOLUB KESSLER & COMPANY, P.C.

May 14, 1997

INDEPENDENT AUDITOR'S REPORT

To The Directors and Shareholders,
InterUnion Financial Corporation

We have audited the accompanying consolidated statement of operations, shareholders' equity and cash flows of InterUnion Financial Corporation and subsidiaries for the year ended March 31, 1996. These consolidated financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the results of operations and its cash flows of InterUnion Financial Corporation for the year ended March 31, 1996 in conformity with generally accepted accounting principles.

/s/ Mintz Partners

Toronto, Ontario
May 14, 1997

INTERUNION FINANCIAL CORPORATION
CONSOLIDATED BALANCE SHEET

<TABLE>
<CAPTION>

MARCH 31,	1997
<S>	<C>
ASSETS	
CURRENT ASSETS	
Cash (Note 2(b))	$ 349,738
Due from brokers and dealers (Note 2(c))	166,062
Due from clients (Note 2(c))	5,967,989
Marketable securities (Notes 2(b) and 3)	29,457,965
Accounts receivable	226,663
Income tax receivable	22,197
Prepaid expenses and other current assets	151,483
Total current assets	36,342,097
OTHER ASSETS	
Property & equipment, net (Note 2(d) and 4)	1,609,905
Long-term investments (Note 2(e))	256,945
Goodwill, net of accumulated amortization of $43,816 (Note 2(f))	394,332
Deferred income tax asset, net of valuation allowance of $60,000 (Note 10)	--
Assets related to discontinued operations (Note 9(b))	217,228
	2,478,410
Total Assets	$38,820,507

</TABLE>

See Notes to Consolidated Financial Statements F-4

INTERUNION FINANCIAL CORPORATION
CONSOLIDATED BALANCE SHEET

<TABLE>
<CAPTION>

MARCH 31,	1997
<S>	<C>
LIABILITIES	
CURRENT LIABILITIES	
Due to brokers and dealers (Note 2(c))	$ 33,012,864
Due to clients (Note 2(c))	1,320,874
Accounts payable and accrued liabilities	257,470

Total current liabilities	34,591,208
LIABILITIES RELATED TO DISCONTINUED OPERATIONS (Note 9(b))	504,962
DEFERRED INCOME TAX LIABILITY (Note 10)	85,000
Total liabilities	35,181,170
COMMITMENTS AND CONTINGENCIES (Note 7)	
SHAREHOLDERS' EQUITY	
CAPITAL STOCK AND ADDITIONAL PAID-IN CAPITAL (Note 5)	5,206,815
ACCUMULATED DEFICIT	(1,567,478)
Total shareholders' equity	3,639,337
Total Liabilities and Shareholders' Equity	$ 38,820,507

</TABLE>

See Notes to Consolidated Financial Statements F-5

INTERUNION FINANCIAL CORPORATION
CONSOLIDATED STATEMENT OF OPERATIONS

<TABLE>
<CAPTION>

FOR THE YEAR ENDED MARCH 31,	1997	1996
<S>	<C>	<C>
REVENUES		
Commissions, trading and investment income	$ 4,843,951	$ 4,500,899
Fee revenue	868,232	1,356,297
	5,712,183	5,857,157
EXPENSES		
Selling, General and Administrative	5,214,477	5,729,997
Loss (Gain) on foreign exchange	31,067	(33,057)
Interest income (net of interest expense of 2,631 and 30,272, respectively)	(23,034)	(37,337)
Depreciation and Amortization	240,912	244,739
	5,463,422	5,904,341
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE PROVISION FOR INCOME TAXES	248,761	(47,146)
PROVISION FOR INCOME TAXES	88,085	28,232
INCOME (LOSS) FROM CONTINUING OPERATIONS	160,676	(75,378)
LOSS FROM DISCONTINUED OPERATIONS (Note 9 (a) & (b))	(390,829)	(546,544)
GAIN ON DISPOSITION OF SUBSIDIARY (Note 9 (a))	--	117,296
NET LOSS	(230,153)	(504,626)
EARNINGS (LOSS) PER COMMON SHARE (Note 2(h))		
Continuing operations	$ 0.18	$ (0.15)
Discontinued operations	$ (0.43)	$ (0.86)
Net loss	$ (0.25)	$ (1.01)
Weighted average common shares outstanding	907,097	501,335

</TABLE>

INTERUNION FINANCIAL CORPORATION
CONSOLIDATED STATEMENT OF SHAREHOLDERS EQUITY

<TABLE>
<CAPTION>
FOR THE YEARS ENDED MARCH 31, 1997 AND 1996

<S>	Number of Shares <C>	Amount <C>	Additional Paid-in Capital <C>	Cumulative Foreign Currency Translation Adjustment <C>	Total <C>
Preferred Shares					
Balance, March 31, 1996	1,500,000	$ 150,000	$ --	$ --	$ 150,000
Common Shares					
Balance, March 31, 1995	369,058	369	3,656,607	--	3,656,976
Issued during the year net of issue costs	323,500	324	554,676	--	555,000
Balance, March 31, 1996	692,558	693	4,211,283	--	4,211,976
Adjustment, reverse split	14	--	--	--	--
Issued during the year net of issue costs	277,142	277	727,062	--	727,339
Compensation related to stock options (Note 6)	--	--	117,500	--	117,500
Balance, March 31, 1997	969,714	970	5,055,845	--	5,056,815
Share Capital	2,469,714	150,970	5,055,845	--	5,206,815
Deficit					
Balance, March 31, 1995	--	--	--	--	(823,502)
Net Loss for fiscal 1996	--	--	--	--	(504,626)
Balance, March 31, 1996	--				(1,328,128)
Foreign currency translation adjustment (Note 2(g))	--	--	--	(9,197)	(9,197)
Net loss for fiscal 1997	--	--	--	--	(230,153)
Balance, March 31, 1997	--	--	--	--	(1,567,478)
Total Shareholders' Equity	2,469,714	$ 150,970	$ 5,055,845	$ (9,197)	$(3,639,337)

</TABLE>

INTERUNION FINANCIAL CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS

<TABLE>
<CAPTION>

FOR THE YEAR ENDED MARCH 31	1997	1996
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (230,153)	$ (504,626)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and Amortization	240,912	244,739
Non cash compensation - stock options (Note 6)	117,500	--
Deferred income taxes (Note 10)	85,000	--
Gain on disposition of subsidiary	--	(117,296)
	213,259	(377,182)
Changes in operating assets and liabilities		
Increase (decrease) in due to/from brokers and dealers, net	31,515,327	(28,663,907)
Decrease (increase) in due to/from client, net	(5,588,459)	15,720,553
Increase (decrease) in marketable securities	(26,882,380)	13,056,486
Increase in accounts receivable and other assets	(184,970)	(136,916)
Increase in accounts payable and accrued liabilities	(56,560)	30,571
Increase in assets and liabilites related to discontinued operations (Note 9)	129,296	31,629
NET CASH USED IN OPERATING ACTIVITIES	(854,487)	(338,767)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds on issuance of capital stock	727,339	555,000
Proceeds (Repayment) of loans payable	(119,462)	18,589
NET CASH PROVIDED BY FINANCING ACTIVITIES	607,877	573,589
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of long-term investments	(66,945)	(13,472)
Purchase of property and equipment	(10,866)	(37,872)
NET CASH PROVIDED BY INVESTING ACTIVITIES	(77,811)	(51,344)
NET INCREASE (DECREASE) IN CASH	(324,421)	183,478
CASH - Beginning of Year	674,159	490,681
CASH - End of Year	$ 349,738	$ 674,159
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the period for interest	$ 2,631	$ 30,272
Cash paid during the period for income taxes	15,160	15,406

</TABLE>

See Notes to Consolidated Financial Statements F-8

INTERUNION FINANCIAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 1997

1. BASIS OF FINANCIAL STATEMENT PRESENTATION

During the year, InterUnion Financial Corporation ("the Company") decided to report solely as per U.S. Generally Accepted Accounting Principles. In prior years, the Company reported in accordance with Canadian Generally Accepted Accounting Principles.

2. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company was formed to acquire a majority interest in financial

companies located in the United States and Canada, as well, to provide bridge financing and special situation investments. Currently, the Company's operating interests are a broker/dealer and investment management firm.

The preparation of financial statements in conformity with Generally Accepted Accounting Principles used in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of financial statements and the reported amounts of operating revenues and expenses during the reporting periods. Actual results could differ from those estimates.

a) Principles of Consolidation

The consolidated financial statements of the Company, a Delaware Corporation, contains the financial position, results of operations and cash flows of InterUnion Financial Corporation and its subsidiaries, Bearhill Limited, Credifinance Capital Inc., Credifinance Securities Limited, Guardian Timing Services Inc. and I & B Inc. All intercompany balances and transactions have been eliminated in consolidation.

b) Cash and Marketable Securities

The Company maintains its cash and investments in financial institutions which, at times, may exceed federally insured limits in the United States and Canada. The Company has not experienced any losses in such accounts.

Marketable securities carried on a short-term basis are classified as either "trading" or "available for sale" (Note 3). Marketable securities being held as long-term investments are classified as "held-to-maturity" (Note 3) and are carried at cost. All gains and losses are calculated using the average cost basis.

c) Security Transactions

Security transactions are recorded in accordance with industry practice 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.

In accordance with Canadian industry practice, the balances due from and to brokers, dealers and clients may include the trading balances of clients at the end of the reporting period and may not be an indication of the investment activity of the Company. These balances may fluctuate significantly.

==========

/Continued...

==========

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

d) Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. It is the company's policy to provide depreciation using straight line and accelerated methods over the estimated useful lives of the property and equipment.

e) Long-Term Investments

Long-term investments, in non-marketable securities where a controlling interest or significant influence is not exercised, are recorded at cost.

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

f) Goodwill

In accordance with U.S. Generally Accepted Accounting Principles, goodwill is being amortized over a period of 20 years on a straight line basis. At each balance sheet date, the Company evaluates the period of amortization of intangible assets. The factors used in evaluating the period of amortization include: (i) current operating results, (ii) projected operating results, and (iii) any other material factors that effect the continuity of the business.

g) Translation of Foreign Currencies

In accordance with SFAS 52, "Foreign Currency Translation", the financial statements of certain subsidiaries of the Company are measured using local currency as the functional currency. Assets and liabilities have been translated at current exchange rates and related revenue and expenses have been translated at average monthly exchange rates. The aggregate effect of translation gains and losses has been deferred and is relocated as a separate component of shareholders' equity until there is a sale or liquidation of the underlying foreign investment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

h) Earnings Per Share

Earnings per common share and common share equivalent share are calculated by dividing the net income available to holders of common stock by the weighted average number of common shares and common equivalent shares outstanding.

The number of common shares outstanding is increased by the number of shares issuable on the exercise of options or warrants when the market price of the common stock exceeds the exercise price of the warrant or option and the effect would not be antidilutive. This increase in the number of common shares is reduced by the number of common shares that are assumed to have been purchased with the proceeds from the exercise of the warrants or options at the average market price during the period.

In February 1997, the Financial Accounting Standards Board issued SFAS No. 128, "Earnings Per Share". SFAS No. 128 requires dual presentation of basic earnings per share ("EPS") and diluted EPS on the face of all statements of earnings issued for periods ending after December 15, 1997, for all entities with complex capital structures. Basic EPS is computed by dividing the weighted average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur from common shares issuable through the exercise or conversion of stock options, restricted stock awards, warrants and convertible securities. The Company does not anticipate that the adoption of SFAS No. 128 will have a material effect on EPS.

i) Stock Based Compensation

The Company accounts for employee stock options in accordance with APB No. 25, "Accounting for Stock Issued to Employees". Under APB No. 25, the Company applies the intrinsic value method of accounting.

SFAS No. 123, "Accounting for Stock-Based Compensation", prescribes the recognition of compensation expense based on fair value of options determined on the grant date. However, SFAS No. 123 allows companies currently applying APB No. 25 to continue applying the intrinsic value method under APB. No. 25. For companies that continue applying the intrinsic value method, SFAS No. 123 mandates certain pro forma disclosures as if the fair value method had been utilised. (Note 6)

3. MARKETABLE SECURITIES

<TABLE>
<CAPTION>

As of March 31, 1997	Original Cost	Carrying Value	Market Value

<S> <C> <C> <C>

Trading securities	$29,006,131	$29,457,965	$29,457,965
Available for Sale	--	--	--
Held to maturity	--	--	--
Total	$29,006,131	$29,457,965	$29,457,965

</TABLE>

<TABLE>
<CAPTION>

For the year ending March 31,	1997	1996
<S>	<C>	<C>
Proceeds from Securities classified as Available for sale	2,500,000	16,032,500
Gross Realized Gains (Losses) from securities classified as Available for sale	335	67,585
Gross Realized Gains (Losses) due to change in classification to Trading from Available for sale	--	--
Change in Net Unrealized Gains (Losses) on Available for Sale Securities	--	--
Change in Net Unrealized Gains (Losses) on Trading Securities included in Revenues	529,854	--

</TABLE>

4. PROPERTY AND EQUIPMENT

<TABLE>
<CAPTION>

	Cost	Accumulated Amortization	Net Carrying Amount 1997
<S>	<C>	<C>	<C>
Computer hardware and software	104,046	67,838	36,208
ITM Computer software (Notes 2(d) and 8)	1,924,443	384,888	1,539,555
Furniture, fixtures and equipment	69,786	35,644	34,142
Leasehold improvements	1,735	1,735	--
	$2,100,010	$ 490,105	$1,609,905

</TABLE>

In applying SFAS 121 "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be disposed of", the Company periodically evaluates its property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. As of the date of these financial statements no reduction in the carrying value of any asset was required.

5. CAPITAL STOCK AND ADDITIONAL PAID-IN CAPITAL

On May 17, 1996, shareholders' approved a twenty (20) to one (1) reverse stock split. All references to number of shares and exercise prices have been adjusted accordingly.

<TABLE>
<CAPTION>

Authorized	
<S>	<C>
1,500,000	Non-cumulative, non-participating, ($0.10 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 the date of first issuance
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 issuance

100,000,000 Common shares ($0.001 par value)

</TABLE>

The changes to capital stock and additional paid-in capital are summarized as follows:

<TABLE>
<CAPTION>

	Year Ended March 31, 1997		Year Ended March 31, 1996	
	Shares	Amounts	Shares	Amounts
<S>	<C>	<C>	<C>	<C>
For cash	277,142	$ 759,710	322,500	$645,000
For services			1,000	20,000
Adjustment for reverse split	14			
Issuing costs		(32,371)		(110,000)
Total	277,156	$ 727,339	323,500	$555,000

</TABLE>

During July 1996, the Company issued 277,142 shares for gross proceeds of $759,142. Of these shares, 105,642 had warrants attached to them. Each warrant entitles the holder to purchase 1 additional common share at $6.00 within one year. A value of $78,175 was assigned to the warrants.

6. OPTIONS AND WARRANTS

The Company applies APB No. 25 in accounting for stock option issued to employees. Accordingly, the intrinsic value of the option as of the grant date has been recognized as compensation. Had the compensation cost for the Company's stock option plan been recognized based upon the fair value on the grant date under the methodology prescribed by SFAS No. 123, the Company's income from continuing operations and earnings per share for the year ended March 31, 1997 would have been impacted as indicated in the following table. The proforma results below reflect only the impact of the options granted. No options were granted during the year ended March 31, 1996.

