

SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM 10-Q

[X] Quarterly Report Pursuant to Section 13 or 15(d) of the Securities  
Exchange Act of 1934

For the quarterly period ended June 30, 1999 Commission File No. 2-91651-D

Peacock Financial  
Corporation

<TABLE>

<S>

Colorado

<C>

87-0410039

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

</TABLE>

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  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 31,200,796 Shares Outstanding  
\$0.001 par value as of June 30, 1999

PEACOCK FINANCIAL CORPORATION  
REPORT ON FORM 10-Q

QUARTER ENDED JUNE 30, 1999

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PEACOCK FINANCIAL CORPORATION AND SUBSIDIARY  
(Formerly Connectivity and Technology, Inc.)  
Consolidated Balance Sheets

<TABLE>  
<CAPTION>

	ASSETS	
	June 30,	December 31,
	1999	1998
<S>	<C>	<C>
CURRENT ASSETS		
Cash and cash equivalents	\$ 63,458	\$ -
Notes receivables	36,300	19,300
Accounts receivable	4,750	-
Due from related party	5,295	2,396
	-----	-----
Total Current Assets	109,803	21,696
	-----	-----
FIXED ASSETS, at cost, net of accumulated depreciation of \$83,034 and \$80,299, respectively		
	1,610	366,780
	-----	-----
OTHER ASSETS		
Notes receivable - related parties	473,230	114,000
Developer fees receivable	82,628	154,077
Development costs	1,216,036	1,216,036
Investments in limited partnerships	1,224,292	1,224,292
Other investments	1,000,000	200,000
Licensing rights	30,000	30,000
Other assets	48,151	29,201
	-----	-----
Total Other Assets	4,074,337	2,967,606
	-----	-----
TOTAL ASSETS	\$ 4,185,750	\$ 3,356,082
	=====	=====

</TABLE>

PEACOCK FINANCIAL CORPORATION AND SUBSIDIARY  
(Formerly Connectivity and Technology, Inc.)  
Consolidated Balance Sheets (Continued)

LIABILITIES AND STOCKHOLDERS' EQUITY

<TABLE>  
<CAPTION>

	LIABILITIES AND STOCKHOLDERS' EQUITY	
	June 30,	December 31,
	1999	1998
<S>	<C>	<C>
CURRENT LIABILITIES		
Accounts payable	\$ 230,956	\$ 227,743
Bank overdraft	-	4,509
Other current liabilities	241,997	280,982
Lines of credit	2,678	6,365
Notes payable - current portion	434,322	753,060
Note payable to stockholder	29,298	57,058
	-----	-----
Total Current Liabilities	939,251	1,329,717
	-----	-----
LONG-TERM DEBT		
Notes payable - long term	734,893	864,501

Total Liabilities	1,674,144	2,194,218
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Preferred stock: 10,000,000 shares authorized at \$0.01 par value; 672,300 and 672,300 shares issued and outstanding, respectively	6,723	6,723
Common stock: 250,000,000 shares authorized at \$0.001 par value; 31,200,796 and 20,750,370 shares issued and outstanding, respectively	31,201	20,750
Additional paid-in capital	4,606,511	3,519,882
Capital reserve	(3,666)	-
Accumulated deficit	(2,129,163)	(2,385,491)
Total Stockholders' Equity	2,511,606	1,161,864
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 4,185,750	\$ 3,356,082

</TABLE>

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

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

<TABLE>  
<CAPTION>

	For 6 Months Ended		For 3 Months Ended	
	June 30, 1999	June 30, 1998	June 30, 1999	June 30, 1998
<S>	<C>	<C>	<C>	<C>
REVENUES				
Home building and development sales	\$ -	\$ 313,868	\$ -	\$ 80,196
Property management and administration income	2,370	2,100	1,777	1,200
Investment banking income	600,000	-	400,000	-
Other income	3,824	9,586	3,824	500
Total Revenues	606,194	325,554	405,601	81,896
EXPENSES				
Home building and development costs	-	401,058	-	76,179
General and administrative	322,901	489,188	157,126	326,934
Depreciation and amortization	2,735	1,878	174	939
Total Expenses	325,636	892,124	157,300	404,052
INCOME (LOSS) FROM CONTINUING OPERATIONS	280,558	(566,570)	248,301	(322,156)
OTHER INCOME (EXPENSE)				
Loss on investments	(25,000)	-	(25,000)	-
Other income	70,000	-	-	-
Interest expense	(70,275)	(48,179)	(33,248)	(23,735)
Other expense	(800)	(800)	-	-
Total Other Income (Expense)	(26,075)	(48,979)	(58,248)	(23,735)
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	254,483	(615,549)	190,053	(345,891)
INCOME TAXES	-	-	-	-

