SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 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, 2000

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Transition Period from ____________ to ____________

Commission file number 0-10909

CORNICHE GROUP INCORPORATED
(Exact name of registrant as specified in its charter)

DELAWARE	22-2343568
(State of other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

610 SOUTH INDUSTRIAL BLVD., SUITE 220 EULESS, TEXAS	76040
(Address of principal executive office)	(zip code)

Registrant's telephone number, including area code: 817-283-4250

NOT APPLICABLE
(Former name, former address and former fiscal year, if changed since last report)

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. Yes X No

14,213,471 SHARES, $.001 PAR VALUE, AS OF JULY 1, 2000

(Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date)

CORNICHE GROUP INCORPORATED AND SUBSIDIARY

JUNE 30, 2000
(Unaudited)

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CORNICHE GROUP INCORPORATED AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS
(Unaudited)

A S S E T S

	June 30, 2000	December 31, 1999
Current assets:		
Cash and equivalents	$1,082,014	$1,639,473
Marketable securities	3,765,618	2,733,319
Prepaid expenses and other current assets	276,340	71,622
Total current assets	5,123,972	4,444,414
Property and equipment, net	579,055	655,002
Deferred acquisition costs	32,161	41,946
License, net of accumulated amortization	16,167	16,777
Other assets	12,525	12,525
	$5,763,880	$5,170,664

See accompanying notes to financial statements.

CORNICHE GROUP INCORPORATED AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS (Continued)
(Unaudited)

LIABILITIES AND STOCKHOLDERS' EQUITY

	June 30, 2000	December 31, 1999
Current liabilities:		
Dividends payable - preferred stock	$ 271,742	$ 288,334
Accounts payable, accrued expenses and other current liabilities	203,903	561,870
Current portion of long-term debt	23,689	22,662
Total current liabilities	499,334	872,866
Unearned revenues	587,766	298,801
Long-term debt	64,116	76,591
Series A Convertible Preferred Stock:		
Series A $0.07 cumulative convertible preferred stock - stated value - $1.00 per share, authorized - 1,000,000 shares, outstanding - 694,974 shares at June 30, 2000 and 810,054 shares at December 31, 1999	694,974	810,054
Convertible Redeemable Preferred Stock, Common Stock, Other Stockholders' Equity and Accumulated Deficit:		
Preferred stock - authorized - 5,000,000 shares Series B convertible redeemable preferred stock, $0.1 par value, authorized, issued and outstanding - 825,000 shares	8,250	8,250
Common stock, $.001 par value, authorized - 75,000,000 shares, issued and outstanding - 14,222,971 shares at June 30, 2000 and 12,513,127 shares at December 31, 1999	14,223	12,513
Additional paid-in capital	8,806,734	7,421,944
Accumulated deficit	(4,911,517)	(4,330,355)
Total convertible redeemable preferred stock, common stock, other stockholders' equity	3,917,690	3,112,352
	$ 5,763,880	$ 5,170,664

See accompanying notes to financial statements.

CORNICHE GROUP INCORPORATED AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Six Months Ended June 30,		For the Three Months Ended June 30,	
	2000	1999	2000	1999
Earned revenues	$ 275,549	$ --	$ 129,949	$ --
Direct costs	106,580	--	63,080	--
Gross profit	168,969	--	66,869	--
General and administrative expenses	824,041	999,763	496,765	600,641
Operating loss	(655,072)	(999,763)	(429,896)	(600,641)
Other income (expense):				
Unrealized gain on marketable securities	11,660	--	7,478	--
Interest income	91,259	5,965	54,958	1,512
Interest expense	(4,639)	--	(2,399)	--
Total other income (expense)	98,280	5,965	60,037	1,512
Loss before preferred dividend	(556,792)	(993,798)	(369,859)	(599,129)
Preferred dividend	24,370	28,714	12,162	14,268
Net loss	$ (581,162)	$ (1,022,512)	$ (382,021)	$ (613,397)
Net loss per share of common stock	$ (0.04)	$ (0.16)	$ (0.03)	$ (0.10)
Weighted average number of common shares outstanding	13,820,536	6,377,357	14,211,840	6,380,997

See accompanying notes to financial statements.

CORNICHE GROUP INCORPORATED AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CONVERTIBLE REDEEMABLE PREFERRED STOCK, COMMON STOCK, OTHER STOCKHOLDERS' EQUITY AND ACCUMULATED DEFICIT

FOR THE SIX MONTHS ENDED JUNE 30, 2000
(Unaudited)

	Series B Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount			
Balance - January 1, 2000	825,000	$ 8,250	12,513,127	$ 12,513	$ 7,421,944	$(4,330,355)	$ 3,112,352
Issuance of common stock for cash, net of offering costs	--	--	1,676,250	1,676	1,205,094	--	1,206,770
Issuance of common stock for services rendered	--	--	2,000	2	5,873	--	5,875
Conversion of Series A Convertible Preferred Stock into Common Stock	--	--	22,094	22	156,020	--	156,042
Series A Convertible Stock dividends	--	--	--	--	--	(24,370)	(24,370)
Net loss before preferred stock dividend	--	--	--	--	--	(556,792)	(556,792)
Shares to be issued for services rendered	--	--	9,500	10	17,803	--	17,813
Balance - June 30, 2000	825,000	$ 8,250	14,222,971	$ 14,223	$ 8,806,734	$(4,911,517)	$ 3,917,690

See accompanying notes to financial statements.

