

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-KSB/A
ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES
EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 1998

COMMISSION FILE NO. 2-91651-D

PEACOCK FINANCIAL CORPORATION

COLORADO
(STATE OR OTHER JURISDICTION OF
INCORPORATION OR ORGANIZATION)

87-0410039
(I.R.S. EMPLOYER IDENTIFICATION NUMBER)

248 E. MAIN STREET SAN JACINTO, CA 92583
(ADDRESS AND ZIP CODE OF PRINCIPAL EXECUTIVE OFFICES)

(909) 487-8911
(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 .
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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 AGGREGATE MARKET VALUE OF THE VOTING STOCK HELD BY NON-AFFILIATES OF THE REGISTRANT AS OF DECEMBER 31, 1998, WAS \$1,176,012.

THE NUMBER OF SHARES OF CLASS A COMMON STOCK OUTSTANDING AS OF DECEMBER 31, 1998, WAS 20,750,370.

DOCUMENTS INCORPORATED BY REFERENCE: NONE.

ITEM 1 - BUSINESS

On September 15, 1998, Peacock Financial Corporation 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 under Regulation E of the Investment Act to raise capital and to make investments in real estate and in "eligible portfolio companies" as defined under the Investment Act of 1940.

Prior to filing to become a Business Development Corporation, Peacock Financial Corporation was primarily involved in real estate development in Southern California and had anticipated an equity fund of \$10,000,000 through the Hawthorne Group, Ltd. On August 11, 1998, the Company announced that the Hawthorne Group, Ltd. transaction had been cancelled and that it was seeking other opportunities.

Peacock Financial Corporation reported a net loss of \$1,533,436 and revenues of \$609,811 for the year ending December 31, 1998 versus net income of \$222,009 and revenues of \$2,075,386 for the year ending December 31, 1997. The net loss and reduction of revenues was due primarily to the repositioning of the real estate operation to receive the anticipated \$10,000,000 capital infusion from the Hawthorne Group, Ltd. which did not materialize.

The Company currently employs 4 people. The Company uses independent consultants for a variety of tasks, including engineering and architecture for real estate development, shareholder relations and financial management. Its principal executive offices are located at 248 East Main Street, San Jacinto, California 92583.

ITEM 2 - INVESTMENTS

Apart from the Discontinued Operations, the Company's properties are comprised of \$1,216,036 in land development costs, a \$1,224,292 investment in limited partnerships, \$200,000 in other investments and \$366,310 in the corporate headquarters.

INVESTMENTS IN LIMITED PARTNERSHIPS

1. 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.
2. 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

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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 the general partner for which it receives a management fee and 80% of the project cash flow.

3. St. Michel, LLC - 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 and has recently signed a joint venture agreement to build homes on these existing lots.
4. PR Equities, Ltd. - In 1987, the Company formed a limited partnership to acquire and develop approximately 500 acres in San Jacinto, California. The partnership currently owns approximately 285 residential lots, 30 acres of commercially zoned property and 11 acres zoned for high density senior apartments all within the master planned community of Rancho San Jacinto. The Company retains a 15% ownership position and has recently entered into certain joint venture agreements to build out these properties.

OTHER INVESTMENTS

As a Business Development Corporation, the Company made certain non-real estate investments in the fourth quarter of 1998.

1. San Diego Soccer Development Corporation (SDSDC) - The Company acquired an approximate 5% ownership position (200,000 shares) for stock in Peacock Financial Corporation as part of an agreed plan to take SDSDC public in 1999 through a process known as "spin off". The transaction included an option for the Company to acquire an additional 5% of SDSDC and to receive an investment banking fee for the "spin off" process.
2. Linzy Capital - The Company acquired a non-exclusive right to the use of a proprietary option trading program from Linzy Capital for stock in Peacock Financial Corporation. This program utilizes real-time tracking data which is fed into an "on-screen" spreadsheet that monitors all aspects of targeted options and equities. The Company has contracted with a professional trading company to manage an investment account on behalf of Peacock Financial Corporation using the option trading program and other investment strategies to create substantial monthly yields on invested capital.
3. IPO/Emerging Growth, LLC - The Company acquired an investment position in IPO/Emerging Growth, LLC valued at \$100,000 for stock in Peacock Financial

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Corporation. This investment was part of a strategy to become affiliated with Capital Asset Management of Temecula, California, the managing partner of the LLC, to raise capital to acquire positions in emerging growth companies and to take them public through the process known as "spin-off".

ITEM 3 - LEGAL PROCEEDINGS

The Company is not presently involved in any material litigation nor, to its knowledge, is any material litigation threatened against the Company or its properties, other than routine litigation arising in the ordinary course of business which is expected to be covered by the Company's liability insurance.

