

SECURITIES AND EXCHANGE COMMISSION

FORM 10KSB

Annual and transition reports of small business issuers [Section 13 or 15(d), not S-B Item 405]

Filing Date: **1998-07-22** | Period of Report: **1997-12-31**
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FILER

TECFIN CORP

CIK: **352860** | IRS No.: **112552239** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **10KSB** | Act: **34** | File No.: **000-10926** | Film No.: **98669490**
SIC: **6172** Finance lessors

Mailing Address
*107 NORTHERN BLVD
TECFIN CORP
GREAT NECK NY 11021*

Business Address
*107 NORTHERN BLVD
GREAT NECK NY 11021
8003703774*

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549
FORM 10-KSB

(x) 15, Annual Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934 (Fee Required) -- For the fiscal year ended December 31, 1997.
() 15, Transition Report Under Section 13 or 15 (d) of the Securities Exchange Act of 1934 (No Fee Required)

Commission file Number 0-10926

TECFIN CORPORATION
(Name of small business issuer in its charter)
Delaware 11-2552239
(State or other jurisdiction of (IRS Employer ID number)
incorporation or organization)

107 Northern Boulevard
Great Neck, N. Y. 11021
(Address of principal executive offices)

Issuer's telephone number - (516) 829-3774
Securities registered under Section 12(b) of the Exchange Act: None
Securities registered under Section 12(9) of the Exchange Act:
Common Stock, \$.0001 Par Value
(Title of class)

Check whether the Issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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.x.No...

Check if there is no disclosure of delinquent filers pursuant to Item 405 of Regulation S-B contained in this form, and no disclosure will be contained to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB (X)

Issuer's revenues for its most recent fiscal year aggregated \$12,152.

An assumed aggregate market value of the Common Stock held by non-affiliates (33,883,221 shares) has been computed by averaging a bid price of \$.0005 per share with the average of an asked price of \$.02 per share as contained in the "Pink Sheets" published by the National Quotation Bureau dated March 10, 1997. Such assumed value is approximately \$338,832 (33,883,221 x .01). See also Item 5 of this Report. The number of outstanding shares of the registrant's Common Stock, as of March 10, 1998, excluding 285,000 treasury shares, was 64,205,721.

DOCUMENTS INCORPORATED BY REFERENCE - None

This report consists of 18 pages

PART I

Item 1. DESCRIPTION OF BUSINESS

(a) (b) - Business Development and Business of Issuer.

General - The Company was organized in the State of Delaware on February 23, 1981. During the past three fiscal years of the Company, neither it nor its subsidiary (i.e., TecFin Capital Corp. ("Tec Cap") generated any new business; and, in substance, none of them conducted any meaningful business operations. See also "Management's Discussion and Analysis or Plan of Operation" elsewhere in this report.

Personnel - Mr. Sanders H. Wallick, in his capacity of Chief Executive Officer of the Company (and TecCap,) devotes such of his time and efforts to the business and affairs as he deems necessary. From time to time the Company employs such clerical and administrative personnel, on either a full-time or part-time basis as is deemed necessary. As at December 31, 1997, neither the Company nor its subsidiary had any full-time or part-time employees.

Item 2. DESCRIPTION OF PROPERTY

Since 1993 the Company maintains its office at 107 Northern Boulevard, Great Neck, New York. The rent is paid by various affiliates of Mr. Sanders H. Wallick and have permitted and presently continue to permit the Company to maintain its offices on the premises at no cost to the Company.

Item 3. LEGAL PROCEEDINGS.

Not applicable.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

Not applicable.

PART II

Item 5. MARKET FOR COMMON EQUITY AND RELATED STOCK HOLDER MATTERS.

(a) - Market Information.