<TABLE>
<CAPTION>

	1997	
	Reported	Pro forma
<S>	<C>	<C>
Income (loss) from continuing operations	160,676	(50,888)
Net loss	(230,153)	(441,718)
EPS from continuing operations	0.18	(0.05)
EPS	(0.25)	(0.47)

</TABLE>

6. OPTIONS AND WARRANTS - continued

The fair value of the options granted, which is charged to operations over the option vesting period in determining the proforma impact, is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions:

Expected life of the option	2 years
Risk free interest rate	5.2%
Expected volatility	50%
Expected dividend yield	0%

Presented below is a summary of stock option plan activity for the periods shown:

<TABLE>
<CAPTION>

	Wt. Avg. Exercise	Options	Wt. Avg. Exercise
Number	Price	Exercisable	Price

<S>	<C>	<C>	<C>	<C>
Balance, April 1, 1995	40,250	$40.00	42,250	$40.00
Cancelled	40,250	40.00	42,250	40.00
Balance, April 1, 1996	--	--	--	--
Granted	190,000	4.00	190,000	4.00
Balance, March 31, 1997	190,000	$ 4.00	190,000	$ 4.00

</TABLE>

The following table summarizes information for options and warrants currently outstanding and exercisable at March 31, 1997

<TABLE>
<CAPTION>

Outstanding				Exercisable	
Price	Number	Wt. Avg. Remaining Life	Wt. Avg. Exercise Price	Number	Wt. Avg. Exercise Price
<S>	<C>	<C>	<C>	<C>	<C>
$4.00	190,000	2	$4.00	190,000	$4.00

</TABLE>

<TABLE>
<CAPTION>

Number of Options	Exercise Price	Expire Date
<S>	<C>	<C>
100,000	$4.00	December 1998
90,000	$4.00	February 1999

</TABLE>

7. COMMITMENTS AND CONTINGENCIES

The Company leases warehouse and office space under a number of leases expiring at various dates through to January 2002. The Company also has a number of commitments with regards to information suppliers that expire at various dates through to January 1998. The total minimum annual rentals, exclusive of additional operating costs, under the leases for the company's premises and information systems in each of the next five fiscal years are approximately:

1998	161,000
1999	74,000
2000	74,000
2001	63,000
2002	53,000

Payments under the above mentioned leases that have been charged to operations for the periods ending March 31, 1997 and 1996 amount to $414,539 and $388,234, respectively.

==========

/Continued...

==========

7. COMMITMENTS AND CONTINGENCIES - continued

The Company is a defendant in several unrelated lawsuits arising out of the ordinary course of business. Management believes these actions are without merit and intends to defend them vigorously. An estimate of the Company's liability, if any, associated with these matters cannot be made at this time.

8. SALES COMMITMENT

The company entered into an option agreement in fiscal 1996 with a major international financial institution whereby software ("ITM Software") owned by its subsidiary, Bearhill Limited ("Bearhill") may be sold for proceeds to the Company of approximately $15,000,000 CDN (March 31, 1997 - $11,000,000 USD). The company's interest in this software is through its interest in Bearhill and is carried at $1,539,555 which is included in property and

equipment (Note 4).

During the life of the non-transferable option, Bearhill will receive an option fee from the option holder annually in order to maintain the option. The decision to exercise this option is at the full and unlimited discretion of the option holder. Subsequent to year end, on April 16, 1997, the agreement had been modified solely with regards to the option premium that is to be paid. It was agreed that the annual option fee would be paid at the beginning of the corresponding periods as follows:

<TABLE>
<CAPTION>

	CDN	USD
<S>	<C>	<C>
For the year beginning April 23, 1996	$25,000	$18,060
For the year beginning April 23, 1997	25,000	18,060
For the year beginning April 23, 1998	50,000	36,120
For the year beginning April 23, 1999	50,000	36,120

</TABLE>

9. DISCONTINUED OPERATIONS

(a) During fiscal 1996, the Company disposed, by way of an assignment in bankruptcy, its real estate subsidiary, Rosedale Realty Corporation.

The Company reported an extra ordinary gain upon disposition. The gain is the result of the excess of the forgiveness of the debt exceeded the carrying cost of the investment in and advances to Rosedale Realty Corporation.

(b) During fiscal 1997, the Company decided to dispose of its auction subsidiary, Reeve, Mackay & Associates Ltd. A formal plan has been adopted and the Company has entered into a discussion with regards to the sale of the Company's auction business which is carried out by Reeve, Mackay & Associates Ltd. As per APB No. 30, the Company has recorded the operating losses as a separate item on the Consolidated Statement of Operations. No loss has been accrued at March 31, 1997 as the Company does not expect to incur a loss upon disposition.

Reeve, Mackay has been named as a defendant in a lawsuit. Reeve, Mackay's potential liability ranges from $5,000 to $175,000. Management believes, however, that the ultimate outcome of this lawsuit will not have a material adverse effect on the Company's financial position.

10. INCOME TAXES

The provision for income taxes consists of:

<TABLE>
<CAPTION>

Year Ended March 31,	1997	1996
<S>	<C>	<C>
Domestic		
Current	$ --	$ --
Deferred	85,000	--
Foreign		
Current	3,085	28,232
Deferred	--	--
Total provision for income taxes	$88,085	$28,232

</TABLE>

The total provision for income taxes differs from that amount which would be computed by applying the United States federal income tax rate to

income (loss) before provision for income taxes. The reason for these differences are as follows:

<TABLE>
<CAPTION>

Year Ended March 31,	1997		1996	
	Amount	%	Amount	%
<S>	<C>	<C>	<C>	<C>
Statutory income tax rate (recovery)	$84,500	34	$(16,000)	34
Other non-deductible items	10,500	4	31,500	(67)
Other	6,915	(3)	12,732	(27)
Net taxes (recovery) and effective rate	$88,085	35	$ 28,232	(60)

</TABLE>

The Company recognizes deferred tax liabilities and assets for the expected future tax consequences of temporary differences between the carrying amounts and the tax basis of assets and liabilities and net operating loss carryforwards. Temporary differences and carryforwards which give rise to deferred tax assets and liabilities are as follows at March 31, 1997:

<TABLE>
<CAPTION>

	Component	Tax Effect
<S>	<C>	<C>
Net operating losses - foreign	$ 150,000	60,000
Less valuation allowance	(150,000)	(60,000)
Net deferred asset	$ --	--
Net operating losses - domestic	$ 90,000	15,000
Unrealized gains - domestic	(550,000)	(100,000)
Net deferred liability	$(460,000)	(85,000)

</TABLE>

At March 31, 1997, the Company had cumulative net operating loss carryforwards of approximately $90,000 and $150,000 in the United States and Canada, respectively. These amounts will expire in various years through 2012. In addition, the Company had net capital loss carryforwards available to offset future capital gains of approximately $550,000.

/Continued...

11. GEOGRAPHICAL AREA SEGMENTATION

The following tables summaries the revenues, operating profits (losses) from continuing operations and identifiable assets by geographical area.

<TABLE>
<CAPTION>

	Canada	United States	Other	Adjustments & Elimination	Consolidated
<S>	<C>	<C>	<C>	<C>	<C>
For the year ended and as of March 31, 1997					
Revenue from unaffiliated customers	$ 4,220,784	$ 1,477,062	$14,337	$ --	$ 5,712,183
Revenue from intersegments	292,567	--	--	(292,567)	--
Total revenue	4,513,351	1,477,062	14,337	--	5,712,183
Depreciation & Amortization	25,986	574	0	214,352	240,912

</TABLE>

Operating profit	104,931	550,424	8,680	(238,308)	425,727
General corporate expenses				200,000	
Interest expenses, net				(23,034)	
Income from continuing Operations before provision for income taxes				248,761	
Identifiable assets	12,792,699	25,990,456	37,352	--	38,820,507

For the year ended and as of March 31, 1996

Revenue from unaffiliated customers	$ 4,915,350	$ 911,094	$30,751	$ --	$ 5,857,195
Revenue from intersegments	17,606	--	--	(17,606)	--
Total revenue	4,932,956	911,094	30,751	(17,606)	5,857,195
Depreciation & Amortization	28,153	2,234	--	214,352	244,739
Operating profit	209,969	116,961	27,939	(214,352)	140,517
General corporate expenses				225,000	
Interest expenses, net				(37,337)	
Loss from continuing Operations before provision for income taxes				(47,146)	
Identifiable assets	6,462,306	2,873,162	28,539	--	9,364,007

</TABLE>

For both fiscal years ended March 31, 1997 and March 31, 1996 the company did not have any customers that represented revenues in excess of 10% nor did it have any operating company outside of the financial services business segment.

/Continued...

12. SUBSEQUENT TRANSACTIONS

During fiscal 1997, the Company entered into an agreement where it would act as an investment banker in the recapitalization of Receptagen Ltd., whereby, the Company made available to Receptagen a credit facility of C$400,000 (USD$290,000). This credit facility will be exchangeable for a convertible debenture of Receptagen which converts into units of Receptagen at a rate of C$0.105 per unit. Each unit is itself exchangeable, after the private placement outlined below, into one common share and one share purchase warrant at C$0.14 within two years. The credit facility was fully subscribed by investors other then the Company.

On April 7, 1997, all creditors of Receptagen agreed to exchange debt of approximately C$9 million for shares of the Company issued under Regulation "S" of the United State Securities Act of 1933, at a rate of C$0.20 per C$1.00 of debt. The Company expects to issue approximately 260,000 shares valued at USD$4.00 per share for this transaction in addition to 213,000 share purchase warrant at USD$4.00. In exchange, the Company will receive C$0.20 per C$1.00 of debt of Receptagen acquired from creditors in the form of convertible debenture. This debenture is convertible into unit "A" of Receptagen at a rate of C$0.07 per unit. Each unit `A' is exchangeable into one common share and one share purchase warrant at C$0.14 within two years.

The third phase of the recapitalization of Receptagen involves a private placement of C$2.5 million in Special Warrants, which is expected to close May 21, 1997. The offering price of these Special Warrants is C$0.116 and they are exchangeable into one common share and one share purchase warrant at C$0.14 within two years.

Each Receptagen unit is exchangeable for one common share and one common share purchase warrant at C$0.14 for two years. All securities issued by Receptagen under its recapitalization plan will be qualified under a prospectus to be filed with the Ontario Securities Commission (the "Qualifying Jurisdiction") on or before September 23, 1997. Receptagen is currently traded on the Toronto Stock Exchange ("RCG") and the NASD Over-the-Counter Bulletin Board ("RCEPF").

13. RELATED PARTY TRANSACTION

During fiscal 1997, the Company paid a company owned by a director approximately $40,000 which has been included as rent expense. In turn, this company has paid an unrelated party $40,000 as rent for these same premises that only the Company is occupying.

On September 26,1996. the Company paid $80,000 to acquire an option to purchase all of the outstanding shares of New Research Corporation. The option to acquire all of the outstanding shares of New Research Corporation expires on December 15, 1997. New Research is owned by the majority shareholder of the Company.

==========

EXHIBIT 2(i)

UNANIMOUS CONSENT IN LIEU OF THE FIRST MEETING
OF THE
BOARD OF DIRECTORS
OF
AU 'N AG, INC.

(A DELAWARE CORPORATION)

The undersigned, constituting all of the directors of AU 'N AG, INC. (the "Company"), hereby adopt the following resolutions in lieu of the first meeting of the Board of Directors of the Company:

INCREASE IN DIRECTORS

RESOLVED, that Ronald N. Vance, the sole director set forth in the articles of incorporation of the Company filed this date with the State of Delaware (file number 23779-73), hereby increases the number of directors to three persons and appoints Neville Hawken and Gaylon W. Hansen to fill the vacancies created by such increase in the number of directors, each such appointed director to serve until the next annual meeting of the shareholders and to hold office until his successor is elected and qualified; and

FURTHER RESOLVED, that the acceptance of such appointment by said persons and consent to serve as directors shall be evidenced by their signatures set forth on this document.

DISCHARGE OF INCORPORATOR

RESOLVED, that the incorporator of the Company be and hereby is forever discharged and indemnified by the Company from and against any liability incurred by the incorporator by reason of having been incorporator of the Company.

BYLAWS

RESOLVED, that the Bylaws attached to this consent be and hereby are adopted as the Bylaws of the Company and that the secretary of the Company shall place such Bylaws in the minute book of the Company.

OFFICERS

RESOLVED, that Ronald N. Vance be and hereby is appointed to be the president and secretary of the Company, and that Neville Hawken be and hereby is appointed to be the treasurer of the Company, each to serve until removed by the Board of Directors.

REGISTERED AGENT

RESOLVED, that the registered agent for the Company in the State of Delaware shall be The Company Corporation, Three Christina Centre, 201 North Walnut Street, Wilmington, Delaware.

ISSUANCE OF SHARES

WHEREAS, the Company had received subscriptions in an aggregate of $10.00 as subscription for ten (10) shares of common stock of the Company from AU 'N AG, INC., a Utah Corporation, pursuant to a Plan and Agreement of Merger as set forth below; and

WHEREAS, it was reported that such entity had offered to acquire Company shares and had made certain representations to the Company and had entered into certain agreements with the Company, and that said corporation represented to and agreed with the Company as follows:

(a) The shares being acquired have not been registered under the Securities Act of 1933, as amended, (the "Act") or any state securities laws, and such shares are being issued by the Company in reliance upon the exemption from the registration requirements of the Act contained in Section 4(2) of the Act and upon a similar exemption contained in applicable state securities laws;

(b) At the time it acquired the shares in the Company, it had full information concerning the Company's affairs as a result of its relationship with officers and directors of the Company, the stock was acquired for its own account and for purposes other than of distribution, and the certificate evidencing its common stock is to be stamped with a restrictive legend;

(c) The Company is newly formed, has no operating history, has no assets other than what the initial shareholder will contribute to the Company, has not paid any dividends and does not anticipate paying any dividends in the foreseeable future;

(d) It has received and carefully read copies of the organizational documents of the Company and has had access to full information concerning the Company, its officers and directors in order to evaluate the merits and risks of an investment in the Company's shares;

(e) The shares which the corporation is receiving are "restricted securities" which may not be sold into the market for a period of two years after the date upon which the restricted securities are fully paid for and delivered, and after two years, he may or may not be in a position to sell restricted securities pursuant to Rule 144 promulgated under the Act, the guidelines of which provide, among other things, that (i) the restricted securities may not be resold for a period of two years, (ii) thereafter the owner can sell up to 1 percent of the outstanding shares (or an amount based upon trading volume) of the Company, (iii) in a 3-month period, (iv) if the transaction is unsolicited, (v) there is current information available, (vi) the broker (or dealer in certain circumstances) received no more than the customary compensation, and (vii) a Form 144 is filed with the United States Securities and Exchange Commission (if required).

NOW, THEREFORE, BE IT

RESOLVED, that the Company hereby accepts the offer described above to purchase Company shares and the officers of the Company hereby are authorized to take whatever action they deem necessary to issue such shares to such corporation upon receipt from such entity of the consideration indicated to be received by Company, the certificates evidencing such shares to be stamped with a restrictive legend substantially as follows:

> The shares of stock represented by this certificate have not been registered under the Securities Act of 1933, as amended, and may not be sold or transferred unless a compliance with the registration provisions of such Act has been made or unless availability of an exemption from such registration provisions has been established, or unless sold pursuant to Rule 144 under the Securities Act of 1933.

