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, 1996   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)

1600 EAST FLORIDA AVENUE
SUITE 306
HEMET, CA 92544
(ADDRESS AND ZIP CODE OF PRINCIPAL EXECUTIVE OFFICES)

(909) 925-6469
(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.
[X] 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 $0.001 PAR VALUE	9,942,700 SHARES OUTSTANDING AS OF JUNE 30, 1996

PEACOCK FINANCIAL CORPORATION
REPORT ON FORM 10-Q
QUARTER ENDED JUNE 30, 1996

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PEACOCK FINANCIAL CORPORATION AND SUBSIDIARY
CONDENSED CONSOLIDATED BALANCE SHEETS
QUARTER ENDED JUNE 30, 1996

ASSETS

	JUNE 30, 1996 (unaudited)	MARCH 31, 1996 (unaudited)
Current assets:		
Cash and cash equivalents (Note 2)	$24,311	$68,894
Restricted cash (Note 2)	0	0
Accounts receivable - related parties (Note 7)	42,435	27,871
Accounts receivable (Note 12)	415,000	0
Notes receivable net of allowance for bad debt (Note 2)	940	940
Total Current Assets	482,686	97,705
Fixed assets:		
Rental property, at cost, net of accumulated depreciation of $721,243 and $635,468 respectively	8,302,269	8,366,916
Homebuilding and Development (Note 3)	697,531	198,655
Furniture and fixtures at cost, net of accumulated depreciation of $145,453 and $144,261 respectively	29,675	31,658
Net Fixed Assets	9,029,475	8,597,229
Other assets:		
Notes receivable - related parties (Note 7)	121,530	72,226
Notes receivable - shareholders	60,000	110,000
Intangible development costs (Note 10)	1,221,499	1,221,499
Investments in limited partnerships (Note 4)	0	0
Deferred charges (note 2)	54,910	47,456
Prepaid salary (Note 9)	211,358	208,358
Other assets	72,233	38,179
Total Other Assets	1,741,530	1,697,718
Total Assets	$11,253,691	$10,392,652

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

PEACOCK FINANCIAL CORPORATION AND SUBSIDIARY
CONDENSED CONSOLIDATED BALANCE SHEETS (CONTINUED)
QUARTER ENDED JUNE 30, 1996

LIABILITIES AND EQUITY

	June 30, 1996 (unaudited)	March 31, 1996 (unaudited)
Current liabilities:		
Accounts Payable - Administrative	$144,748	$115,518
Other Current Liabilities - Administrative	76,775	51,313
Lines of credit (Note 5)	69,178	71,545
Note payable to Stockholder (Note 7)	16,857	16,857
Current Liabilities - Administrative	307,558	255,233
Accounts Payable - Rental Properties	347,005	$314,066
Accounts Payable - Homebuilding	51,238	$550
Other Current Liabilities - Rental Properties	221,669	8,884
Homebuilding Loans Payable	599,264	215,026
Notes payable - current portion (Note 6)	2,191,311	1,923,685
Current Liabilities - Rental and Homebuilding	3,410,487	2,462,211
Total Current Liabilities	3,718,045	2,717,444
Long-term liabilities		
Notes Payable - Administration (Note 6)	406,794	289,917
Notes Payable - Rental Properties (Note 6)	8,051,291	8,209,446
Less Current Portion of Long-Term Liabilities	(2,191,311)	(1,923,685)

Total Long-term Debt	6,266,774	6,575,678
Total Liabilities	9,984,819	9,293,122
COMMITMENTS AND CONTINGENCIES (NOTE 10)	0	0
STOCKHOLDERS' EQUITY		
Common stock, 250,000,000 and Class A Preferred 10,000,000 authorized, par value $.001 and $.01; 9,942,700 Common and 672,300 Class A Preferred issued (Note 13)	10,615	10,615
Additional paid-in capital	2,421,496	2,421,496
Accumulated deficit	(1,163,239)	(1,332,581)
Total Stockholders' Equity	1,268,872	1,099,530
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$11,253,691	$10,392,652

