

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

Quarterly Report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934

Transition Report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934

For the Quarterly Period Ended: September 30, 1994

Commission File No. 0-10039

SEAHAWK CAPITAL CORPORATION

(Exact name of registrant as specified in its charter)

New Jersey

22-2267656

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

1010 Kings Highway South, Suite 1-D
Cherry Hill, New Jersey

08034-5074

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (609)428-3845

(Not applicable)

Former name, former address and former fiscal year, if changed since last report

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 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 NO

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: Common Stock, no par value, outstanding as of November 30, 1995: 28,137,082 shares.

SEAHAWK CAPITAL CORPORATION
FORM 10-Q
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PART I. FINANCIAL INFORMATION

SEAHAWK CAPITAL CORPORATION
CONSOLIDATED BALANCE SHEETS

<TABLE>

<CAPTION>

	September 30, 1994 (unaudited)	December 31, 1993
<S>	<C>	<C>
ASSETS:		
Current Assets:		
Cash and cash equivalents.....	\$ 232,360	\$ 466,607
Note and accounts receivable, net of allowances for doubtful accounts of \$-0-.....	60,319	392,662
Inventory, at cost.....	--	110,313
	-----	-----
Total current assets.....	292,679	969,582
	-----	-----
Property and equipment, at cost:		
Plant and equipment.....	--	287,243
Oil and gas properties, accounted for under the "successful efforts" method.....	9,421	9,421
Office furniture and equipment.....	--	6,486
	-----	-----
	9,421	303,150
Less accumulated depreciation.....	--	16,272
	-----	-----
Net property and equipment.....	9,421	286,878
	-----	-----
Other assets.....	55,795	91,709
	-----	-----
Total Assets.....	\$ 357,895	\$1,348,169
	=====	=====

</TABLE>

See accompanying notes to financial statements.

SEAHAWK CAPITAL CORPORATION
CONSOLIDATED BALANCE SHEETS -- continued

<TABLE>

<CAPTION>

	September 30, 1994 (unaudited)	December 31, 1993
--	--------------------------------------	----------------------

<S>	<C>	<C>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities.....	\$ 21,340	\$ 551,199
Joint venture advances.....	--	155,272
Reserve for loss.....	159,264	--
	-----	-----
Total current liabilities.....	180,604	706,471
	-----	-----
Commitments and contingencies		
Minority interest.....	--	28,157
	-----	-----
Stockholders' equity:		
Common stock, no par value, 50,000,000 shares authorized; 13,137,082 shares issued and outstanding.....	12,726,450	12,726,450
Translation adjustment.....	(56)	--
Deficit.....	(12,549,103)	(12,112,909)
	-----	-----
Total stockholders' equity.....	177,291	613,541
	-----	-----
Total Liabilities and Stockholders' Equity.....	\$ 357,895	\$1,348,169
	=====	=====

</TABLE>

See accompanying notes to financial statements.

SEAHAWK CAPITAL CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

<TABLE>
<CAPTION>

	Three Months Ending September 30,		Nine Months Ending September 30,	
	1994	1993	1994	1993
<S>	<C>	<C>	<C>	<C>
Revenues:				
Sales to customers.	--	\$ 344,836	\$ 351,644	\$ 622,909
Commission and fees	\$ 41,685	33,424	127,685	58,693
Interest and other.	9,956	8,489	14,255	23,263
	-----	-----	-----	-----
	51,641	386,749	493,584	704,865
	-----	-----	-----	-----
Costs and expenses:				
Cost of sales.....	--	431,389	260,242	579,210
General and administrative...	87,474	104,146	354,538	519,640
Loss on investments	--	--	309,808	--
Depreciation.....	--	574	2,728	2,484
Other.....	--	--	2,462	--
	-----	-----	-----	-----
	87,474	536,109	929,778	1,101,332
	-----	-----	-----	-----
Net loss.....	\$ (35,833)	\$ (149,360)	\$ (436,194)	\$ (396,467)
	=====	=====	=====	=====
Net loss per common and common equivalent share... \$ (0.00) \$ (0.01) \$ (0.03) \$ (0.03)				
	=====	=====	=====	=====

</TABLE>

See accompanying notes to financial statements

SEAHAWK CAPITAL CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
For the Nine Months Ended September 30, 1994

(Unaudited)