FORM OF CERTIFICATE

RESOLVED, that the form of certificate to represent the common shares of the Company shall be the same form as currently used by AU 'N AG, INC., a Utah corporation, except that the Company shall be designated as a Delaware corporation.

FISCAL YEAR

FURTHER RESOLVED, that the fiscal year of the Company shall end on the same day each year as the current year-end of AU 'N AG, INC, a Utah

corporation.

PLAN AND AGREEMENT OF MERGER

WHEREAS, each of the directors has reviewed a form of Plan and Agreement of Merger with AU 'N AG, INC., a Utah corporation, the purpose of which was to change the domicile of said corporation; and

WHEREAS, the sole purpose of incorporating and organizing the Company is to effect such change of domicile;

NOW, THEREFORE, BE IT

RESOLVED, that the form of Plan and Agreement of Merger with AU 'N AG, INC., a Utah corporation, be and hereby is adopted and approved, and that the officers of the Company be and hereby are authorized and directed to execute and deliver said document;

FURTHER RESOLVED, that upon approval of said agreement by the shareholders of AU 'N AG, INC. and the shareholder of the Company, the officers of the Company be authorized to file a certificate of merger with the state of Delaware to complete the merger transaction;

FURTHER RESOLVED, that upon the effective date of such merger, the ten shares of the stock of the Company issued to AU 'N AG, Inc. shall be immediately and automatically cancelled, and such shares shall be returned to the authorized but unissued shares of the Company; and

FURTHER RESOLVED, that the officers and directors of the Company be and hereby are authorized and directed to execute, deliver, file, or prepare such other and further documents may be reasonably necessary to complete said merger transaction and to effectuate the terms and conditions of such merger.

FILING OF CONSENT

RESOLVED, that the consent shall be placed into the minute book of the Company with the proceedings of the board of directors and that this consent shall have the same force and effect as if a meeting of the directors were held.

IN WITNESS WHEREOF, the undersigned have executed this consentdocument to be effective this 15th day of February 1994.

/S/ Ronald N. Vance, Director

RONALD N. VANCE, Director

/S/ Gaylon W. Hansen, Director

GAYLON W. HANSEN, Director

/S/ Neville Hawken, Director

NEVILLE HAWKEN, Director

EXHIBIT 2(ii)

PRE-ORGANIZATION SUBSCRIPTION AND

LETTER OF NON-DISTRIBUTIVE INTENT

THE UNDERSIGNED hereby offers to purchase ten (10) shares of common stock of AU 'N AG, INC., a Delaware corporation (the "Company") in connection with the proposed merger between the Company and AU 'N AG, INC. and in return for the following consideration: $10.00; provided however that the undersigned understands and acknowledges that said shares shall immediately and automatically be cancelled upon the effective date of the merger between the Company AU 'N AG, INC., a Utah corporation. In addition, the undersigned represents to and agrees with the Company as follows:

(a) The shares being acquired have not been registered under the Securities Act of 1933, as amended, (the "Act") or any state securities laws, and such shares are being issued by the Company in reliance upon the exemption from the registration requirements of the Act contained in Section 4(2) of the Act and upon a similar exemption contained in applicable state securities laws;

(b) At the time it acquired the shares in the Company, it had full information concerning the Company's affairs as a result of its relationship with officers and directors of the Company, the stock was acquired for its own account and for purposes other than of distribution, and the certificate evidencing its common stock is to be stamped with a restrictive legend;

(c) The Company is newly formed, has no operating history, has no assets other than what the initial shareholders will contribute to the Company, has not paid any dividends and does not anticipate paying any dividends in the foreseeable future;

(d) It has received and carefully read copies of the organizational documents of the Company and has had access to full information concerning the Company, its officers and directors in order to evaluate the merits and risks of an investment in the Company's shares;

(e) The shares which the corporation is receiving are "restricted securities" which may not be sold into the market for a period of two years after the date upon which the restricted securities are fully paid for and delivered, and after two years, he may or may not be in a position to sell restricted securities pursuant to Rule 144 promulgated under the Act, the guidelines of which provide, among other things, that (i) the restricted securities may not be resold for a period of two years, (ii) thereafter the owner can sell up to 1 percent of the outstanding shares (or an amount based upon trading volume) of the Company, (iii) in a 3-month period, (iv) if the transaction is unsolicited, (v) there is current information available, (vi) the broker (or dealer in certain circumstances) received no more than the customary compensation, and (vii) a Form 144 is filed with the United States Securities & Exchange Commission (if required).

Dated: February 15, 1994

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

By /S/ R.G. Listul, President

R.G. Listul, President

EXHIBIT 2(iii)

PLAN AND AGREEMENT OF MERGER

OF

AU 'N AG, INC.
(A UTAH CORPORATION)

INTO

AU 'N AG, INC.
(A DELAWARE CORPORATION)

Plan and Agreement of Merger (hereinafter called "Agreement of Merger") dated this 15th day of February 1994, by and between AU 'N AG, INC., a corporation organized and existing under the laws of the state of Utah (hereinafter sometimes referred to as "AU 'N AG (Utah)") and AU 'N AG, INC., a corporation organized and existing under the laws of the state of Delaware (hereinafter sometimes referred to as "AU 'N AG (Delaware)"). These two parties are herein sometimes referred to collectively as the "merging corporations," witnesseth:

WHEREAS, AU 'N AG (Delaware) is the wholly owned subsidiary of AU 'N AG (Utah);

WHEREAS, AU 'N AG (Utah) wishes to change the state of its domicile by merger into AU 'N AG (Delaware); and

WHEREAS, Section 252 of the Delaware General Corporation Law and Section 16-10a-1104 of the Utah Business Corporation Act each authorize the merger of AU 'N Ag (Utah) and AU 'N AG (Delaware);

NOW, THEREFORE, the merging corporations have agreed, and do hereby agree, each with the other in consideration of the premises and the mutual agreements, provisions, covenants and grants herein contained and in accordance with the laws of the state of Delaware, and in accordance with the laws of the state of Utah, that AU 'N AG (Utah) and AU 'N AG (Delaware) be merged into a single corporation and that AU 'N AG (Delaware) shall be the continuing and surviving corporation and do hereby agree upon and prescribe that the terms and conditions of the merger hereby agreed upon and the mode of carrying the same into effect and the manner of converting the presently outstanding shares of each of the merging corporations into the shares of AU 'N AG (Delaware) are and shall be hereinafter set forth.

ARTICLE I
Manner of Conversion of Shares

a. The manner and basis of converting the shares of AU 'N AG (Utah) into shares of AU 'N AG (Delaware) are as follows: at the effective time of the merger, each share of common stock of AU 'N AG (Utah) shall thereupon be converted into one share of AU 'N AG (Delaware). Each holder of outstanding common stock of AU 'N AG (Utah) upon surrender to AU 'N AG (Delaware) of one or more certificates for such shares for cancellation shall be entitled to receive one or more certificates for the number of shares of common stock of AU 'N AG (Delaware) of one or more certificates for such shares for cancellation shall be entitled to receive one or more certificates for the number of shares of common stock of AU 'N AG (Delaware) represented by the certificates of AU 'N AG (Utah) so surrendered for cancellation by such holder. Until so surrendered, each such certificate representing outstanding shares of common stock of AU 'N

AG (Utah) shall represent the ownership of a like number of shares of AU 'N AG (Delaware) for all corporate and legal purposes.

b. As of the effective time of the merger, all of the outstanding shares of common stock of AU 'N AG (Delaware), which shares are held by AU 'N AG (Utah), shall be redeemed by AU 'N AG (Delaware) for the sum of one dollar ($1) and such redeemed shares shall be cancelled and returned to the status of authorized and unissued shares. None of such redeemed shares shall be retained by AU 'N AG (Delaware) as treasury shares and such shares shall be reissued in accordance with paragraph (b) of this Article I.

ARTICLE II
Effective Time

The effective time of the merger shall be upon the issuance of the certificate of merger by the Division of Corporations of the State of Utah and filing the agreement of merger in accordance with Section 252 of the Delaware General Corporation Law with the Secretary of State of Delaware and recording such agreement of merger in the office of the recorder of deeds. Prior to said date, this plan and agreement of merger shall (1) have been submitted to approved by the board of directors of each of the merging corporations; (2) have been approved by the stockholders of each of the merging corporations in accordance with law.

ARTICLE III
Effect of Merger

When the merger shall have been effected:

(a) The merging corporations shall be a single corporation known as AU 'N AG, INC., a Delaware corporation.

(b) The separate existence of AU 'N AG (Utah) shall cease.

(c) AU 'N AG (Delaware) shall have all rights, privileges, immunities and powers and shall be subject to all the duties and liabilities of a corporation organized under the Delaware General Corporation Law.

(d) AU 'N AG (Delaware) shall thereupon and thereafter possess all the rights, privileges, immunities and franchises of a public as well as of a private nature of each of the merging corporations and all property, real, personal, and mixed, and all debts due on whatever account, including subscriptions to shares and all other choices in action, and all and every other interest of and belonging to or due to each of the merging corporations shall be taken and deemed to be transferred to and vested in AU 'N AG (Delaware) without further act or deed, and the title to any real estate or any interest therein vested in either of the merging corporations shall not revert or be in any way impaired by reason of the merger.

(e) AU 'N AG (Delaware) shall thenceforth be responsible and liable for all the liabilities and obligations of each of the merging corporations and any claim existing or action or processing pending by or against either of the merging corporations may be prosecuted to judgment as if such merger had not taken place, or AU 'N AG (Delaware) may be substituted in its place. Neither the rights of creditors nor any liens upon the property of either of the merging corporations shall be impaired by reason of the merger.

(f) After the effective time of the merger, the earned surplus of AU 'N AG (Delaware) shall equal the aggregate of the earned surpluses of the merging corporations immediately prior to the effective time of the merger. The earned surplus determined as above provided shall continue to be available for payment of dividends by AU 'N AG (Delaware).

(g) The certificate of incorporation of AU 'N AG (Delaware) as in effect on the date of the merger provided for in this agreement of merger, shall continue in full force and effect as the certificate of

incorporation of the corporation surviving this merger.

(h) The by-laws of AU 'N AG (Delaware) as they shall exist on the effective date of this agreement of merger shall be and remain the by-laws of the surviving corporation until the same shall be altered, amended or repealed as therein provided.

(i) The directors and officers of AU 'N AG (Delaware) shall continue in office until the next annual meeting of stockholders and until their successors shall have been elected and qualified.

ARTICLE IV
Service of Process; Rights of Dissenting Shareholders

AU 'N AG (Delaware) hereby agrees that it may be served with process in the State of Utah in any proceeding for enforcement of any obligation of AU 'N AG (Utah), and in any proceeding for the enforcement of the rights of a dissenting shareholder of AU 'N AG (Utah). AU 'N AG (Delaware) irrevocably appoints the director of the Division of Corporations and Commercial Code as its agent to accept service of process in any such proceeding. The address to which a copy of the process may be mailed is 6 Fay Court, Wayne, NJ 07470. AU 'N AG (Delaware) will promptly pay to the dissenting shareholders of AU 'N AG (Utah) the amount, if any, to which they shall be entitled under the provisions of the Utah Business Corporation Act with respect to the rights of dissenting shareholders.

ARTICLE V
Termination

If, at any time prior to the effective date hereof, events or circumstances occur which in the opinion of a majority of the board of directors of either constituent corporation renders it inadvisable to consummate the merger, this Agreement of Merger shall not become effective even though previously adopted by the shareholders of the corporation as herein before provided. The filing of the merger shall conclusively establish that no action to terminate this plan has been taken by the board of directors of either corporation.

ARTICLE VI
Amendment

The boards of directors of the constituent corporations may amend the Agreement of Merger at any time prior to the filing of the Agreement (or a certificate in lieu thereof) with the states of Utah and Delaware provided that an amendment made subsequent to the adoption of the Agreement of Merger by the stockholders of any constituent corporation shall not (1) alter or change the amount of any kind of shares, securities, cash, property and/or rights to be received in exchange for or on conversion of all or any of the shares of any class or series thereof of such constituent corporation, except to correct manifest error as may be permitted by law; (2) alter or change any term of the Certificate of Incorporation of the surviving corporation to be effected by the merger; or (3) alter or change any of the other terms and conditions of the Agreement of Merger if such alteration or change would adversely affect the holders of any class or series thereof such constituent corporation.

IN WITNESS WHEREOF, AU 'N AG (Delaware), a Delaware corporation, has caused this Plan and Agreement of Merger to be signed by its president and its secretary in accordance with the requirements of Section 252 of the Delaware General Corporation Law and AU 'N AG, INC., a Utah corporation, has caused this Plan and

Agreement of Merger to be signed by its president and its secretary in accordance with the requirements of Section 16-10a-1104 of the Utah Revised Business Corporation Act all as of the 15th day of February, 1994.

Attest: AU 'N AG, INC.

A Utah Corporation

/s/ Max Morrill
- ----------
Max Morrill, Secretary

By: /s/ R.G. Listul

R.G. Listul, President

Attest:

AU 'N AG, INC.
A Delaware Corporation

/s/ Ronald N. Vance
- ----------

By: /s/ Ronald N. Vance

EXHIBIT 2(iv)

STATE OF DELAWARE

CERTIFICATE OF MERGER SECRETARY OF STATE
DIVISION OF CORPORATIONS

of

FILED 10:51 AM 3/10/1994
AU 'N AG, INC. 44037960 - 2377973
(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>	<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	

</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 2/15/94
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)

CERTIFICATE OF AMENDMENT

OF

CERTIFICATE OF INCORPORATION

AU 'N AG, INC., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware.

DOES HEREBY CERTIFY:

FIRST: That at a meeting of the Board of Directors of AU 'N AG, INC., a resolution was duly adopted setting forth a proposed amendment of the Certificate of Incorporation of said corporation, declaring said amendment to be advisable and calling a meeting of the stockholders of said corporation for consideration thereof. The resolution setting forth the proposed amendment is as follows:

RESOLVED, that the Certificate of Incorporation of this corporation be amended by changing the Article thereof numbered "FIRST" so that, as amended said Article shall be and read as follow:

"FIRST: The name of the corporation is INTERUNION FINANCIAL CORPORATION."

SECOND: That thereafter, pursuant to resolution of its Board of Directors, a special meeting of the stockholders of said corporation was duly called and held, upon notice in accordance with Section 222 of the General Corporation Law of the State of Delaware at which meeting of the necessary number of shares as required by statute were voted in favor the amendment.

THIRD: That said amendment as duly adopted is in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

FOURTH: That the capital of said corporation shall not be reduced under or by reason of said amendment.

IT WITNESS WHEREOF, said AU 'N AG, INC. has caused its corporate seal to be hereunto affixed and this certificate to be signed by Georges Benarroch, its President and John J. Illidge, its Secretary, this 11th day of April, 1994.

/s/ John J. Illidge	/s/ Georges Benarroch
- ----------	----------
John J. Illidge	Georges Benarroch
Secretary	President

EXHIBIT 3(iii)

CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION

InterUnion Financial Corporation, a corporation organized and existing under and by virtue the General Corporation Law of the State of Delaware.