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

PEACOCK FINANCIAL CORPORATION AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
QUARTER ENDED JUNE 30, 1996

	Three Months ended June 30. 1996	1995
	(unaudited)	(unaudited)
Revenues:		
Rental income	352,604	296,873
Property management income	8,130	89,662
Homebuilding administration income	54,360	
Homebuilding income	422,127	0
Administrative income	750	
Commissions income	618	29,065
Other income	422,268	(1,374)
Total Revenues	1,260,857	414,226
Expenses		
Depreciation and amortization	104,838	79,242
General and administrative	179,852	156,669
Homebuilding Costs	422,127	0
Property operation and administration	177,758	171,892
Total Expenses	884,575	407,803
Income (loss) from operations	376,282	6,423
Other income (expense)		
Interest income	563	597
Interest expense	(206,703)	(82,080)
Total Other Income (Expense)	(206,140)	(81,483)
Income (loss) before taxes	170,142	(75,060)
Income Taxes	(800)	(800)
Net income (loss)	$169,342	($75,860)
Net income (loss) per share	$0.02	($0.02)

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

PEACOCK FINANCIAL CORPORATION AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
QUARTER ENDED JUNE 30, 1996

<TABLE>
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	Common Stock			Additional
	Shares	Amount	Paid-in Capital	Accumulated Deficit
<S>	<C>	<C>	<C>	<C>
Balance, March 31, 1994	2,136,304	$2,136	$1,910,998	($345,718)
Stock issued for services	848,696	849	7,638	-
Accrued dividends	-	-	(10,200)	-
Class B stock issued for debt	184,900	185	369,800	-
Class B stock issued for cash	16,250	16	32,299	-
Stock offering costs charged to paid-in capital	-	-	(69,080)	-
Net income (loss) for the year ended March 31, 1995				(321,864)
Balance, March 31, 1995	3,186,150	$3,186	$2,241,455	($667,582)
Class A stock issued for services	20,000	20	19,980	-
Class B stock issued for cash	50,000	50	99,950	-
Accrued dividends	-	-	(34,486)	-
Net income (loss) for the period from April 1, 1995 through December 31, 1995	-	-	-	(547,285)
Balance, December 31, 1995	3,256,150	$3,256	$2,326,899	($1,214,867)
Class A stock turned in at time of merger	(2,920,000)	(2,920)	2,920	
Common Stock issued at merger (restricted)	8,867,700	8,888	93,088	
Common Stock issued at merger (unrestricted)	1,075,000	1,075	(1,075)	
Class B stock turned in at time of merger	(336,150)	(336)	336	
Class A Preferred Stock issued at merger (restricted)	672,300	672	(672)	
Net income (loss) for the period from January 1, 1996 through March 31, 1996				(117,714)
Balance at March 31, 1996	10,615,000	$10,615	$2,421,496	($1,332,581)
Net Income (loss) for the period from April 1, 1996 through June 30, 1996				169,342
Balance at June 30, 1996	10,615,000	10,615	2,421,496	(1,163,239)

</TABLE>

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

PEACOCK FINANCIAL CORPORATION AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
QUARTER ENDED JUNE 30, 1996

June 30, 1996	March 31, 1996
(unaudited)	(unaudited)

CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	169,342	($117,714)
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities		
Depreciation and amortization	104,838	86,967
Stock issued for Services	-	-
Changes in operating assets and liabilities	-	-
(Increase) decrease in restricted cash	0	144,049
Decrease (increase) in accounts and notes receivable	(428,868)	(95,762)
Decrease (increase) in accounts receivable - related parties		(15,857)
Decrease (increase) in other assets	(496,881)	(198,654)
Increase (decrease) in accounts payable	112,857	18,255
Increase (decrease) in other liabilities	29,013	31,960
Increase (decrease) in Homebuilding Loans	599,264	
Net cash provided (used) by Operating activities	89,565	(146,756)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(84,711)	(206,347)
Net cash provided (used) by investing activities	4,854	(206,347)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of notes payable	(43,645)	(18,027)
Proceeds from long-term borrowings	0	215,026
Proceeds from stock offerings	(5,792)	101,957
Net cash provided (used) by financing activities	(49,437)	$298,956