The Common Stock of the Company is nominally traded in the over-the-

counter market. Prior to November 14, 1985, such Common Stock was quoted in the over-the-counter NASDAQ system; but such quotation was terminated on or about November 13, 1985. While quotations may be available from time to time from various dealers upon request, and quotations appear from time to time in the "Pink Sheets" published by the National Quotation Bureau, the market for the Company's Common Stock does not appear to qualify as an "established trading market" as such term is defined in Securities and Exchange Commission regulations. High and low bid prices for the Common Stock of the Company and average bid and asked prices and prices at which the stock was actually sold have not been published by recognized sources since November 13, 1985, and Management of the Company is not aware of such prices for the quarterly periods within the past two fiscal years except that: (a) The National Stock Summary Guide, published by the National Quotation Bureau, indicates that at December 31, 1995, the asked price of the Company's Common Stock was \$.10 per share; (b) the "Pink Sheets" dated March 10, 1997, contains three quotations for the Company's Common Stock -- one indicates only a bid price of \$.0005 per share an asked price of \$.025 per share--and another one indicates only an asked price of \$.02 per share; (c) the "Pink Sheets" dated February 29, 1996 and one indicates only a bid price of \$.0001 per share -- and another one indicates only an asked price of \$.10 per share. Generally speaking, the "Pink Sheets" published by the National Quotation Bureau, Inc., reflect inter-dealer prices, without retail mark-up, mark-down or commissions, and, unless otherwise specified, may not represent actual transactions.

(b) - Holders - The number of holders of record of the Common Stock of the Company as of January 25, 1998, was approximately 769.

(c) - Dividends - No dividends on the Common Stock have been paid since the organization of the Company.

ITEM 6 MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

(The material contained in this Item 6 should be read in conjunction with the consolidated financial statements of the Company and notes thereto appearing elsewhere in this report. All computations contained in this Item are based upon the liquidation basis of accounting.

Results of Operations

Operating revenues for the last two fiscal years were \$12,324 (1997) and \$12,152 (1996). Operating expenses which consisted of selling, general and administrative exzpende amounted to \$4,345 for 1997 and \$7,941 for 1996. Net income for 1997 was \$7,979 and for 1996 was \$4,211. Net earnings per share were \$0 for 1997 and \$0 for 1996. The weighted average number of shares of Common Stock outstanding at such dates was 64,205,721 in each case.

The Company does not believe the results of operations were significantly impacted by inflation during the two years ended December 31,1997.

The following table sets forth in detail an analysis of revenues and expenses as reported in the financial statements contained herein for the periods indicated, as well as related percentages:

<TABLE>

<CAPTION>

	Years Ended December 31.					
			1997		1996	
<S>	<C>	<C>	% =	% =====	% =	% =====
REVENUES:						
=====						
Lease Revenue -----		\$		\$		
Interest Income -----	100	\$ 12,324	100	\$12,152		
Total Revenues -----		\$ 12,324		\$12,152	=====	=====
EXPENSES: (Including Percentage of Total Revenues)						
=====						
Cost of Sales -----	0	\$ --	0	\$ --		
Other Expenses -----	35	\$ 4,345	65	\$ 7,941		
Total Expenses -----	35	\$ 4,345	65	\$ 7,941	=====	=====

</TABLE>

Liquidity, Capital Resources and Other Matters Affecting Financial Condition

As as December 31, 1997, on a liquidation basis: the Company's total assets (all of which were cash related) aggregated \$168,401; the Company's total liabilities aggregated \$21,107; and shareholders' equity aggregated \$147,294. As at December 31, 1996, on a liquidation basis: the Company's total assets (all of which were cash related) aggregated \$160,782; the Company's total liabilities aggregated \$21,467; and shareholders' equity aggregated \$139,315104.

As can be seen from the above and the financial statements contained elsewhere herein, the Company is in a limited liquidity and capital resources position. Such position is principally due to the defaults appertaining to (i) two substantial equipment leases which defaults took place in 1990 and 1991; and (ii) the default in the sub-lease of the premises 275 Northern Boulevard, Great Neck, NY. The lack of new business in fiscal 1997 and 1996 and cash flow results in such periods are additional adverse factors that contribute to the Company's present liquidity and capital resources position; the substantial improvement of which positions are presently principally dependent upon the realization by the Company of monies owing to it from the defaulting parties concerned as well as upon the ability of the Company to generate new and profitable business.