DOES HEREBY CERTIFY:

FIRST: That at a meeting of the Board of Directors of InterUnion Financial Corporation, a resolution was duly adopted setting forth a proposed amendment of the Certificate of Incorporation of said corporation, declaring said amendment to be advisable and calling a meeting of the stockholders of said corporation for consideration thereof. The resolution setting forth the proposed amendment is as follows:

RESOLVED, that the Certificate of Incorporation of this corporation be amended by changing the Article thereof numbered "FOURTH" so that, as amended said Article shall be and read as follows:

"FOURTH: This corporation is authorized to issue one class of common stock and three classes of preferred stock, under the terms, conditions, limitations, preferences and characteristics as hereinafter set forth:

1. The total amount of common voting stock, each share of stock having one vote, authorized by this corporation is 100,000,000 (One Hundred Million) shares of stock at $.001 par value.

2. The corporation 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 shall be voting stock, each share of stock having 100 votes. In any given fiscal year in which the directors of the corporation shall declare a dividend out of the suprplus net profits of the corporation, the holder(s) of Class prefrerred shall be entitled to a fixed yearly dividend in the percentage amount, which such amount shall be fixed and declared by the directors of the corporation 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. When such a dividend is declared, the holder(s) of the Class A preferred stock shall receive payment before any dividend shall be set apart or paid on the common stock. The dividends in respect to the Class A preferred stock shall be non-cumulative and shall be non-participating.

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

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

The Class B preferred stock shall be non-voting, non-cumulative and non-participating.

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

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

The Class C preferred stock shall be non-voting, non-cumulative and non-participating.

The Class C preferred stock shall be 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 shall be issued, the corporation 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 case of liquidation or the dissolution of the corporation, the holder(s) of Class B preferred shall be entitled to be paid in full the par value of the shares before any amount shall be paid to the holders of the common stock."

SECOND: That thereafter, pursuant to resolution of its Board of Directors, a special meeting of the stockholders of said corporation was duly called and held, upon notice in accordance with Section 222 of the General Corporation Law of the State of Delaware at which meeting the necessary number of shares as required by statute were voted in favor of the amendment.

THIRD: That said amendment as duly adopted is in accordance with the provisons of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said InterUnion Financial Corporation has caused its corporate seal to be hereunto affixed and this certificate to be signed by Georges Benarroch, its President and John J. Illidge, its Secretary this 17th day of October, 1994.

/s/ Georges Benarroch
- ----------
Georges Benarroch, President

/s/ John J. Illidge

John J. Illidge, Secretary

EXHIBIT 3(iv)

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 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.

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.

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.

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.

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 an 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 meting, 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 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 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 liably 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.

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 dirctors 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 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 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

EXHIBIT 4

INSTRUMENTS DEFINING THE RIGHTS OF SECURITY HOLDERS
INCLUDING INDENTURES

InterUnion Financial Corporation is registering its common stock, par value $.001, under Section 12(g) of the Securities Exchange Act of 1934, as amended.

All rights of the owners of common stock of the Company are defined in the Certificate of Incorporation, as amended, and the By-laws of the Company. These rights are listed as follows:

I. CERTIFICATE OF INCORPORATION

ARTICLE FOURTH

"FOURTH: This corporation is authorized to issue one class of common stock and three classes of preferred stock, under the terms, conditions, limitations, preferences and characteristics as hereinafter set forth:

1. The total amount of common voting stock, each share of stock having one vote, authorized by this corporation is 100,000,000 (One Hundred Million) shares of stock at $.001 par value.

2. The corporation 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 shall be voting stock, each share of stock having 100 votes. In any given fiscal year in which the directors of the corporation shall declare a dividend out of the suprplus net profits of the corporation, the holder(s) of Class prefrerred shall be entitled to a fixed yearly dividend in the percentage amount, which such amount shall be fixed and declared by the directors of the corporation 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. When such a dividend is declared, the holder(s) of the Class A preferred stock shall receive payment before any dividend shall be set apart or paid on the common stock. The dividends in respect to the Class A preferred stock shall be non-cumulative and shall be non-participating.

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

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

The Class B preferred stock shall be non-voting, non-cumulative and non-participating.

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

4. The corporation is authorized to issue 50,000,000 (Fifty Million) shares of Class C preferred stock. The par value of this stock and the fixed yearly dividend in a percentage amount to which the holder(s) of this stock shall be entitled, shall be determined by the directors of the corporation at the time

of first issuance of any such shares. In any given fiscal year in which the directors of the corporaton shall declare a dividend out of the surplus net profits of the corporation, the holder(s) of Class C preferred shall receive payment before any dividend shall be set apart or paid on the common stock.

The Class C preferred stock shall be non-voting, non-cumulative and non-participating.

The Class C preferred stock shall be 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 shall be issued, the corporation 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 case of liquidation or the dissolution of the corporation, the hodler(s) of Class B preferred shall be entitled to be paid in full the par value of the shares before any amount shall be paid to the holders of the common stock."

ARTICLE SIXTH:

"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."

II. BY-LAWS

"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 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."

"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."

"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.

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 dirctors 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 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."

"ARTICLE 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."

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

EXHIBIT 10(i)

ITM SOFTWARE DEVELOPMENT AGREEMENT

THIS ITM SOFTWARE DEVELOPMENT AGREEMENT (the "Agreement") is made and entered into this 9th day of September, 1994 by and between BEARHILL LIMITED, A British Virgin Islands corporation ("Bearhill") with its principal place of business at Vanterpool Plaza, P.O. Box 873, Wickhams Cay I, Road Town, Tortola, British Virgin Islands and GUARDIAN TIMING SERVICES, INC., an Ontario corporation ("GTS") with its principal place of business at 130 Adelaide Street West, Suite 3303, Toronto, Ontario, Canada.

RECITALS

A. Bearhill wishes to market investment advisory services internationally, using market timing techniques to produce better return for its investors.

B. Bearhill requires computer software in order to generate market timing signals.

C. Bearhill has selected GTS to perform the development of Release I of the ITM Software and the related documentation upon the terms and subject to the conditions of the Agreement.

NOW THEREFORE, the parties hereto agree as follows:

1. DEFINITIONS

1.1 "ACCEPTANCE CRITERIA" shall mean the technical and operational performance criteria as described in Schedule A.

1.2 "ACCEPTANCE DATE" shall mean the date when a Deliverable has been duly accepted by Bearhill as per Section 3.4.

1.3 "ACCEPTANCE TEST PLAN" shall mean the detailed test plan created by GTS for development of the ITM software as described in Schedule A.

1.4 "CHANGE ORDER" shall mean an amendment to the ITM Specifications or Project Plan meeting the requirements set forth in Section 2.1.

1.5 "CONFIDENTIAL INFORMATION" shall mean proprietary information as described in Section 7.

1.6 "DELIVERABLE" shall mean a specific, tangible, numbered component of the ITM Software, as described in the Project Plan, including, but not limited to, source or object code, or Documentation. All Deliverables will be in English.

1.7 "DELIVERY DATE" shall mean the actual date on which GTS delivers a Deliverable to Bearhill pursuant to Section 3.3 to enable acceptance testing for the Deliverable in accordance with Section 3.4.

1.8 "DERIVATIVE WORK" shall mean a work which is based upon one or more pre-existing works, such as a revision, modification, translation, abridgement, condensation, expansion, collection, compilation or any other form in which such pre-existing works may be recast, transformed or adapted, and which, in the absence of this Agreement or other authorization by the owner of the pre-existing work, would constitute a copyright infringement or other infringement of proprietary rights of the owner therein.

1.9 "DOCUMENTATION" shall mean the documents indicated in the Project Plan.

1.10 "FINAL ACCEPTANCE DATE" shall mean the date when all Deliverables have been completed by GTS.

1.11 "ITM SOFTWARE" shall mean the proprietary computer software program as described in Exhibit B, "Description of Software".

1.12 "PROJECT PLAN" shall mean that part of Schedule A described as the "Project Plan", which describes the phases into which the ITM Project is divided.

2. SPECIFICATIONS

2.1 Specifications and Acceptance Test Plan

(a) The ITM Specifications are described in Schedule A.

(b) Bearhill shall, with the assistance of GTS conduct the acceptance tests in accordance with the Acceptance Test Plan and the Acceptance Criteria.

2.2 Change Orders

Any amendment to the ITM Specifications or Project Plan shall be valid and binding only if effected by a Change Order approved as hereinafter set forth.

(a) Bearhill may initiate a Proposed Change Order by delivering to GTS a written request signed by an officer of Bearhill requesting GTS to prepare information to substantiate the Proposed Change Order. Such writing shall specify the requested change and cross-reference the portion of the ITM Specifications or Project Plan which is proposed to be amended.

(b) Upon receipt of a written request pursuant to this Section, GTS shall, within fifteen (15) days, prepare a good faith estimate of the effort required to complete the Proposed Change Order for Bearhill's review. Such estimate shall be limited to those adjustments that GTS reasonably requires to implement the requested change and shall contain:

(i) a detailed description of the proposed amendment to the ITM Specifications or Project Plan (including, as necessary, the Deliverables and technical information); and

(ii) the change, if any, to the terms of this Agreement;

(c) GTS may initiate a Proposed Change Order by delivering a Proposed Change Order meeting the requirements of Section 2.2(b) to Bearhill. Bearhill shall evaluate and respond to GTS with respect to any Proposed Change Order on or before the fifteenth (15th) day after receipt.

(d) Proposed Change Orders shall become effective as Change Orders and shall act as amendments to this Agreement and to portions of the ITM Specifications and Project Plan specified in such Proposed Change Order upon their execution by an officer of Bearhill and by an officer of GTS.

3. DEVELOPMENT OF SOFTWARE

3.1 Creation of Software

GTS agrees to design, develop and complete the ITM Software and Documentation in accordance with the Project Plan, so that the ITM Software confirms to, and operates in accordance with, the ITM Specifications set out in Schedule A.

3.2 GTS's Obligations

During development of the ITM Software, GTS shall:

(a) Provide Bearhill with reasonably detailed written progress reports monthly and as otherwise requested;

(b) Provide Bearhill with access to the ITM Software and Documentation on GTS's premises;

(c) Develop the ITM Software with diligence in a competent, timely and professional manner.

(d) Commit and utilize sufficient resources and qualified personnel to complete development of the ITM Software and Documentation within the development timetable set forth in the Project Plan and ITM Specifications:

(e) Not engage in any activity to:

(i) sell, assign, encumber, restrict or otherwise transfer the ITM Software, in whole or in part, or any rights therein, or

(ii) impede the marketing of licenses to use the ITM Software;

(f) Notify Bearhill promptly of any factor, occurrence or event coming to its attention that may affect GTS's ability to meet any of its obligations hereunder or that is likely to occasion any material delay in delivery of any of the Deliverables.

3.3 Delivery

In accordance with the Project Plan, GTS shall create the Deliverables and deliver them to Bearhill for approval and acceptance in accordance with Section 3.4.

With respect to each Deliverable, GTS hereby grants to Bearhill a limited, fully paid and exclusive license to use the Deliverables as follows:

(1) To use and reproduce the Deliverables for the purposes of performing acceptance testing in accordance with Section 3.4 of this Agreement;

(2) To use and reproduce the Deliverables for the purposes of marketing and demonstration of the ITM Software including, but not limited to, developing preliminary market contacts and further developing end user prospects and excluding installations or sales of the ITM Software.

This license shall terminate on the date Bearhill accepts delivery of the ITM Software as set forth in Section 3.4(d) or upon termination of this Agreement, whichever is earlier.

3.4 Acceptance Testing

(a) Each Deliverable will be created by GTS and delivered to Bearhill for approval. For those Deliverables requiring machine execution, acceptance tests shall be run by Bearhill as set forth in the Acceptance Test Plan with the assistance of GTS. Deliverables not requiring machine execution will be compared by Bearhill to criteria as set forth in the Acceptance Test Plan.

(b) Bearhill shall promptly notify GTS in writing of any failure or failures of a Deliverable discovered in testing or of any discrepancy of a Deliverable against the checklist. Upon such notification, GTS shall immediately undertake to correct such failure or discrepancies. Upon such correction,

acceptance testing shall again be performed to determine that the Deliverable complies with the requirements set forth in subsection 3.4(a) above. Failure of a Deliverable that is material to the development of the ITM Software to satisfy any such criteria after the second round of acceptance testing shall constitute a material breach of this Agreement by GTS entitling Bearhill to pursue its remedies on default set forth under Article 9 unless GTS has provided Bearhill with a reasonably acceptable plan to satisfy the Acceptance Criteria.

(c) Bearhill shall make every reasonable effort to promptly deliver written acceptance of a Deliverable in a time frame that is consistent with the approved detailed Project Plan, but shall in any event deliver such notification within twenty (20) days (or such other number of days set forth in the Project Plan) after the Delivery Date.

(d) The Final Acceptance Date for the ITM Software shall be determined by the successful completion, by Bearhill, of the final acceptance tests. The precise time, date, and place of these tests shall be mutually agreed by the

parties. Bearhill shall deliver written notification to GTS in not less than fifteen (15) days following the tests of any failure or failures of the ITM Software discovered in testing or any deficiencies or errors found. GTS shall have thirty (30) days to remedy any deficiencies or errors to Bearhill's reasonable satisfaction or if such deficiencies or errors cannot be remedied within such thirty (30) day period, GTS shall present Bearhill within such period a remedial plan of action which shall have a reasonable opportunity for success. Failure of the ITM Software to satisfy the final acceptance tests according to the above procedures shall constitute a material breach of this Agreement by GTS.

3.5 GTS's Representations, Warranties and Covenants

(a) GTS represents and warrants to Bearhill that:

(i) the ITM Software and Documentation are and shall be original with GTS in every and all respect;

(ii) Neither the ITM Software and Documentation nor any rights therein have been or shall be, in any way, encumbered, restricted, conveyed, granted or otherwise diminished; and

(iii) The ITM Software and its use, marketing and distribution does not and will not infringe any patent, copyright, trade secret or other proprietary rights of any third party.

(b) GTS covenants for the benefit of Bearhill that:

(i) GTS shall itself perform all of its duties under this Agreement and will not subcontract for any work to be performed by other parties; and

(ii) For a period of five (5) years following the date of this Agreement, GTS will not develop or acquire any software product or service similar to the ITM Software for companies that compete with Bearhill.

4. DEVELOPMENT CONSIDERATION

4.1 Fixed Price for Development

For the performance of all of GTS's obligations hereunder (other than Section 6.4) Bearhill shall pay to GTS 12.5% of all revenues earned by Bearhill, including, without limitation, revenue from all licenses of the ITM Software and revenue from investment management services performed by Bearhill (whether or not such investment management services are dependent on the use of the ITM Software).

4.2 Taxes

GTS will be responsible for all taxes arising from payments and advances from Bearhill pursuant to this Agreement.

4.3 GTS Right to Use

In addition, notwithstanding any other provisions of this Agreement, GTS shall have the non-exclusive right to use the ITM Software in GTS's investment management business, but in such case GTS shall pay to Bearhill 15% of all revenues directly attributable to the exploitation of the ITM Software.

