

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, 1999 COMMISSION FILE NO. 2-91651-D

PEACOCK FINANCIAL
CORPORATION

COLORADO 87-0410039
(STATE OR OTHER JURISDICTION OF (I.R.S. EMPLOYER IDENTIFICATION NUMBER)
INCORPORATION OR ORGANIZATION)

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 29,055,796 SHARES OUTSTANDING
\$0.001 PAR VALUE AS OF MARCH 31, 1999

PEACOCK FINANCIAL CORPORATION
REPORT ON FORM 10-Q

QUARTER ENDED MARCH 31, 1999

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

ASSETS

<TABLE>

<CAPTION>

	March 31, 1999	December 31, 1998
	-----	-----
<S>	<C>	<C>
CURRENT ASSETS		
Cash and cash equivalents	91,567	-
Notes receivable	36,300	19,300
Accounts receivable	650	-
Due from related party	2,396	2,396
	-----	-----
Total Current Assets	130,913	21,696
	-----	-----
FIXED ASSETS, at cost, net of accumulated depreciation of \$82,860 and \$80,299, respectively		
	364,839	366,780
	-----	-----
OTHER ASSETS		
Construction-in-process	(1,902)	-
Notes receivable	230,300	114,000
Developer fees receivable	116,528	154,077
Development costs	1,216,036	1,216,036
Investments in limited partnerships	1,224,292	1,224,292
Other investments	700,000	200,000
Licensing rights	30,000	30,000
Other assets	42,151	29,201
	-----	-----
Total Other Assets	3,557,405	2,967,606
	-----	-----
TOTAL ASSETS	\$4,053,157	\$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 Balance Sheets (Continued)

LIABILITIES AND STOCKHOLDERS' EQUITY

<TABLE>

<CAPTION>

	March 31, 1999	December 31, 1998
	-----	-----
<S>	<C>	<C>
CURRENT LIABILITIES		
Accounts payable	\$ 221,143	\$ 227,743
Bank overdraft	-	4,509
Other current liabilities	275,009	280,982
Lines of credit	4,521	6,365
Notes payable - current portion	710,410	753,060
Note payable to stockholder	23,706	57,058
	-----	-----
Total Current Liabilities	1,234,789	1,329,717
	-----	-----
LONG-TERM DEBT		
Notes payable - long term	787,856	864,501
	-----	-----
Total Liabilities	2,022,645	2,194,218
	-----	-----

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; 29,055,796 and 20,750,370 shares issued and outstanding, respectively	29,056	20,750
Additional paid-in capital	4,313,949	3,519,882
Accumulated deficit	(2,319,216)	(2,385,491)
Total Stockholders' Equity	2,030,512	1,161,864
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$4,053,157	\$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>

	March 31, 1999	March 31, 1998
	-----	-----
<S>	<C>	<C>
REVENUES		
Home building and development sales	\$ -	\$ 233,672
Property management and administration income	593	900
Investment banking income	200,000	9,086
Total Revenues	200,593	243,658
EXPENSES		
Home building and development costs	-	324,879
General and administrative	165,775	162,255
Depreciation and amortization	2,561	939
Total Expenses	168,336	488,073
INCOME/(LOSS) FROM CONTINUING OPERATIONS	32,257	(244,415)
OTHER INCOME/(EXPENSES)		
Other income	70,000	-
Interest expense	(37,027)	(24,444)
Other expense	(800)	(800)
Total Other Expenses	32,173	(25,244)
INCOME/(LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	64,430	(269,659)
INCOME TAXES	-	-
NET INCOME (LOSS) FROM CONTINUING OPERATIONS	64,430	(269,659)
NET INCOME (LOSS)	\$ 64,430	\$ (269,659)

</TABLE>

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

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

<TABLE>
<CAPTION>

	March 31, 1999	March 31, 1998
	-----	-----
<S>	<C>	<C>
EARNINGS (LOSS) PER SHARE		
Continued operations	\$ 0.01	\$ (0.02)
Discontinued operations	0.00	0.00
	-----	-----
EARNINGS (LOSS) PER SHARE	\$ 0.01	\$ (0.02)
	-----	-----
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	25,896,706	12,365,464
	-----	-----

</TABLE>

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these consolidated financial statements.