The Company presently does not have any specific plans in mind which would materially change favorably either (i) its short term or long term liquidity (i.e., ability to generate adequate amounts of cash to meet its needs for cash) or (ii) its capital resources position (i.e., source of funds). Furthermore, there are no trends or events known to Management that will result in, or that are reasonably likely to result in, the

Company's liquidity increasing in any material way in the foreseeable future. See also Note 3 of the Notes to Consolidated Financial Statements elsewhere herein. The present limited liquidity and capital resources position of the Company will necessarily adversely affect: the financial condition of the Company; its ability to enter into new lease financing and brokerage arrangements, which line of business has been the Company's principal source of revenues since 1986; its prospects for the future; and its ability to continue in existence. See also Note 3 of the Notes to Consolidated Financial Statements elsewhere herein.

While Management believes that the Company will be able to continue in existence during the twelve month period ending December 31, 1998, there can be no assurance that the Company will be able to generate sufficient cash to remain in existence thereafter.

ITEM 7. FINANCIAL STATEMENTS.

The information required by Item 7 appears on pages F-1 through F-8 of this Report, which pages follow page 9 of this Report.

The following is an Index to the referred to Financial Statements:

Report of Independent Certified Public Accountants	F1
Consolidated Statement of Net Assets - Liquidation Basis As at December 31, 1997 and 1996	F2
Consolidated Statement of Changes in Net Assets - Liquidation Basis - For years ended December 31, 1997 1996 and 1995	F3 to F5
Consolidated Statement of Changes in Stockholders' Equity - Liquidation Basis For years ended December 31, 1997, 1996 and 1995	F6
Notes to Consolidated Financial Statements	F7 to F8

All schedules supporting financial statements are omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

Not applicable.

PART III

ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT.

Name

Sanders H. Wallick	President and Chairman of the Board
James R. Wallick	Vice-President and Director

Business Experience

Mr. Sanders H. Wallick, age 74, has been President and Chief Executive Officer and Chairman of the Board of the Company since December 15, 1982. Mr. Wallick has been engaged, as a principal and Chief Executive Officer, in various areas of the automobile business for more than the 37 years last past. He is presently, and has been for more than the five years last past, a principal and President and Chief Executive Officer of each of MIC Leasing Corp., an automobile leasing company; U.S. Automotive Industries, Inc., a wholesale dealer in new and used automobiles; and U.S. Auto Imports & Exports, Inc., a wholesale dealer in new and used automobiles. He is also presently, and has been since September, 1981, a principal, and an officer of Apple Chevrolet, Inc., a new car dealer.

Mr. James R. Wallick, age 46, has been a Vice-President and a Director of the Company since December 15, 1982. Mr. Wallick is the son of Sanders H. Wallick and has been engaged, as a principal and executive officer, in various aspects of the automobile business for more than the five years last past. His principal present activity is that of Chief Executive Officer of Apple Chevrolet, Inc., a G.M. franchised new car dealer in Fairlawn, New Jersey, which has been operated by him since its acquisition in September, 1981. From March, 1980, to September, 1981, he was the Chief Executive Officer of Brahms Chevrolet, Inc., another G.M. franchised new car dealer in New Jersey. He also holds interests in each of the entities set forth above with respect to his father and was actively engaged, as an executive officer, in each of such entities for more than the five years

Directors are elected at the annual meeting of stockholders and hold office until the following annual meeting and until his successor is duly elected and qualified. The most recent annual meeting of stockholders was held on August 13, 1997. The terms of all officers expire at the annual meeting of directors following the annual stockholders meeting. Subject to their contract rights to compensation, if any, officers may be removed at any time by the Board of Directors.

ITEM 10. EXECUTIVE COMPENSATION.

(a) General

(1) (2) During the past three fiscal years of the Company, no plan or non-plan compensation was awarded to, earned by, or paid to, any Executive Officer or Director of the Company for services rendered to the Company and its subsidiaries in any capacity; during the past three fiscal years, a former officer and director was paid a total of \$9,000 for legal services rendered to the Company.

(b) Summary Compensation Table

-- Not Applicable.