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

PEACOCK FINANCIAL CORPORATION AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
QUARTER ENDED JUNE 30, 1996

	June 30, 1996	March 31, 1996
	(unaudited)	(unaudited)
NET INCREASE IN CASH	(44,583)	($54,147)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	68,894	123,544
CASH AND CASH EQUIVALENTS AT END OF YEAR	$24,311	$68,894
SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES		
Common Stock issued for Notes Receivable	0	$110,000
Common Stock issued for debt	-	-
Common Stock used for services	-	-
Property acquired for debt	-	-

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Interest paid, net of amount capitalized	$188,338	$135,124
Income taxes paid	-	-

The accompanying notes are an intergral part of these financial statements

PEACOCK FINANCIAL CORPORATION
NOTES TO CONDENSED CONSOLIDATED STATEMENTS
QUARTER ENDED JUNE 30, 1996

NOTE 1: BASIS OF PRESENTATION

GENERAL

The accompanying unaudited financial statements have been prepared in accordance with the instructions to Form 10-Q. Therefore, they do not include all information and footnotes necessary for a complete presentation of financial position, results of operations, cash flows, and stockholders' equity in conformity with generally accepted accounting principles. The Company (formerly known as Connectivity and Technologies, Inc.), was formed on February 16, 1984. Except as disclosed herein, there has been no material change in the information disclosed in the notes to the financial statements included in the Company's Form 8-K filed on February 8, 1996. In the opinion of Management, all adjustments considered necessary for a fair presentation of the results of operations and financial position have been included and all such adjustments are of a normal recurring nature. Operating results for the quarter ended June 30, 1996, are not necessarily indicative of the results that can be expected for the year ended December 31, 1996.

NOTE 2: STOCK SPLIT

At the Company's stockholder's meeting held on February 27, 1996, the stockholders approved a two hundred (200) share for one (1) share reverse split of the outstanding common shares from 215,000,000 to 1,075,000.

NOTE 3: SUBSEQUENT EVENTS

On March 27, 1996, an Acquisition Agreement and Plan of Reorganization, dated February 27, 1996, was signed by and between the Company and Peacock Financial Corporation ("Peacock") pursuant to which the Company acquired 100% of the assets of Peacock, subject to liabilities, in exchange for 7,767,702 shares of the Company's $.001 par value common stock, constituting 78% of the 8,842,702 common shares of the Company outstanding after the transaction; and 672,300 par value $.01 preferred shares of the Company. A true and correct copy of the Acquisition Agreement and Plan of Reorganization is included in the Company's Form 8-K filed on February 8, 1996.

PEACOCK FINANCIAL CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
QUARTER ENDED JUNE 30, 1996

ITEM 2

NOTE 1: COMPANY BACKGROUND

Peacock Financial Corporation (the Company), formerly known as Connectivity and Technologies, Inc., is a Colorado corporation formed on February 16, 1984. The Company's operations consist of three internal divisions focused on the assemblage and entitlement processing of land for master-planned communities, affordable home building and the acquisition and turnaround of distressed income properties.

NOTE 2: SUMMARY OF ACCOUNTING POLICIES

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

A. PARTNERSHIP INVESTMENTS

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

B. PROPERTY AND EQUIPMENT

Property and equipment are carried at cost. The cost of property and equipment is depreciated over the estimated useful lives of 30 years for buildings and improvements and 5 to 6 years for furniture and equipment.

Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense incurred.

During the period between January 1, 1996, and March 31, 1996, the Company incurred interest of $36,104 on a construction loan. The interest has been capitalized as part of the building improvements, but beginning April 1, 1996, through June 30, 1996, interest has been expensed since certificates of occupancy were issued.