CORNICHE GROUP INCORPORATED AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Six Months Ended June 30,	
	2000	1999
Cash flows from operating activities:		
Net loss	$ (581,162)	$(1,022,512)
Adjustments to reconcile net loss to net cash used in operating activities:		
Unrealized gain on marketable securities	(11,660)	--
Issuance of common stock for services rendered	23,688	--
Series A preferred stock dividends	24,370	28,714
Depreciation and amortization	76,557	10,866
Unearned revenues	288,965	--
Deferred acquisition costs	9,785	--
Increase (decrease) in cash flows as a result of changes in asset and liability account balances:		
Prepaid expenses and other current assets	(204,718)	(22,464)
Accounts payable, accrued expenses and other current liabilities	(357,967)	107,325
Total adjustments	(150,980)	124,441
Net cash used in operating activities	(732,142)	(898,071)
Cash flows from investing activities:		
(Increase) decrease in marketable securities	(1,020,639)	545,689
Acquisition of property assets	--	(103,618)
Net cash provided by (used in) investment activities	(1,020,639)	442,071
Cash flows from financing activities:		
Net proceeds from issuance of capital stock - net	1,206,770	556,527
Payments of capital lease obligations	(2,944)	(2,328)
Proceeds from notes payable	--	97,336
Repayments of notes payable	(8,504)	--
Net cash provided by financing activities	1,195,322	651,535
Net increase (decrease) in cash	(557,459)	195,535
Cash and cash equivalents at beginning of period	1,639,473	206,313
Cash and cash equivalents at end of period	$ 1,082,014	$ 401,848

See notes to financial statements.

CONRICHE GROUP INCORPORATED AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

(Unaudited)

	For the Six Months Ended June 30,	
	2000	1999
Supplemental Disclosures of Cash Flow Information:		
Cash paid during the period:		
Income taxes	$ --	$ --
Interest	$ 4,639	$ 719
Supplemental Schedules of Noncash Financing Activities:		
Series A Preferred Stock and dividends thereon converted to common stock and additional paid-in capital upon conversion	$ 156,020	$ 28,714
Issuance of common stock for services rendered	$ 23,688	$ --

See notes to financial statements.

CORNICHE GROUP INCORPORATED AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2000
(Unaudited)

NOTE 1 - THE COMPANY.

Corniche Group Incorporated (hereinafter referred to as the "Company" or "CGI") as a result of a reverse acquisition with Corniche Distribution Limited and its Subsidiaries ("Corniche"), was engaged in the retail sale and wholesale distribution of stationery products and related office products, including office furniture, in the United Kingdom. In February 1996, the Company was placed in receivership by its creditors. Through March 1998, the Company had no activity.

On March 4, 1998, the Company entered into a Stock Purchase Agreement ("Agreement"), approved by the Company's stockholders on May 18, 1998, with certain individuals (the "Initial Purchasers") whereby the Initial Purchasers acquired an aggregate of 765,000 shares of a newly created Series B Convertible Redeemable Preferred Stock, par value $0.01 per share. Thereafter the Initial Purchasers have been endeavoring to establish for the Company new business operations in the property and casualty specialty insurance and the service contract markets.

On September 30, 1998, the Company acquired all of the capital stock of Stamford Insurance Company, Ltd. ("Stamford") from Warrantech Corporation for $37,000 in cash in a transaction accounted for as a purchase. Warrantech's chairman is the former chairman of the Company. Stamford was charted under the Laws of, and is licensed to conduct business as an insurance company by, the Cayman Islands. Although Stamford has incurred expenses since its inception, it first generated revenues in the fourth quarter of 1999.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

(a) Basis of Presentation:

The accompanying unaudited financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions for Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, the statements contain all adjustments (consisting only of normal recurring accruals) necessary to present fairly the financial position as of June 30, 2000 and the results of operations and cash flows for the six and three months ended June 30, 2000 and 1999. The results of operations for the six and three months ended June 30, 2000 and 1999 are not necessarily indicative of the results to be expected for the full year.

The December 31, 1999 balance sheet has been derived from the audited financial statements at that date included in the Company's annual report on Form 10-K. These unaudited financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's annual report on Form 10-K.

(b) Cash Equivalents:

Short-term cash investments which have a maturity of ninety days or less when purchased are considered cash equivalents in the statement of cash flows.

(c) Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(d) Concentrations of Credit-Risk:

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash and marketable securities. The Company places its domestic operations cash accounts with high credit quality financial institutions, which at times may be in excess of the FDIC insurance limit. The Company's subsidiary places its cash in the Cayman Island subsidiaries of domestic banks whose net worth exceeds $100,000,000. The Company's marketable securities are primarily comprised of investments in municipal bank funds. The Company employs the services of an investment advisor to assist in monitoring its investments.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES. (Continued)

(e) Marketable Securities:

Marketable securities are classified as trading securities and are reported at market value at December 31, 1999. At June 30, 2000, the market value of securities exceeded their cost by $11,660. The market value of the investment approximated cost at December 31, 1999.

