

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

FORM 10-QSB

(Mark One)

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

For the quarterly period ended June 30, 1996

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

For the transition period from _____ to _____

Commission file number

INTERUNION FINANCIAL CORPORATION

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

<TABLE>

<S>

Delaware

<C>

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)

</TABLE>

(561) 820 - 0084

(Issuer's telephone number)

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

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

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

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

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of share outstanding of each of the issuer's classes of common equity, as of the latest practicable date: \$1.00 Par Value Common Shares -

PART I - FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

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

<TABLE>
 <CAPTION>

	Audited 3 mos ended Jun-96 <C>	Audited 12 mos ended Mar-96 <C>	Audited 12 mos ended Mar-95 <C>		
CURRENT ASSETS					
Cash	622,757	722,795	490,681		
Due from brokers and dealers		911,160	1,168,190	172,944	
Client deposits	1,070,270	2,093,966	21,147,890		
Marketable securities	194,117	2,625,585	15,682,071		
Accounts receivable	492,324	208,727	55,262		
Income tax receivable	(35,402)	1,597	15,866		
Sundry assets and prepaid expenses		170,149	75,906	31,615	
	-----	-----	-----		
	3,425,375	6,896,766	37,596,329		
	-----	-----	-----		
START-UP COSTS		418,990	438,803		
LONG TERM INVESTMENTS			913,834	913,834	900,361
CAPITAL ASSETS		915,586	948,892	933,380	
DEFERRED CHARGES		174,367	184,944	234,574	
GOODWILL AND NON-CURRENT ASSETS			1,072,165	1,086,461	1,143,982
OTHER ASSETS		0	0	240,693	
	-----	-----	-----	-----	-----
	3,492,942	3,572,934	3,452,990		
	-----	-----	-----	-----	-----
	6,918,317	10,469,700	41,049,319		
	=====	=====	=====	=====	=====
CURRENT LIABILITIES					
Due to brokers and dealers		429,091	2,499,665	30,168,593	
Due to clients		1,629,007	3,035,310	6,368,681	
Accounts payable and accrued liabilities		714,382	675,623	283,459	
	-----	-----	-----	-----	
	2,772,480	6,210,598	36,820,733		
	-----	-----	-----	-----	
Other liabilities		0	0	499,377	
Due to related parties		171	119,462	100,873	
	-----	-----	-----	-----	
	171	119,462	600,250		
	-----	-----	-----	-----	
SHAREHOLDERS EQUITY					
Capital Stock and additional paid-in capital		3,972,512	3,972,512	3,762,774	
Retained Earnings (Deficit)		173,154	167,128	(134,438)	
	-----	-----	-----	-----	
	4,145,666	4,139,640	3,628,336		
	-----	-----	-----	-----	
	6,918,317	10,469,700	41,049,319		

</TABLE>

Page 2 of 7

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

<TABLE>
<CAPTION>

	Audited		Audited	
	3 mos	12 mos	12 mos	
	ended	ended	ended	
	Jun-96	Mar-96	Mar-95	
<S>	<C>	<C>	<C>	
REVENUES				
Commissions, trading & investment income		1,364,701	4,500,899	3,971,160
Sales	515,934	0	0	
Fee Revenue	229,908	1,364,297	56,907	
	-----	-----	-----	
	2,110,543	5,865,196	4,028,067	
EXPENSES				
Selling, Marketing & Research		1,008,674	4,207,289	2,868,886
Cost of Goods Sold	515,934	0	0	
Salaries & Benefits	274,331	759,361	291,687	
General & Administration	176,294	710,938	796,673	
Other Expenses	(639)	13,132	0	
Foreign Exchange Loss (Gain)	296	(20,902)	(247)	
Interest & Bank Charges Expense (Income)		(8,137)	(37,337)	5,830
Amortization	79,992	218,084	24,272	
	-----	-----	-----	
	2,046,745	5,850,565	3,987,101	
PROFIT (LOSS) FROM CONTINUING OPERATIONS				
			63,798	14,631
Loss from Discontinued Operation		0	(94,252)	(184,845)
Gain on Disposal of Discontinued Assets		0	409,418	0
	-----	-----	-----	-----
PROFIT (LOSS) FOR THE PERIOD - BEFORE INCOME TAXES			63,798	329,797
PROVISSION FOR INCOME TAXES (RECOVERABLE)			57,772	28,231
	-----	-----	-----	-----
NET PROFIT (LOSS) FOR THE PERIOD		6,026	301,566	(134,438)
RETAINED EARNINGS (DEFICIT) - BEGINNING OF PERIOD			167,128	(134,438)
	-----	-----	-----	-----
RETAINED EARNINGS (DEFICIT) - END OF PERIOD			173,154	167,128
FINANCIAL OVERVIEW				
Common Shares Outstanding		692,572	692,572	369,058
Weighted Average Shares Outstanding		692,572	501,335	157,531
E.P.S. - From Continuing Operations		0.01	0.03	0.24
E.P.S. - After Discontinued Operations		0.01	0.60	(0.85)