C. INCOME TAXES

The Company provides for income taxes using the liability method under Statement of Financial Account Standards No. 109. Deferred income taxes arise principally from temporary differences for financial and tax reporting purposes in depreciation methods.

The Company has not recorded income taxes in 1995 due to operating losses and loss carryovers. The Company has net operating loss carryovers of approximately $1,128,000 at December 31, 1995, which expire in the years 2007 and 2010.

D. CASH AND CASH EQUIVALENTS

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

E. PROFIT PER SHARE

The computations of profit or loss per share of common stock are based on the weighted average number of shares outstanding at the date of the financial statements.

F. NOTES RECEIVABLE

The notes receivable are interest bearing, unsecured loans to individuals. An allowance for bad debt of $19,239 has been provided at March 31 and June 30, 1996.

G. DEFERRED CHARGES

The Company has recorded the costs incurred in connection with its stock offerings as a deferred charge. The costs will be charged against paid-in capital upon completion of the stock offering.

NOTE 3: HOME BUILDING DEVELOPMENT

Land improvements and related property development costs have been capitalized and will be amortized to the costs of the houses sold based upon the total number of homes to be constructed in each project. The land and land improvements are recorded at the lower of cost or net realizable value.

NOTE 4: INVESTMENTS IN LIMITED PARTNERSHIPS

In November 1990, the Company formed a limited partnership to acquire, manage and develop certain real property referred to as the Carreon Professional Building. The partnership acquired the property for $2,031,300 on November 30, 1990, for $581,300 in cash and a promissory note of $1,450,000 that bears interest of 12, 12.5 and 13 percent per year for the first, second and third years respectively. During the partnership year ended December 31, 1992, the Company sold its remaining limited interest in the partnership. The Company remains the general partner with a 1% interest in the partnership. The Company received a property management fee through May 1995 when the property management was turned over to a property management company. The Company accounts for its remaining general interest using the equity method.

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 required the partnership to meet certain restrictive covenants. The Company remains the general partner with a 1% interest and retains a property management company to manage the property.

In December 1995, the Company formed a limited liability company to acquire a 63-lot residential subdivision in the San Jacinto Valley. In February 1996, this same entity purchased another 110-lot residential subdivision 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.

NOTE 5: LINES OF CREDIT

The Company had two separate lines of credit with banks at December 31, 1995, in the aggregate maximum amount of $250,000. Borrowings outstanding under these lines of credit at December 31, 1995, were $43,320 and $29,975, respectively. The credit lines bear interest at the bank's index rate plus 2 percent or 12 percent currently and expire on September 3, 1995, and July 1, 1999, respectively.

NOTE 6: LONG-TERM DEBT

Long-term debt consists of the following:	June 30, 1996	March 31, 1996
Note payable at 8% collateralized by deed of trust on property, payable on monthly principal and interest installments of $16,390 with outstanding balance due July 1998.	$2,038,713	$2,046,873
Note payable at 12% collateralized by deed of trust on buildings, payable in monthly principal and interest installments of $28,289 through December 1998.	$2,722,606	$2,777,185
Note payable at 9.5% collateralized by equipment, payable in monthly principal and interest installments of $126 through September 30, 1995.	$9,778	$9,778
Note payable at a variable rate (11% at December 31, 1995) collateralized by deed of trust on real property. Lump sum payment is due on October 21, 1998.	$332,252	$332,252
Note payable at 10% unsecured. Due with accrued interest on or before February 1, 1997.	$3,747	$4,956
Note payable at 15% unsecured. Principal due on or before November 30, 1996 with interest due monthly.	$241,520	$241,520
Note payable at 10% unsecured by deed of trust, due March 31, 1996.	$65,000	$65,000
Note payable at 10% unsecured with outstanding balance and interest due June 30, 1996.	$20,930	$20,930
Note payable at 7.5% collateralized by deed of trust on real property, payable in monthly installments of $2,100 including interest due on June 30, 1997.	$291,860	$292,678
Note payable at 12% unsecured, payable in monthly installments of $354 including interest, due January 1, 1997.	$2,378	$3,347
Note payable at 3% collateralized by deed of trust on real property due January 31, 2005 (Note 12)	$975,000	$975,000
Note payable at 3% collateralized by deed of trust on real property, payable in		

