

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2001 Commission File No. 2-91651-D

Peacock Financial
Corporation

Colorado 87-0410039
(State or other jurisdiction (I.R.S. Employer Identification Number)
of incorporation or organization)

2531 San Jacinto Street
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 NO

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

Common Stock 118,993,091 Shares Outstanding
\$0.001 par value as of June 30, 2001

PEACOCK FINANCIAL CORPORATION
REPORT ON FORM 10-Q
QUARTER ENDED JUNE 30, 2001

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PEACOCK FINANCIAL CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheets

ASSETS		-----	
	June 30,	December 31,	
	-----	-----	
	2001	2000	
	-----	-----	
CURRENT ASSETS	(Unaudited)		
Cash and cash equivalent	-	2,513	
Due from related party	6,871	79,765	
Prepaid expenses	2,704		
Credit line receivable	119,722	-	
Other receivables	233,094	27,000	
Notes receivable - related parties	29,862	29,987	
Notes receivable	84,957	84,957	
	-----	-----	
Total Current Assets	474,506	226,926	
	-----	-----	
FIXED ASSETS	154,999	191,530	
	-----	-----	
OTHER ASSETS			
Investments in limited partnerships	1,131,961	1,131,961	
Other investments	1,528	394,289	
Other assets	5,565	3,500	
	-----	-----	
Total Other Assets	1,139,054	1,529,750	
	-----	-----	
TOTAL ASSETS	\$1,768,559	\$1,948,206	
	=====	=====	

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PEACOCK FINANCIAL CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheets (Continued)

LIABILITIES AND STOCKHOLDERS' EQUITY

<TABLE>
<CAPTION>

	June 30,	December 31,	
	-----	-----	
	2001	2000	
	-----	-----	
<S>	<C>	<C>	
CURRENT LIABILITIES			
Accounts payable	\$ 429,086	\$ 473,496	
Bank overdraft	1,430	-	
Other current liabilities	247,888	238,176	
Notes payable - current portion	1,018,986	848,343	
Judgments payable	188,000	350,000	
	-----	-----	
Total Current Liabilities	1,885,390	1,910,015	
	-----	-----	
LONG-TERM DEBT			
Notes payable - long term	500,000	523,175	
	-----	-----	
NET LIABILITIES IN EXCESS OF THE ASSETS OF DISCONTINUED OPERATIONS	230,759	305,055	
	-----	-----	
Total Liabilities	2,616,149	2,738,245	
	-----	-----	

COMMITMENTS AND CONTINGENCIES

STOCKHOLDERS' EQUITY

Preferred stock: 10,000,000 shares authorized at \$0.01 par value; 545,300 and 545,300 shares issued and outstanding, respectively	5,453	5,453
Common stock: 250,000,000 shares authorized at \$0.001 par value; 118,993,091 and 76,931,751 shares issued and outstanding, respectively	118,993	76,932
Additional paid-in capital	11,888,197	11,390,655
Subscriptions receivable	(200,501)	(286,056)
Treasury stock	(9,252)	(8,180)
Accumulated deficit	(12,650,480)	(11,968,843)
	-----	-----
Total Stockholders' Equity	(847,590)	(790,039)
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,768,559	\$ 1,948,206
	=====	=====