(f) Property and Equipment:

The cost of property and equipment is depreciated over the estimated useful lives of the related assets of 5 to 7 years. The cost of computer software programs is amortized over their estimated useful lives of five years. Depreciation is computed on the straight-line method. Repairs and maintenance expenditures which do not extend original asset lives are charged to income as incurred.

(g) Intangibles:

The excess of the purchase price for the capital stock of Stamford over the net assets acquired has been attributed to the subsidiary's license to conduct business as an insurance carrier in the Cayman Islands. Amortization charged to operations in the six months ended June 30, 2000 and 1999 was $610, in each period, and for the three months ended March 31, 2000 and 1999 was $305, in each period.

(h) Income Taxes:

The Company adopted SFAS 109, "Accounting for Income Taxes", which recognizes (a) the amount of taxes payable or refundable for the current year and, (b) deferred tax liabilities and assets for the future tax consequences of events that have been recognized in an enterprise's financial statement or tax returns. There is no difference as to financial and tax basis of assets and liabilities.

(i) Fair Value of Financial Statements:

The Company adopted Statement of Financial Accounting Standards No. 121 ("SFAS No. 121"), "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of". The statement requires that the Company recognizes and measures impairment losses of long-lived assets, certain identifiable intangibles, value long-lived assets to be disposed of and long-term liabilities. At June 30, 2000 and December 31, 1999, the carrying values of the Company's other assets and liabilities approximate their estimated fair values.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES. (Continued)

(j) Advertising Costs:

The Company expenses advertising costs as incurred. Advertising costs amounted to $282,521 and $276,752 for the six and three months ended June 30, 2000 and none for the six and three months ended June 30, 1999.

(k) Earnings Per Share:

The Company adopted Statement of Financial Accounting Standards No. 128, "Earnings Per Share". Basic earnings per share is based on the weighted effect of all common shares issued and outstanding, and is calculated by dividing net income available to common stockholders by the weighted average shares outstanding during the period. Diluted earnings per share, which is calculated by dividing net income available to common stockholders by the weighted average number of common shares that would be issued assuming conversion of all potentially dilutive securities outstanding, is not presented as it is anti-dilutive in all periods.

(l) Recently Issued Accounting Pronouncements:

The Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 130 - "Reporting Comprehensive Income", No. 131 - "Disclosures about Segments of an Enterprise and Related Information", No. 132 - "Employer's Disclosures about Pension and Other Postretirement Benefits" and No. 133 - "Accounting for Derivative Instruments and Hedging Activities". Management does not believe that the effect of implementing these new standards will be material to the Company's financial position, results of operations and cash flows.

(m) Revenue Recognition:

Stamford is a property and casualty reinsurance company writing reinsurance coverages for one domestic carrier's consumer products service contracts. The domestic carrier is rated "A-" Excellent by A.M. Best.

Premiums are recognized on a pro rata basis over the policy term. The deferred policy acquisition costs are the net cost of acquiring new and renewal insurance contracts. These costs are charged to expense in proportion to net premium revenue recognized.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES. (Continued)

(m) Revenue Recognition: (Continued)

The provisions for losses and loss-adjustment expenses include an amount determined from loss reports on individual cases and an amount based on past experience for losses incurred but not reported. Such liabilities are necessarily based on estimates, and while management believes that the amount is adequate, the ultimate liability may be in excess of or less than the amounts provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed, and any adjustments are reflected in earnings currently.

The parent company sells via the Internet directly to consumers automotive vehicle services contracts. The Company recognizes revenue ratably over the length of the contract. The Company purchases insurance to fully cover any losses under the service contracts from the domestic carrier referred to above. The insurance premium and other costs related to the sale are amortized over the contract.

NOTE 3 - PROPERTY AND EQUIPMENT.

Property and equipment consists of the following:

	June 30, 2000	December 31, 1999
Computer equipment	$ 116,660	$ 116,660
Furniture and fixtures	23,266	23,266
Computer software	582,585	582,585
	722,511	722,511
Less: Accumulated depreciation	150,875	77,896
	571,636	644,615
Lease property under capital lease:		
Office equipment	17,806	17,806
Less: Accumulated depreciation	10,387	7,419
	7,419	10,387
	$ 579,055	$ 655,002

Depreciation and amortization charged to operations was $76,577 and $10,866 for the six months ended June 30, 2000 and 1999, respectively, and $38,269 and $3,580 for the three months ended June 30, 2000 and 1999, respectively.

NOTE 3 - PROPERTY AND EQUIPMENT. (Continued)

The estimated present value of the capital lease obligations at June 30, 2000 reflects imputed interest calculated at 12.7% and 19.32%. The obligations are payable in equal monthly installments through February 2002 as follows:

Years Ending June 30,	
2001	$ 5,750
2002	2,721
	8,471
Amount representing interest	1,431
Present value of minimum lease payments	7,040
Present value of minimum lease payments due within one year	5,519
Present value of minimum lease payments due after one year	$ 1,521

The aggregate maturities of the present value of the minimum lease obligation is as follows:

Years Ending June 30,	
2001	$ 5,519
2002	1,521
	$ 7,040

NOTE 4 - ACCOUNTS PAYABLE, ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES.