<TABLE>
<CAPTION>

	Common Stock		Cumulative Translation Adjustment	Total	
	Shares	Amount			(Deficit)
<S>	<C>	<C>	<C>	<C>	
Balance, December 31, 1993..	13,137,082	\$12,726,450	\$(12,112,909)	\$613,541	
Cumulative translation adjustment.....			\$ (56)	(56)	
Net loss for the nine months ended September 30, 1994.			(436,194)	(436,194)	
Balance, September 30, 1994.	13,137,082	\$12,726,450	\$(12,549,103)	\$ (56)	\$177,291

</TABLE>

See accompanying notes to financial statements
SEAHAWK CAPITAL CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Nine Month Periods Ended September 30, 1994 and 1993
(Unaudited)

<TABLE>
<CAPTION>

	Nine Months Ended September 30,	
	1994	1993
<S>	<C>	<C>
OPERATING ACTIVITIES		
Net loss.....	\$(436,194)	\$(396,467)
Adjustments to reconcile net loss to net cash used in operating activities:		
Loss on investments.....	299,859	--
Depreciation.....	2,691	2,482
Changes in assets and liabilities.....	(112,105)	15,946
Net cash used by operating activities.....	(245,749)	(378,039)
INVESTING ACTIVITIES		
Capital expenditures.....	--	(51,777)
Other.....	--	(20,548)
Net cash used in investing activities.....	--	(72,325)
FINANCING ACTIVITIES		
Minority investment in subsidiary..	5,000	--
EFFECT OF EXCHANGE RATE CHANGES ON CASH.....	6,502	--
NET DECREASE IN CASH AND CASH EQUIVALENTS.....	(234,247)	(450,364)
CASH AND CASH EQUIVALENTS:		
At beginning of period.....	466,607	1,041,016

At end of period.....	----- \$232,360 =====	----- \$ 590,652 =====
-----------------------	-----------------------------	------------------------------

</TABLE>

See accompanying notes to financial statements
SEAHAWK CAPITAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

The consolidated financial statements include the accounts of Seahawk Capital Corporation (the "Company") and its subsidiaries. All significant intercompany accounts and transactions have been eliminated.

The accompanying consolidated financial statements of the Company at September 30, 1994 and 1993 and for the three and nine month periods then ended are unaudited, but include all adjustments, consisting only of normal recurring accruals, which management considers necessary for a fair presentation of the Company's financial condition and results of operations for the interim periods covered by such statements in accordance with generally accepted accounting principles. These financial statements do not include all the disclosures associated with the Company's annual financial statements and accordingly should be read in conjunction with such statements. Certain information and footnote disclosures normally included in consolidated financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to rules of the Securities and Exchange Commission. Reference is made to Note 1 of the notes to consolidated financial statements contained in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1993 for a summary of significant accounting policies utilized by the Company. It is suggested that the consolidated financial statements at September 30, 1994 and 1993 be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's latest Annual Report on Form 10-K. The information for the nine months periods ended September 30, 1994 and 1993 are not necessarily indicative of the operating results for the entire year.

Since February 1992, the Company operated as a Business Development Company (BDC) under the Investment Company Act of 1940 (the Act). In July 1994, the Company notified the Securities and Exchange Commission that it withdrew its election to be subject to the Act. The Company has changed the nature of its business to cease to be a BDC. Such change was authorized by the vote of a majority of its outstanding voting securities at the Company s annual meeting of stockholders held on July 15, 1994.

Loss per share calculations are based upon 13,137,082 shares in all periods presented, based upon the weighted average number of common and common equivalent shares outstanding during the periods.

2. INVESTMENTS IN SUBSIDIARY COMPANIES

Due to continued losses from Scotcoast, Limited ("Scotcoast") operations, the Company and SRC Food Group, Limited ("SRCF") elected not to provide further support to Scotcoast. Scotcoast is in the process of being liquidated. The investment in Scotcoast was written off in the second quarter of 1994. The loss on investments for 1994 in the accompanying statement of consolidated operations includes the following:

<TABLE>
<CAPTION>

Loss on
Investments

<S>	<C>
Net assets of Scotcoast.....	\$ 113,973
Loan made in 1994 to Scotcoast.....	8,927
SRCF guarantee of Scotcoast loans.....	149,040

	\$ 271,940
	=====

</TABLE>

SRCF also has an equity investment in Extruco, Limited and PEICO Limited, which companies were to utilize certain rights and processes of SRCF. Due to a disagreement with Extruco, Limited's shareholders, SRCF's 33.3% interest was disposed of in August 1995 at a loss of approximately \$5,000. Because PEICO Limited has not to date been able to obtain the financing needed to begin operations, this investment was written off. The loss on investments for 1994 in the accompanying statement of consolidated operations includes \$37,868 applicable to the loss on Extruco and the write-off of PEICO.