5. OWNERSHIP OF INTELLECTUAL PROPERTY

5.1 Title

Bearhill has, and at all times shall retain, all right, title and interest in and to the Project Plan and the ITM Specifications, any modification and Derivative Works thereof, and all intellectual property rights relating thereto, All rights, title and interest in and to the ITM Software, any modification and Derivative Works thereof, the Documentation and all intellectual property rights relating thereto shall be owned exclusively by Bearhill upon the Final Acceptance Date.

5.2 Filings or Registrations - Notices

GTS shall assist Bearhill in making any filings or registrations which Bearhill deems appropriate to protect Bearhill's interest in the ITM Software and/or Documentation. In addition, GTS agrees to affix appropriate copyright or other proprietary notices on the ITM Software and/or Documentation as directed by Bearhill.

6. GTS'S SUPPORT

When Bearhill becomes the owner of the ITM Software pursuant to Section 5.1, the following provisions shall apply:

6.1 Error Correction

GTS shall maintain the ITM Software free of all "bugs" and errors as long as Section 6.4 remains in effect.

6.2 New Techniques

GTS shall, on a best effort basis, promptly inform Bearhill of any new techniques, procedures, or other developments which may necessitate updating the ITM Software.

6.3 Marketing

Bearhill shall have sole responsibility and rights to price and market the ITM Software and Documentation and any requested signals derived therefor. GTS shall provide assistance in the preparation of such marketing materials, including providing Bearhill with such information regarding the ITM Software as Bearhill shall reasonably request.

6.4 GTS Management Agreement

Bearhill hereby appoints GTS as the manager of the ITM Software, for a term of one year on the date of acceptance of the ITM Software. As manager GTS shall input all necessary data, run the ITM Software and indicate forthwith to Bearhill when the ITM Software indicates a buy, sell, hold or short signal in respect of any stock market being monitored. Bearhill shall, from time to time, instruct GTS which stock

markets are to be monitored using the ITM Software. In consideration of its services under this Section 6.4, GTS shall receive a fee of 2.5% of the gross revenues earned by Bearhill from its investment management and advisory business (such fee to be in addition to the fee set out in section 4.1). The provisions of this Section 6.4 may be renewed annually, at the option of Bearhill. If Bearhill does not terminate the provisions of this Section 6.4 by written notice given at least thirty days before the end of the term, the provisions of this Section 6.4 shall continue for a further year.

7. CONFIDENTIALITY

7.1 Definition

Bearhill and GTS have and will develop, own and disclose to each other certain proprietary techniques and confidential information ("Confidential Information") which have great value in their respective businesses. Except as provided in this Agreement, each party shall retain sole and exclusive ownership, right, title and interest in and to all of its Confidential Information.

7.2 Protection of Confidential Information

Should either party disclose to the other party any of its Confidential Information, the party receiving the Confidential Information shall maintain the Confidential Information in confidence, shall use at least the same degree of care to maintain the secrecy of the Confidential Information as it uses in maintaining the secrecy of its own proprietary, confidential and trade secret information, shall always use at least a reasonable degree of care in

maintaining the secrecy of the Confidential Information, shall use the information only for the purpose of performing its obligations under this Agreement unless otherwise agreed in writing by the other party, and shall deliver to the other party, in accordance with any request from the other party, all copies notes, packages, diagrams, computer memory media and all other materials containing any portion of the other party's Confidential Information. Neither party shall disclose any such Confidential Information to any person except those of its employees having a need to know in order to accomplish the purposes and intent of this Agreement, and shall require each employee, before he or she receives direct or indirect access to the Confidential Information, to acknowledge the confidential, proprietary and trade secret nature of the Confidential Information and to agree to be bound by this Section 7.2.

7.3 Limitation of Obligations

Neither party shall have any obligation with respect to any portion of such Confidential Information which:

(i) was known to it prior to receipt from the other party,

(ii) is lawfully obtained by either party from a third party under no obligation of confidentiality or

(iii) is or becomes publicly available other than as a result of any act or failure to act of the receiving party.

7.4 Injunctive Relief

GTS and Bearhill acknowledge that:

(i) the restrictions contained in Section 7.2 are reasonable and necessary to protect the other party's legitimate interests,

(ii) in the event of a violation of these restrictions, remedies at law will be inadequate and such violation will cause irreparable damages to the other party within a short period of time, and

(iii) the disclosing party will be entitled to injunctive relief against each and every violation.

7.5 Protection of Proprietary Rights

GTS shall at its own cost and expense, protect and defend Bearhill's ownership of the ITM Software and Documentation and all copyrights, trademarks and trade secrets associated therewith, against all claims, liens and legal processes of creditors of GTS and misappropriations by third parties from GTS, its agents, subdistributors or employees and keep the same free and clear from all such claims, liens, processes, and misappropriations.

8. INFRINGEMENT INDEMNITY

8.1 Indemnity

GTS agrees to provide Bearhill with the following protection against claim of proprietary right infringement of the ITM Software or Documentation.

Subject to Bearhill's compliance with its obligations set forth in this Section, GTS shall:

(1) indemnify Bearhill from and against any liability, cost, loss or expense of any kind;

(2) hold harmless Bearhill and save it from any liability, cost, loss or expense of any kind; and

(3) defend any suit or proceeding against Bearhill arising out of or based on any claim, demand or action alleging that the ITM Software or Documentation or any portion thereof as furnished under this Agreement and used as herein contemplated infringes any third-party rights in copyright or patent or the

trade secret rights of any third party.

In addition, GTS shall pay any costs, damages or awards of settlement, including court costs, arising out of any such claim, demand or action, provided that Bearhill promptly gives written notice of the claim, demand or action to GTS and that GTS may direct and fully participate in the defense or any settlement of such claim, demand or action.

8.2 Undertakings If Infringement Found

In the event that the ITM Software or Documentation or any portion thereof developed by GTS, as furnished under this Agreement and used within the scope hereof, is held in such a suit or proceeding to infringe a third party proprietary right as set forth in Section 8.,1, and that the use of the ITM Software and/or Documentation or any portion thereof is enjoined, GTS shall, at its sole option and expense:

(1) procure for Bearhill the right to continue using the ITM Software and/or Documentation or portion thereof, or

(2) replace the same with non-infringing software or documentation of equivalent functions and efficiency.

8.3 Bearhill's Obligations

Bearhill shall promptly notify GTS in writing of any claim hereunder and shall cooperate with and provide all reasonable assistance to GTS, at GTS's expense, in the defense or settlement of such claim.

9. TERM AND TERMINATION

9.1 Term

This Agreement shall commence as of the date of this Agreement set forth on its first page and will include all work done on ITM Software prior to such date and shall remain in effect, unless terminated as provided in this Article.

9.2 Termination

This Agreement will terminate upon the occurrence of any one of the following events before the Final Acceptance Date as follows:

(a) In the event that either party is adjudged insolvent or bankrupt, or if any proceedings are instituted by or against it seeking relief, reorganization or arrangement under any laws relating to insolvency, or upon any assignment for the benefit of its creditors, or upon the appointment of a receiver, liquidator or trustee of any of its property or assets, or upon the liquidation, dissolution or winding up of its business, then and in any such event this Agreement may be terminated or cancelled immediately by the other party upon the giving of written notice.

(b) Upon the other party's default as set forth in Sections 9.1 and 9.2, the non-defaulting party may terminate this Agreement following fifteen (15) days' written notice to the other party.

9.3 Survival

The provisions of Section 3.5, 4, 5, 7, 8, 9, 10 and 11 shall survive termination of this Agreement for any reason.

10. MISCELLANEOUS

10.1 Governing Laws

It is the intention of the parties hereto that the laws of the Province of Ontario (irrespective of its choice of law principles) shall govern the validity of this Agreement, the construction of its terms, and the interpretation and enforcement of the rights and duties of the parties hereto.

The parties agree to exclude the United Nations Convention on Contracts for the International Sale of Goods from this Agreement and from any agreement that may be executed to implement this Agreement.

10.2 Binding Upon Successors and Assigns

Subject to, and unless otherwise provided in this Agreement, each and all of the covenants, terms, provisions and agreements contained in this Agreement shall be binding upon, and inure to the benefit of, the permitted successors, executors, heirs, representatives, administrators and assigns of the parties hereto; provided, however, that this Agreement shall not be assignable by either party without the prior written consent of the other party.

10.3 Severability

If any provisions of this Agreement, or the application thereof, shall for any reason and to any extent be invalid or unenforceable, the remainder of this Agreement and application of such provision to other persons or circumstances shall be interpreted so as best to reasonably effect the intent of the parties hereto.

10.4 Entire Agreement

This Agreement, and the documents referred to in this Agreement, along with their exhibits, constitute the entire understanding and agreement of the parties with respect to their subject matter and supersede all prior and contemporaneous agreements or understandings.

10.5 Amendment and Changes

No amendment, modification, supplement or other purported alteration of this Agreement shall be binding upon the parties unless it is in writing and is signed on behalf of the parties by their own authorized representatives.

10.6 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be an original as against any party whose signature appears thereon and all of which together shall constitute one and the same instrument.

10.7 Other Remedies

Any and all remedies expressly conferred upon a party by this Agreement shall be deemed cumulative with and not exclusive of any other remedy conferred by this Agreement or by law on such party, and the exercise of any one remedy shall not preclude the exercise of any other.

10.8 No Waiver

The failure of any party to enforce any of the provisions of this Agreement shall not be construed to be a waiver of the right of such party thereafter to enforce such provisions.

10.9 Notices

Whenever any party desires or is required to give any notice, demand, or request with respect to this Agreement, each such communication shall be in writing and shall be effective only if it is delivered by overnight messenger services, express or electronic means (with confirmed receipt), addressed as follows:

GTS: Jean-Pierre Fruchet
Guardian Timing Services
130 Adelaide Street West
Toronto, Ontario
M5H 3P5
Fax Number: (416) 364-3752

Bearhill: Bearhill Limited
Vanterpool Plaza
P.O. Box 873
Wickhams Cay I
Road Town, Tortola
British Virgin Island
Fax Number: (809) 494-5880

Such communications shall be effective when they are received by the addressee. Any party may change its address for such communications by giving an appropriate notice to the other party in conformity with this Section.

10.10 No Joint Venture

Nothing contained in this Agreement shall be deemed or construed as creating a joint venture or partnership between the parties. Except as expressly set forth, no party is by virtue of this Agreement authorized as an agent, employee or legal representative of any other party, and the relationship of the parties is, and at all times will continue to be, that of independent contractors.

10.11 Further Assurances

Each party agrees to cooperate fully with the other party and to execute such further instruments, documents and agreements and to give such further written assurance, as may be reasonably requested by the other party, to better evidence and reflect the transactions described in and contemplated by this Agreement, and to carry into effect the intents and purposes of this Agreement.

10.12 Force Majeure

Neither party will be liable for any failure or delay in performing an obligation under this Agreement that is due to cause beyond its reasonable control, such as natural catastrophes, governmental acts or omissions, laws or regulations, labour strikes or difficulties, transportation stoppages or slowdowns or the inability to procure parts or materials.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first hereinabove written.

BEARHILL LIMITED	GUARDIAN TIMING SERVICES, INC.
By: /s/ Harmodio Herrera	By /s/ J.P. Fruchet
- ----------	----------
Title:	Director Title: President
- ----------	----------

SCHEDULE A

PROJECT PLAN

The Project Plan for the ITM Software describes the phases into which the ITM Project is divided.

Overview of Project

The objective of the Project is to create a disciplined timing model using a proprietary computer software program - the ITM Software - to generate, buy, sell, hold or short signals in respect of any stock market being monitored. The stock markets that will be monitored are the U.S. stock market (U.S. Standard and Poor's Index), the Japanese Stock Market (Nikkei 225 Average), the United Kingdom Stock Market (FTSE 100 Share Index) and the German Stock Market (Frankfurt Dax Index).

Release I of the ITM Software will relate only to the U.S. stock market. Release II, III and IV will relate to the Japanese, United Kingdom and German stock markets respectively. Release II, III and IV will be undertaken only the Final Acceptance Date and upon specific request by Bearhill to proceed with a further Release. There are no specific acceptance criteria or acceptance test plans with respect to Release II, III or IV.

Project Plan

Phase I

The creation and testing of the Main Computer Program taking into consideration the ITM specifications, the Acceptance Criteria and the Acceptance Test Plan. Phase I will be completed within sixty days.

Phase II

The Documentation of the ITM Software will be completed within a further thirty days.

Phase III

Final Acceptance by Bearhill's testing of the ITM Software.

Deliverables

There will be four Deliverables.

SCHEDULE B

DESCRIPTION OF SOFTWARE

The ITM Software is a proprietary computer software program which is used to generate buy and sell signals with respect to any stock market being monitored.

The stock markets that will be monitored are the U.S. stock market (U.S. Standard and Poor's Index), the Japanese Stock Market (Nikkei 225 Average), the United Kingdom Stock Market (FTSE 100 Share Index) and the German Stock Market (Frankfurt Dax Index).

The ITM Software is based on a disciplined decision process on inputs that are based on fundamental and technical elements. Once the data has been entered, the ITM Software generates objective buy, hold, sell or short signals for any monitored stock market as a whole.

The date that will be used in the ITM Software will be obtained from sources in the public domain, mostly from Ned Davis Research, a company which specializes in providing economic and market information. What is unique about the ITM Software is the proprietary manner in which the data is treated by the software to generate timing signals.

Release I will provide timing signals for the U.S. stock market (S & P 500 Index). Market timing signals for the Japanese, United Kingdom, and German markets will be developed by combining the U.S. timing signals with timing signals for these three markets as obtained from Ned Davis Research, but treated by GTS in a proprietary manner. Bearhill shall indicate to GTS the order in which the software for each of the Japanese, United Kingdom and German markets is to be developed. Development for each will be completed within thirty days.

DELIVERABLE #1: This will be the Main Computer Program which generates all buy, hold, sell or short signals on the basis of the individual inputs and the decision rules included in the Computer Program. The Main Computer Program will be available on a diskette.

DELIVERABLE #2: The Documentation will describe each individual input and the source, frequency of the input as well as the decision rules to reach buy and sell signals.

DELIVERABLE #3: The Main Printout will show all the individual inputs entered on a daily or weekly basis as well as all buy and sell signals during the Test Periods.

DELIVERABLE #4: The Summary of Results will show the individual buy and sell dates and the corresponding level of the S &P 500.

ITM Specifications

The ITM Software, as applied to the Standard and Poor's 500 Index ("S&P 500") must meet the following specifications, using backtesting methods to apply the buy and sell signals over the period from January 5, 1979 to December 31, 1993 (the "Test Period"):

(a) a maximum number of 100 buy and sell signals during the Test Period;

(b) a ratio of profitable trades to unprofitable trades of at least 2 to 1;

(c) a ratio of points gain in profitable trades to points lost in unprofitable trades of at least 3 to 1;

(d) a compound annual return for the simulation which outperforms a buy-and-hold strategy for the Standard and Poor's 500 Index by at least 6% per annum on average over the period.

Acceptance Criteria

(a) Technical Criteria

1. The software must be able to run on an IBM compatible personal computer using 386 processor and a hard disk with 3M free disk space.

2. The buy and sell signals must be generated by the computer software program using a constant set of programming rules.

(b) Operational Performance Criteria

1. Source of inputs to the software. All elements entering the software must be in the public domain and readily available to institutional investors.