Accounts payable, accrued expenses and other current liabilities consist of the following at:

	June 30, 2000	December 31, 1999
Accrued offering costs	$ --	$ 419,120
Accrued professional fees	43,006	41,534
Advertising	30,000	69,427
Insurance	7,118	--
Other	118,779	26,789
Accrued claims losses	5,000	5,000
	$ 203,903	$ 561,870

NOTE 5 - NOTES PAYABLE.

In October 1999, the Company sold to accredited investors 10 units of its promissory notes and common stock for $25,025 each. Each unit was comprised of a 5% interest bearing $25,000 note and 25,000 shares. The variance between the fair market value of the 25,000 common shares issued in the aggregate of $27,969 and the cash received of $250 was deemed to be additional interest and was charged to operations over the life of the notes. The notes were repaid in full in December 31, 1999. At December 31, 1999, accrued interest on the notes of $3,025 remained outstanding and was repaid in January, 2000.

NOTE 6 - LONG-TERM DEBT.

Long-term debt consists of the following at June 30, 2000 and December 31, 1999:

	June 30, 2000	December 31, 1999
Capital lease obligations	$ 7,040	$ 9,983
Note payable - bank - in equal monthly installments of $2,043 including interest at 8-3/4%. The notes are collateralized by computer equipment having an undepreciated cost of $78,927	80,765	89,270
	87,805	99,253
Portion payable within one year	23,689	22,662
	$ 64,116	$ 76,591

The aggregate maturities of the obligations are as follows:

Years Ending June 30,	
2001	$ 23,689
2002	21,347
2003	21,631
2004	21,138
	$ 87,805

NOTE 7 - SERIES A CONVERTIBLE PREFERRED STOCK.

In connection with the settlement of a securities class action litigation in 1994, the Company issued 1,000,000 shares of Series A $0.07 Convertible Preferred Stock (the "Series A Preferred Stock") with an aggregate value of $1,000,000. The following summarizes the terms of the Series A Preferred Stock as more fully set forth in the Certificates of Designation. The Series A Preferred Stock has a liquidation value of $1 per share, is non-voting and convertible into common stock of the Company at a price of $5.20 per share. Holders of Series A Preferred Stock are entitled to receive cumulative cash dividends of $0.07 per share, per year, payable semi-annually. Until November 30, 1999 the Series A Preferred Stock was callable by the Company at a price of $1.04 per share, plus accrued and unpaid dividends, and thereafter at a price of $1.05 per share, plus accrued and unpaid dividends. In addition, if the closing price of the Company's common stock exceeds $13.80 per share for a period of 20 consecutive trade days, the Series A Preferred Stock is callable by the Company at a price equal to $0.01 per share, plus accrued and unpaid dividends. The Certificate of Designation for the Series A Preferred Stock also states that at any time after December 1, 1999 the holders of the Series A Preferred Stocks may require the Company to redeem their shares of Series A Preferred Stock (if there are funds with which the Company may do so) at a price of $1.00 per share. Notwithstanding any of the foregoing redemption provisions, if any dividends on the Series A Preferred Stock are past due, no shares of Series A Preferred Stock may be redeemed by the Company unless all outstanding shares of Series A Preferred Stock are simultaneously redeemed. During the year ended December 31, 1999, 18,711 shares of Series A Preferred Stock were converted into 3,586 shares of common stock. During the six months ended June 30, 2000, holders of 115,080 shares of the Series A Preferred Stock converted such shares into 22,094 shares of the Company's common stock. At June 30, 2000 and December 31, 1999, 694,974 and 810,054 shares of Series A Preferred Stock were outstanding, respectively. At June 30, 2000 and 1999, and accrued dividends on these outstanding shares were $271,742 and $288,334, respectively.

NOTE 8 - STOCKHOLDERS' EQUITY.

(a) Series B Convertible Redeemable Preferred Stock:

On March 4, 1998, the Company entered into a Stock Purchase Agreement ("Agreement"), approved by the Company's stockholders on May 18, 1998, with certain individuals (the "Initial Purchasers") whereby the Initial Purchasers and two other persons acquired an aggregate of 825,000 shares of a newly created Series B Convertible Redeemable Preferred Stock ("Series B Stock"), par value $0.01 per share.

NOTE 8 - STOCKHOLDERS' EQUITY. (Continued)

(a) Series B Convertible Redeemable Preferred Stock: (Continued)

Pursuant to the Agreement and Subsequent transactions, the Initial Purchasers acquired 765,000 shares of Series B Stock for $76,500 in cash. The Company incurred certain legal expenses of the Initial Purchasers equaling approximately $50,000 in connection with the transaction. In addition, the Company issued 50,000 shares of Series B Stock to a consultant as compensation valued at $5,000 for his assistance to the Company in the identification and review of business opportunities and this transaction and for his assistance in bring the transaction to fruition. Additionally, the Company issued 10,000 shares of Series B Stock to James Fyfe as compensation valued at $1,000 for his work in bringing this transaction to fruition. These issuances diluted the voting rights of the then existing stockholders by approximately 57%. The total authorized shares of Series B Convertible Redeemable Preferred Stock is 825,000.