</TABLE>

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

<TABLE>
<CAPTION>

	For 6 Months Ended		For 3 Months Ended	
	June 30, 2001	June 30, 2000	June 30, 2001	June 30, 2000
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
REVENUES				
Property management and administration income	\$ -	\$ 1,525	\$ -	\$ 210
Investment banking income	-	779,961	-	279,961
Development income	220,713	-	220,713	-
Gain on investment	-	38,750	-	38,750
Other income	720	164,779	720	157,571
	-----	-----	-----	-----
Total Revenues	221,433	985,015	221,433	476,492
	-----	-----	-----	-----
EXPENSES				
General and administrative	317,982	1,221,458	121,143	857,052
Bad debt	219,198	-	80,402	-
Depreciation and amortization	15,208	14,578	3,758	6,904
	-----	-----	-----	-----
Total Expenses	552,388	1,236,036	205,303	863,956
	-----	-----	-----	-----
INCOME/(LOSS) FROM CONTINUING OPERATIONS	(330,955)	(251,021)	16,130	(387,464)
	-----	-----	-----	-----
OTHER INCOME/(EXPENSES)				
Interest income	25,429	7,625	12,788	5,381
Interest expense	(63,947)	(39,515)	(32,983)	(21,985)
Realized gain (loss) on investments	(86)	-	-	(166,216)
Unrealized gain (loss) on investments	(392,675)	-	(283,825)	-
	-----	-----	-----	-----
Total Income (Expenses)	(431,279)	(31,890)	(304,020)	(182,820)
	-----	-----	-----	-----
INCOME/(LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND DISCONTINUED OPERATIONS	(762,234)	(282,911)	(287,890)	(570,284)
	-----	-----	-----	-----
INCOME TAXES		(1,600)		(800)
	-----	-----	-----	-----
NET INCOME (LOSS) FROM CONTINUING OPERATIONS	(762,234)	(284,511)	(287,890)	(571,084)
	-----	-----	-----	-----
NET INCOME (LOSS) FROM DISCONTINUED OPERATIONS	79,525	(1,025,406)	(102)	(691,342)
	-----	-----	-----	-----
NET INCOME (LOSS)	(682,709)	(1,309,917)	(287,992)	(1,262,426)
	-----	-----	-----	-----

</TABLE>

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PEACOCK FINANCIAL CORPORATION AND SUBSIDIARY
(Formerly Connectivity and Technology, Inc.)
Consolidated Statements of Operations (Continued)

<TABLE>
<CAPTION>

	For 6 Months Ended		For 3 Months Ended	
	June 30, 2001	June 30, 2000	June 30, 2001	June 30, 2000
<S>	<C>	<C>	<C>	<C>
OTHER COMPREHENSIVE GAIN (LOSS)				
Gain (loss) on treasury stock	1,072	-	(440)	-
NET COMPREHENSIVE INCOME (LOSS)	\$ (681,637)	\$ (1,309,917)	\$ (288,432)	\$ (1,262,546)
BASIC INCOME (LOSS) PER SHARE				
Continuing operations	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.01)
Discontinued operations	0.00	(0.02)	(0.00)	(0.01)
BASIC INCOME (LOSS) PER SHARE	\$ (0.01)	\$ (0.03)	\$ (0.02)	\$ (0.02)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	111,692,037	48,150,404	104,546,945	46,830,296

</TABLE>

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PEACOCK FINANCIAL CORPORATION AND SUBSIDIARIES
Consolidated Statements of Stockholders' Equity

<TABLE>
<CAPTION>

	Preferred Stock		Common Stock		Additional Paid-in Capital	Subscriptions Receivable	
	Shares	Amount	Shares	Amount			
Accumulated Deficit							
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Balance, December 31, 1998 (\$2,385,491)	672,300	\$ 6,723	20,750,370	\$ 20,750	\$3,519,882	\$	
Common stock issued for cash			14,008,007	14,008	1,787,118	(443,500)	
Common stock issued for services			759,571	760	161,040		
Common stock issued on conversion of debentures			1,070,560	1,070	58,346		
Common stock issued for investments			1,250,000	1,250	123,750		
Common stock issued in conversion of preferred stock (2,000)	(2,000)	(20)	2,000	2	1,998		
Common stock canceled			(30,000)	(30)	(5,779)		
Cash received on subscriptions receivable						116,445	
Accrued dividends					(23,172)		
Dividends paid					(165,614)		
Net income (loss) for the year ended December 31, 1999 (692,737)							
Balance, December 31, 1999 \$(3,078,228)	670,300	\$ 6,703	37,810,508	\$ 37,810	\$5,457,569	(\$327,055)	