2. At least eighty percent of all individual inputs must be available on a weekly or daily basis.

3. The maximum number of individual inputs per daily input into the software program must not exceed fifty.

Acceptance Test Plan

The Acceptance Test Plan for the development of the ITM Software will be conducted by Bearhill with the assistance of GTS as follows:

(a) the Acceptance Test Plan will cover the Test Period;

(b) GTS will enter the data for each of the individual elements, as described in the Documentation, entering into the ITM Software which will generate the Main Printout;

(c) The buy and sell signals, including the dates and the corresponding S & P 500 level generated by the ITM Software, as shown on the Main Printout, will be entered by GTS into the Summary of Results.

The Summary of Results, the Documentation and the Main Printout will be compared by Bearhill to the ITM Specifications and the Acceptance Criteria. Bearhill will have the right to verify that data entered is accurate.

EXHIBIT 10(ii)

November 30, 1995

Mr. J.P. Fruchet
Guardian Timing Services, Inc.
130 Adelaide Street West
Suite 3303
Toronto, Ontario
M5H 3P5

Dear Mr. Fruchet:

Re: Letter of Understanding (the "Letter")

As a condition precedent to our execution of an Investment Management Agreement pursuant to which The Bank of Nova Scotia (BNS) will retain the services of your firm with regard to the management of an investment portfolio with a minimum size of $10,000,000, we wish to obtain your confirmation of our understanding of the agreement amongst Bearhill Limited ("Bearhill"), Guardian Timing Services Inc. ("GTS"), InterUnion Financial Corporation ("InterUnion"), Havensight Holdings Corp. ("Havensight") and ourselves with regard to the ITM Software ("ITM") and certain related matters.

ITM was developed by GTS on behalf of Bearhill pursuant to the ITM Software Development Agreement, dated September 9, 1994, (the "ITM Agreement") and Bearhill has absolute title to ITM. GTS has agreed and is bound to continue to develop and operate (the "Services") the ITM for an indefinite period and GTS has retained J.P. Fruchet in such regard and is entitled to certain compensation as contemplated in sections 4.1, 4.3, and 6.4 of the ITM Agreement. Upon the exercise of the Option, GTS shall be entitled to receive 15% of Bearhill's gross revenues for providing the Services until the Note is satisfied in full and GTS and Bearhill have agreed that neither will be entitled to receive compensation as contemplated in sections 4.1, 4.3 and 6.4 of the ITM Agreement in such regard.

In consideration of BNS entering into the Investment Management Agreement, Bearhill grants to BNS an irrevocable option (the "Option") to acquire the ITM as it may be modified from time to time in furtherance of the ITM Agreement. In the event that BNS wishes to exercise the Option, BNS shall acquire 100% of the Class B Shares of Bearhill, which Class B shares shall represent 30% of equity of Bearhill for $750,000 and shall enter into an agreement to acquire the ITM for $30 million. The acquisition price of $30 million shall be financed by $10 million in cash and a $20 million dollar 15 year non-recourse note bearing interest at 8.00 percent per annum, with the principal amount payable at the end of the term (the "Note"), provided that BNS shall have the right to accelerate payment of part or all of the Note at anytime without penalty and without notice. The principal terms of the Option are outlined in Schedule "A" hereto. All interest paid on the Note shall be credited to the Trust Account. GTS and Bearhill have advised that the ITM is Class 12 software for purposes of the Income Tax Act (Canada) and have agreed to provide a legal opinion in form satisfactory to BNS, in such regard, at the closing of the exercise of the Option.

Notwithstanding the exercise of the Option, GTS shall, provided that J.P. Fruchet is in its employment, have the right to be provided and use the market signals generated by the ITM at no charge or cost, provided that no more than $200 million of assets or such larger amount of assets as may then be managed by GTS at the time of the giving of notice of the exercise of the Option (the "Limit on Assets"), at book value, are managed using such signals. The Limit on Assets shall not apply on the occurrence of either of the events described in clauses (c) or (d) below.

Upon acquisition of the ITM, BNS shall enter into a non-exclusive agreement

with Bearhill to provide Bearhill with the timing signals generated by the ITM, and Bearhill shall use such signals in managing the Nirvana Fund, and may use such signals in the management of funds for third parties. Bearhill will not be permitted to disclose the timing signals to any third party, without the prior written consent of BNS. The Nirvana Fund will be managed by Bearhill, and the management of the Nirvana Fund may not be assigned or changed without the prior written consent of the Bank.

Bearhill shall apply the funds obtained from BNS as follows. The $750,000 obtained for the Class B Shares shall be used as working capital. The proceeds of $10 million shall be divided with $1.6 million being placed in a trust account (the "Trust Account") and $8.4 million invested in Class 1 Shares of the Nirvana Fund (the "Fund"). All principal amounts received by Bearhill on the Note shall be invested in Class 1 Shares. The Class 1 Shares cannot be redeemed prior to the Note being satisfied or without the approval of the Board of Directors.

Class 1 Shares shall rank superior to all other shares issued by the Fund. The Fund shall be managed by GTS on behalf of Bearhill using market signals generated by the ITM. Bearhill shall pay to BNS for use of the timing signals generated by the ITM, 15% of its gross revenue as a user fee (the "Fee"). In the event that the Fee is not sufficient to satisfy BNS interest obligations under the Note, any deficiency (a "Deficiency") shall be satisfied by Bearhill, first from the interest earned on the Trust Account, and then from its own assets.

Bearhill may not give any security to any party in order to borrow funds to satisfy a Deficiency. In the event that Bearhill cannot satisfy a Deficiency, Bearhill will be deemed to be in default, for purposes of clause (c) below.

The monies held within the Trust Account shall be retained in such account, along with any interest earned thereon, until the Note is satisfied in full, provided that in the event that any portion of the principal amount of the Note is repaid, a pro-rata share of the balance of the Trust Account as of the date of such repayment shall be released to Bearhill and Bearhill shall use such funds to acquire Class 1 Shares.

The Class 1 Shares shall distribute all earned interest, dividends received and crystallized capital gains annually.

The only other securities, either equity or debt, issued, or to be issued, by Bearhill are Class A Shares, currently representing 100% of the equity of Bearhill. The Class A Shares are held equally by InterUnion and Havensight. The holdings of Class A Shares may not be altered prior to the exercise of the Option. The Class A Shares and the Class B Shares shall have identical share provisions, save for entitlement to dividends. The Class B. Shareholder shall receive 80% of all dividends paid by Bearhill, to such point in time (the "Preferred Period") as Class B Shareholder has received $20 million, after which time Class B shareholders shall rank evenly with Class A Shareholders. During the Preferred Period, all dividends received from the Class B Shares shall be applied to the principal amount of the Note. After the Preferred Period, dividends received on both Class A and Class B Shares shall be invested in Class 2 Shares.

Each of the three shareholders shall have equal representation on the Board of Directors of Bearhill, and matters coming to the Board of Directors shall require unanimous approval. All dividends received by Class A and Class B shareholders once they rank equally shall be invested in Class 2 Shares of the Nirvana Fund, which will rank equally with the Class 1 Shares, save that the Class 2 Shares will not distribute interest, dividends or capital gains. Class 2 Shares may be redeemed.

InterUnion and Havensight, each grant to BNS an immediate option to acquire their respective Class A Shares at a price equal to 90% of book value, upon the occurrence of one or more of the following:

(a) the Note is satisfied in full prior to its maturity,

(b) the Class B Shareholders have received and aggregate of $25,000,000 in dividends from Bearhill,

(c) Bearhill defaults on any of its obligations to BNS, becomes insolvent or commits an act of bankruptcy, or

(d) the Nirvana Fund underperforms.

The Nirvana Fund shall be deemed to have underperformed if its return averages less than 10% per annum compounded annually over any 36 month period.

It is agreed that BNS can assign its rights and obligations hereunder to any subsidiary or affiliate without the consent of any other party.

It is also agreed that notwithstanding that Bearhill is currently incorporated under the laws of the British Virgin Islands, that Bearhill will at the request of BNS take such steps as may be necessary to change the laws pursuant to which it is incorporated and/or continued, provided that such action is acceptable to all shareholders.

All documentation required to complete the transactions and other steps contemplated above shall be prepared in accordance with normal commercial terms. In the event that the parties are unable to come to an agreement on any term or terms, the parties agree to submit to binding arbitration in accordance with the terms of the Arbitrations Act (Ontario).

If the above conforms to your understanding of the agreement reached amongst ourselves, please execute the four enclosed copies of this letter, and return same to the undersigned.

Yours truly,

The Bank of Nova Scotia
- ----------
/s/ Robert L. Brooks

Agreed and accepted,

/s/ J.P. Fruchet
- ----------
Guardian Timing Services, Inc.

/s/ Georges Benarroch
- ----------
InterUnion Financial Corporation

/s/ F.P. Polo
- ----------
Havensight Holdings Corp.

/s/ F.P. Polo
- ----------
Bearhill Limited

SCHEDULE A

The Option shall be exercised in accordance with the following terms:

The Bank of Nova Scotia shall give notice to Bearhill of its intention to exercise the Option in writing. Such notice shall be accompanied by a bank draft in an amount equal to ten times the then current option fee. This sum shall be a non-refundable deposit to be held in escrow and is to be applied against the purchase price upon closing of the Option. In the event that The Bank of Nova Scotia fails to proceed to the closing of the Option within 90 days of giving notice of its intention to exercise the Option, for any reason other than the failure of Bearhill or any other interested party to negotiate in good faith and/or to abide by the terms of any decision of any arbitration panel, then the deposit shall be released from escrow to Bearhill.

The Option shall be renewable for a three year indefinite term at the discretion of the Bank of Nova Scotia subject to the payment of an option fee annually, in advance, in accordance with the following schedule commencing on January 1, 1996.

For the 1996 calendar year	$25,000
For the 1997 calendar year	$50,000
For the 1998 calendar year	$75,000

In the event that Bearhill should receive a bona fide offer to acquire the ITM Software from a third party, which Bearhill is prepared to accept, Bearhill shall immediately forward a copy of such offer to the Bank and the Bank shall have a period of three weeks from the time it receives a copy of such offer to match such offer or exercise the Option by giving notice in accordance with the first paragraph above, at its sole discretion. If the Bank fails to match such offer, then Bearhill shall pay to the Bank a sum equal to ten times the then current option fee, and the Option shall terminate immediately thereafter.

This Option shall terminate in the event the Investment Management Agreement between the Bank of Nova Scotia and Guardian Timing Service, dated as of December 20, 1995 is terminated by either party thereto, provided that the Bank shall have a three week period after the date of termination of the Investment Management Agreement to exercise the Option by giving notice in accordance with the first paragraph above.

EXHIBIT 10(iii)

INVESTMENT MANAGEMENT AGREEMENT

THIS AGREEMENT dated as of the 20th day of December 1995

BETWEEN:

THE BANK OF NOVA SCOTIA, a Canadian chartered bank, having its executive offices in the City of Toronto, in the Province of Ontario

(The "Bank"),

-and-

GUARDIAN TIMING SERVICES, INC., a corporation incorporated under the laws of Canada, having its registered office in the City of Toronto, in the Province of Ontario,

(the "Investment Manager")

RECITALS:

A. Whereas the Bank wishes to have the Investment Manager manage an investment portfolio (the "Portfolio") on behalf of the Bank or one or more of its subsidiaries in Ontario using market timing signals generated by the software developed by the Investment Manager and/or Bearhill Limited, known as "ITM Software" (the "Software") and the parties desire to set forth certain terms relating to the activities and responsibilities of the Bank and the Investment Manager in such regard.

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter contained, it is agreed by and between the parties hereto as follows:

DEFINITIONS AND INTERPRETATIONS

1. In this Agreement, except where the context otherwise requires:

(a) "Agreement" means this Investment Management Agreement as the same may be amended from time to time and "herein", "hereof", "hereby", "hereunder" and similar expressions refer to this Agreement and include every instrument supplemental or ancillary to this Agreement and, except where the context otherwise requires, not to any particular article, section or subsection thereof;

(b) "Bank" shall include such subsidiaries and affiliates of The Bank of Nova Scotia, where the Bank has requested that the Portfolio be managed by the Investment Manager on behalf of such subsidiaries and affiliates;

(c) "business day" shall mean each day on which The New York Stock Exchange is open for business;

(d) "Custodian" shall mean the custodian of the assets of the Portfolio as appointed by the Bank from time to time.

(e) "Person" means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted; and

(f) "Securities Authorities" means the Ontario Securities Commission and equivalent regulatory authorities in each Province and Territory of Canada.

APPOINTMENT OF THE INVESTMENT MANAGER

2. The Bank hereby appoints the Investment Manager as the investment manager of the Portfolio with full authority and responsibility to provide or cause to be provided to the Portfolio, the investment management and related administrative services hereinafter set forth and the Investment Manager hereby accepts such appointment and agrees to act in such capacity and to provide or cause to be provided such investment management and related administrative services upon the terms set forth in this Agreement.

DUTIES OF THE INVESTMENT MANAGER

3. The Investment Manager shall, during the term of this Agreement and any renewal thereof:

(a) manage the Portfolio and shall cause to be made the decisions as to the purchase and sale of the Portfolio's securities in accordance with the indicators provided by the Software and decisions as to the execution of all portfolio transactions, including selection of market, dealer or broker and the negotiation, where applicable, of commissions or service charges, provided that the Investment Manager shall use Scotia McLeod, Inc. and/or its affiliates as the dealer for the Portfolio whenever it is convenient and reasonable to do so;

(b) provide written instructions to the Custodian respecting the delivery and acceptance of the Portfolio's securities on the purchase or sale of such securities;

(c) comply with and enter into contracts with all sub-investment managers and advisors appointed by it, with the prior written approval of the Bank, with respect to the Portfolio;

(d) in accordance with the instructions of the Bank, execute and deliver, or cause to be executed and delivered, proxies and vote or withhold from voting, or cause to be voted or withheld from voting, securities held as part of the Portfolio from time to time.

(f) ensure that all securities legislation is complied with in connection with the operation of the Portfolio and the execution and delivery of all necessary documents and certificates in connection therewith, as may be requested by the Bank from time to time;

(g) to provide any assistance to the Bank which may be required to prepare and file or cause to be prepared and filed all returns, reports and filings which may be required from time to time by any municipal, provincial, federal or other governmental authority and including, without limitation, such returns, reports and filings which may be required pursuant to the Income Tax Act (Canada) and applicable laws, regulations, requirements or policies of the Securities Authorities; and

(h) provide or cause to be provided services as may be reasonably requested by the Bank in respect of the Portfolio's daily operation, including providing the prices of individual securities as often as may be reasonably required by the Bank.

With regard to paragraphs (g) and (h) above the Bank shall pay to the Investment Manager its reasonable costs and expenses incurred by the Investment Manager with regard to meeting its obligations thereunder.

4. The Investment Manager may engage or retain any persons for the provision of certain portfolio management services in connection with the Portfolio, with the prior written approval of the Bank.

STANDARD OF CARE

5. The Investment Manager shall exercise the powers granted hereunder and discharge its duties hereunder honestly, in good faith, and in connection therewith, shall exercise the degree of care, diligence and skill that a reasonably prudent investment manager would exercise in the circumstances.

The Investment Manager represents and warrants that as at the date hereof

it has, and covenants that it has, and covenants that it will maintain during the currency of this Agreement, for its own account, all necessary licenses or registrations which it is required to have in order to perform its duties and obligations pursuant to this Agreement.

