Securities And Exchange Commission

Washington, DC 20549

FORM 10-KSB

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2000

COMMISSION FILE NO. 2-91651-D

Peacock Financial Corporation

COLORADO	87-0410039
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(I.R.S. EMPLOYER IDENTIFICATION NUMBER)

2531 SAN JACINTO AVENUE SAN JACINTO, CA 92583
(ADDRESS AND ZIP CODE OF PRINCIPAL EXECUTIVE OFFICES)

(909) 652-3885
(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)

INDICATE BY CHECK MARK WHETHER THE REGISTRANT (1) HAS FILED ALL REPORTS REQUIRED TO BE FILED BY SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 DURING THE PRECEDING 12 MONTHS (OR FOR 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___ .

INDICATE BY CHECK MARK IF DISCLOSURE OF DELINQUENT FILERS PURSUANT TO ITEM 405 OR REGULATION S-K IS NOT CONTAINED HEREIN, AND WILL NOT BE CONTAINED, TO THE BEST OF REGISTRANT'S KNOWLEDGE, IN DEFINITIVE PROXY OR INFORMATION STATEMENTS INCORPORATED BY REFERENCE IN PART III OF THIS FORM 10-K OR ANY AMENDMENT TO THIS FORM 10-K.

THE NUMBER OF SHARES OF CLASS A COMMON STOCK OUTSTANDING AS OF DECEMBER 31, 2000, WAS 76,931,751.

DOCUMENTS INCORPORATED BY REFERENCE: NONE.

ITEM 1 - BUSINESS

Peacock Financial Corporation, a Colorado corporation (the Company), incorporated February 1984, is a publicly traded diversified investment holding company that makes direct investments in and provides management services to businesses that have an operating history and can perform to the bottom line. The Company intends to continue expanding through the internal development of its present operations and other business opportunities, as well as the acquisition of additional business ventures.

The Company participates in companies in various fields of business by arranging for and contributing capital and providing management assistance. Potential ventures are evaluated based on the ability of the business to be viable and reach a significant milestone with the Company's initial investment as well as possessing a potential to generate significant revenues through strong intellectual property rights and experienced management. The Company continually seeks and evaluates investment opportunities that have the potential of earning significant returns. The Company has in the past, and may again in the future, raise capital specifically for the purpose of permitting it to make an investment that the company believes is attractive.

The Company's current enterprise portfolio includes the following:

- Peacock Real Estate Development Corporation (Riverside Park Apartments, Canyon Shadows, St. Michel)
- Vir-Tek Corporation
- iNetPartners, Inc.
- San Diego Soccer Development Corporation
- Bio-Friendly Corporation
- Bizness Soup Talk

The Company plans to invest in ventures with at least a three-year operating

history, is performing with a profit to the bottom line and, in some cases, has the need for identification and implementation of experienced management. Identifying and developing each new business opportunity requires the Company to dedicate significant amounts of financial resources, management attention, and personnel, with no assurance that these expenditures will be recouped. Similarly, the selection of companies and the determination of whether a company offers a viable business plan, an acceptable likelihood of success, and future profitability involves inherent risk and uncertainty.

At December 2000, the Company has written off several of its investments. The auditors have written an opinion that unless the Company can turn profitable, it will be forced to cease operations. The new management of the Company has been consolidating the portfolio and endeavoring to improve their performance while adding to it through strategic investment and attempting to move the Company into profitability.

ITEM TWO - INVESTMENTS

Riverside Park Apartments

The Company formed a limited partnership in June 1992 and acquired two apartment buildings for $3,350,000 to be repaired, developed and managed. During the year ending 1992, the Company reduced its interest to 1% and has remained a general partner with a 1% interest, receiving a property management fee.

Canyon Shadows Apartments

The Company acquired a 120-unit apartment complex in April 1995 for $875,000. The Company received a $975,000 loan that converts to a grant from the City of Riverside for the purpose of acquisition and rehabilitation and, in 1996, the Company was awarded $2,200,000 in Federal Tax Credits for the project. In December 1996, the project was sold to a tax credit partnership in which the Company retains a $905,000 capital account, as well as a 1% interest as a general partner for which it receives a management fee and 80% of the project cash flow.

St. Michel Development

In 1995, the Company formed a limited liability company to acquire a 63-lot residential subdivision in the San Jacinto Valley. In March 1996, the limited liability company acquired an additional 110-lot subdivision also in the San Jacinto Valley. The Company retains a 50% ownership in the limited liability company. A joint venture to build out these homes was just completed and the Company is expecting the distribution of its profits shortly.

Vir-Tek

Vir-Tek is a minority disabled veteran engineering and contracting firm, formed to take advantage of recently passed federal legislation (H.R. 1568) requiring 3% participation on all programs and projects funded by federal dollars. Vir-Tek provides environmental management, facility and operations management, mapping and information management, engineering services, project management, and waste management. The company emphasizes teamwork in combination with innovation to design balanced solutions to complex environmental, industrial, and engineering problems. Vir-Tek has served commercial, industrial, and residential construction developers as well as concerns of city, county, and federal agencies. The Company has a 49% equity interest in Vir-Tek.

iNetPartners, Inc.

Peacock Financial holds a 51 percent interest in iNetPartners, Inc., which focuses on the development of Internet e-commerce applications for both the new and used automotive markets and is currently developing iNetmotors.com, a regionally based automobile e-commerce Web site to provide Internet automobile shoppers easy access to dealer inventories with detailed pictures and prices online within the shoppers' immediate area. More than 80 percent of pre-owned and new vehicles are purchased within 20 to 35 miles of where the buyer lives or works, and 90 percent of all buyers want to inspect and test-drive the vehicle before purchase.

San Diego Soccer Development Corporation

The Company currently owns approximately 1,555,001 shares of San Diego Soccer Development Corporation (SDSDC). SDSDC owns the San Diego Flash, an A-league professional soccer team, which is the only publicly traded soccer franchise in the United States.

Bio-Friendly Corporation

In May, the Company invested $180,000 for 437,500 shares of common stock at 40

cents a share of Bio-Friendly Corporation, a fuel technology company, that has a combustion catalyst which dramatically reduces the emissions produced by any system which burns fuel of any kind, while greatly reducing the amount of fuel consumed.

ITEM 3 - LEGAL PROCEEDINGS

Unresolved legal issues are:

- Cox Communications - A collection case for services provided to the Orange County Soccer Development Corporation. The claim is for $60,000 and is in the discovery phase with a possibility of settlement prior to the trial.
- City of San Jacinto - Involves the delinquency of payments of the property and mello roos taxes on 105 parcels of real property owned by PR Equities, where Peacock Financial Corporation is the General Partner. This case is currently in a work-out period to provide an offer to the City.