NET INCOME (LOSS)	\$ 254,483	\$ (615,549)	\$ 190,053	\$ (34,891)
	=====	=====	=====	=====

</TABLE>

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

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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, 1999	June 30, 1998	June 30, 1999	June 30, 1998
<S>	<C>	<C>	<C>	<C>
EARNINGS (LOSS) PER SHARE				
Continued operations	0.01	(0.03)	0.01	(0.01)
Discontinued operations	0.00	0.00	0.00	0.00
	-----	-----	-----	-----
EARNINGS (LOSS) PER SHARE	0.01	(0.03)	0.01	(0.01)
	=====	=====	=====	=====
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	29,700,396	20,412,652	30,972,996	27,912,652
	=====	=====	=====	=====

</TABLE>

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

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PEACOCK FINANCIAL CORPORATION AND SUBSIDIARY  
(Formerly Connectivity and Technology, Inc.)  
Consolidated Statements of Stockholders' Equity

<TABLE>  
<CAPTION>

	Preferred Stock		Common Stock		Additional	Accumulated
	Shares	Amount	Shares	Amount	Paid-in Capital	Deficit
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balance, December 31, 1996	672,300	6,723	10,695,295	10,695	2,215,474	(1,074,064)
Common stock issued for cash	-	-	422,002	422	59,618	-
Common stock issued for services	-	-	646,500	647	83,459	-
Accrued dividends	-	-	-	-	(23,172)	-
Net income for the year ended December December 31, 1997	-	-	-	-	-	222,009
	-----	-----	-----	-----	-----	-----
Balance, December 31, 1997	672,300	\$6,723	11,763,797	\$11,764	\$2,335,379	\$ (852,055)
	-----	-----	-----	-----	-----	-----
Common stock issued for cash	-	-	1,609,413	1,609	217,456	-
Common stock issued for services	-	-	3,108,040	3,108	599,967	-
Common stock issued on conversion of debentures	-	-	1,559,834	1,560	104,033	-
Common stock issued for investments and licensing rights	-	-	2,420,000	2,420	257,580	-

Common stock issued under failed financing package	-	-	289,286	289	28,639	-
Accrued dividends	-	-	-	-	(23,172)	-
Net income for the year ended December 31, 1998	-	-	-	-	-	(1,533,436)
	-----	-----	-----	-----	-----	-----
Balance December 31, 1998	672,300	\$6,723	20,750,370	\$20,750	\$3,519,882	\$(2,385,491)
	=====	=====	=====	=====	=====	=====

</TABLE>

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

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PEACOCK FINANCIAL CORPORATION AND SUBSIDIARY  
(Formerly Connectivity and Technology, Inc.)  
Consolidated Statements of Stockholders' Equity

<TABLE>  
<CAPTION>

	Preferred Stock		Common Stock		Additional	Accumulated
	Shares	Amount	Shares	Amount	Paid-in Capital	Deficit
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Common stock issued for cash	-	-	8,365,555	\$ 8,366	\$ 756,300	-
Common stock issued for services	-	-	8,571	9	600	-
Common stock issued on conversion of debentures	-	-	826,300	826	41,315	-
Common stock issued for investments and licensing rights	-	-	1,250,000	1,250	300,000	-
Peacock International Corporation	-	-	-	-	-	1,845
Accrued dividends	-	-	-	-	(11,586)	-
Net income (loss) for the period ended June 30, 1999	-	-	-	-	-	272,155
	-----	-----	-----	-----	-----	-----
Balance, June 30, 1999	672,300	\$6,723	31,200,796	\$31,201	\$4,606,511	\$(2,111,491)
	=====	=====	=====	=====	=====	=====