REPORTING OBLIGATION OF THE INVESTMENT MANAGER

6. The Investment Manager agrees that it shall maintain or cause to be maintained complete records of all transactions in respect of the Portfolio as may be required under applicable laws and as the Bank may otherwise reasonably request, and to provide or cause to be provided to the Bank, on a timely basis, such reports as the Bank may reasonably require. The Bank shall pay to the Investment Manager, its reasonable costs and expenses incurred by the Investment manager with regard to meeting its obligations thereunder.

FEES AND EXPENSES

7. In consideration of the duties performed by the Investment Manager pursuant to the terms of this Agreement, the Investment Manager shall receive from the Bank, either directly or as a charge to the Portfolio, as the Bank may direct an investment management fee (the "Investment Management Fee") as determined in accordance with Schedule "A" hereto.

LIABILITY OF THE INVESTMENT MANAGER

8. The Investment Manager shall not be liable to the Bank for any loss or damage relating to any matter regarding the Portfolio, including any loss or diminution in the value of the Portfolio. Nothing herein shall be deemed to protect the Investment Manager against any liability to the Bank in any circumstance where there has been negligence, willful default or dishonesty on the part of the Investment Manager or to the extent the Investment Manager may have failed to fulfill its duties and obligations as set forth in this Agreement.

9. The Investment Manager shall not be liable to the Bank for the acts, omissions, receipts, neglects or defaults of any person, firm or corporation employed or engaged by it as permitted hereunder, or for any loss, damage or expense caused to the Portfolio or the Bank through the insufficiency or deficiency of any security in or upon which any of the monies of or belonging to the Portfolio shall be laid out or invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or corporation with whom or which any monies, securities or property of the Portfolio shall be lodged or deposited, or for any loss occasioned by error in judgment on the part of the Investment Manager, or for any other loss, damage or misfortune which may happen in the execution by the Manager of its duties hereunder, except to the extent set out in the last sentence of paragraph 8.

10. The Investment manager may rely and act upon any statement, report or opinion prepared by or any advice received from auditors, solicitors, notaries or other professional advisors of the Investment Manager and shall not be responsible or held liable for any loss or damage resulting from relying or

acting thereon if the advice was within the area of professional competence of the person from whom it was received and the Investment Manager acted reasonably in relying thereon.

TERM

11. This Agreement shall continue in full force and effect until Agreement is terminated by either party by giving at least 30 days notice prior to the last business day of a calendar month (or such shorter period as the parties may agree) to the other of such termination.

12. During the term of this Agreement the Investment Manager shall make available to the Bank for inspection on reasonable notice, and upon termination of this Agreement the Investment Manager shall forthwith deliver to the Bank all records, documents and books of account related to the Portfolio.

13. Upon termination of this Agreement the Bank shall pay to the Investment

Manager such fees as may be due as of the date of termination and shall reimburse the Investment Manager for its expenses and disbursements to which it is entitled hereunder as of the date of such termination.

AMENDMENTS OF THIS AGREEMENT

14. This Agreement may not be amended or modified in any respect except by written instrument signed by the parties hereto and any proposed change shall not be effected without compliance with applicable requirements of the Securities Authorities.

NOTICES

15. Any notice, request or direction required or permitted to be given hereunder shall be in writing and shall be properly given, if delivered personally or by facsimile transmission, addressed to The Bank of Nova Scotia, 44 King Street West, Toronto, Ontario M51I 1H1, Attention: Executive Vice president, Investment Banking, and to the Investment Manager at Guardian Timing Services, Inc., 130 Adelaide Street West, Suite 3303, Toronto, Ontario, M5h 3P5, Attention: President, or to such other address as either party may from time to time specify by notice given in accordance herewith.

MISCELLANEOUS PROVISIONS

16. This Agreement shall be subject to and construed in accordance with the laws of the Province of Ontario and each of the Bank and the Investment Manager hereby irrevocably attorns to the jurisdiction of the courts thereof.

17. This Agreement may be assigned to an affiliate of the Investment Manager, but otherwise shall not be assignable by either party hereto, without the express prior written consent of the other party hereto. Written notice of any assignment to an affiliate of the Investment Manager must be provided to the Bank not less than 10 days in advance of such assignment.

18. The Investment Manager, may not directly or indirectly, advise any third party of its role as investment manager of the Portfolio, without the prior written consent of the Bank, save for such advice which it may be required to provide to governmental authorities or by court order.

19. This Agreement may be executed in any number of counterparts all of which taken together shall constitute this Agreement.

IN WITNESS WHEREOF the parties have executed this Agreement as of the day and year first above written.

THE BANK OF NOVA SCOTIA

By: /s/ Robert L. Brooks

GUARDIAN TIMING SERVICES INC.

By: /s/ J.P. Fruchet

SCHEDULE "A"

1. The initial size of the Portfolio shall be C$10 million. The Investment Manager shall manage the Portfolio in pursuit of the objectives but subject to

the constraints set forth in the Investment Objectives and Guidelines that the Bank and the Investment Manager shall agree on from time to time. If the Bank requests, the Portfolio shall be divided into sub-portfolios, which shall be managed in accordance with different investment objectives, different investment guidelines or both (e.g., as a mutual fund which complies with national Policy 39), always provided that no sub-portfolio may be established in an initial amount less than C$5 million.

2. The Bank shall pay all fees and bonuses to the Investment Manager from the assets in the Portfolio, always provided that each such payment shall require the specific authorization of the Executive Vice President, Investment Banking, which shall not be withheld unreasonably.

3. The fee payable to the Investment Manager shall be 1/12 of one percent per month of the net asset value of the Portfolio (net of all costs and expenses paid or accrued earlier and net of all fees and bonuses paid or accrued earlier), determined at the end of each month and payable quarterly.

4. There may be a bonus payable annually to the Investment Manager. This bonus shall be determined by the more restrictive of two calculations.

(a) On the first calculation, the bonus shall be payable only if the year's growth in net asset value of the Portfolio (net of all costs and expenses paid earlier and net of all fees and bonuses paid earlier), expressed in percentage terms, exceeds the year's rate of return of the S&P 500 Total Return Index. The bonus shall be 20% of the product of (I) the difference between the two percentage rates multiplied by (ii) the initial net asset value of the Portfolio for that year.

For purposes of determining the year's rate of return of the S&P 500 Total Return Index, the base figure for the initial period shall be the level of the S&P 500 Total Return Index at the close on 22 April 1996, and the final figure for the initial period shall be the level of the S&P 500 Total Return Index at the close on 31 December 1996 or, if applicable, the date of termination of the Investment Management Agreement before 31 December 1996. After such initial period, the base figure for each calendar year shall be the level of the S&P 500 Total Return Index at the close on the last business day of the preceding calendar year, and the final figure shall be the level of the S&P 500 Total Return Index at the close on the last business day of the calendar year for which a bonus is being calculated or, if applicable, the date of termination of the Investment Management Agreement during such calendar year. For purposes of determining the year's growth in net asset value of the Portfolio, the same dates and times shall apply.

(b) On the second calculation, however, the bonus shall be payable only if the cumulative growth in net asset value of the Portfolio (net of all costs and expenses paid or accrued earlier and net of all fees and bonuses paid or accrued earlier) since inception, expressed in percentage terms, exceeds the cumulative rate of return of the S&P 500 Total Return Index over the same period of time. The bonus shall be such that the sum of all bonuses paid since the inception of the Portfolio does not exceed 20% of the product of (i) the difference between the two cumulative percentage rates multiplied by (ii) the net asset value of the Portfolio at inception. For greater certainty, the two percentage rates shall be expressed not on a per annum basis but on the basis of the entire term of the Portfolio since inception.

For purposes of determining the cumulative rate of return of the S&P 500 Total Return Index, the base figure shall be the level of the S&P Total Return Index at the close on 22 April 1996, and the final figure shall be the level of the S&P Total Return Index at the close on the last business

day of the calendar year for which a bonus is being calculated or, if applicable, the date of termination of the Investment Management Agreement during such calendar year. For purposes of determining the

cumulative growth in net asset value of the Portfolio, the same dates and times shall apply.

5. For purposes of calculating all fees and bonuses payable hereunder, all calculations shall be based on U.S. dollars, but all fees and bonuses shall be payable in Toronto in Canadian dollars based on mid-market conversion rates at the time of payment.

6. The minimum fee and bonus payable to the Investment Manager shall be C$50,000 per annum or part thereof.

7. The Bank shall pay any GST payable on all fees and bonuses payable hereunder.

INVESTMENT OBJECTIVES AND GUIDELINES

GUARDIAN TIMING SERVICES PORTFOLIO

EFFECTIVE 22 APRIL 1996

Objective: To realize a total rate of return by investing in a portfolio of principally U.S. securities.

Benchmark: The S&P 500 Total Return Index.

Guidelines: 1. The Investment Manager shall rely exclusively on the systematic use of his proprietary computer-generated market timing signals and his proprietary computer-generated stock-picking techniques.

2. The Investment Manager may buy and sell U.S. dollar-denominated money market instruments, U.S. stocks, Canadian stocks and other stocks (collectively, Securities).

3. The Investment Manager retains the right (which, however, he does not anticipate exercising) to buy and sell exchange-traded convertible debentures, exchange-traded warrants and exchange-traded options (collectively, Derivative Securities).

4. The Investment Manager may buy and short S&P 500 Stock Index futures contracts.

5. When the proprietary timing model generates a buy signal, the Investment Manager may take a long position in equities as great as the net asset value of the Portfolio. He shall do so using stocks selected by his proprietary stock-picking techniques. He also may take a long position in S&P 500 Stock Index futures contracts.

6. When the proprietary timing model generates a sell signal, the Investment Manager shall sell any existing long position in S&P 500 Stock Index futures contracts, may retain the existing long position in equities and may take a short position in S&P 500 Stock Index futures contracts.

7. When the proprietary timing model generates a short signal, the Investment manager shall take an additional short position in S&P 500 Stock Index futures contracts.

Limits: 1. No more than 10% of the net asset value of the portfolio at time of purchase shall be invested in stocks other than U.S. and Canadian stocks.

2. No more than 10% of the net asset value of the Portfolio at time of purchase shall be invested in exchange-traded warrants and exchange-traded options, taken together.

3. The value of the long position in Securities and Derivative Securities plus the underlying value of the long position in S&P 500 Stock Index futures contracts shall not exceed 200% of the net asset value of the portfolio.

4. The underlying value of the short position in S&P 500 Stock Index futures contracts shall not exceed 200% of the net asset value of the portfolio.

5. For purposes of monitoring, the Bank and the Investment Manager shall agree from time to time in writing on the maximum number of S&P 500 Stock Index futures contracts that the Investment Manager may use. Initially, they agree that the Investment Manager shall be long no more than 22 contracts and shall be short no more than 44 contracts.

Approvals: The Investment manager shall act as a fully discretionary manager within the limits fixed by these Investment Objectives and Guidelines.

Clearing Broker: ScotiaMcLeod Inc. shall act as clearing broker for all transactions in the Portfolio.

Custodian: ScotiaMcLeod Inc. shall act as custodian of the Portfolio.

Voting: ScotiaMcLeod Inc. as custodian shall execute all proxies for voting of the securities in the Portfolio.

Monitor: The Bank's Integrated support Services shall monitor the Investment manager's compliance with those parts of these Guidelines that define:

1. the types of security that the Investment Manager may buy, sell or short;

2. the percentage of the net asset value of the portfolio that the Investment Manager may invest in stocks other than U.S. and Canadian stocks.

3. the percentage of the net asset value of the portfolio that the Investment Manager may invest in exchange-traded warrants and exchange-traded options; and

4. the number of S&P 500 Stock Index futures contracts that the Investment Manager may buy or short.

I.S.S. shall monitor daily. I.S.S. shall report any exceptions no later than the following day to the Executive Vice President, Investment Banking and to the Assistant General Manager, Investments.

Reporting Procedure: ScotiaMcLeod Inc. As custodian shall report monthly to the E.V.P., Investment Banking, the A.G.M., Investments and the A.G.M., International Banking Division. The report shall include a list of all transactions, a statement and valuation of assets and any other information required from time to time by the E.V.P., Investment Banking, acting reasonably.

Responsibilities: Upon due notice from the E.V.P., Investment Banking or the A.G.M., Investments, both the Investment Manager and ScotiaMcLeod, Inc. Shall permit the Bank's external and internal auditors access to all relevant information.

Exhibit 10(iv)

AGREEMENT made this 19th day of January, 1995.

BETWEEN:

HAVENSIGHT HOLDINGS LIMITED, a company incorporated under the laws of the British Virgin Islands

(hereinafter called "Havensight")

OF THE FIRST PART

- and -

INTERUNION FINANCIAL CORPORATION, a corporation incorporated under the laws of Delaware

(hereinafter called "Interunion")

OF THE SECOND PART

WHEREAS Havensight has sold to Interunion all of the issued and outstanding shares of Bearhill Limited ("Bearhill");

AND WHEREAS Bearhill is the owner of the ITM computer software (the "ITM Software"), a computer program used to predict the timing of various markets;

AND WHEREAS it is possible that the ITM Software may be sold to a third party;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants and agreements contained herein the parties covenant and agree as follows:

1. If the ITM Software is to be sold to any party Interunion hereby covenants and agrees that, immediately prior to such sale Havensight shall have the right to acquire fifty percent (50%) of the shares of Bearhill for a purchase price of $1.00.

2. It is hereby further agreed that if any shares of Bearhill, or any shares of any affiliate (as that term is defined in the Ontario Securities Act) of Bearhill are offered for sale to any Canadian corporation that is, or is an affiliate of, a bank, trust company, insurance corporation, brokerage or dealer, mutual fund dealer, or other financial institution (or any affiliate of any such corporation), in conjunction or connection with the sale, lease or other exploitation of the ITM Software, the parties hereto agree that they will become equal holders of the balance of the shares of Bearhill (or such affiliate of Bearhill) that are not sold to such Canadian corporations.

3. Each of the parties hereto shall do, execute, acknowledge, deliver or cause to be done, executed, acknowledged or delivered, all such furthre acts, deeds, documents, assignments, transfers, conveyances or powers of attorney as may be reasonably necessary or desirable to effect complete consummation of the transactions contemplated by this agreement.

IN WITNESS WHEREOF this agreement has been executed by the parties hereto.

HAVENSIGHT HOLDINGS LIMITED

BY /s/ J.P. Fruchet

INTERUNION FINANCIAL CORPORATION

BY /s/ Georges Benarroch

EXHIBIT 10(v)

April 16, 1997

Mr. J.P. Fruchet
President
Guardian Timing Services Inc.
130 Adelaide Street West
Suite 3303
Toronto, Ontario
M5H 3P5

Dear Mr. Fruchet,

Further to our conversation over the last serveral weeks, we wish to confirm our understanding of our agreement as to certain amendments to Schedule A to a letter of understanding dated December 20, 1995 (the "Letter") relating to the Bank's entering into an Investment Management Agreement and the possible acquisition of 100% of the Class B shares of Bearhill Limited.

The second full paragraph of Schedule A currently reads as follows;

"The Option shall be renewable for a three year term at the discretion of The Bank of Nova Scotia subject to the payment of an option fee annually, in advance, in accordance with the following schedule commencing on January 1, 1996.