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, 1998, the Company's common stock traded between \$1.44 and \$.02 per share. The Company has not yet adopted any policy regarding payment of dividends.

<TABLE>
<CAPTION>

Quarter Ended	Low	High
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<S>	<C>	<C>
March 31, 1998	\$0.25	\$1.44
June 30, 1998	0.19	0.36
September 30, 1998	0.07	0.19
December 31, 1998	0.02	0.07

At December 31, 1998, there were approximately 378 holders of record of the Company's stock.

ITEM 6 - FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

See index to financial statements included herein.

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

Fiscal year 1998 was the Company's third year as a public company. It was a year of substantial change in the structure of the Company due to the failure of the Hawthorne Group, Ltd. to fund its \$10,000,000 commitment as anticipated. In September 1998, the Company filed with the Securities and Exchange Commission to become a Business Development Corporation under the Investment Act of 1940 as part of management's strategy to seek diversification in its operations and to become less dependent on its real estate operations for revenues.

The Company continues to believe that it will benefit substantially from its position in the San Jacinto Valley where a \$3 billion recreational lake is currently under construction and is expected to be completed in 1999. All economic indicators show a marked increase in home sales and land values in the area and the Company expects to place several of its real estate projects into development through joint ventures with builders and investors in the coming year.

Through utilization of the option trading program and investments in emerging growth companies, management believes that it has positioned itself to increase shareholder value through diversification as well as to take advantage of the economic boom that will come to the San Jacinto Valley over the next 10 years as a result of completion of the Eastside Reservoir in 1999.

RESULTS OF OPERATIONS

Revenues totaled \$609,811 for the fiscal year ending December 31, 1998. For the year ending December 31, 1997, revenues were \$2,075,386. The decrease was due to the reduction and repositioning of the home-building operation.

General and administrative expenses for the year ended December 31, 1998 were \$1,089,130, as compared to \$770,094 for the year ended December 31, 1997. The increase was related to an increase in consulting services.

Depreciation and amortization expenses was \$43,319 for the year ended December 31, 1998 as compared to \$14,385 for the year ended December 31, 1997. The increase was due to corporate headquarters increased depreciation.

Interest expense was \$132,912 for the year ended December 31, 1998 as compared to \$173,431 for the year ended December 31, 1997. The decrease was primarily due to the paydown of existing loans.

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

None

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

<TABLE>
<CAPTION>

NAME	AGE	POSITION	PERIOD OF SERVICE
<S>	<C>	<C>	<C>
Steven R. Peacock	53	President, Chief Executive Officer, and Director	Since 1986
James S. Upton	50	Vice President of Development	Since 1997

</TABLE>

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. Steven R. Peacock, 53, is President, Chief Executive Officer, and a Director of Peacock Financial Corporation. He has broad experience in real estate development, property management and construction experience.

Mr. James S. Upton, 50, is Executive Vice President of Development of Peacock Financial Corporation. He has over 25 years of real estate development and construction experience.

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, 1998.

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<TABLE>
<CAPTION>

NAMES AND POSITION	YEAR	SALARY	OTHER	TOTAL
<S>	<C>	<C>	<C>	<C>
Steven R. Peacock, President and Chief Executive Officer and Director	1998	\$96,000	None	\$96,000
James S. Upton, Vice President of Development	1998	\$68,800	None	\$48,000

</TABLE>

ITEM 11 - SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

At the close of business on December 31, 1998, the Company had 20,750,370 shares outstanding. The beneficial owner of more than five percent of any class of the Company's voting securities are as follows:

<TABLE>
<CAPTION>

TITLE OF CLASS	NAME AND ADDRESS OF BENEFICIAL OWNER	NUMBER OF SHARES	PERCENT OF CLASS
<S>	<C>	<C>	<C>
Common Stock	Steven R. Peacock 248 East Main St. San Jacinto, Ca. 92583	2,630,174	12.7%
Common Stock	Byron Radaker 248 East Main St. San Jacinto, Ca. 92583	2,010,048	9.7%

</TABLE>

ITEM 12 - CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Patricia Peacock, Mother of Steven R. Peacock, President, has advanced the Company working capital. The balance outstanding as of December 31, 1998 was \$860,000.

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.

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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/ Steven R. Peacock

Steven R. Peacock
President and Chief Executive Officer

Date: May 5, 1999

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/ Steven R. Peacock ----- Steven R. Peacock	----- President, Chief Executive	---- May 5, 1999 -----
- ----- /s/ Lisa L. Martinez -----	Secretary	May 5, 1999 -----

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