- Bank of Hemet - This case involved a loan to PR Equities, where Peacock Financial Corporation is the General Partner. The loan went into default and an abstract of judgment had been filed for nearly $1,000,000. This case was just settled for $100,000 to paid out over a period of eighteen months.
- Hawthorne - Peacock Financial Corporation is the plaintiff in this case to retrieve two errantly issued stock certificates. One of the two was recovered and the other is considered to be lost. A proposal to re-issue the missing certificate and then cancel it is now pending.
- Steven Slagter - The case involved an action brought against PR Equities, where Peacock Financial Corporation is the General Partner. It involved the collection of approximately $900,000 on a promissory note. There was a summary judgment for nearly $1.35 million. The Company has entered into preliminary settlement negotiations at a value of $250,000.
- Helen Apostle - This case involved an action for approximately $90,000 involving a defaulted loan. A settlement has been offered and we are currently waiting for a reply.

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

No matter was submitted to a vote of security holders during the fourth quarter of the fiscal year covered by this report.

ITEM 5 - MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDERS MATTERS

Common Stock of the Company is traded in the over-the-counter market, and quoted on the Electronic Bulletin Board. During the fiscal year ending December 31, 2000, the Company's common stock traded between $1.96 and $.02 per share. The Company has not yet adopted any policy regarding payment of dividends.

Quarter Ended	Low	High
March 31, 2000	$0.57	$1.96
June 30, 2000	0.31	0.95
September 30, 2000	0.17	0.34
December 31, 2000	0.02	0.19

At December 31, 2000, there were over 6,000 holders of record of the Company's stock.

ITEM 6 - FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

See index to financial statements included herein.

ITEM 7 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Fiscal year 2000 was the Company's second year in operation as a Business Development Corporation under the Investment Act of 1940.

Management believes that the key to a successful Business Development Corporation is the ability to produce ongoing revenues and profits from operating subsidiaries which will allow for an orderly due diligence process.

Results of Operations

Revenues totaled $764,814 for the fiscal year ending December 31, 2000. For the year ending December 31, 1999, revenues were $704,556. The increase resulted from fees charged for property management and administration income as well as income received for website development.

General and administrative expenses for the year ended December 31, 2000 were $2,827,709, as compared to $918,374 for the year ended December 31, 1999. The increase was primarily due to the administrative and operating costs, specifically the payroll expenses, associated with consolidating the financial statements of the portfolio companies in which the Company had a majority or greater interest.

Bad debt expenses for year ended December 31, 2000 were $1,536,998, as compared to $196,791 for the year ended December 31, 1999. The increase resulted from allowances reserved on doubtful receivables.

Depreciation and amortization expenses was $38,776 for the year ended December 31, 2000 as compared to $33,979 for the year ended December 31, 1999. The increase was due to the addition of fixed assets in the portfolio companies.

Interest expense was $918,756 for the year ended December 31, 2000 as compared to $126,932 for the year ended December 31, 1999. The increase was primarily due to the loss of market value associated with the conversion of convertible debentures to stock.

Loss on disposition of assets was $1,809,200 for year ended December 31, 2000 as compared to $37,365 for year ended December 31, 1999. The increase was primarily due to the write-off of the Vista Ramona property which was lost due to foreclosure.

Total operating loss was $8,616,328 for the year ending December 31, 2000 as compared to $692,737 for the year ended December 31, 1999. This increase reflects the write-off of certain of the Company's investments, particularly the soccer franchises.

Changes in Financial Condition, Liquidity and Capital Resource

For the twelve months ended December 31, 2000, the Company funded its operations and capital requirements partially with its own working capital and partially with proceeds from stock offerings. The Company currently has no lines of credit available and is operating in a negative cash flow. Future operations will depend on attracting additional investments into the Company, which are essential to the Company's future.

ITEM 8 - CHANGES IN AND DISAGREEMENT WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

ITEM 9 - DIRECTORS, EXECUTIVE OFFICERS, PROMOTION and CONTROL PERSONS, COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT

Name	Age	Position	Period of Service
Robert A. Braner	62	Interim President and Chairman of the Board	Since 2000
James S. Upton	53	Executive Vice President and Director	Since 1996
Lisa Martinez	42	Acct. & Finance Mgr. and Corporate Secretary	Since 1997

All directors hold office until the next annual shareholders meeting or until their death, resignation, and retirement or until their successors have been elected and qualified.

Mr. Robert A. Braner, 62, is serving as Interim President. He brings with him more than thirty years experience in providing leadership to progressively minded growth companies and internationally known organizations. Mr. Braner combines diverse financial, management and creative leadership with solid and diversified, extensive international experience in the cross-cultural business process. He was the former President and Chief Operating Officer of Automobili Lamborghini USA, Inc.

Mr. James S. Upton, 53, held the position of Executive Vice President and Director of Peacock Financial Corporation as of 12/31/00. Mr. Upton has since been terminated from the Company.

Ms. Lisa Martinez, 41, is Corporate Secretary and the Accounting & Finance Manager of Peacock Financial Corporation. She has over 20 years of accounting experience and has the managerial duties to handle the multitude of public and privates business entities for Peacock through effective and organizational administrative skills.

The Securities Exchange Act of 1934 requires all executive officers and directors to report any changes in ownership of common stock of the Company to the Securities and Exchange Commission and the Company.

ITEM 10 - EXECUTIVE COMPENSATION

The following table shows the amount of compensation earned for services in all capacities to the Company for the last fiscal year for the executive officers at December 31, 2000.

<TABLE>
<CAPTION>

Names and Position	Year	Salary	Other	Total
<S>	<C>	<C>	<C>	<C>
Steven R. Peacock, President and Chief Executive Officer and Director	2000	$168,500	None	$168,500
James S. Upton, Executive Vice-President	2000	$ 95,265	None	$ 95,265
Lisa L. Martinez, Corporate Secretary	2000	$ 54,125	None	$ 54,125

</TABLE>

ITEM 11 - SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

At the close of business on December 31, 2000, the Company had 76,931,751 shares outstanding. There were no beneficial owners of more than five percent of any class of the Company's voting securities.

ITEM 12 - CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

None

ITEM 13 - EXHIBITS AND REPORTS ON FORM 8-K

Audited Financial Statements and Notes thereto are filed as part of this report. On February 8, 1996, the Company filed Form 8-K containing its merger.