The following summarizes the terms of the Series B Stock whose terms are more fully set forth in the Certificate of Designation. The Series B Stock carries a zero coupon and each share of the Series B Stock is convertible into ten shares of the Company's common stock. The holder of a share of the Series B Stock is entitled to ten times any dividends paid on the common stock and such stock has ten votes per share and vote as one class with the common stock. Accordingly, the Initial Purchasers have sufficient voting power to elect all of the Board of Directors.

The holder of any share of Series B Convertible Redeemable Preferred Stock has the right, at such holder's option, exercisable on or after September 30, 2000, to convert such share into ten (10) fully paid and non-assessable shares of common stock (the "Conversion Rate"). The Conversion Rate is subject to adjustment as stipulated in the Agreement. Upon liquidation, the Series B Stock would be junior to the Corporation's Series A Preferred Stock and would share ratably with the common stock with respect to liquidating distributions.

The Company's right to repurchase or redeem shares of Series B Stock was eliminated in fiscal 1999 pursuant to the terms of the Agreement and the Certificate of Designation.

NOTE 8 - STOCKHOLDERS' EQUITY. (Continued)

(b) Common Stock:

On May 15, 1997, the Company commenced a private securities offering pursuant to Rule 506 of Regulation D of the Securities Act of 1933, as amended, of up to 400 units, each unit consisting of 10,000 shares of common stock being offered at a price of $5,000 per unit. The Company used a placement agent for such offering who received a sales commission equal to 10% of the offering price of each unit sold. In connection with the offering, 369 units were sold for gross receipts of $1,845,000 from which the agent was paid a commission of $184,500 for net of $1,660,500 to the Company.

In March 1998, the Company sold 250,000 shares of common stock at $.50 per share realizing $125,000.

The stockholders at the 1998 annual meeting approved the reduction of the par value of the common stock from $0.10 per share to $0.001 per share.

The stockholders at the 2000 annual meeting approved amending the authorized common stock to 75 million shares from 30 million shares.

Commencing in May 1999 through July 1999, the Company sold 688,335 shares of its common stock to accredited investors for $538,492 net of offering costs. In December 1999, accredited investors purchased 5,187,500 shares of the Company's common stock for $3,715,744, net of offering costs. During the six months ended June 30, 2000, the Company sold 1,676,250 shares of common stock at $.80 per share realizing $1,206,770, net of offering costs.

The Company in 1999 issued 5,000 shares of its common stock whose fair value was $5,000 to its President as a signing bonus, which was charged to operations at the time of issuance. The Company also issued in 1999, 25,000 shares of its common stock whose fair value was $25,000 at the date of issuance to a public relations consultant for future services. The arrangement with the consultant was terminated in 1999 and the fair value of the shares was charged to operations in 1999.

During the quarter ended June 30, 2000, the Company issued 2000 shares of its common stock to a consultant for promotional activities amounting to $5,875.

NOTE 8 - STOCKHOLDERS' EQUITY. (Continued)

(c) Warrants:

The Company has issued common stock purchase warrants from time to time to investors in private placements, certain vendors, underwriters, and directors and officers of the Company.

A total of 101,308 shares of common stock are reserved for issuance upon exercise of warrants as of December 31, 1998 and March 31, 1998. Of these outstanding warrants, warrants for 9,375 common shares at $46.40 per share expired in April 1999. The remaining warrants to acquire 91,933 common shares at exercise prices ranging from $3.20 to $8.10 per share were granted in March 1995 to certain directors, officers and employees who converted previously outstanding stock options under a now-expired stock option plan into warrants on substantially the same terms as the previously held stock options, except the warrants were immediately vested. During fiscal 1999, warrants to acquire 22,308 common shares at prices ranging from $3.90 to $46.40 per share expired. No warrants were exercised during any of the periods presented. A total of 79,000 shares of common stock are reserved for issuance upon exercise of outstanding warrants as of December 31, 1999 at prices ranging from $3.20 to $27.50 and expiring through October 2004.

(d) Stock Options Plans:

The Company has two stock option plans. The 1998 Employee Incentive Stock Option Plan provides for the grant of options to purchase shares of the Company's common stock to employees. The 1992 Stock Option Plan provides for the grant of options to directors.

Under the 1998 Plan, the maximum aggregate number of shares which may be issued under options is 300,000 shares of common stock. The aggregate fair market value (determined at the time the option is granted) of the shares for which incentive stock options are exercisable for the first time under the terms of the 1998 Plan by any eligible employee during any calendar year cannot exceed $100,000. The option exercise price of each option is 100% of the fair market value of the underlying stock on the date the options are granted, except that no option will be granted to any employee who, at the time the option is granted, owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Corporation or any subsidiary unless (a) at the time the options are granted, the option exercise price is at least 110% of the fair market value of the shares of common stock subject to the options and (b) the option by its terms is not exercisable after the fifth anniversary of the date on which the option is granted.

The 1998 Plan is administered by the Compensation Committee of the Board of Directors. In 1999, options to acquire 100,000 common shares at $1.00 per share and options to acquire 75,000 common shares at $1.097 were granted to an officer. Additionally, an option to acquire 25,000 common shares at $0.6875 per share was issued to a consultant. In June 2000, options to acquire 100,000 common shares at $1.88 per share and

NOTE 8 - STOCKHOLDERS' EQUITY. (Continued)

(d) Stock Options Plans: (Continued)

options to acquire 100,000 common shares at $1.94 per share were granted to two officers.