</TABLE>

Page 3 of 7

INTERUNION FINANCIAL CORPORATION
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE THREE MONTHS ENDED JUNE 30, 1996
(Expressed in U.S. Dollars)

<TABLE>
<CAPTION>

	Audited	Audited				
	3 mos	12 mos	12 mos			
	ended	ended	ended			
	Jun-96	Mar-96	Mar-95			
	<C>	<C>	<C>			
OPERATING ACTIVITIES						
Net Income (Loss)		6,026	301,566	(134,438)		
Amortization		79,992	218,084	24,272		
Gain on disposition of discontinued operations			0	(409,418)	0	
	-----	-----	-----			
	86,018	110,232	(110,166)			
Increase (decrease) in due to brokers and dealers, net			(1,813,544)	(28,664,174)	29,995,649	
Increase (decrease) in due to clients			(382,607)	15,720,553	(14,779,209)	
Increase (decrease) in marketable securities			2,431,468	13,056,486	(15,682,071)	
Increase (decrease) in accounts receivable & sundry assets			(340,841)	(183,487)	(102,741)	
Decrease (increase) in accounts payable and accrued liabilities			38,762	392,164	283,460	
	-----	-----	-----			
CASH PROVIDED (USED) BY OPERATING ACTIVITIES				19,256	431,774	(395,078)
FINANCING ACTIVITIES						
Capital stock and additional paid-in capital issued (note 8)			0	555,000	3,762,774	
Increase (decrease) in due to related parties			(119,291)	18,589	100,872	
	-----	-----	-----			
CASH PROVIDED (USED) BY FINANCING ACTIVITIES				(119,291)	573,589	3,863,646
INVESTING ACTIVITIES						
Start-up costs		0	(438,803)	0		
Long term investments			0	(13,472)	(900,361)	
Purchase of capital assets			0	(132,533)	(957,653)	
Reorganization costs			0	(61,632)	(234,574)	
Goodwill		0	0	(1,143,982)		
Investment in subsidiaries (note 5)			0	0	(507,457)	
Discontinued operations			0	(126,809)	258,684	
	-----	-----	-----			
CASH PROVIDED (USED) IN INVESTING ACTIVITIES				0	(773,249)	(3,485,343)
INCREASE (DECREASE) IN CASH						
			(100,035)	232,114	(16,775)	
CASH - BEGINING OF YEAR		722,795	490,681	0		
CASH ACQUIRED ON ACQUISITION OF SUBSIDIARIES				0	0	507,456
	-----	-----	-----			
CASH - END OF YEAR		622,760	722,795	490,681		
	=====	=====	=====			

</TABLE>

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS

During the first quarter of fiscal 1997 (three months ending June 30, 1996), InterUnion reported consolidated revenues of US\$2.1 million. No comparative figure for the same period is available as InterUnion was in an acquisition and reorganization mode during the first half of fiscal 1996. This is collaborated by the fact that revenues for the quarter represents 36.0% and 52.4% of all of fiscal 1996 and 1995 respectively. The increase is due to InterUnion's wholly owned subsidiary Reeve, Mackay & Associates Limited, which started its operations in the second quarter of fiscal 1996.

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

<TABLE>
<CAPTION>

FY 97 FY 1996 FY 1995
Q1

<S>	<C>	<C>	<C>
Commission Income	1,364	4,500	3,871
Sales	516		
Fee Revenue	230	1,365	57
Total	2,110	5,865	4,028

Financial overview of InterUnion's financial statements:

<S>	<C>	<C>	<C>
Common Shares Issued	692,572	692,572	369,058
E.P.S. - operations	0.009	0.027	0.243
E.P.S. - After discontinued operations	0.009	0.602	-0.853
Working Capital	652,893	686,186	775,593
Cash Flow - operations	86,018	204,486	74,678
Cash Flow. - After discontinued operations	86,018	110,233	-110,167
Shareholders Equity	4,145,666	4,139,640	3,628,774
Book Value per Share	5.99	5.98	9.83

Net earnings for the quarter was \$6,026 on a weighted average of 692,572 common shares for the period. The set back in net earnings was to be expected as Reeve, Mackay & Associates Limited down period is June to October, with the high seasons being November and December and April and May.