SIGNATURES

Pursuant to the requirements of section 13 or 15 (d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PEACOCK FINANCIAL CORPORATION

By: /s/ Robert A. Braner

Robert A. Braner
Interim President

Date: April 17, 2001

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

Signature	Title	Date
/s/ Robert A. Braner		
Robert A. Braner	Interim President	4/17/01
/s/ Lisa L. Martinez		

Lisa L. Martinez Secretary 4/17/01

PEACOCK FINANCIAL CORPORATION
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2000

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INDEPENDENT AUDITORS' REPORT

Peacock Financial Corporation and Subsidiaries
Board of Directors
San Jacinto, California

We have audited the accompanying consolidated balance sheet of Peacock Financial Corporation and Subsidiaries as of December 31, 2000 and the related consolidated statements of operations, stockholders' equity (deficit), and cash flows for the years ended December 31, 2000 and 1999. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Peacock Financial Corporation and Subsidiaries as of December 31, 2000 and the consolidated results of their operations and their cash flows for the years ended December 31, 2000 and 1999 in conformity with generally accepted accounting principles.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the consolidated financial statements, the Company has suffered recurring losses to date, which raises substantial doubt about its ability to continue as a going concern. Management's plans with regard to these matters are also described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

HJ & Associates, LLC
Salt Lake City, Utah
April 5, 2001

PEACOCK FINANCIAL CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheet

ASSETS

December 31,
2000

CURRENT ASSETS	
Cash	$ 2,513
Accounts receivable, net (Note 3)	27,000
Due from related party, net (Note 10)	79,765
Prepaid expenses	2,704
Notes receivable - related parties, net (Note 8)	29,987
Notes receivable, net (Note 7)	84,957
Total Current Assets	226,926
FIXED ASSETS, NET (Notes 3 and 5)	191,530
OTHER ASSETS	
Investments in limited partnerships (Note 4)	1,131,961
Other investments (Note 6)	394,289
Other assets	3,500
Total Other Assets	1,529,750
TOTAL ASSETS	$ 1,948,206

The accompanying notes are an integral part of these consolidated financial statements.

PEACOCK FINANCIAL CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheet (Continued)

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

<TABLE>
<CAPTION>

<S>	December 31, 2000 <C>
CURRENT LIABILITIES	
Accounts payable	$ 473,496
Accrued expenses	169,303
Accrued interest	68,873
Judgments payable (Note 12)	350,000
Notes payable - current portion (Note 9)	848,343
Total Current Liabilities	1,910,015
LONG-TERM DEBT	
Notes payable - long term (Note 9)	523,175
NET LIABILITIES IN EXCESS OF THE ASSETS OF DISCONTINUED OPERATIONS (Note 16)	305,055
Total Liabilities	2,738,245
COMMITMENTS AND CONTINGENCIES (Note 12)	
STOCKHOLDERS' EQUITY (DEFICIT)	
Preferred stock: 10,000,000 shares authorized at $0.01 par value; 545,300 shares issued and outstanding	5,453
Common stock: 250,000,000 shares authorized at $0.001 par value; 76,931,751 shares issued and outstanding	76,932
Additional paid-in capital	11,390,655
Subscriptions receivable	(286,056)
Treasury stock	(8,180)
Accumulated deficit	(11,968,843)
Total Stockholders' Equity (Deficit)	(790,039)

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	$ 1,948,206

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

PEACOCK FINANCIAL CORPORATION AND SUBSIDIARIES
Consolidated Statements of Operations

<TABLE>
<CAPTION>

	For the Year Ended December 31,	
	2000	1999
<S>	<C>	<C>
REVENUES		
Investment banking income	$ 525,000	$ 605,000
Property management and administration income	12,525	7,070
Website development	104,900	-
Other income	122,389	92,486
Total Revenues	764,814	704,556
EXPENSES		
General and administrative	2,827,709	918,374
Bad debt expense	1,536,998	196,791
Depreciation and amortization	38,776	33,979
Total Expenses	4,403,483	1,149,144
LOSS FROM OPERATIONS	(3,638,669)	(444,588)
OTHER INCOME (EXPENSE)		
Interest income	11,969	8,371
Interest expense	(918,756)	(126,932)
Unrealized loss on investments	(621,108)	-
Realized gain (loss) on investments	512,150	(92,223)
Loss on disposition of assets	(1,809,200)	(37,365)
Total Other Income (Expense)	(2,824,945)	(248,149)
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND DISCONTINUED OPERATIONS	(6,463,614)	(692,737)
Income taxes (Note 2)	-	-
LOSS FROM CONTINUING OPERATIONS	(6,463,614)	(692,737)
LOSS FROM DISCONTINUED OPERATIONS NET OF ZERO TAX EFFECT (Note 16)	(2,152,714)	-
NET LOSS	(8,616,328)	(692,737)
OTHER COMPREHENSIVE (LOSS)		
Loss on treasury stock	(274,287)	-
Dividends	(22,812)	(188,786)
NET COMPREHENSIVE LOSS	$ (8,913,427)	$ (881,523)

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

PEACOCK FINANCIAL CORPORATION AND SUBSIDIARIES
Consolidated Statements of Operations (Continued)

	For the Year Ended December 31, 2000	1999
BASIC LOSS PER SHARE		
Continuing operations	$ (0.13)	$ (0.02)
Discontinued operations	(0.04)	-
Basic Loss Per Share	$ (0.17)	$ (0.02)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	50,655,097	30,503,871

The accompanying notes are an integral part of these consolidated financial statements.

PEACOCK FINANCIAL CORPORATION AND SUBSIDIARIES
Consolidated Statements of Stockholders' Equity (Deficit)

<TABLE>
<CAPTION>

	Preferred Stock		Common Stock	
	Subscriptions Shares	Accumulated Amount	Shares	Amount
<S>	<C>	<C>	<C>	<C>
Balance, December 31, 1998	672,300	$ 6,723	20,750,370	$ 20,750
Common stock issued for cash	-	-	14,008,007	14,008
Common stock issued for services	-	-	759,571	760
Common stock issued on conversion of debentures	-	-	1,070,560	1,070
Common stock issued for investments	-	-	1,250,000	1,250
Common stock issued in conversion of preferred stock	(2,000)	(20)	2,000	2
Common stock canceled	-	-	(30,000)	(30)
Cash received on subscriptions receivable	-	-	-	-
Accrued dividends	-	-	-	-
Dividends paid	-	-	-	-
Net loss for the year ended December 31, 1999	-	-	-	-

Balance, December 31, 1999	670,300	$ 6,703	37,810,508	$ 37,810

<CAPTION>

	Additional Capital	Paid-in Receivable	Deficit
Balance, December 31, 1998	$ 3,519,882	$ -	$ (2,385,491)
Common stock issued for cash	1,789,098	(443,500)	-
Common stock issued for services	161,040	-	-
Common stock issued on conversion of debentures	58,346	-	-
Common stock issued for investments	123,750	-	-
Common stock issued in conversion of preferred stock	18	-	-
Common stock canceled	(5,779)	-	-
Cash received on subscriptions receivable	-	116,445	-
Accrued dividends	(23,172)	-	-
Dividends paid	(165,614)	-	-
Net loss for the year ended December 31, 1999	-	-	(692,737)
Balance, December 31, 1999	$ 5,457,569	$ (327,055)	$ (3,078,228)