Information with respect to options under the 1992 and 1998 Stock Option Plans is summarized as follows:

	For the Six Months Ended June 30, 2000		1999	
	Shares	Prices	Shares	Prices
Outstanding at beginning of period	128,000	$0.31 to $1.00	3,000	$0.31 to $0.40
Options issued	75,000	$1.10	-	
Outstanding at end of period	203,000	$0.31 to $1.10	3,000	$0.31 to $0.40

NOTE 8 - STOCKHOLDERS' EQUITY. (Continued)

(d) Stock Options Plans: (Continued)

Outstanding options expire 90 days after termination of holder's status as employee or director.

All options were granted at an exercise price equal to the fair value of the common stock at the grant date. Therefore, in accordance with the provisions of APB Opinion No. 25 related to fixed stock options, no compensation expense is recognized with respect to options granted or exercised. Under the alternative fair-value based method defined in SFAS No. 123, the fair value of all fixed stock options on the grant date would be recognized as expense over the vesting period. Assuming the fair market value of the stock at the date of grant to be $.3125 per share in May 1996, $.40625 per share in May 1997, $.6875 in January 1999 and $1.00 per share in September 1999, the life of the options to be from three to ten years, the expected volatility at 200%, expected dividends are none, and the risk-free interest rate of 10%, the Company would have recorded compensation expense of $10,523 for the six months ended June 30, 2000 and $1,938 for the three months ended June 30, 2000 as calculated by the Black-Scholes option pricing model. As such, pro-forma net loss and loss per share would be as follows:

	For the Six Months Ended June 30, 2000	For the Three Months Ended June 30, 2000
Net loss as reported	$ (581,162)	$ (382,021)
Additional compensation	10,523	1,938
	$ (591,685)	$ (383,959)
Loss per share as reported	$ (0.04)	$ (0.03)
Adjusted loss per share	$ (0.04)	$ (0.03)

As the number of options granted at December 31, 1998 and March 31, 1998 is immaterial, recognizing the expense would not have a material effect on the Company's financial statements for the three months and six months ended June 30, 1999.

NOTE 9 - INCOME TAXES.

The Company has received permission from the Internal Revenue Service to change its taxable year-end from March 31, to December 31, effective with the December 31, 1998 period.

The differences between income taxes computed using the statutory federal income tax rate and that shown in the financial statements are summarized as follows:

	For the Six Months Ended June 30,			
	2000	%	1999	%
Loss before income taxes and preferred dividend	$ 556,792	--	$ (993,798)	--
Computed tax benefit at statutory rate	$ (189,300)	(34.0)	$ (337,900)	(34.0)
Foreign subsidiary income not subject to U.S. taxes	(49,700)	(9.2)	(7,560)	(.8)
Net operating loss valuation reserve	239,000	43.2	345,460	34.8
Total tax benefits	$ --	--	$ --	--

There are no significant differences between the financial statement and tax basis of assets and liabilities and, accordingly, no deferred tax provision/benefit is required.

The Tax Reform Act of 1986 enacted a complex set of rules limiting the utilization of net operating loss carryforwards to offset future taxable income following a corporate ownership change. The Company's ability to utilize its NOL carryforwards is limited following a change in ownership in excess of fifty percentage points during any three year period. Upon receipt of the proceeds from the last foreign purchasers of the Company's common stock in January 2000, common stock ownership changed in excess of 50% during the three year period then ended. The utilization of the Company's net operating loss carryforward at December 31, 1999 of $2,063,000 was not negatively impacted by this ownership change. The future tax benefit of the net operating loss carryforward aggregated $701,000 at December 31, 1999 has been fully reserved as it is not more likely than not that the Company will be able to use the operating loss in the future.

NOTE 10 - COMMITMENTS, CONTINGENICES AND OTHER.

(a) Leases:

Commencing in August 1998, the Company entered into short-term operating leases for its general office space and certain office equipment. Prior to August 1998, the Company did not incur rent expense as it was inactive. Rent expense charged to operations for the six and three months ended June 30, 2000 and 1999 was $25,050 and $12,525, respectively in each period. Future minimum annual rent commitments under operating leases as of June 30, 2000 are as follows:

Years Ending June 30,	
2001	$50,000
2002	4,167
	$54,167

(b) Investment Contract:

The Corporation has entered into an investment advisory agreement with AIG Global Investment Corporation ("AIG") under which AIG will function as investment advisor and manager of all the Corporation's investable assets. AIG provides management services to all affiliated insurance companies of American International Group and other third-party institutions on a world-wide basis.

(c) Year 2000:

Although the Company has had limited operations through December 31, 1999, it recognized the need to ensure that its operations will not be adversely effected by Year 2000 software or hardware failures. The Company in developing its software and hardware made certain that all its systems were compliant with Year 2000 requirements. The Company has not experienced any adverse computer hardware or software effect to date. If, despite the Company's effects under its Year 2000 related failures affecting the Company from outside sources, management at the present time does not believe the impact will be substantial.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the financial statements and notes contained elsewhere in this Form 10-Q. Certain statements under this caption "Management's Discussion and Analysis of Financial Conditions and Results of Operations," constitute "forward-looking statements" under the Private Securities Litigation Reform Act of 1995.

