

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 MARCH 31, 1997 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.

[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 10,695,295 SHARES OUTSTANDING
\$0.001 PAR VALUE AS OF MARCH 31, 1997

PEACOCK FINANCIAL CORPORATION
REPORT ON FORM 10-Q

QUARTER ENDED MARCH 31, 1997

TABLE OF CONTENTS

	Page Number -----
PART I. FINANCIAL INFORMATION	
ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)	
- CONDENSED CONSOLIDATED BALANCE SHEETS AS OF MARCH 31, 1997, AND DECEMBER 31, 1996	3 & 4
- CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS THREE MONTHS ENDED MARCH 31, 1997 AND 1996	5 & 6
- CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY AS OF MARCH 31, 1997	7 - 9
- CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS AS OF MARCH 31, 1997 AND MARCH 31, 1996	10 & 11
- NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	
ITEM 2. NOTES TO THE FINANCIAL STATEMENTS	12
ITEM 3. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION	13
PART II. OTHER INFORMATION AND SIGNATURES	14

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

<TABLE>
<CAPTION>

	ASSETS	
	March 31, 1997	December 31, 1996
	-----	-----
<S>	<C>	<C>
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,923	\$ 90,987
Receivables - related parties	18,152	11,744
Total Current Assets	21,075	102,731
	-----	-----
FIXED ASSETS, at cost, net of accumulated depreciation of \$147,717 and \$151,186, respectively	402,280	371,649
	-----	-----
NET ASSETS OF DISCONTINUED OPERATIONS	532,006	683,190
	-----	-----
OTHER ASSETS		
Construction-in-process	455,304	484,424
Notes receivable - related parties	125,990	140,171
Developer fees receivable	282,000	294,000
Development costs	1,223,436	1,216,036
Investments in limited partnerships	1,224,292	1,224,292
Other assets	4,079	5,201
	-----	-----
Total Other Assets	3,315,101	3,364,124
	-----	-----
TOTAL ASSETS	\$4,270,462	\$4,521,694
	-----	-----

</TABLE>

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

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

	LIABILITIES AND STOCKHOLDERS' EQUITY	
	March 31, 1997	December 31, 1996
	-----	-----
CURRENT LIABILITIES		
Accounts payable	\$ 305,266	\$ 295,881
Other current liabilities	358,421	336,014
Lines of credit	70,520	76,006
Notes payable - current portion	395,132	797,100
Note payable to stockholder	29,792	27,914
	-----	-----
Total Current Liabilities	1,159,131	1,532,915
	-----	-----
LONG-TERM DEBT		
Notes payable - long term	2,190,578	1,829,951
	-----	-----

Total Liabilities	3,349,709	3,362,866
	-----	-----
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Preferred stock: 10,000,000 shares authorized at \$0.01 par value; 672,300 and -0- shares issued and outstanding, respectively	6,723	6,723
Common stock: 250,000,000 shares authorized at \$0.001 par value; 10,695,295 and 10,695,295 shares issued and outstanding, respectively	10,695	10,695
Additional paid-in capital	2,215,474	2,215,474
Accumulated deficit	(1,312,139)	(1,074,064)
	-----	-----
Total Stockholders' Equity	920,753	1,158,828
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$4,270,462	\$4,521,694
	-----	-----

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

4

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

	March 31, 1997	March 31, 1996
	-----	-----
REVENUES		
Home building and development sales	\$ 704,288	\$ -
Property management and administration income	1,967	66,552
Commissions income	4,814	26,205
Other income	2,127	14,807
	-----	-----
Total Revenues	713,196	107,564
	-----	-----
EXPENSES		
Home building and development costs	698,150	-
General and administrative	184,867	151,016
Depreciation and amortization	200	2,457
	-----	-----
Total Expenses	883,217	153,473
	-----	-----
LOSS FROM CONTINUING OPERATIONS	170,021	45,909
	-----	-----
OTHER INCOME (EXPENSE)		
Interest income	-	1,000
Interest expense	(4,867)	(13,516)
Other expense	(1,600)	-
	-----	-----
Total Other Income (Expense)	(6,467)	(12,516)
	-----	-----
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	176,488	58,425
INCOME TAXES		
	-	-
	-----	-----
NET LOSS FROM CONTINUING OPERATIONS	176,488	58,425
DISCONTINUED OPERATIONS		

Loss from operations of discontinued segment	61,587	59,289
	-----	-----
Total Discontinued Operations	61,587	59,289
	-----	-----
NET LOSS	\$ 238,075	\$ 117,714
	-----	-----
	-----	-----

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

5

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

	March 31,	March 31,
	1997	1996
	-----	-----
LOSS PER SHARE		
Continued operations	\$ 0.01	\$ 0.01
Discontinued operations	0.01	0.01
	-----	-----
LOSS PER SHARE	\$ 0.02	\$ 0.02
	-----	-----
	-----	-----
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	10,695,295	9,942,700
	-----	-----
	-----	-----

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

6

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

<TABLE>
<CAPTION>

	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit
	Shares	Amount	Shares	Amount		
	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<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 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	-	-	-	-	(34,496)	-
Net loss for the period from April 1, 1995 to December 31, 1995	-	-	-	-	-	(547,285)
	-----	-----	-----	-----	-----	-----
Balance, December 31,						