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

PEACOCK FINANCIAL CORPORATION AND SUBSIDIARIES
Consolidated Statements of Stockholders' Equity (Deficit) (Continued)

<TABLE>
<CAPTION>

	Preferred Stock Shares	Preferred Stock Amount	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Subscriptions Receivable	Accumulated Deficit
Balance, December 31, 1999	670,300	$ 6,703	37,810,508	$ 37,810	$ 5,457,569	$ (327,055)	$ (3,078,228)
Common stock issued for cash	-	-	22,330,821	22,331	4,595,865	(158,001)	-
Common stock issued for services	-	-	1,282,000	1,282	247,118	-	-

	Preferred Stock Shares	Preferred Stock Amount	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Subscriptions Receivable	Accumulated Deficit
Common stock issued on conversion of debentures	-	-	14,577,215	14,578	604,713	-	-
Common stock issued for investments	-	-	800,000	800	169,200	-	-
Common stock issued in lieu of interest	-	-	6,207	6	6,202	-	-
Common stock issued in conversion of preferred stock	(125,000)	(1,250)	125,000	125	1,125	-	-
Accrued dividends	-	-	-	-	(22,812)	-	-
Stock offering costs	-	-	-	-	(202,325)	-	-
Cash received on subscriptions receivable	-	-	-	-	-	199,000	-
Additional interest recorded on convertible debentures	-	-	-	-	534,000	-	-
Balance Forward	545,300	$ 5,45	76,931,751	$ 76,932	$ 11,390,655	$ (286,056)	$ (3,078,228)

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

PEACOCK FINANCIAL CORPORATION AND SUBSIDIARIES

Consolidated Statements of Stockholders' Equity (Deficit) (Continued)

<TABLE>
<CAPTION>

	Preferred Stock		Common Stock		Additional		
	Shares	Amount	Shares	Amount	Paid-in Capital	Subscriptions Receivable	Accumulated Deficit
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Balance Forward	545,300	$ 5,453	76,931,751	$ 76,932	$ 11,390,655	$ (286,056)	$ (3,078,228)
Unrealized loss on treasury stock	-	-	-	-	-	-	(69,222)
Realized loss on treasury stock	-	-	-	-	-	-	(205,065)
Net loss for the year ended December 31, 2000	-	-	-	-	-	-	(8,616,328)
Balance, December 31, 2000	545,300	$ 5,453	76,931,751	$ 76,932	$ 11,390,655	$ (286,056)	$(11,968,843)

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

PEACOCK FINANCIAL CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows

<TABLE>
<CAPTION>

	For the Year Ended December 31,	
	2000	1999
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES		
Continued operations:		
Net loss	$ (6,463,614)	$ (692,737)
Adjustments to reconcile net loss to net cash (used) by operating activities:		
Depreciation and amortization	38,776	33,979
Bad debts	1,536,998	196,791
Loss on disposition of assets	1,809,200	37,365
Loss on investments	108,958	92,223
Additional interest on convertible debentures	534,000	-
Stock issued for services	248,400	161,800
Discontinued operations:		
Net loss	(2,152,714)	-
Depreciation and amortization	6,683	-
Bad debts	9,987	-
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	19,828	99,147
(Increase) decrease in accounts receivable - related parties	(185,476)	(61,091)
(Increase) decrease in other assets	(62)	(18,950)
Increase (decrease) in accounts payable	314,224	(68,471)
Increase (decrease) in bank overdraft	-	(4,509)
Increase (decrease) in other liabilities	671,006	(57,995)
Increase (decrease) in discontinued operations reserve	288,385	-
Net Cash (Used) by Operating Activities	(3,215,421)	(282,448)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of licensing rights	(150,000)	-
Purchase of investments	(181,543)	(662,348)
Notes receivable - advances	(1,189,611)	(324,007)
Notes receivable - received	30,343	92,500
Purchase of property and equipment	(193,149)	(7,084)
Net Cash (Used) by Investing Activities	(1,683,960)	(900,939)
CASH FLOWS FROM FINANCING ACTIVITIES		
Due to shareholders	-	(31,660)
Repayment of notes payable	(306,590)	(62,634)
Proceeds from long-term borrowings	843,500	-
Repurchase of stock	(282,467)	(5,809)
Stock offering costs	(202,325)	-
Receipt of subscription receivable	199,000	-
Stock issued for cash	4,460,195	1,474,071
Net Cash Provided by Financing Activities	$ 4,711,313	$ 1,373,968

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

PEACOCK FINANCIAL CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows (Continued)

<TABLE>
<CAPTION>

	For the Year Ended December 31,	
	2000	1999
<S>	<C>	<C>
NET INCREASE (DECREASE) IN CASH	$ (188,068)	$ 190,581

	2000	1999
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	190,581	-
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 2,513	$ 190,581
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid	$ 357,123	$ 269,728
Income taxes paid	$ -	$ -
SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES		
Common stock issued for services	$ 248,400	$ 161,800
Common stock issued on conversion of debentures and interest	$ 625,499	$ 59,416
Common stock issued for investments	$ 170,000	$ 125,000
Dividends paid through investment stock	$ -	$ 165,614
Purchase of fixed assets through issuance of notes payable	$ 31,195	$ -

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

PEACOCK FINANCIAL CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
December 31, 2000 and 1999

NOTE 1 - COMPANY BACKGROUND

The consolidated financial statements include those of Peacock Financial Corporation (Colorado) (Peacock), its wholly-owned subsidiaries, Peacock Real Estate Development Corporation (California) (PREDC), Peacock International Corporation (Bahamas) (PIC), DotCom Ventures, LLC (DotCom), and Peacock Sports, Inc. (PSI). The consolidated financial statements also include its majority owned subsidiaries, Bay Area Soccer Development Corporation (Bay Area) (80%), Orange County Soccer Development Corporation (Orange) (85%), Riverside County Soccer Development Corporation (Riverside) (53%), and iNetPartners, Inc. (iNet) (51%). Collectively, they are referred to herein as "the Company".

Peacock was incorporated under the laws of the State of Colorado on February 16, 1984 under the name of Oravest International, Inc. It later changed its name to Camdon Holdings, Inc. and then to American Temperature Control, Inc., Connectivity and Technology, Inc., and finally to Peacock Financial Corporation on February 27, 1996. Peacock was incorporated for the purpose of creating a vehicle to obtain capital to seek out, investigate and acquire interests in products and businesses which may have a potential for profit.

PREDC, a wholly-owned subsidiary, was originally formed on July 29, 1993. On October 22, 1999, the name was changed from Peacock Financial Corporation (California) to Peacock Real Estate Development Corporation. Its operations consist of the acquisition and enhancement of income-producing properties and the development of multi-use property including home building. Certain properties are owned by limited partnerships managed by the Company.