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, 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 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 (loss) 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 (Continued)

	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit
	Shares	Amount	Shares	Amount		
	<C>	<C>	<C>	<C>	<C>	<C>
Common stock issued for cash	-	-	5,470,555	\$ 5,471	\$ 457,945	-
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	-	-	2,000,000	2,000	300,000	-
Peacock International Corporation	-	-	-	-	-	1,845
Accrued dividends	-	-	-	-	(5,793)	-
Net income (loss) for the period ended March 31, 1999	-	-	-	-	-	64,430
Balance, March 31, 1999	672,300	\$ 6,723	29,055,796	\$29,056	\$4,313,949	\$ (2,319,216)

</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

	March 31, 1999	March 31, 1998
	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ 64,430	\$ (269,659)
Adjustments to reconcile net income (loss) to net cash (used) by operating activities:		
Depreciation and amortization	2,561	939
Changes in operating assets and liabilities:		
(Increase) decrease in accounts and notes receivable	19,899	4,623
(Increase) decrease in accounts receivable - related parties	-	-
(Increase) decrease in other assets	(12,950)	-
Increase (decrease) in accounts payable	(6,600)	(74,259)
Increase (decrease) in other liabilities	(7,817)	8,783
Net Cash Used by Operating Activities	59,523	(329,573)

CASH FLOWS FROM INVESTING ACTIVITIES

Note receivable	(116,300)	(10,000,000)
Construction in progress	1,902	374,397
Purchase of property and equipment	1,941	-
	-----	-----
Net Cash Used by Investing Activities	(112,457)	(9,625,603)
	-----	-----

CASH FLOWS FROM FINANCING ACTIVITIES

Due to shareholders	(33,352)	(5,383)
Repayment of notes payable	(42,650)	(228,221)
Proceeds from long-term borrowings	(76,645)	(415)
Proceeds from stock offerings	802,373	10,187,560
	-----	-----
Net Cash Provided by Financing Activities	\$ 649,726	\$ 9,953,541
	-----	-----

</TABLE>

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

<TABLE>
<CAPTION>

	March 31, 1999	March 31, 1998
	-----	-----
<S> NET INCREASE IN CASH	<C> \$ 96,076	<C> \$ (1,635)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	(4,509)	14,777
	-----	-----
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 91,567	\$ 13,142
	-----	-----
SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES		
Common stock issued on conversion of debentures	\$ 51,565	\$ -
Common stock issued for services	\$ 600	\$ -
Common stock issued for investments	\$300,000	\$ -
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid, net of amount capitalized	\$ 13,953	\$ 11,253
Income taxes paid	\$ -	\$ -

</TABLE>

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

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, 1999, COMPARED TO THE
THREE MONTHS ENDED MARCH 31, 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.

In the first quarter, the Company raised \$506,250 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.

The Company expects to raise additional capital for its real estate operations in the San Jacinto 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 March 31, 1999, decreased by \$43,065 or 18% to \$200,593 from \$243,658 for the three months ended March 31, 1998. This decrease resulted from decrease in home building.

EXPENSES. Total expenses for the three months ended March 31, 1999, decreased by \$319,737 or 66% to \$168,336 from \$488,073 for the three months ended March 31, 1998. This decrease resulted from lower home building development costs. General and administrative expenses for the three months ended March 31, 1999, increased by \$3,520 or 3% to \$165,775 from \$162,255 for the three months March 31, 1998.

CHANGES IN FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCE.

For the three months ended March 31, 1999, the Company funded its operations and capital requirements partially with its own working capital and partially with proceeds from stock offerings. As of March 31, 1999, the Company had cash of \$91,567.

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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

May 14, 1999

Date

/s/ Steven R. Peacock

Steven R. Peacock
President and Chief Executive Officer

May 14, 1999

Date

/s/ Lisa Martinez

Lisa Martinez
Secretary

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<TABLE> <S> <C>

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