Foreign operations included in the accompanying consolidated financial statements are as follows:

<TABLE>

<CAPTION>

	Nine Months Ended September 30,	
	-----	-----
	1994	1993
	-----	-----
<S>	<C>	<C>
Revenues.....	\$454,960	\$441,363
Expenses.....	759,395	597,155
Loss from continuing operations.....	(304,435)	(155,792)
Total assets.....	248,142	257,677

</TABLE>

3. SUBSEQUENT EVENTS

Effective December 31, 1994, the Company transferred its approximately 73% interest in Seahawk Overseas Exploration Corporation ("Overseas") to John C. Fitton (then a Director of the Company) in exchange for 855,780 shares of the Company's common stock.

At December 31, 1994, the Company's equity in the net assets of Overseas was approximately \$25,000. This amount approximated the market value of the shares at that date (based on \$0.03 per share, the mean between the bid and ask prices of \$0.02 and \$0.04).

Summarized results of Overseas included in the accompanying statement of operations for the nine months ended September 30, 1994 are as follows:

<TABLE>

<CAPTION>

	Nine Months Ended September 30,	
	-----	-----
	1994	1993
	-----	-----
<S>	<C>	<C>
Revenues, principally commissions and fees.....	\$ 34,190	\$ 62,883
Expenses, principally general and administrative..	63,929	84,134
	-----	-----
Loss.....	\$ (29,739)	\$ (21,251)
	=====	=====

</TABLE>

The net assets relating to the discontinued operations included in the accompanying balance sheet at September 30, 1994:

<TABLE>
<CAPTION>

	Discontinued Operations -----
<S>	<C>
Cash.....	\$ 3,974
Accounts receivable.....	27,993
Property-net.....	9,421
Accounts payable.....	(787)

Net assets.....	\$ 80,601
	=====

</TABLE>

At the Company's 1994 annual meeting, the Company's stockholders authorized an amendment to the Company's certificate of incorporation increasing the number of its authorized shares of common stock from 50 million to 100 million shares.

On May 8, 1995, the Company sold 15,000,000 previously unissued shares of its common stock to Jonathan B. Lassers for \$150,000 in cash. As part of the transaction, Mr. Lassers also acquired transferable warrants to purchase up to an additional 70,000,000 shares of the Company's common stock exercisable until December 31, 1997 at \$0.01 a share. As a result of the purchase, Mr. Lassers owns approximately 55% of the total outstanding common stock. If all the warrants are exercised, his beneficial ownership would increase to approximately 87.4%. Because of this purchase, a change in control of the Company was effected. Substantially all members of the Company's prior management resigned as directors and officers.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

As indicated in Note 3 to the consolidated financial statements in Item 1 of this Report, the Company has new management. The following management's discussion is based on new management's understanding of the financial condition and the results of operations for the periods presented.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 1994, the Company has a stockholders' equity of \$210,509. The Company has incurred net losses in most of the past 10 years. After the transfer of Overseas and write-off of its investment in Scotcoast in this second quarter, the Company's only operations are related to SRCF, which is not significant in amount, and its 50% interest in PEICO Limited which was written off and 33.3% interest in Extruco, Limited which was disposed of in August 1995. (See Notes 2 and 3 to the consolidated financial statements under Item 1 of this Report for a fuller discussion.)

As discussed in Note 3 to the consolidated financial statements under Item 1 of this Report, in May 1995 the Company sold 15,000,000 previously unissued shares of its common stock for \$150,000 in cash.

Because of the above mentioned net losses, the Company's cash flows from operating activities have been negative. Until such time as additional operating businesses are acquired and operate profitably, the Company's operations are being financed with the remaining cash and the proceeds from the sale of common stock in May 1995. The Company is exploring various financing

options in connection with the acquisition of companies in the food processing industry.

It is not expected that the Company will achieve profitability in the near future. Further, there is no assurance that the Company will achieve profitability thereafter. Although it is expected that the Company will have adequate resources available to continue through December 31, 1995, unless the Company can obtain the financing necessary to acquire a profitable operating business, the Company will be unable to continue as a going concern.