PIC, a wholly-owned subsidiary, was formed on December 8, 1997. It has had no operations to date, but was formed to invest and trade in securities on an international basis.

DotCom was organized on July 23, 1999. Peacock acquired its initial 50% ownership with an initial investment of $112,203. On January 5, 2000, the Company acquired the remaining 50% ownership by granting options to acquire a total of 500,000 restricted common shares of the Company at $0.10 per share. DotCom was organized for the purposes of conducting an internet production company and to consult start-up and emerging growth companies with their internet strategies.

PSI was incorporated in January 2000 to hold and manage investments in professional sports. PSI holds ownership interests in three "A" league professional soccer teams, including the Orange County Waves, the Bay Area Seals and the San Diego Flash.

In January 2000, the Company acquired an 85% ownership interest for

$50,000 cash in Orange County Soccer Development Corporation (Orange). The investment was recorded as a purchase. Orange owns the "A" league soccer franchise for Orange County, California, known as the Orange County Waves.

In February 2000, the Company acquired an 85% ownership interest for $100,000 cash in Bay Area Soccer Development Corporation (Bay Area). The investment was recorded as a purchase. Bay Area owns the "A" league soccer franchise of San Francisco, California known as the Bay Area Seals.

NOTE 1 - COMPANY BACKGROUND (Continued)

In February 2000, the Company acquired a 53% ownership interest in Riverside County Soccer Development Corporation (Riverside) for $6,000. The investment was recorded as a purchase. Riverside owns a D-3 league soccer franchise known as the Riverside Elite.

The investments and operations of the soccer subsidiaries were discontinued as of December 31, 2000 (see Note 15).

Peacock holds a 51% interest in iNet as of December 31, 2000. iNet was organized under the laws of the State of California on December 15, 1999. iNet focuses on the development of Internet e-commerce applications for both the new and used automotive markets and is currently developing iNetmotors.com, a regionally based automobile e-commerce website to provide Internet automobile shoppers easy access to dealer inventories.

On February 27, 1996, the Company completed an Agreement and Plan of Reorganization whereby Peacock issued 7,767,702 shares of its common stock and 672,300 shares of its preferred stock in exchange for all of the outstanding common stock of PREDC. Pursuant to the reorganization, the name of the Company was changed to Peacock Financial Corporation.

The reorganization was accounted for as a recapitalization of PREDC because the shareholders of PREDC control the Company after the acquisition. Therefore, PREDC is treated as the acquiring entity. Accordingly, there was no adjustment to the carrying value of the assets or liabilities of Peacock . Peacock is the acquiring entity for legal purposes and PREDC is the surviving entity for accounting purposes.

On September 15, 1998, the Company filed with the Securities and Exchange Commission to become a Business Development Corporation as defined under the Investment Act of 1940. Simultaneously, the Company registered an offering circular with the SEC for 13,000,000 shares of common stock under Regulation E of the Investment Act to raise capital and to make investments in real estate and in eligible portfolio companies. The Company participates in the formation of, and invests in, emerging or early-stage companies in various fields of business by arranging for and contributing capital and providing management assistance.

NOTE 2 - GOING CONCERN

As reported in the consolidated financial statements, the Company has an accumulated deficit of approximately $11,968,000 at December 31, 2000 and has incurred a loss of $8,616,328 for the year ended December 31, 2000. In addition, the Company is party to certain lawsuits at December 31, 2000 that could have a material impact on the Company's operations. The Company also has certain debts that are in default at December 31, 2000. The Company's stockholders' deficit at December 31, 2000 was $790,039 and its current liabilities exceeded its current assets by $1,683,089.

NOTE 2 - GOING CONCERN (Continued)

These factors create uncertainty about the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent on the Company obtaining adequate capital to fund operating losses until it becomes profitable. If the Company is unable to obtain adequate capital it could be forced to cease

operations. The Company decided to discontinue all of the soccer operations of its subsidiaries as of December 31, 2000.

In order to continue as a going concern, develop and generate revenues and achieve a profitable level of operations, the Company will need, among other things, additional capital resources. Management's plans to obtain such resources for the Company include (1) raising additional capital through sales of common stock, (2) converting promissory notes into common stock and (3) enter into acquisition agreement with profitable entities with substantial operations. In addition, management is continually seeking to improve the operations and grow the business through a variety of venues. However, management cannot provide any assurances that the Company will be successful in accomplishing any of its plans.

The ability of the Company to continue as a going concern is dependent upon its ability to successfully accomplish the plans described in the preceding paragraph and eventually secure other sources of financing and attain profitable operations. The accompanying consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements follows:

a. Accounting Method

The Company's consolidated financial statements are prepared using the accrual method of accounting. The Company has elected a December 31 year end.

b. Cash and Cash Equivalents

Cash equivalents include short-term, highly liquid investments with maturities of three months or less at the time of acquisition.

c. Partnership Investments

The Company's general and limited partnership interests are accounted for using the equity method, which reflects historical cost adjusted for the proportionate share of partnership earnings or losses. The Company has not recorded its share of losses in excess of its investment in each partnership.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Fixed Assets

Fixed assets are recorded at cost. Major additions and improvement are capitalized. The cost and related accumulated depreciation of equipment retired or sold are removed from the accounts and any differences between the undepreciated amount and the proceeds from the sale are recorded as gain or loss on sale of assets. Depreciation is computed using the straight-line method over the estimated useful life of the assets as follows:

Description	Estimated Useful Life
Furniture and fixtures	5 to 7 years
Computers and software	5 years
Automobiles	5 years

e. Basic and Diluted Loss Per Share

	2000	1999
Loss (numerator)	$(8,616,328)	$ (692,737)
Shares (denominator)	50,655,097	30,503,871
Per share amount	$ (0.17)	$ (0.02)

The computations of basic loss per share of common stock are based on the weighted average number of common shares outstanding during the

period of the consolidated financial statements. Common stock equivalents, consisting of convertible debt and preferred shares, have not been included in the calculation as their effect is antidilutive for the periods presented.

f. Change in Accounting Principles

The Company has adopted the provisions of FASB Statement No. 138 "Accounting for Certain Derivative Instruments and Hedging Activities, (an amendment of FASB Statement No. 133.)" Because the Company had adopted the provisions of FASB Statement No. 133, prior to June 15, 2000, this statement is effective for all fiscal quarters beginning after June 15, 2000. The adoption of this principle had no material effect on the Company's consolidated financial statements.