For the 1996 calender year $25,000
For the 1996 calender year $50,000
For the 1996 calender year $75,000"

It has been agreed that the second full paragraph of Schedule A is replaced with the following paragraph;

"The Option shall be renewable for a four year term at the discretion of The Bank of Nova Scotia subject to the payment of an option fee annually, in advance, in accordance with the following schedule commencing on April 23, 1996.

For the year commencing April 23, 1996	$25,000
For the year commencing April 23, 1997	$25,000
For the year commencing April 23, 1998	$50,000
For the year commencing April 23, 1999	$50,000"

All other terms of the Letter remain the same.

If the above conforms to your understanding of the agreement reached amongst ourselves, please execute the enclosed duplicate copy of the letter, and return same to the undersigned.

Yours truly,

The Bank of Nova Scotia
- ----------
/s/ Robert L. Brooks

Agreed and accepted,

/s/ J.P. Fruchet
- ----------
Guardian Timing Services, Inc.

/s/ Georges Benarroch

- ----------
InterUnion Financial Corporation

/s/ Harmodio Herrera
- ----------
Havensight Holdings Corp.

/s/ Harmodio Herrera
- ----------
Bearhill Limited

EXHIBIT 10(vi)

September 26, 1996

New Researches Corporation
10 rue Pierre-Fatio
Geneva, CH-1201 Switzerland ("NRC")

- and -

RIF Capital Inc.
c/o Corporate Services
Price Waterhouse Centre
PO Box 634C
St. Michael, Barbados ("RIF")

- and -

St. Michael Trust Corp., as Trustee for
Central Investment Trust
PO Box 634C Price Waterhouse Centre
St. Michael, Barbados (the "Trust")

Dear Sirs:

LETTER OF UNDERSTANDING

This Letter of Understanding outlines the terms of the Agreement between the parties: RIF Capital Inc. And Central Investment Trust, collectively (the "Vendors"), New Researches Corporation and InterUnion financial Corporation ("InterUnion").

1. Central Investment Trust (the "Trust") is the owner of all the issued and outstanding common shares of RIF Capital Inc. ("RIF") and RIF is the owner of all the issued and outstanding shares of New Researches Corporation ("NRC"), a company incorporated under the laws of Panama.

2. NRC owns 3,216,667 common shares and 200,000 common share purchase warrants of Genesis and 50,000 common shares of Unirom.

3. Genesis is a public company incorporated in the Province of Ontario and Unirom is a private company incorporated in the Province of Ontario.

4. InterUnion has expressed to the Vendors an interest in purchasing all the issued and outstanding shares of New Researches Corporation and the Vendors have granted to InterUnion an irrevocable option (the"Option") to purchase NRC.

5. The terms of this Letter of Understanding are subject to each party being satisfied with its due diligence investigation of the other parties to the agreement.

6. All documentation required to complete the transaction and any other actions contemplated by the Agreement as outlined in this Letter of Understanding shall be prepared and undertaken in accordance with the laws of the State of Delaware.

TERMS OF THE OPTION

a. InterUnion shall pay to the Vendors, or at their direction, a non-refundable Option fee of US$80,000 on or before December 15, 1996.

b. The Option shall expire on December 15, 1997 ("Closing Date").

c. InterUnion shall provide written notice of its intention to exercise

the Option to the Vendors and NRC.

d. The purchase price paid by InterUnion to the Vendors, upon exercise of the option shall be:

i) US$2,000,000 payable on or before the Closing Date (4:00 p.m. Palm Beach time); and

ii) upon the sale of any of the common shares of Genesis, including any shares issued pursuant to the exercise of the common share purchase warrants of Genesis, after the Closing Date, InterUnion shall pay to the Vendors eighty percent (80%) of the proceeds realized from such sales, in excess of C$1.00 per share. This condition shall not expire except by mutual agreement of all parties to this Agreement.

e. In the event that NRC receives a bona fide offer from a third party to purchase its common shares during the term of the Option and, if NRC should desire to accept said offer, NRC shall immediately forward a copy of the offer to InterUnion. InterUnion shall have a period of ten calendar days from the receipt of the offer to counter the offer or exercise the Option by giving notice, at its sole discretion, in accordance with term c. If InterUnion fails to match the offer or exercise the Option, NRC shall have the absolute right to accept the offer from the third party and to declare the Option to be null and void.

If this Letter of Understanding reflects your understanding of the terms of the Agreement, please so indicate by signing and returning one copy of this Letter of Understanding to the undersigned.

INTERUNION FINANCIAL CORPORATION

/s/ Georges Benarroch
- ----------
Georges Benarroch
President and CEO

Agreed and accepted
this 26th day of September, 1996

By: /s/ P. Patterson
- ----------
RIF Capital, Inc.

Agreed and accepted
this 26th day of September, 1996

By: /s/ Michael Woodli

New Researches Corporation

Agreed and accepted
this 26th day of September, 1996

By: /s/ James Knott

St. Michael Trust Corp. As Trustee for
Central Investment Trust

EXHIBIT 10(vii)

January 7, 1997

Receptagen Ltd.
190 W Dayton
Suite 101
Edmonds, WA 980

Dear Sirs:

Re: Receptagen Ltd. ("Receptagen" or the "Company")

This letter, together with the attached schedules, is a follow-up to our letter dated December 16, 1996 and will serve to summarize our discussions in Palm Beach on December 30, 1996.

We would ask you to signify your agreement to the terms outlined in the attached term sheet by signing the enclosed duplicate copy of this letter prior to January 8, 1997 at 10:00 A.M. (Palm Beach time). Upon receipt of the executed letter, we shall prepare the necessary News Release together with you. We shall then instruct our respective legal counsel to prepare the appropriate documentation and obtain the necessary approvals and/or exemptions from the shareholders and the regulators.

Yours truly,

INTERUNION FINANCIAL CORPORATION

/s/ Georges Benarroch
- ----------
Georges Benarroch

President and C.E.O. Accepted
this 19th day of January 1997

Receptagen Ltd.

Per: /s/ Warren Wheeler

Encls.: Schedules "A", "B", "C"

Schedule "A"

RECEPTAGEN LTD. ("Receptagen")

RECAPITALIZATION PLAN

PROPOSED RESTRUCTURING:

ROLLOVER OF DEBT: All trade creditors, excluding: the University of Washington and the National Research Council, the Biomedical Research Centre (BRC) at the University of B.C., and the Brooklyn Health Service Center at the State University of New York, agree to exchange debt of approximately C$7,000,000 for InterUnion Financial Corporation ("IUFC") shares. (Terms as outlined below).

BRIDGE FINANCING: IUFC will guarantee a commitment from New Researches Corp. ("NRC") to make available to Receptagen up to C$300,000, starting immediately upon completion of the due diligence, but not later than January 25, 1997. The proceeds of the bridge financing will be disbursed by IUFC upon instructions from Receptagen. This credit facility will be exchangeable for a convertible debenture of Receptagen.

PRIVATE PLACEMENT: Receptagen to complete a Private Placement of Special Warrants for aggregate proceeds of up to C$2,500,000. (Terms as outlined below)

BOARD OF DIRECTORS: As agreed by the Company and IUFC; IUFC will have a minimum of one nominee on the Board of directors.

DUE DILIGENCE: To commence immediately

EXPENSES AND LEGAL FEES: To be paid by Receptagen

CLOSING DATE: February 14, 1997

ROLLOVER OF DEBT:

TRANSACTION #1:

AMOUNT: Approximately C$7,000,000

CONVERSION OF DEBT: Trade creditors will receive C$0.10 per C$1.00 in IUFC Common Shares under Regulation "S".

PRICE OF COMMON SHARES: US$5.00 per IUFC Common Share

NUMBER OF COMMON SHARES: Approximately 105,000 IUFC Common Shares

TRANSACTION #2:

ROLLOVER OF DEBT: IUFC will receive C$0.10 per C$1.00 of debt.

CONVERSION OF PRICE: Maximum discount allowed by the Toronto Stock Exchange but not greater than C$0.07 per Common Share

NUMBER OF COMMON SHARES: Approximately 9,300,000 Common Shares of Receptagen together with the same number of Common Share Purchase Warrants ("Units 'A'")

QUALIFICATION: All the Units 'A' will qualify under the Prospectus to be filed with the Ontario Securities Commission, as outlined in Schedule "C".

ADVISOR: Credifinance Capital Inc.

ADVISOR'S FEE: 10% of the amount of the debt, payable by Receptagen

CLOSING DATE: January 25, 1997

SCHEDULE "B"

RECEPTAGEN LTD.

BRIDGE FINANCING:

AMOUNT: Up to C$300,000 in the form of a revolving credit facility, exchangeable into a convertible debenture of Receptagen.

CONVERSION OF THE LOAN: IUFC will convert the amount of funds advanced to the Company into Receptagen Common Shares together with the same number of Common Share Purchase Warrants ("Units 'B'"). The exercise price of the Warrant will be the same as the conversion price. The Units "B" underlying the convertible debenture will be qualified by way of Prospectus.

CONVERSION PRICE: C$0.07 per Common Share

NUMBER OF COMMON SHARES: Up to 4,285,000 Common Shares

NUMBER OF WARRANTS: Up to 4,285,000 Warrants

COMMENCEMENT DATE: Immediately upon finalizing due diligence, but not later than January 25, 1997.

SECURITY: General Security Agreement on the assets of the Company and Undertaking from the Company and its subsidiaries in a form acceptable to the Lender and its legal counsel. The Security will specifically include all rights to Receptagen's intellectual property.

ADVISOR: Credifinance Capital Inc.

ADVISOR'S FEE: 10% of the amount of the line of credit, in cash

SCHEDULE "C"

RECEPTAGEN LTD.

PRIVATE PLACEMENT OFFERING

ISSUER: Receptagen

OFFERING: Private Placement of o Special Warrants

AMOUNT: Up to C$2,500,000

OFFERING PRICE: - per special warrant The Offering Price will be the closing market price of the Common Shares of the Company on the Toronto Stock Exchange for the business day immediately prior to the Company's press

release announcing the warrant restructuring less the maximum discount allowed.

USE OF PROCEEDS: The proceeds will be used to fund research and development. Pending use for these purposes, the proceeds will be added to the working capital of the Company.

TERMS OF DISBURSEMENT: The offering is subject to the Company converting its trade payables into Common shares of IUFC. Funds will be disbursed to the Company only if creditors of Receptagen accept the terms of conversion of the Company debt.

LISTING: The Common Shares of the Company are listed on the Toronto Stock Exchange (symbol "RCG")

JURISDICTION: Ontario and such other jurisdictions as agreed to by the Company and the Agent.

MINIMUM SUBSCRIPTION: Special Warrants ($- per purchaser)

SPECIAL WARRANTS: Each Special Warrant will be exercisable, without payment of additional consideration, for one Unit 'C', with each Unit 'C' consisting of one Common share of the Company and one transferable Share Purchase Warrant exercisable into one common share at C$o per common Share for two years.

PROSPECTUS FILING: The Company and the Agent agree to prepare and file a final prospectus (the "Prospectus") for the Common Shares to be issued upon the exercise of the Special Warrants with the Ontario Securities Commission and the Company agrees to use its best efforts to obtain receipts therefor on or before 5:00 P.M. (Toronto time) on o, 1997 (the "Qualification Date").

EXERCISE OF SPECIAL WARRANTS: The purchaser will be entitled to exercise the Special Warrants for Common Shares at any time or prior to 5:00 p.m. (Toronto time) on the earlier of (I) the sixth business day following the date that a receipt is

issued for the Prospectus by the Ontario Securities Commission and (ii) o, 1997 (the "Expiry Date"). Any Special Warrants not exercised by the Expiry Date shall be deemed to be exercised by the holder thereof, without further action on the holder's part immediately prior thereto.

PENALTY: If the Prospectus is not filed and receipts issued therefor by the Ontario Securities Commission on or before the Qualification Date, each Special Warrant shall be exercisable for 1.1 Common Share without payment of additional consideration.

AGENT: Credifinance Securities Limited

AGENT'S COMPENSATION: 7.50% of the total gross proceeds realized by the Company upon the sale of the Special Warrants.

AGENT'S WARRANTS: Subject to entering into a standard agency agreement (which will be subject to standard industry outs), the Agent will receive a two year non-transferrable warrant to buy that number of Common Shares of the Company that is equal to 10% of the number of Common Shares forming part of the Units issuable on exercise of the Special Warrants sold pursuant to the Offering. The exercise price of the Warrant shall be that of Offering Price.

CLOSING DATE: February 14, 1997 or such other date as agreed by the Company and the Agent.

EXHIBIT 16

March 4, 1997

Office of the Chief Accountant
United States Securities and Exchange Commission
450 Fifth Street, Northwest
Washington 20549

Gentlemen/Mesdames:

RE: INTERUNION FINANCIAL CORPORATION
- ----------

We were previously principal accountants and auditors for InterUnion Financial Corporation and, under date of May 10, 1996, we reported on the consolidated financial statements of InterUnion Financial Corporation and the subsidiaries as of and for the years ended March 31, 1996 and 1995.

On March 4, 1997 InterUnion Financial Corporation retained Goldstein Golub Kessler ("GGK"), a member of the Nexia International affiliation (as our firm is) as principal certifying accountants.

We have read InterUnion Financial Corporation's statements included under item 4 of its Form 8-K dated March 4, 1997 and we agree with such statements.

Yours very truly,

/s/ Mintz & Partners

EXHIBIT 21

SUBSIDIARIES
OF
INTERUNION FINANCIAL CORPORATION

Name of Subsidiary	Jurisdiction of Incorporation
Guardian Timing Services Inc.	Ontario, Canada
Bearhill Limited	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

NOTE: All subsidiaries do business under their official names.

<TABLE> <S> <C>

<ARTICLE> 5
<LEGEND>
THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM INTERUNION FINANCIAL CORPORATION CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 1997.
</LEGEND>

<S> <C>
<PERIOD-TYPE> 12-MOS
<FISCAL-YEAR-END> MAR-31-1997
<PERIOD-START> APR-01-1996
<PERIOD-END> MAR-31-1997
<CASH> 349,738
<SECURITIES> 29,457,965
<RECEIVABLES> 226,663
<ALLOWANCES> 0
<INVENTORY> 0
<CURRENT-ASSETS> 36,342,097
<PP&E> 2,100,010
<DEPRECIATION> 490,105
<TOTAL-ASSETS> 38,820,507
<CURRENT-LIABILITIES> 34,591,208
<BONDS> 0
<PREFERRED-MANDATORY> 0
<PREFERRED> 150,000
<COMMON> 970
<OTHER-SE> 4,078,329
<TOTAL-LIABILITY-AND-EQUITY> 38,820,507
<SALES> 0
<TOTAL-REVENUES> 5,732,586
<CGS> 0
<TOTAL-COSTS> 5,214,477
<OTHER-EXPENSES> 266,717
<LOSS-PROVISION> 0
<INTEREST-EXPENSE> 2,631
<INCOME-PRETAX> 248,761
<INCOME-TAX> 88,085
<INCOME-CONTINUING> 160,676
<DISCONTINUED> (160,829)
<EXTRAORDINARY> 0
<CHANGES> 0
<NET-INCOME> (230,153)
<EPS-PRIMARY> (0.25)
<EPS-DILUTED> (0.25)

</TABLE>