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

</TABLE>

7

<TABLE>

<S> 1995	<C> -	<C> \$ -	<C> 3,256,150	<C> \$ 3,256	<C> \$2,326,899	<C> \$(1,214,867)
	-----	-----	-----	-----	-----	-----

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

</TABLE>

8

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

<TABLE>

<CAPTION>

Accumulated	Preferred Stock		Common Stock		Additional Paid-in	
	Shares	Amount	Shares	Amount	Capital	
Deficit						
-----	-----	-----	-----	-----	-----	-----
<S> Balance, December 31, 1995	<C> -	<C> \$-	<C> 3,256,150	<C> \$3,256	<C> \$2,326,899	<C> \$(1,214,867)
Common stock issued to acquire Connectivity and Technology, Inc.	-	-	5,183,850	5,184	(5,184)	-
Conversion of Class B common stock to preferred stock	672,300	6,723	(672,300)	(672)	(6,051)	-
Common stock issued for cash	-	-	2,700,095	2,700	154,269	-
Common stock issued for service	-	-	227,500	227	36,773	-
Deferred stock costs charged to paid-in capital	-	-	-	-	(265,810)	-
Accrued dividends	-	-	-	-	(25,422)	-
Net income for the year ended December 31, 1996	-	-	-	-	-	-
140,803	-----	-----	-----	-----	-----	-----

Balance, December 31, 1996	672,300	6,723	10,695,295	10,695	2,215,474	(1,074,064)
Net Loss for the						

period ended
 March 31, 1997
 (238,075)

-----	-----	-----	-----	-----	-----	-----
Balance March 31, 1997 \$(1,312,139)	672,300	\$6,723	10,695,295	\$10,695	\$2,215,474	-----
-----	-----	-----	-----	-----	-----	-----
-----	-----	-----	-----	-----	-----	-----

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

</TABLE>

9

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

	March 31, 1997	March 31, 1996
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ (238,075)	\$ (117,714)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation and amortization	200	478
Discontinued operations	151,185	868,461
Changes in operating assets and liabilities:		
(Increase) decrease in accounts and notes receivable	12,000	(110,000)
(Increase) decrease in accounts receivable - related parties	7,772	7,494
(Increase) decrease in other assets	(6,278)	(194,966)
Increase (decrease) in accounts payable	9,385	(42,283)
Increase (decrease) in other liabilities	16,921	56,755
	-----	-----
Net Cash Used by Operating Activities	(46,890)	468,225
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES		
Construction in progress	29,120	-
Purchase of property and equipment	(30,831)	1,188
	-----	-----
Net Cash Used by Investing Activities	(1,711)	1,188
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES		
Due to shareholders	1,878	-
Repayment of notes payable	(401,968)	(28,058)
Proceeds from long-term borrowings	360,627	(742,010)
Proceeds from stock offerings	-	101,956
	-----	-----
Net Cash Provided by Financing Activities	\$ (39,463)	\$ (668,112)
	-----	-----

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

10

	March 31, 1997 ----- (12 Months)	March 31, 1996 ----- (9 Months)
NET INCREASE IN CASH	\$ (88,064)	\$ (198,699)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	90,987 -----	267,593 -----
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 2,923 ----- -----	\$ 68,894 ----- -----
SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES		
Common stock issued for debt	\$ -	\$ -
Common stock issued for services	\$ -	\$ -
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid, net of amount capitalized	\$ 2,173	\$ 13,516
Income taxes paid	\$ -	\$ -

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

11

PEACOCK FINANCIAL CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 1997

- The interim financial statements are prepared pursuant to the requirements for reporting on Form 10-QSB. The December 31, 1996, 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, 1996. 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.

12

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 MARCH 31, 1997, COMPARED TO THE THREE MONTHS ENDED MARCH 31, 1996.

The Company is engaged in construction and real estate development. 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 freshwater lake in Southern California.

REVENUES. Revenues for the three months ended March 31, 1997, increased by \$605,632 or 563% to \$713,196 from \$107,564 for the three months ended March 31, 1997. This increase resulted from increase in home building offset partially by decrease in property management and administration revenues.

EXPENSES. Total expenses for the three months ended March 31, 1997, increased by \$729,744 or 475% to \$883,217 from \$153,473 for the three months ended March 31, 1997. This increase resulted from higher general and administrative expenses and home building development costs. General and administrative expenses for the three months ended March 31, 1997, increased by \$33,851 or 22% to \$184,867 from \$151,016 for the three months March 31, 1997.

CHANGES IN FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCE.

For the three months ended March 31, 1997, the Company funded its operations and capital requirements partially with its own working capital and partially with loans from related parties. As of March 31, 1997, the Company had cash of \$2,923.

Net cash generated from the operating activities decreased to \$46,890 compared to increase of \$468,225 for the three months ended March 31, 1997 and 1996 respectively. The decrease resulted mainly from operations.

Net cash used in financing activities decreased by \$39,463 compared to decrease of \$668,112 for the three months ended March 31, 1997 and 1996 respectively.

At March 31, 1997 and 1996 the Company had \$2,190,578 and \$1,867,009 of long-term debt respectively.

The Company is in the process to raise a three-year \$10,000,000 loan for real estate development as well as for working capital.

13

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

Date

Steven R. Peacock
President and Chief Executive Officer

Date

Joy M. Hunt
Secretary/Treasurer

14

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