</TABLE>

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

<TABLE>
<CAPTION>

	Preferred Stock		Common Stock		Additional Paid-in Capital	Subscriptions Receivable
	Shares	Amount	Shares	Amount		
Accumulated Deficit						
-						
<S> <C>	<C>	<C>	<C>	<C>	<C>	<C>
Balance, December 31, 1999 \$(3,078,228)	670,300	\$ 6,703	37,810,508	\$ 37,810	\$ 5,457,569	(\$327,055)
Common stock issued for cash			22,330,821	22,331	4,595,865	(158,001)
Common stock issued for interest			6,207	6	6,202	
Common stock issued in conversion of preferred stock	(125,000)	(1,250)	125,000	125	1,125	
Common stock issued for services			1,282,000	1,282	247,118	
Common stock issued for debt			14,577,215	14,578	604,713	
Cash received on subscriptions receivable						199,000
Common stock issued for investments			800,000	800	169,200	
Unrealized loss on Treasury stock					(69,222)	
Realized loss on Treasury stock					(205,065)	
Accrued dividends					(22,812)	
Stock offering costs					(202,325)	
Net income (loss) for the period ended December 31, 2000 (8,616,328)						

Balance, December 31, 2000 \$(11,968,843)	545,300	\$ 5,453	76,931,751	\$ 76,932	\$11,390,655	\$ (286,056)
=====						

</TABLE>

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

<TABLE>
<CAPTION>

Subscriptions Receivable	Accumulated Deficit	Preferred Stock		Common Stock		Additional Paid-in Capital
		Shares	Amount	Shares	Amount	
<S> <C>		<C>	<C>	<C>	<C>	<C>
Balance December 31, 2000 (286,056)	\$(11,968,843)	545,300	\$ 5,453	76,931,751	\$ 76,932	\$11,390,655

Common stock issued for cash (unaudited) (52,500)	29,281,674	29,282	263,455
Common stock issued for debt (unaudited)	12,114,416	12,114	228,765
Common stock issued for interest (unaudited)	665,250	665	5,322
Cash received on subscriptions receivable (unaudited) 10,000			
Write-off of subscription receivable (unaudited) 128,056			
Unrealized gain on Treasury stock (unaudited) 1,070			
Net income (loss) for the period ended June 30, 2001 (unaudited) (682,707)			

-----	-----	-----	-----	-----	-----
Balance, June 30, 2001 (unaudited) (200,500) \$(12,650,480)	545,300	\$ 5,453	118,993,091	118,993	\$11,888,197
=====	=====	=====	=====	=====	=====

</TABLE>

PEACOCK FINANCIAL CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows

<TABLE>
<CAPTION>

	For the 6 Months Ended	
	June 30 2001	June 30 2000
	-----	-----
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES		
Continued Operations:		
Net income (loss)	\$ (762,234)	\$ (284,511)
Adjustments to reconcile net income (loss) from continuing operations to net cash (used) by operating activities;		
Depreciation and amortization	15,208	14,578
Bad debt expense	219,198	-
Loss on investments	392,761	(38,750)
Discontinued Operations:		
Net income (loss)	79,525	(1,025,406)
Depreciation and amortization	12,512	-
Loss on disposition of assets	-	-
Changes in Operating Assets and Liabilities:		
(Increase) decrease in accounts and notes receivable	(325,816)	(833,702)
(Increase) decrease in accounts receivable - related parties	(18,124)	(169,740)
(Increase) decrease in other assets	639	(272,371)
Increase (decrease) in accounts payable	(44,410)	226,253
Increase (decrease) in other liabilities	(134,315)	(52,617)
Increase (decrease) in discontinued operation reserve	(74,296)	-
	-----	-----
Net Cash Used by Operating Activities	(639,352)	(2,436,266)
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments		(701,790)
Purchase of property and equipment	(2,410)	(243,563)
	-----	-----
Net Cash Used by Investing Activities	(2,410)	(945,353)