</TABLE>

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

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

<TABLE>  
<CAPTION>

	June 30, 1999	June 30, 1998
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ 254,483	(615,549)
Adjustments to reconcile net income (loss) to net cash used by operating activities:		
Depreciation and amortization	2,735	1,878
Changes in operating assets and liabilities:		
(Increase) decrease in accounts and notes		

receivable	29,800	35,390
(Increase) decrease in accounts receivable - related parties	(2,899)	(10,016,455)
(Increase) decrease in other assets	(6,000)	(655)
Increase (decrease) in accounts payable	9,813	(44,601)
Increase (decrease) in other liabilities	(34,855)	22,410
	-----	-----
Net Cash Used by Operating Activities	253,077	(10,617,582)
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES		
Note receivable	(242,930)	-
Construction in progress	-	374,221
Purchase of property and equipment	363,228	(20,884)
	-----	-----
Net Cash Used by Investing Activities	120,298	353,337
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES		
Due to (from) shareholders	5,592	(7,873)
Repayment of notes payable	(276,088)	(182,330)
Repayment of long-term borrowings	(52,963)	(9,264)
Stock issued for cash	291,041	10,439,718
	-----	-----
Net Cash Provided by Financing Activities	\$ (32,418)	\$ 10,240,251
	-----	-----

</TABLE>

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

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

<TABLE>

<CAPTION>

	For the 6 Months Ended	
	June 30, 1999	June 30, 1998
	-----	-----
<S>	<C>	<C>
NET DECREASE IN CASH	\$ (28,109)	\$ (23,994)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	91,567	14,777
	-----	-----
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 63,458	\$ (9,217)
	=====	=====

SUPPLEMENTAL DISCLOSURE OF  
NON-CASH ACTIVITIES

Common stock issued for debentures	\$ 51,565	\$ -
Common stock issued for debt	\$ 600	\$ -
Common stock issued for services	\$300,000	\$ 210,200

SUPPLEMENTAL DISCLOSURE OF CASH FLOW  
INFORMATION

Interest paid, net of amount capitalized	\$ 37,568	\$ 22,604
Income taxes paid	\$ -	\$ -

</TABLE>

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

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PEACOCK FINANCIAL CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 1999

1. The interim financial statements are prepared pursuant to the requirements

for reporting on Form 10-QSB. The December 31, 1998, 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, 1998. 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.

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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.

Results of Operations - Three months ended June 30, 1999, compared to the three months ended June 30, 1998.

The Company is a registered Business Development Corporation under the Investment Act of 1940. As such, the Company acts as a holding company for the purpose of raising capital and investing in real estate through a wholly owned subsidiary and into emerging growth companies that meet certain investment criteria which includes the possibility of taking the targeted company public at a later stage.

The Company expects to raise additional capital for its real estate operations in the San Jactino Valley (California), where a \$3 billion recreational reservoir is nearing completion and to continue to seek out investment opportunities in high tech emerging growth companies.

Revenues. Revenues for the three months ended June 30, 1999, increased by \$323,705 or 80% to \$405,601 from \$81,896 for the three months ended June 30, 1998. This increase resulted from fees charged for investment banking services as well as an increase in property management income and administration revenues.

Expenses. Total expenses for the three months ended June 30, 1999, decreased by \$246,752 or 61% to \$157,300 from \$404,052 for the three months ended June 30, 1998. This decrease resulted from lower home building costs. General and administrative expenses for the three months ended June 30, 1999, decreased by \$169,808 or 52% to \$157,126 from \$326,934 for the three months June 30, 1998. This decrease was primarily due to streamlining our operations resulting in lower salaries.

Results of Operations - Six months ended June 30, 1999, compared to the six months ended June 30, 1998.

In the first two quarters, the Company raised \$607,250 in capital which was used for working capital, debt reduction and investments. Its primary investment was into Solutions Media, Inc., an internet company focused on the development of an interface technology for the convergence of all forms of media into High Definition Television.

Revenues. Revenues for the six months ended June 30, 1999, increased by \$280,640 or 47% to \$606,194 from \$325,554 for the six months ended June 30, 1998. This increase resulted from fees charged for investment banking services as well as an increase in property management and administration income.

Expenses. Total expenses for the six months ended June 30, 1999, decreased by \$566,488 or 64% to \$325,636 from \$892,124 for the six months ended June 30, 1998. This decrease resulted from lower home building development costs. General and administrative expenses for the six months ended June 30, 1999, decreased by \$166,287 or 34% to \$322,901 from \$489,188 for the six months ended June 30, 1998 primarily due to streamlining our operations resulting in lower salaries.

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Changes in Financial Condition, Liquidity and Capital Resource.

For the six months ended June 30, 1999, the Company funded its operations and capital requirements partially with its own capital and partially with proceeds from stock offerings. As of June 30, 1999, the Company had cash of \$63,458.

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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

July 29, 1999 /s/ Steven R. Peacock  
-----  
Date Steven R. Peacock  
President and Chief Executive Officer

July 29, 1999 /s/ Lisa Martinez  
-----  
Date Lisa Martinez  
Secretary

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