monthly installments of $17,500 (interest only), due November 1, 1996.	1,500,000	1,500,000
Others	$254,301	$17,257
Total Long-Term Debt	$8,458,085	$8,286,777
Less Current Portion	$(2,191,311)	(1,891,649)
Net Long-Term Debt	$6,266,774	$6,395,127

The aggregate principal maturities of notes payable are as follows:

YEARS ENDING DECEMBER 31	
1996	$1,891,648
1997	350,696
1998	5,069,531
1999	-
2000	975,000
TOTAL	$8,286,777

NOTE 7: 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.

In 1994, the Company paid a legal settlement on behalf of one of the partnerships of which it is a partner. The payment has been recorded as a note receivable from the partnership. The note is non-interest bearing and is due on demand.

A stockholder has made a loan to the Company. The loan bears interest at 10 percent per annum and matures in March 1996. The balance outstanding at March 31, 1996, and June 30, 1996, is $16,857.

NOTE 8: 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 period January 1, 1996, through March 31, 1996, and the period from March 31, 1996, through June 30, 1996.

NOTE 9: PREPAID SALARY

The Company provided to an officer and stockholder a line of credit. Under the terms of the line of credit the officer was advanced funds which accrue interest at 6 percent per annum. The balance at December 31, 1995, has been reclassified as prepaid salary and will be expensed at the rate of $50,000 per year.

NOTE 10: 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 June 30, 1996, the partnerships had no liabilities with recourse against the Company.

B. RENTS AND LEASES

The Company is renting office space on a month-to-month basis for $1,775 per month. The Company is also leasing land in connection with its 222-space recreational vehicle park in Anaheim, California. The lease is for 99 years from November 20, 1962. The payment is $7,067 per month.

C. EMPLOYMENT CONTRACTS

Effective April 1, 1996, the Company has entered into one-year employment contracts with its officers. The salary payable under the terms of the contracts is $18,050 per month.

D. INTANGIBLE DEVELOPMENT COSTS - VISTA RAMONA

The Company has incurred costs associated with the development of a residential housing project. The costs incurred have been for engineering and planning for the project. The project encompasses 489 acres of land containing approximately 1,800 residential lots. The Company controls 277 acres of the project through a joint venture. The remaining 212 acres are controlled by a separate limited partnership which had filed Chapter 11 bankruptcy. The Company has reached an agreement with the lienholder of the land to acquire the lienholder's interest in a note and deed of trust which encumber the 212 acres for $1,500,000 cash. The Company has successfully negotiated extension dates with the lienholder and the bankruptcy has been dismissed by the court. If the 212 acres are not brought under the control of the Company, there is some uncertainty as to the recoverability of all development costs. The Company believes that, regardless of the outcome of the attempt to gain control of the 212 acres, that more likely than not the entire amount of the development costs will be recovered from the 277 acres controlled through the joint venture.

NOTE 11: COMMON STOCK, PREFERRED STOCK AND WARRANTS

The Company has issued two classes of stock consisting of Common Stock and Class A Preferred Stock. The Class A Preferred Stock comes with a warrant to acquire additional shares of Common Stock. The Class A Preferred Stock has the right to quarterly dividends to be paid at the annual rate of 3%. 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 SEC and the appropriate State regulatory agency.

Each Class A Preferred Stock shall be converted into one share of the common stock of the Company, such conversion to occur automatically and registered concurrently with any public offering of common shares of the Company.

Each share of Class A Preferred Stock comes with a warrant. Each Warrant entitles the holder to purchase one share of the Common Stock at a price of $2.20 per share, from the date of purchase until 180 days following the completion of the Company's initial public offering of common stock, or commencement of public trading therein. During the exercise period of the Warrants, the Company, at its option, may call the Warrants for redemption on a 30-day prior written notice to Warrantholders of record at a redemption price of $.05 per Warrant.