RESULTS OF OPERATIONS: NINE MONTHS ENDED SEPTEMBER 30, 1994
COMPARED TO NINE MONTHS ENDED SEPTEMBER 30, 1993

The Company generated consolidated revenues of \$493,584 in the nine months ended September 30, 1994 (the "1994 Period") compared to revenues of \$704,865 during the nine months ended September 30, 1993 (the "1993 Period"). This decrease of \$211,281 was due primarily to the revenues generated by Scotcoast included for only the first quarter of 1994 compared to their revenue in the second and third quarter of 1993. Scotcoast was not an operating subsidiary for the first quarter of 1993. Commission and fees increased \$68,992 in the 1994 Period over the 1993 Period mainly due to the services provided by SRCF during the 1994 Period. SRCF was not acquired until December 1993. Interest and other income decreased primarily as a result of lower interest paid by financial institutions and the reduced level of investable funds.

Total expenses for the 1994 Period of \$929,778 were \$171,554 less than the 1993 Period. This decrease was primarily due the decline in cost of sales of \$318,968 and the decline in general and administrative expenses of \$165,102 relating to the above discussed decrease in sales revenue of Scotcoast. These declines were offset by the \$309,808 charge in the second quarter of 1994 relating to the loss on Scotcoast and PEICO Limited and the write-down of Extruco, Limited to amount realized in 1995 from its disposal. Cost of sales increased \$112,421 due to the increase in sales revenues of Scotcoast.

PART II. OTHER INFORMATION

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

The 1994 annual meeting of the Company's stockholders was held on June 29, 1994 and adjourned to July 15, 1994 in order to obtain sufficient proxies for a quorum. The matters voted on at the annual meeting held on July 15, 1994 included (i) the election of 5 directors; (ii) a proposal to ratify the appointment of R. Andrew Gately & Co. as independent auditors of the Company for the fiscal year ending December 31, 1994; (iii) a proposal that the Company withdraw its election to be classified as a Business Development Company as defined in sections 55 through 65 of the Investment Company Act of 1940 and terminate its status as an investment company; and, (iv) a proposal to amend the Company's certificate of incorporation to increase the number of its authorized shares of Common Stock from 50 million to 100 million shares. All of these proposals are described in greater detail in the Company's proxy statement dated May 25, 1994 (definitive copies of which were filed with the Securities and Exchange Commission). The results of voting on matters presented to the meeting were as follows:

- (i) Incumbent directors Robert S. Friedenber, John C. Fitton, Barry F. Chaitin, John T. Mahoney and Dale D. Simbro were reelected directors of the Company for a term of one year and until the next annual meeting of stockholders, with each nominee receiving 9,358,306

votes in favor of their election.

- (ii) The proposal to ratify the appointment of R. Andrew Gately & Co. as independent auditors of the Company for the fiscal year ending December 31, 1994 was approved by a vote of 9,344,742 votes in favor and 24,960 votes against.
- (iii) The proposal that the Company withdraw its election to be classified as a Business Development Company as defined in sections 55 through 65 of the Investment Company Act of 1940 and terminate its status as an investment company was approved by a vote of 7,250,658 votes in favor and 54,401 votes against.
- (iv) The proposal that the Company's certificate of incorporation be amended to increase the number of its authorized shares of Common Stock from 50 million to 100 million shares was approved by a vote of 8,998,828 votes in favor and 227,379 votes against.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits.

<TABLE>

<CAPTION>

Exhibit

No.	Description
27	Article 5 Financial Data Schedule

</TABLE>

(b) Reports on Form 8-K. No reports on Form 8-K were filed during the quarter ended September 30, 1994.

SIGNATURES

Pursuant to the requirements of Section 13 of 15(d) 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.

Dated: December 15, 1995

SEAHAWK CAPITAL CORPORATION
(Registrant)

By: /S/ Jonathan B. Lassers

Jonathan B. Lassers,
President, Principal Executive Officer
and Principal Financial Officer

By: /S/ Annamarie L. Arias

Annamarie L. Arias,
Secretary-Treasurer and
Principal Accounting Officer

<TABLE> <S> <C>

<ARTICLE> 5

<LEGEND> This schedule contains summary information extracted from the Consolidated Statements of Operations and Consolidated Balance Sheets of Seahawk Capital Corporation and is qualified in its entirety by reference to such financial statements.

</LEGEND>

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