PLAN OF OPERATION

In May 1998, the Company sold to certain individuals through a stock purchase agreement an aggregate of 765,000 shares of a newly created Series B Convertible Redeemable Preferred Stock, par value for 0.01 per share of $76,500. In May 1999, the Company sold 688,335 common shares for $558,000 after offering costs. These funds were principally used to acquire property assets and software to develop its service contract businesses, and to fund its operating losses. In December 1999 and during the six months ended June 30, 2000, the Company sold 5,187,500 and 1,676,250 common shares for $3,691,000 and $1,206,000, respectively, which will be used to expand its businesses.

On September 30, 1998, the Company acquired Stamford Insurance Company Ltd., which was then an inactive foreign corporation that is licensed in the Cayman Islands as a casualty and property insurer. In the first quarter of 2000, Stamford commenced underwriting as a reinsurer generating premiums written of $536,000 of which $240,000 was earned by June 30, 2000. Also in the six months ended June 30, 2000, the Company's sales of its automotive vehicle and consumer products service contracts through its website amounted to $28,600 of which $10,000 was earned in 2000.

The Company's plan of operations for the next twelve months is principally to continue its endeavors to establish itself in the vehicle and consumer products service contract business through its Internet website, www.warrantysuperstore.com, and to continue to seek additional property casualty reinsurance opportunities for its wholly owned insurance company, Stamford Insurance Co. Ltd.

RESULTS OF OPERATIONS

The Company did not generate any operating revenues until the fourth quarter of fiscal 1999, when its reinsurance subsidiary commenced generating premium revenues and the Company began the sale of its service contracts.

In the six months ended June 30, 2000 continued reinsuring contractual liability insurance policies from one United States carrier that is rated "A-" Excellent by A.M. Best. This insurance generated approximately $536,000 in premiums, of which $296,000 was unearned at June 30, 2000. Policy acquisition costs were $67,000 of which $49,000 was expensed in the six months ended June 30, 2000. Income from operations in the six months ended June 30, 2000 was $169,000 of which $5,000 is management's estimate of incurred but not reported losses at June 30, 2000. Corniche sales of extended service contracts for new and used service contracts for new and used automotive vehicles in the six months 2000 generated $28,600 in revenues of which $10,000 was recognized within the current period with the balance deferred over the life of the contract. Direct costs associated with the sale of the service contracts are being recognized pro rata over the length of the contract.

General and administrative costs decreased by 17.6% to $824,000 for the six months ended June 30, 2000 compared to $1,000,000 for the six months ended June 30, 1999. For the three months ended June 30, 2000, general and administrative costs decreased by 17.3% to $497,000 compared to $601,000 for the comparable period in 1999. The decreases are primarily attributable to reduced website development costs.

Interest income increased 1416.7% to $91,000 for the six months ended June 30, 2000 compared to $6,000 for the six months ended June 30, 1999. For the three months ended June 30, 2000 interest income increased 3600% to $55,000 compared to $1,500 for the comparable period in 1999. Interest expense increased $4,600 for the six months and $2,400 for the three months ended June 30, 2000 from $-0- for the both periods in 1999. The increase in interest income and interest expense is the result of the cash, cash equivalents, and investments used to fund the Company's increased operating costs in the current period and the incidence of debt in a prior period.

The preferred stock dividend of $24,000 in June 2000 is $5,000 less than the $29,000 accrued during the same period in 1999 principally because of the reduction of the average number of Series A preferred stock outstanding in the current year.

Net loss for the six months ended June 30, 2000 decreased 43.2% to $581,000 from the comparable loss of $1,023,000 incurred in 1999. For the three months ended June 30, 200, the net loss decreased 37.7% to $382,000 from the comparable loss of $613,000 in 1999. These decreases are a result of the reasons cited above.

FINANCIAL CONDITION

The Company's cash condition decreased $557,000 to $1,082,000 at June 30, 2000 from $1,639,000 at December 31, 1999. The investments in marketable securities increased $1,033,000 to $3,766,000 from $2,733,000 during the same time period. The net increase is the result of proceeds from the sale of the Company's common stock.

Even though the acquisition of Stamford may enable the Company to generate limited reinsurance revenues, management's business plan requires additional funding through future sales of the Company's securities and/or other financing alternative. Management anticipates a continued deterioration in the Company's financial condition in the near term due to ongoing general and administrative costs, which will exceed the Company's revenues. This situation will continue until the Company raises the sufficient financing to fully capitalize its service contract sales and reinsurance business.

There can be no assurance that the Company will be successful in its efforts to raise any funds from any of the operations under evaluation or that it will avail itself of other alternative sources of funds.

LIQUIDITY AND CAPITAL RESOURCES

The Company has relied solely on the proceeds from the sales of its securities in October 1997, May 1998, and May 1999, December 1999 and during the six months ended June 30, 2000 for the primary source of its funds. In the six months ended June 30, 2000, the Company generated its revenues from its businesses, both earned and unearned, of $757,000. These funds were and will be utilized to fund the Company's operating expenses. Management anticipates it will require additional funds from future sales of its securities and/or other financing alternatives in order to fund its future operational costs and at the same time fully develop its insurance and service contract sales businesses.