The Company has adopted the provisions of FASB Statement No. 140 "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities (a replacement of FASB Statement No. 125.)" This statement provides accounting and reporting standard for transfers and servicing of financial assets and extinguishments of liabilities. Those standards are based on consistent application of a financial- components approach that focuses on control. Under that approach, the transfer of financial assets, the Company recognized the financial and servicing assets it controls and the liabilities it has incurred, derecognizes financial assets when control has been surrendered, and derecognizes liabilities when extinguished. This statement provides consistent standards for distinguishing transfers of financial assets that are sales from transfers that are secured borrowings. This statement is effective for transfers and

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Change in Accounting Principles (Continued)

servicing of financial assets and extinguishments of liabilities occurring after March 31, 2001. This statement is effective for recognition and reclassification of collateral and for disclosures relating to securitization transactions and collateral for fiscal years ending after December 15, 2000. The adoption of this principle had no material effect on the Company's consolidated financial statements.

The Company has adopted the provisions of FIN 44 "Accounting for Certain Transactions Involving Stock Compensation (an interpretation of APB Opinion No. 25.)" This interpretation is effective July 1, 2000. FIN 44 clarifies the application of Opinion No. 25 for only certain issues. It does not address any issues related to the application of the fair value method in Statement No. 123. Among other issues, FIN 44 clarifies the definition of employee for purposes of applying Opinion 25, the criteria for determining whether a plan qualifies as a noncompensatory plan, the accounting consequence of various modifications to the terms of a previously fixed stock option or award, and accounting for an exchange of stock compensation awards in a business combination. The adoption of this principle had no material effect on the Company's consolidated financial statements.

g. Principles of Consolidation

The consolidated financial statements include those of Peacock Financial Corporation (Colorado), its wholly-owned subsidiaries, Peacock Real Estate Development Corporation (California) (PREDC), Peacock International Corporation (Bahamas) (PIC), DotCom Ventures, LLC (DotCom) and Peacock Sports, Inc. (PSI). They also include the majority owned subsidiaries, Bay Area Soccer Development Corporation (Bay Area) (80%), Orange County Soccer Development Corporation (Orange) (85%), Riverside County Soccer Development Corporation (Riverside) (53%), and iNet Partners, Inc. (iNet) (51%). All significant intercompany accounts and transactions have been eliminated.

h. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

i. Concentrations of Risk

Credit losses, if any, have been provided for in the consolidated financial statements and are based on management's expectations. The Company's accounts receivable are subject to potential concentrations of credit risk. The Company does not believe that it is subject to any unusual, or significant risks in the normal course of its business.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Provision for Taxes

At December 31, 2000, the Company had an accumulated deficit of $11,968,843 which includes net operating loss carryforwards that may be offset against future taxable income through 2020. No tax benefit has been reported in the consolidated financial statements as the Company believes there is a 50% or greater chance the net operating loss carryforwards will expire unused. Accordingly, the potential tax benefits of the net operating loss carryforwards are offset by a valuation allowance of the same amount.

The income tax benefit differs from the amount computed at federal statutory rates of approximately 38% as follows:

	For the Years Ended December 31,	
	2000	1999
Income tax benefit at statutory rate	$ 3,274,205	$ 263,240
Change in valuation allowance	(3,274,205)	(263,240)
	$ -	$ -

Deferred tax assets (liabilities) are comprised of the following:

	For the Years Ended December 31,	
	2000	1999
Income tax benefit at statutory rate	$ 4,548,160	$ 1,273,955
Change in valuation allowance	(4,548,160)	(1,273,955)
	$ -	$ -

Due to the change in ownership provisions of the Tax Reform Act of 1986, net operating loss carryforwards for Federal income tax reporting purposes are subject to annual limitations. Should a change in ownership occur, net operating loss carryforwards may be limited as to use in the future.

k. Advertising

The Company follows the policy of charging the costs of advertising to expense as incurred.

l. Revenue Recognition

The Company receives shares in certain companies for providing capital and investment services. The Company records investment banking income based on the fair value of the shares received.

m. Accounts and Notes Receivable

Accounts and notes receivable are shown net of an allowance for doubtful accounts of $1,760,100 as of December 31, 2000

NOTE 4 - INVESTMENTS IN LIMITED PARTNERSHIPS

During 1987, the Company formed a limited partnership agreement where the Company is the general partner. The partnership was formed to acquire and develop approximately 500 acres in San Jacinto, California. The partnership currently owns certain residential lots, commercially zoned property, and property zoned for high density senior apartments within the community of Rancho San Jacinto. The general partner was not required to make an initial capital contribution, thus the initial investment was recorded at $-0-. The Company holds a 15% interest in the limited partnership at December 31, 2000 and records the investment under the equity method of accounting. The Company has not recorded its share of losses in excess of its investment.

On June 29, 1992, the Company formed a limited partnership agreement to acquire two apartment buildings to be repaired, developed, and managed which are referred to as the Riverside Park Apartments. The partnership acquired the property for $3,350,000 on July 10, 1992 for $670,000 in cash and a promissory note of $2,680,000. In July 1992, the partnership entered into an agreement whereby the City of Riverside loaned the partnership $650,000 at 10.5 percent interest. The loan will be forgiven by August 1, 2007. The debt and accrued interest are forgiven at one-fifteenth of the original balance per year. The agreement requires the partnership to meet certain restrictive covenants. The Company remains the general partner with a 1% interest and receives a property management fee.

In December 1995, the Company formed a limited liability company to acquire a 63-lot residential subdivision in the San Jacinto Valley. In March 1996, the limited liability company acquired an additional 110-lot subdivision also in the San Jacinto Valley. The Company retains a 50% ownership in the limited liability company and also receives an overhead fee for the construction and marketing of the homes. The investment is recorded under the equity method.

During 1995, the Company received a $975,000 loan that converted to a grant from the City of Riverside to acquire and rehabilitate a 120-unit apartment complex (see Note 12). During April 1996, the Company was awarded $2,400,000 in Federal tax credits. During December 1996, the Company sold the completed project to a tax credit partnership named Canyon Shadows, L.P. retaining a 1% interest as general partner and receiving a $905,000 capital account in the partnership. During 1999, a $70,000 note held by the Company was transferred to Canyon Shadows, L.P., which was recorded as a capital distribution to the Company (see Note 12). Additional costs of $411,639 were incurred by the Company on behalf of the partnership resulting in a total investment in Canyon Shadows, L.P. of $1,131,961 at December 31, 2000.

The Company currently owns 49% of Vir-Tek Company (Vir-Tek), a minority disabled veteran engineering and contracting firm, formed to take advantage of recently passed federal legislation (H.R. 1568) requiring 3% participation on all programs and projects funded by federal dollars. Vir-Tek provides environmental management, facility and operations management, mapping and information management, engineering services, project management, and waste management. The company emphasizes teamwork in industrial, and engineering problems. Vir-Tek has served commercial, industrial, and residential construction developers as well as concerns of city, county, and federal agencies. The investment is recorded under the equity method. The Company has also recorded a receivable from Vir-Tek totaling $139,029 for funds advanced to Vir-Tek for operating expenses.