(c) Option/SAR Grants Table -- Not Applicable.

id) Aggregated Option/SAR Exercise and Fiscal Year End Option/SAR Value Table -- Not Applicable.

(e) Long Term Incentive Plan ("LTIP") Awards Table -- Not Applicable.

(f) Compensation of Directors

Directors who are not employees of the Company, or any of its subsidiaries, are entitled to receive an attendance fee of \$300, plus expenses, for each meeting of the Board attended. There were no formal meetings of the Board of Directors during the fiscal year ended December 31, 1997, and, accordingly, no attendance fees were paid to anyone.

(g) Employment contracts and termination of employment and change in control arrangements.

There are no employment agreements in effect with any executive officer of the Company nor are there in effect any compensatory plan or arrangement relating to or resulting from the resignation, retirement or any other termination of such executive officer's employment with the Company or any of its subsidiaries or from a change in control.

(h) Report on repricing of options/SAR's -- Not Applicable.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

(a) (b) The following table sets forth certain information as of March 10, 1998, regarding each person known by the Company to own beneficially more than 5 % of the Company's Common Stock, each director of the Company who owns shares of Common Stock, and all directors and officers of the Company as a group.

<TABLE>
<CAPTION>

Name and Address	Amount and Nature of Beneficial Ownership (1)	Approximate Percent of Class *
<C>	<C>	<C>
Sanders H. Wallick 107 Northern Boulevard Great Neck, N. Y. 11021	16,151,250 (2)	25
James R. Wallick 107 Northern Boulevard Great Neck, N. Y. 11021	14,171,250 (3)	22
All Directors and Officers as a Group (2 persons)	30,322,500	47

</TABLE>

* All calculations are based upon 64,205,721 shares outstanding.

(1) Unless otherwise indicated, all shares are directly owned, and the sole investment and voting power is held, by the persons named.

(2) Represents: 5,113,333 shares which are directly owned and as to which Mr. S. H. Wallick has the sole investment and voting power and a 50% interest in 22,075,834 shares held by MIC Leasing Corp. the capital stock of which is owned 50X by Mr. S. H. Wallick and 50% by Mr. J. R. Wallick. Messrs. S. H. Wallick and J. R. Wallick can be deemed to equally share the investment and voting power of the 22,075,834 shares owned by MIC Leasing Corp.

(3) Represents: 3,133,333 shares which are directly owned and as to which Mr. J. R. Wallick has the sole investment and voting power and a 50% interest in 22,075,834 shares held by MIC Leasing Corp. the- capital stock of which is owned 50% by Mr. S. H. Wallick and 50% by Mr. J. R. Wallick. Messrs. S. H. Wallick and J. R. Wallick can be deemed to equally share the investment and voting power of the 22,075,834 shares owned by MIC Leasing Corp.

(4) Includes 225,000 shares held by wife.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

(i) During the fiscal year ended December 31, 1991, the Company loaned \$200,000 to MIC Leasing Corporation, a corporation owned by Messrs. S. H. and J. Wallick. Such loan was evidenced by demand notes bearing interest at the rate of 10% per annum and personally endorsed by Mr. S. H. Wallick. As at December 31, 1996, the amount of such loan still outstanding was \$41,501. See also Note 5 of Notes to Consolidated Financial Statements elsewhere herein.

(ii) During the fiscal year ended December 31, 1994, the Company loaned an additional \$100,000 to MIC Leasing Corporation. Such loan was evidenced by a demand note bearing interest at the rate of 8% per annum and personally guaranteed by Mr. S. H. Wallick. As at December 31, 1996, the amount of such loan still outstanding was \$100,000. At March 31,1997, the FORM 8-K. notes were sold, assigned, and transferred to Apple Chevrolet, Inc. a corporation owned by Messrs. S H and J Wallick. In consideration Apple Chevrolet issued a demand promissory note in the principle sum of \$141,501 bearing interest at 8.75%

ITEM 13. EXHIBITS AND REPORTS ON FORM 8-K

(a) (1) Financial Statements and Financial Statement Schedules.

A list of the Financial Statements and Financial Statement

Schedules filed as a part of this Report is set forth in Item 7, which list is incorporated herein by reference.