CASH FLOWS FROM FINANCING ACTIVITIES

Due to shareholders	-	(25,398)
Cash received on debentures	384,750	-
Repayment of notes payable	-	(260,741)
Repurchase of stock	-	(307,090)
Cash rec'd on subscriptions receivable	10,000	-
Proceeds from stock offerings	244,499	4,066,146
	-----	-----
Net Cash Provided by Financing Activities	\$ 639,249	\$ 3,472,917
	-----	-----

</TABLE>

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

<TABLE>
<CAPTION>

	For the 6 Months Ended	
	June 30 2001	June 30 2000
	-----	-----
<S> NET INCREASE (DECREASE) IN CASH	<C> \$ (2,513)	<C> \$ 91,298
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	2,513	190,581
	-----	-----
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ -	\$281,879
	=====	=====

SUPPLEMENTAL DISCLOSURE OF
NON-CASH ACTIVITIES

Common stock issued on conversion of debentures & interest	\$ 246,866	\$ 26,497
Common stock issued for investments	\$ -	\$150,000

SUPPLEMENTAL DISCLOSURE OF CASH FLOW
INFORMATION

Interest paid, net of amount capitalized	\$ 156	\$ 18,893
Income taxes paid	\$ -	\$ -

</TABLE>

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PEACOCK FINANCIAL CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2001 and DECEMBER 31, 2000

- The interim financial statements are prepared pursuant to the requirements for reporting on Form 10-QSB. The December 31, 2000 balance sheet data was derived from audited financial statements but does not include all disclosures required by generally accepted accounting principles. The interim financial statements and notes thereto should be read in conjunction with the financial statements and footnotes thereto included in the Company's report on Form 10-KSB for the year ended December 31, 2000. In the opinion of management, the interim financial statements reflect all adjustments of a normal recurring nature necessary for a fair statement of the results for the interim periods presented.
- The Company has formed new subsidiary corporations in the State of Nevada, under the names of: Broadleaf Capital Partners, Inc., Broadleaf Asset Management, Inc., Broadleaf Financial Services, Inc. and Brand Asset Management, Inc. The Company has also changed the name of Broadleaf Asset Management, Inc. to Broadleaf Aerospace Systems, Inc.
- A Certificate of Assumed or Trade Name was filed in the State of Colorado to assume the name change to Broadleaf Capital Partners, Inc. and the Company is currently operating under said name.
- The Company has completed its internal due diligence and is awaiting final closure pending an independent audit and contingencies, to acquire Genesis

Aviation/Aerospace Modworks, Inc., a twelve-year old Aviation services company reporting \$3.2 million in annual revenues for its operating year 2000.

5. A Joint Venture was entered into between Peacock Financial Corporation and Jugular, Inc., a stated leader in extreme sports products with worldwide registered trademarks, to form two new entities; Jugular Japan and Jugular Europe. These Joint Ventures, along with an Exclusive Japanese Distribution agreement with X-Gear, Inc., is intended to provide a strong venture to pursue licensing and marketing opportunities for Jugular's trademarks throughout Japan and Europe.

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ITEM 2. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Form 10-QSB contains forward looking statements within the meaning of section 27A of the Securities Act of 1933 and section 21E of the Securities Exchange Act of 1934. The Company's actual results could differ materially from those set forth in the forward looking statements.

MANAGEMENT DISCUSSION

Peacock Financial Corporation (Company) is a venture capital fund that makes direct investments in and provides management services to businesses that have at least a one-year operating history, the original founding management, with minimum annual revenues of \$1.5 million. The Company intends to expand on its investment strategy and portfolio through the internal development of its present operations and other business opportunities, as well as the acquisition of additional business ventures. The Company has in the past, and may again in the future, raise capital specifically for the purpose of maintaining operations and making an investment that the Company believes is attractive.