NOTE 5 - FIXED ASSETS

Fixed assets consist of the following at December 31, 2000:

Furniture and fixtures	$ 38,039
Computers and software	194,212
Automobiles	56,195
	288,446
Accumulated depreciation	(96,916)

Net fixed assets	$ 191,530

Depreciation expense for the years ended December 31, 2000 and 1999 was $38,776 and $3,979, respectively.

NOTE 6 - OTHER INVESTMENTS

During the year ended December 31, 1998, the Company became a Business Development Corporation whereby the Company can raise capital under a simplified and cost effective informational filing with the Securities and Exchange Commission for the purpose of investing in small businesses and government securities. The Company intends to provide capital for these companies and to later take these companies public through a spin-off process.

On October 19, 1998, the Company issued 1,000,000 shares of its outstanding common stock valued at $100,000 to acquire an approximate 33% interest in IPO/Emerging Growth Company, LLC. (IPO). The investment has been recorded under the equity method. The Company's share of the 1999 and 2000 loss recorded under the equity method was $16,513 bringing the equity investment at December 31, 2000 to $83,487.

On October 23, 1998, the Company issued 820,000 shares of its outstanding common stock valued at $100,000 to acquire an approximate 5% interest in San Diego Soccer Development Corp. (SDSDC), owner of the San Diego FLASH pro soccer team. On March 11, 1999, the Company issued an additional 500,000 shares of its outstanding common stock valued at $50,000 to acquire 200,000 additional shares of SDSDC. In addition, the Company received an additional 400,000 shares of SDSDC during 1999, valued at $200,000, as an investment fee for providing capital to SDSDC. As part of the investment agreement, the Company distributed a total of 294,999 shares of its SDSDC stock to the Company's shareholders as a dividend valued at $165,614.

During 2000, the Company acquired an additional 1,050,000 restricted shares of SDSDC for an additional cost of $531,519. 1,000,000 of those shares were received as an investment fee recorded at $500,000 or $0.50 per share. A decline in the value of the shares was recorded at December 31, 2000 of $607,055 bringing the total value of the 1,555,001 shares at December 31, 2000 to $108,850.

NOTE 6 - OTHER INVESTMENTS (Continued)

On January 3, 2000, SDSDC became a publicly traded company. The shares are thinly traded, however, until SDSDC is able to finalize a proposed merger agreement. The Company's shares in SDSDC have been recorded at their fair value at December 31, 2000 rather than cost because of the significant decline in value. Once the shares become free-trading shares on the open market, they will be recorded as "trading securities" pursuant to SFAS 115. The shares represent an approximate 15% ownership in SDSDC at December 31, 2000. Management of the Company does not exercise any influence or control over management of SDSDC.

On February 2, 1999, the Company issued 750,000 shares of its outstanding common stock valued at $75,000 to acquire approximately 20% (2,000,000 shares) of the outstanding shares of Solutions Media, Inc. (Solutions). On June 15, 1999, the Company entered into a separate agreement whereby the 750,000 shares of the Company were returned for cancellation in exchange for the return of the 2,000,000 shares of Solutions. As part of the agreement, the Company received 800,000 shares of Solutions as an investment fee valued at $400,000. The investment was originally recorded under the cost method as the Company did not exercise any influence or control over management of Solutions. The 800,000 shares of Solutions represented an approximate ownership of 2% at December 31, 1999. Solutions filed for bankruptcy during 2000 under Chapter 7. Therefore, the investment in Solutions at December 31, 2000 was written down to $-0-, as there is no apparent current value of the shares owned.

During 1999, the Company purchased 1,020,000 shares of Las Vegas Soccer Development Corporation (LVSDC) for $20,000 cash, which represents an approximate ownership of 25% at December 31, 2000. The investment has been recorded under the equity method.

During 2000, the Company invested a total of $180,000 in Bio-Friendly Corporation (Bio-Friendly) for 437,500 shares of Bio-Friendly stock.

The investment is recorded under the cost method as the Company does not exercise any influence or control over management of Bio-Friendly. Bio-Friendly has put together licensing agreements to manufacture, distribute and market their bulk fuel additive on a world-wide basis. The Company was originally to invest a total of $250,000 in Bio-Friendly for a total of 625,000 shares. The Company was also to receive 3.33% of Bio-Friendly's share of the cash flow pursuant to a joint venture. As the Company has not invested the full amount originally agreed on, the investment is recorded at cost with no revenues from the cash-flow.

NOTE 6 - OTHER INVESTMENTS (Continued)

As previously mentioned, once the shares that the Company owns in each of the companies become free-trading shares on the open market, the investments will be recorded as "trading securities" pursuant to SFAS 115, and recorded at the fair market value of the shares owned.

Following is a summary of the investments held as of December 31, 2000:

IPO/Emerging Growth Co.	$ 83,487
San Diego Soccer Development	108,850
Bio-Friendly Corporation	180,000
Las Vegas Soccer Development	20,000
Other	1,952
Total	$ 394,289

NOTE 7 - NOTES RECEIVABLE

Notes receivable consist of the following at December 31, 2000:

Note receivable at 10%, secured by stock, principal and interest due June 12, 2001.	$ 72,457
Note receivable at 10%, unsecured, principal and interest due July 1, 2000, currently in default.	25,000
Total Notes Receivable	97,457
Less: Allowance for Bad Debts	(12,500)
Notes Receivable, net	$ 84,957

NOTE 8 - NOTES RECEIVABLE - RELATED PARTIES

Notes receivable - related parties consist of the following at December 31, 2000:

Note receivable at 8%, due from San Diego Soccer Development Corporation, unsecured, principal and interest due on demand	$ 100,000
Credit line receivable at 10%, due from San Diego Soccer Development Corporation, secured by shares of SDSDC representing 53% of the outstanding shares, originally due December 31, 2000, currently in default.	694,612
Note receivable at 7%, due from PR Equities, Ltd. (equity investment), unsecured, principal and interest due December 31, 2001.	565,223
Balance Forward	$ 1,359,835

NOTE 8 - NOTES RECEIVABLE - RELATED PARTIES (Continued)

Balance Forward	$ 1,359,835
Note receivable from former employee, secured by 100,000 shares of the Company's stock, due October 1, 2000, currently in default	22,232
Other	17,880
Total Notes Receivable - Related Parties	1,399,947
Less: Current Portion	(1,369,960)
Long-Term Notes Receivable - Related Parties	$ 29,987

NOTE 9 - NOTES PAYABLE

Notes payable consist of the following at December 31, 2000:

Note payable at 5%, secured by an assignment of partnership cash, interest payable quarterly, principal due January 1, 2007, convertible to common stock.	$ 500,000
Note payable at variable rate (18.0% at December 31, 2000) collateralized by deed of trust on real property. Lump sum payment was due May 21, 1999, currently in default.	86,854
Note payable at 10%, secured by deed of trust, due March 31, 1996, currently in default.	65,000
Note payable at 20.28%, secured by vehicles, payable in monthly installments of $832, matures February 2005.	27,914
Debentures at 10%, unsecured, convertible into common shares at rates of $0.02 to $0.10 per share at the option of the holder, due December 31, 2000.	681,750
Others	10,000
Total Notes Payable	1,371,518
Less: Current Portion	(848,343)
Long-Term Notes Payable	$ 523,175

NOTE 9 - NOTES PAYABLE (Continued)

The aggregate principal maturities of notes payable are as follows:

Years Ending December 31,	Amount
2001	$ 848,343
2002	5,795
2003	7,250
2004	8,680
2005	1,450
2006 and thereafter	500,000
Total	$ 1,371,518

NOTE 10 - RELATED PARTY TRANSACTIONS

The Company is a partner in several limited partnerships (Note 4). The Company occasionally pays for operating expenses of the partnerships and is reimbursed as funds become available to the partnerships. These advances are non-interest bearing and are reimbursed on a regular basis.

The Company is owed certain amounts from a former officer of the Company and certain other related entities in the amount of $223,172. The amounts are non-interest bearing and due on demand. An allowance for bad debts of $143,407 has been recorded by the Company at December

31, 2000 due to collection uncertainty bringing the net amount to $79,765.

NOTE 11 - PROFIT SHARING PLAN

In 1989, the Company adopted a profit sharing plan covering all eligible employees. Contributions are made at the discretion of the Board of Directors. There were no contributions to the plan for the years ended December 31, 2000 and 1999.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

a. General Partner Obligations

The Company serves as general partner in several real estate development partnerships. The Company may be held liable for certain liabilities of these partnerships in its capacity as general partner. At December 31, 2000, the partnerships had certain liabilities with recourse against the Company although management does not feel that the potential liabilities will have a material impact on the Company.

NOTE 12 - COMMITMENTS AND CONTINGENCIES (Continued)

b. Rents and Leases

During 1996, the Company acquired an historic 15-room hotel in downtown San Jacinto and converted it into an executive suites office building. Financing, which consisted of a seller carry-back loan of $125,000 for the acquisition and a City of San Jacinto Redevelopment loan of $193,088 for the rehabilitation was foreclosed on during 1999, resulting in a gain on the disposition of the corresponding assets and liabilities associated with the hotel of $4,635 for the year ended December 31, 1999.

c. Wrap Around Mortgage

The Company has sold a property subject to a mortgage. The mortgage has not been fully assumed by the buyer. If the buyer defaults on the mortgage, the Company may be liable for the balance owing.

d. Housing Grant

In April 1995, the Company acquired a 120 unit apartment complex using a $975,000 loan that converts to a grant from the City of Riverside, California. The loan is non- recourse and is secured by a second trust deed on the property. If the Company meets certain requirements pertaining to the complex, which have been stipulated by the city, the loan will be forgiven in its entirety. Management has complied with all of the requirements and believes that the repayment of $905,000 (the grant portion) of the $975,000 is highly remote. Accordingly, $905,000 of the amount has been recorded as income to the Company for the year ended December 31, 1997.

The remaining $70,000 plus accrued interest of $9,625 on the loan was transferred to Canyon Shadows, L.P. (see Note 4) during 1999, reducing the loss on investment in Canyon Shadows by $79,625 for the year ended December 31, 1999.

If the Company fails to meet the requirements, however, the entire unpaid principal balance, together with accrued interest, will become due at the discretion of the City of Riverside and foreclosure proceedings may be initiated on the property.

e. Litigation

The Company is party to litigation and claims arising in the normal course of business. Management is currently working on settlement negotiations and has recorded a potential liability of $350,000 related to these lawsuit settlements. The outcome of these lawsuits and claims cannot be determined as of the date of our audit report.

NOTE 13 - PREFERRED STOCK

The Company's preferred stock has the right to quarterly dividends to

be paid at the annual rate of 6%. The quarterly dividend is to be paid to all shareholders of record, as of the last day of each quarter until such time as the Company causes such shares to be converted to common shares and "registered" (free trading) with the S.E.C. and the appropriate State regulatory agency.

Each preferred share is convertible into one share of the common stock of the Company, such conversion to occur automatically and registered concurrently with any public offering of the common shares of the Company.

NOTE 14 - STOCK SUBSCRIPTIONS RECEIVABLE

During 1999, the Company issued a total of 2,733,000 shares of its outstanding common stock for $443,500 under stock subscription notes receivable. These notes were non-interest bearing. During 1999, $116,445 of the amount was received. During 2000, the Company issued additional shares of common stock under promissory notes totaling $158,001 for 1,200,000 shares. These notes are also non-interest bearing. During 2000, an additional $199,000 was received by the Company pursuant to these subscription notes receivable. The total amount of stock subscriptions receivable at December 31, 2000 was $286,056.

NOTE 15 - SEGMENT INFORMATION

The Company's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The Company had three separate reportable segments during the year ended December 31, 2000, investment banking, website development and soccer franchises. As discussed in Note 16, the soccer subsidiaries were discontinued as of December 31, 2000. The remaining two segments will be the Company's focus in the future. The accounting policies applied to determine the segment information are the same as those described in the summary of significant accounting policies.

Financial information with respect to the reportable segments are as follows:

	Investment Banking and Administration	Website Development	Total
Revenues	$ 611,214	$ 153,600	$ 764,814
Expenses	(3,581,346)	(822,137)	(4,403,483)
Other income (expenses)	(2,823,479)	(1,466)	(2,824,945)
Net loss per segment	$ (5,793,611)	$ (670,003)	$ (6,463,614)

NOTE 16 - DISCONTINUED OPERATIONS

Effective December 31, 2000, the Company discontinued the operations of the soccer subsidiaries, Bay Area, Orange and Riverside. The following is a summary of the loss from discontinued operations resulting from the dissolution of these subsidiaries for the year ended December 31, 2000. The Company has established a reserve for discontinued operations of $305,055 which consists of net liabilities in excess of recoverable assets at December 31, 2000. No tax benefit has been attributed to the discontinued operations.

NOTE 16 - DISCONTINUED OPERATIONS (Continued)

	For the Year Ended December 31, 2000
REVENUES	$ 178,540
OPERATING EXPENSES	
General and administrative	2,315,634
Bad debt expense	9,987
Depreciation and amortization	6,683
Total Operating Expenses	2,332,304
LOSS FROM OPERATIONS	(2,153,764)
OTHER INCOME (EXPENSE)	
Interest income	1,834
Interest expense	(784)
Total Other Income (Expense)	1,050
LOSS FROM DISCONTINUED OPERATIONS	$ (2,152,714)