NOTE 12: APARTMENT COMPLEX ACQUISITION

In April 1995, the Company acquired a 120-unit apartment complex using a $975,000 grant from the City of Riverside, California. If the Company meets certain requirements pertaining to the complex, which have been stipulated by the City, the grant will be forgiven in its entirety per the following schedule:

May 2002	10%
May 2003	20%
May 2004	30%
May 2005	40%

If the Company fails to meet the requirements, the entire unpaid principal balance, together with accrued interest, will become immediately due and payable.

On May 1, 1996, the project was awarded Sate and Federal tax credits which will allow for the Company to sell the project to a tax credit syndication and retain 1% interest in the project as the managing partner of the tax credit syndication partnership. Management has estimated the value of the tax credit award to be $415,000. The tax credit partnership agreement should be finalized during the third quarter of 1996.

NOTE 13: MERGER

On March 27, 1996, the Company acquired all the assets of Peacock Financial Corporation, subject to its liabilities. Subsequently, the 8-K informational filing was made to the Securities and Exchange Commission outlining the acquisition and announcing the change of the name of the Company to Peacock Financial Corporation.

ITEM 3: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

GENERAL

Peacock Financial Corporation, a developer in Southern California, assembles and processes entitlement of land for master-planned communities, builds entry-level homes and acquires distressed properties for rehabilitation. The Company's most recent developments are near the Eastside Reservoir, a $3 billion project under construction in central Riverside County which will be the largest lake in Southern California. Metropolitan Water District, the developer of the project, estimates the reservoir-recreation complex will be completed in 2.5 years and will attract 1.8 million visitors annually.

RESULTS OF OPERATION

MATERIAL CHANGES IN FINANCIAL CONDITION

June 30, 1996, compared to March 31, 1996:

In May 1996, the Company was awarded a tax credit by the State of California in relation to its Canyon Shadows apartments. In June 1996 the Company entered into an agreement to sell 99% of its interest in Canyon Shadows apartments and its tax credit to a group of investors. This agreement is expected to be completed by the end of the third quarter.

MATERIAL CHANGES IN RESULTS OF OPERATION
Three months ended June 30, 1996, and 1995:

Revenue of the Company for the three months ended June 30, 1996, increased $846,631 or 204% over the same period in 1995. This increase primarily is attributable to two factors: home building construction which the Company manages as a general partner for various entities, and income earned from the State of California tax credit award in relation to the Canyon Shadows apartments.

Income from operations for the three months ended June 30, 1996, increased $369,356 over the same period in 1995 due to the State of California tax credit award in relation to the Canyon Shadows apartments.

Administrative expenses for the three months ended June 30, 1996, increased $23,686 or 15% over the same period in 1995. This increase is primarily attributable to the home building construction management and supervision.

Depreciation and amortization expense for the three months ended June 30, 1996, increased $25,596 or 32% over the same period in 1995 due to the increase in the number of rental properties.

PART II - OTHER INFORMATION

ITEM 1: LEGAL PROCEEDINGS

The Company is not involved in any litigation that would have a material adverse effect on the Company; and the officers and directors are aware of no threatened or pending litigation which would have a material, adverse effect on the Company.

ITEM 2: CHANGES IN SECURITIES

Not applicable.

ITEM 3: DEFAULTS ON SENIOR SECURITIES

None.

ITEM 4: SUBMISSION OF MATTER TO VOTE OF SECURITY HOLDERS

None.

ITEM 5: OTHER INFORMATION

None.

ITEM 6: EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits - none.

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

	SIGNED
August 14, 1996	
Date	Steven R. Peacock President and Chief Executive Officer
	SIGNED
August 14, 1996	
Date	Jo-Ann King Secretary/Treasurer

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<SALES>	1,260,857
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