Consolidated cash flow from operations continued to improve to \$86,018 (equal to 42.1% of fiscal 1996) which is a result of monitoring of operations and better controls by management. New acquisitions continue to be a top priority for InterUnion. But the Company has increased its attention towards cost cutting and economies of scales within the marketing and administrative functions of the different subsidiaries.

Book value per share is \$5.99 versus \$5.98 and shareholders' equity increased 0.1% to \$4,145,666 versus \$4,139,640.

In order to meet its growth plans, the Company issued a Confidential Private Offering Memorandum under Regulation "S" dated September 1, 1996. This Offering Memorandum offered for sale a maximum of 250,000 units of the Company at a price of \$5.00 per unit. Each unit consists of one share common voting stock and one warrant to purchase one share of common voting stock at \$6.00 per share, with an expiration date on the warrant of September 15, 1997. The total offering seeks to raise \$2,000,000, with anticipated net proceeds after commissions and offering costs to be \$1,775,000.

The Company continues to explore opportunities for the acquisition of operating companies that will provide additional liquidity and cash flow. The Company anticipates that such acquisitions would be financed by the use of the cash generated by the above mentioned financing as well as the issuance of common stock from treasury.

The Company feels that the financial statements for the periods ending June 30, 1996 and March 31, 1996 accurately reflect the operations of the Company and its subsidiaries. In fact, the Company has taken every reasonable step to insure that its financial statements do not represent a distorted picture to anyone having a business reason to review such statements.

the Company that would cause the reported financial information to be other than indicative of future operating results or of future financial conditions.

PART II - OTHER INFORMATION

ITEM 1 - LEGAL PROCEEDINGS.

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

ITEM 2 - CHANGES IN SECURITIES

None.

ITEM 3 - DEFAULTS UPON SENIOR SECURITIES

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

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

At a special meeting of the shareholders held May 17, 1996 the following events took place:

1. The following nominees to the Board of Directors to serve until the next shareholders meeting have been elected: Georges Benarroch, Chairman, Jacques Meyer de Stadelhofen, Karen Lynn Bolens, and Ann Glover, Directors
2. A twenty (20) for one (1) common stock consolidation was voted on and approved.
3. The Board of Directors was given the authority to act within its discretion in regards to the outstanding stock options and warrants.
4. The Board of Directors was granted the authority to act within its discretion in making application for admission to the NASDAQ Market and registering the Corporation with the US Securities & Exchange Commission pursuant to the appropriate section of the Securities & Exchange Act of 1934, as amended.

ITEM 5 - OTHER INFORMATION

None.

ITEM 6 - EXHIBITS AND REPORTS ON FORM 8-K

27 - Financial Data Schedule (for SEC use only)

SIGNATURES

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

InterUnion Financial Corporation

(Registrant)

Date October 29,1996 /s/ Georges Benarroch

Georges Benarroch, Director

Date October 29,1996 /s/ Ann Glover

Ann Glover, Director

<TABLE> <S> <C>

<ARTICLE> 5

<LEGEND>

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

</LEGEND>

<S>	<C>
<PERIOD-TYPE>	3-MOS
<FISCAL-YEAR-END>	MAR-31-1997
<PERIOD-START>	APR-01-1996
<PERIOD-END>	JUN-30-1996
<CASH>	622,757
<SECURITIES>	194,117
<RECEIVABLES>	2,473,754
<ALLOWANCES>	0
<INVENTORY>	0
<CURRENT-ASSETS>	3,425,375
<PP&E>	1,036,969
<DEPRECIATION>	(123,388)
<TOTAL-ASSETS>	6,918,317
<CURRENT-LIABILITIES>	2,772,483
<BONDS>	0
<PREFERRED-MANDATORY>	0
<PREFERRED>	150,000
<COMMON>	12,602
<OTHER-SE>	3,983,064
<TOTAL-LIABILITY-AND-EQUITY>	6,918,317
<SALES>	515,934
<TOTAL-REVENUES>	2,110,543
<CGS>	515,934
<TOTAL-COSTS>	1,539,291
<OTHER-EXPENSES>	(8,480)
<LOSS-PROVISION>	0
<INTEREST-EXPENSE>	2,126
<INCOME-PRETAX>	63,798
<INCOME-TAX>	57,772
<INCOME-CONTINUING>	6,026
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	6,026
<EPS-PRIMARY>	0.01
<EPS-DILUTED>	0

</TABLE>