At June 30, 2000 working capital was $4,625,000 an increase of $1,053,000 from working capital of $3,572,000 at December 31, 1999. The increase in working capital results primarily from the increase in capital through the sale of the Company's securities of $1,206,000.

The Company has committed to acquire computer hardware and software and to develop a website for approximately $1,500,000 of which $1,000,000 has been expended through June 30, 2000. Although the Company is not contractually obligated to fulfill the remaining $500,000 of the project, it intends to do so over the next 1 to 2 years as and if funding permits. The project will enable the Company to fully utilize the Internet in the sales, advertising, marketing, collections and other functions of its extended service contract sales for automotive vehicles and other products such as brown and white consumer products. There can be no assurance that the Company will have the funds available to fund its hardware and/or software requirements required to successfully develop this project nor can there be assurance that if it is developed such project will aid in the intended results of additional revenues.

LIQUIDITY AND CAPITAL RESOURCES (CONTINUED)

The Certificate of Designation for the Series A Preferred Stock states that at any time after December 1, 1999 any holder of Series A Preferred Stock may require the Company to redeem his shares of Series A Preferred Stock (if there are funds with which the Company may legally do so) at a price of $1.00 per share. Notwithstanding the foregoing redemption provisions, if any dividends on the Series A Preferred Stock are past due, no shares of Series A Preferred Stock may be redeemed by the Company unless all outstanding shares of Series A Preferred Stock are simultaneously redeemed. The holders of Series A Preferred Stock may convert their Series A Preferred Stock into shares of common stock of the Company at a price of $5.20 per share. At June 30, 2000, 694,971 shares of Series A Preferred Stock were outstanding. If the preferred shareholders do not convert their shares into common stock, and if the Company were required to redeem any significant number of shares of Series A Preferred Stock, the Company's financial condition would be materially affected.

INFLATION

Inflation has not had a significant effect on the Company's operations or financial position and management believes that the future effects of inflation on the Company's operations and financial position will be insignificant.

FORWARD-LOOKING AND CAUTIONARY STATEMENTS

Certain statements included in this report, including the words "believes", "anticipates", "expects" and similar expressions, are intended to identify forward-looking statements. Such statements are subject to certain risks and uncertainties, which could cause actual results to differ materially from those projected. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Company undertakes no obligation to republish revised forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrences of unanticipated events. Readers are also urged to carefully review and consider the various disclosures made by the Company in this report, as well as the Company's periodic reports on other fillings with the Securities and Exchange Commission.

CORNICHE GROUP INCORPORATED

PART II

OTHER INFORMATION

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

(c) Corniche sold the following unregistered equity securities during the period covered by this report in a private placement under Section 4(2) of the Securities Act of 1933:

Date	Number of Shares of Common Stock	Gross Proceeds	Expenses of Sale	Net Proceeds
6/30/2000	2,000	$5,875	$0	$5,875

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

(a) The Company's annual stockholders meeting was held on June 27, 2000.

(b) The following individuals were elected or re-elected at the annual meeting: James J. Fyfe, Robert F. Benoit, Robert H. Hutchins, Paul L. Harrison, and Joseph P. Raftery.

(c) The following other matters were voted upon at the meeting:

(1) The following nominees for Director received the number of votes set forth opposite their names, constituting in each case a plurality of the votes cast at the Meeting for the election of Directors:

Name	Number of Common Shares	Number of Series B Preferred Shares
James J. Fyfe	5,626,034	7,950,000
Robert F. Benoit	5,626,049	7,950,000
Robert H. Hutchins	5,626,046	7,950,000
Paul L. Harrison	5,626,046	7,950,000
Joseph P. Raftery	5,626,046	7,950,000
Others:	0	0

(2) The proposal to approve an amendment to the Certificate of Incorporation to increase the number of shares that the Company is authorized to issued received the following votes:

	For	Against	Abstain
Number of Common Shares	5,586,535	76,204	18,514
Number of	7,950,000	0	0
Series B Preferred Shares			
Total Votes	13,536,535	76,204	76,204

(3) The proposal to approve an amendment to the 1998 Employees Incentive Stock Option Plan to increase the number of shares available for issuance under that plan received the following votes:

	For	Against	Abstain
Number of Common Shares	787,801	86,383	4,774,103
Number of	7,950,000	0	0
Series B Preferred Shares			
Total Votes	8,737,801	86,383	4,774,103

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(c) The following exhibit is filed as part of this report:

27 Financial Data Schedule

(d) No reports on Form 8-K were filed during the quarter ended June 30, 2000.

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.

CORNICHE GROUP INCORPORATED
(Registrant)

By /s/ Robert Hutchins

Robert Hutchins, President and
Principal Financial Officer

Date: August 14, 2000

INDEX TO EXHIBITS

EXHIBIT NO.	DESCRIPTION
27	Financial Data Schedule

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS OF CORNICHE GROUP INCORPORATED AND SUBSIDIARY AS AT AND FOR THE SIX MONTHS ENDED JUNE 30, 2000 IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

6-MOS
DEC-31-2000
JAN-01-2000
JUN-30-2000
1,082,014
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5,123,972
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(161,262)
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5,763,880
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275,549
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4,639
(556,792)
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(556,792)
0
0
0
(581,162)
(0.04)
(0.04)