(a) (2) Exhibits

(3) (a) Certificate of Incorporation of Registrant. (Incorporated by reference to Exhibit 2(a) of Form S-18 Registration Statement of Issuer, file # 2-71929-NY).

(b) Amendment to Certificate of Incorporation of Issuer. (Incorporated by reference to Exhibit 3 to Form 8-K of Issuer for event of March 31, 1983, file # 2-71929-NY).

(c) By-Laws of Issuer. (Incorporated by reference to Exhibit 2(b) of Form S-18 Registration Statement of Issuer, file # 2-71929-NY).

11. Statement re computation of per share earnings. (Included in Note 1 of Notes To Consolidated Financial Statements)

(b) Reports on Form 8-K

No reports on Form 8-K were filed during the last quarter of the period covered by this report.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the Registrant has caused this report to be signed on its behalf by the undersigned "hereunto duly authorized.

TECFIN CORPORATION

By: s/ Sanders H. Wallick
Sanders H. Wallick
President and Chairman

March 30, 1998

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

s/Sanders H. Wallick

(Sanders H. Wallick) Chairman of the Board March 30, 1998
(Chief Executive officer
and acting principal
financial and accounting
officer)

s/ James R. Wallick

(James R. Wallick) Director March 30, 1998

INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Directors
TecFin Corporation

We have audited the accompanying consolidated statements of net assets (liquidation basis) of TecFin Corporation as at December 31, 1997 and 1996, and the related consolidated statements of changes in net assets (liquidation basis) and the consolidated statements of changes in stockholders equity (liquidation basis) for the years ended December 31, 1997, 1996 and 1995. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 1, the Company's consolidated financial statements have been prepared on the liquidation basis of accounting.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the net assets in liquidation of TecFin Corporation as at December 31, 1997 and 1996, and the changes in net assets in liquidation for the years ended December 31, 1997, 1996 and 1995, in conformity with generally accepted accounting principles.

The Company plans to use the proceeds of the sale of its assets to satisfy its obligations. It is not presently determinable whether the amounts realizable from the disposition of the assets will differ materially from the amounts

shown in the consolidated financial statements.

New York, N. Y.
April 22, 1998

TECFIN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF NET ASSETS
(Liquidation Basis)

			1997	December 31, 1996
A S S E T S (Note 1)				
Cash	\$ 17,614	\$ 19,281		
Demand notes receivable - related party (Note 5)	150,787	141,501	-----	-----
			168,401	160,782
			-----	-----
L I A B I L I T I E S				
Liabilities:				
Income taxes payable	\$ 145	\$ 505		
Accrued expenses and other current liabilities	20,962	20,962	-----	-----
Total liabilities	21,107	21,467	-----	-----
Net assets	\$147,294	\$139,315	=====	=====

See notes to consolidated financial statements.

TECFIN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
(Liquidation Basis)
FOR THE YEAR ENDED DECEMBER 31, 1997
(Note 1)

Net assets as of January 1, 1997		\$139,315	
Sales and operating revenues (Note 5)	\$12,324		
Cost and expenses:			
Selling, general and administrative	4,345		-----
Income from operations	7,979		
Provision for taxes (Note 4)	-		-----
Net income		7,979	-----
Net assets as of December 31, 1997		\$147,294	=====
Earnings per share (Note 2):			
Weighted average number of common shares outstanding		64,205,721	=====

Income per common share

\$ -

=====

See notes to consolidated financial statements.

TECFIN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
(Liquidation Basis)

FOR THE YEAR ENDED DECEMBER 31, 1996
(Note 1)

Net assets as of January 1, 1996	\$135,104		
Sales and operating revenues (Note 5)	\$12,152		
Cost and expenses:			
Selling, general and administrative	7,941	-----	
Income from operations	4,211		
Provision for taxes (Note 4)		-----	
Net income	4,211		-----
Net assets as of December 31, 1996	\$139,315		=====
Earnings per share (Note 2):			
Weighted average number of common shares outstanding	64,205,721		=====
Income per common share	\$ -		=====

See notes to consolidated financial statements.