The Company's current portfolio of investments includes the following:

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. Management is currently assessing its general partnership position and the Company has received no revenues to-date for the operating year 2000.
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 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. A joint venture to build out these homes was just completed and the Company has booked the distribution of its profits in the second quarter of 2001.
4. Vir-Tek Company - The Company currently owns 49% of 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. Company management is assessing the validity of its ownership position.

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5. 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 net and used automotive markets and developed iNet4Cars.com, a regionally based automobile e-commerce Website to provide Internet automobile shoppers easy access to dealer inventories with detailed pictures and prices online within the shopper's immediate area. iNet4Cars ceased operations in operating year 2000. It is management's intention to re-launch the website in the future under more favorable e-commerce market conditions.

6. Bio-Friendly Corporation - In May 2000, the Company signed a contract to purchase 625,000 shares of common stock at 40 cents a share of Bio-Friendly Corporation, a fuel technology company, that has a combustion catalyst which Bio-Friendly states, dramatically reduces the emissions produced by any system which burns fuel of any kind, while greatly reducing the amount of fuel consumed. Company management is currently assessing the validity of the contract and Bio-Friendly Corporation.
7. San Diego Soccer Development Corporation (SDSDC) - The Company currently owns approximately 1,555,001 shares of SDSDC. SDSDC recently ceased operations; Company management is currently assessing its position in SDSDC.

ANALYSIS OF FINANCIAL CONDITION

The second quarter of 2001 marked the continuance of assessing and consolidating the Company's previous investments and operations. The Company, with new management, launched its strategy in seeking business opportunities that can succeed in bringing profits to the bottom line.

Management believes that the key to a successful fund is the ability to produce ongoing revenues and profits from operating subsidiaries that will allow for an orderly due diligence process when investing in established companies that have an ongoing revenue stream and operating history.

Results of Operations - Three months ended June 30, 2001, compared to the three months ended June 30, 2000.

Revenues. Revenues for the three months ended June 30, 2001, decreased by \$255,059 or 54% to \$221,433 from \$476,492 for the three months ended June 30, 2000. This decrease resulted from a decrease in fees charged for investment banking services.

Expenses. Total expenses for the three months ended June 30, 2001, decreased by \$658,653 or 77% to \$205,303 from \$863,956 for the three months ended June 30, 2000. General and administrative expenses for the three months ended June 30, 2001, decreased by \$735,909 or 86% to \$121,143 from \$857,052 for the three months ended June 30, 2000. This decrease resulted from reduced administrative and operating costs.

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Results of Operations - Six months ended June 30, 2001, compared to the six months ended June 30, 2000.

Revenues. There were revenues of \$221,433 reported for the first six months ended June 30, 2001, as compared to \$985,015 for the six months ended June 30, 2000. The decrease was primarily due to a decrease in fees charged for investment banking services.

Expenses. Total expenses for the six months ended June 30, 2001, decreased by \$683,648 or 56% to \$552,388 from \$1,236,036 for the six months ended June 30, 2000. General and administrative expenses for the six months ended June 30, 2001, decreased by \$903,476 or 74% to \$317,982 from \$1,221,458 for the six months ended June 30, 2000. This decrease resulted from reduced administrative and operating costs. Bad debt expense of \$219,198 was primarily due to the write-off of an un-collectable receivable.

Changes in Financial Condition, Liquidity and Capital Resource.

For the six months ended June 30, 2001, the Company funded its operations and capital requirements partially with its own working capital and partially with proceeds from stock offerings. As of June 30, 2001, the Company had an overdraft of \$1,430.

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SIGNATURES

Pursuant to the requirements 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

August 14, 2001
- -----
Date

/s/ Robert A. Braner

Robert A. Braner
Interim President

August 14, 2001

Date

/s/ Lisa L. Martinez

Lisa L. Martinez
Corporate Secretary