TECFIN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
(Liquidation Basis)

FOR THE YEAR ENDED DECEMBER 31, 1995
(Note 1)

Net assets as of January 1, 1995	\$127,777		
Sales and operating revenues (Note 5)	\$19,700		
Cost and expenses:			
Selling, general and administrative	\$11,515		
Bad debt recovery (Note 5)	(-)	-----	
Income from operations	8,185		11,515

Net income	7,327	-----	-----
Net assets as of December 31, 1995	\$135,104		=====
Earnings per share (Note 2):			
Weighted average number of common shares outstanding	64,205,721		=====
Income per common share	\$ -		=====

See notes to consolidated financial statements.

TECFIN CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1997

NOTE 1 - BASIS OF PRESENTATION.

The accompanying consolidated financial statements have been prepared on the assumption of the liquidation basis of accounting in accordance with Section 607.02 of the Codification of Financial Reporting Policies adopted by the Securities and Exchange Commission. The consolidated statement of net assets (liquidation basis) does not distinguish between current and long-term balances, as would be reflected if such statement had been prepared on the assumption of going concern.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

(a) Principles of Consolidation:

The accompanying consolidated financial statements include the accounts of TecFin Corporation and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

(b) Earnings Per Share:

Primary income per share is based on the weighted average number of shares outstanding during each year.

(c) Liquidation Basis:

The accompanying consolidated financial statements reflect the adoption of a liquidation basis accounting effective January 1, 1992.

NOTE 3 - THE COMPANY.

At present, management of the Company does not have any viable plan for future to meet its short-term or long-term liquidity needs. The Company has not adopted a formal plan of liquidation. However, in the opinion of management, existing assets should be sufficient to extinguish existing liabilities.

NOTE 4 - PROVISION FOR INCOME TAXES.

The provision for income tax expense varies from the federal statutory rate as follows:

<TABLE>
<CAPTION>

For the Years Ended
December 31,

<S>	1 9 9 7		1 9 9 6		1 9 9 5
	<C>		<C>		<C>
Federal statutory rate	\$2,713	34.0%	\$1,432	34.0%	\$2,783

State and local income taxes net of federal tax benefit	-	-	-	-	(566)
Effect of net operating loss not available for carryback	(2,713)	(34.0)	(1,432)	(34.0)	(1,359)
Provision for income taxes	\$ -	- %	\$ -	-%	\$ 858

</TABLE>

At December 31, 1997, the Company has a net operating loss carryforward of approximately \$865,000, which can be applied to reduce future taxable income through December 31, 2004.

NOTE 5 - RELATED PARTY TRANSACTIONS.

At December 31, 1997, an affiliate owes the Company \$150,787 which are demand notes bearing interest at 8.75%. The interest income earned from these notes were \$12,324, \$12,324 and \$12,152, respectively for the years ended December 31, 1997, 1996 and 1995.

TECFIN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Liquidation Basis)
FOR THE YEARS ENDED DECEMBER 31, 1997, 1996 AND 1995
(Note 1)

<TABLE>

<CAPTION>

				Common Stock		Additional		Accumulated		Treasury Stock		Total
				Shares	Amount	Paid-In	Capital	Deficit	Shares	Amount	Stockholders'	Equity
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>				
Balance at January 1, 1995	64,490,721	\$6,449	\$1,079,170		(\$ 955,067)	285,000	(\$2,775)	\$127,777				
Net income for the year ended December 31, 1995	-	-	-		7,327	-	-	7,327				
Balance at December 31, 1995	64,490,721	6,449	1,079,170		(947,740)	285,000	(2,775)	135,104				
Net income for the year ended December 31, 1996	-	-	-		4,211	-	-					
Balance at December 31, 1996	64,490,721	6,449	1,079,170		(943,529)	285,000	(2,775)	139,315				
Net income for the year ended December 31, 1997	-	-	-				7,979	7,979				
Balance at December 31, 1997	64,490,721	\$6,449	\$1,079,170		(\$ 935,550)	285,000	(\$ 2,775)	147,294				

</TABLE>