

USCORP
Form 10QSB
May 06, 2008

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-QSB

- Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended March 31, 2008
- 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 000-19061

USCORP

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of
incorporation or organization)

87-0403330
(I.R.S. Employer
Identification No.)

4535 W. SAHARA AVE., SUITE 200
Las Vegas, NV 89102
(Address of principal executive offices)

(702) 933-4034
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES NO

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934) YES NO

As of May 5, 2008, the Registrant had 51,756,416 shares of Common Stock, par value \$.01 per share, outstanding.



USCORP
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PART I. FINANCIAL INFORMATION

**DONAHUE ASSOCIATES, L.L.C.
27 BEACH ROAD, SUITE CO5-A**

MONMOUTH BEACH, NJ 07750

Phone: (732) 229-7723

Consent of Certified Public Accountants

To the Board of Directors and Stockholders of USCorp:

We have reviewed the 10QSB March 31, 2008 and consent to its issuance.

/s/ Brian Donahue
Donahue Associates LLC
May 5, 2008

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USCorp
(an Exploration Stage Company)
Balance Sheet
As of March 31, 2008 and September 30, 2007

	Unaudited		30-Sep-07
	31-Mar-08		
ASSETS			
Current assets:			
Cash	\$ 923,129	\$	1,541,001
Total current assets	\$ 923,129	\$	1,541,001
Other assets:			
Equipment- net	3,417		5,431
Total assets	\$ 926,546	\$	1,546,432
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Accounts payable & accrued expenses	\$ 385,702	\$	2,410,918
Subscriptions payable	0		569,323
Total current liabilities	\$ 385,702	\$	2,980,241
Gold bullion loan	1,525,339		1,205,484
Convertible debenture payable	568,471		639,770
Advances payable to shareholder	0		205,263
Shareholders' equity:			
Series A preferred stock, one share convertible to eight shares of common; 10% stated dividend, stated value \$0.50, 10,000,000 shares authorized, no shares outstanding	0		0
Series B preferred stock, one share convertible to two shares of common; 10% cumulative stated dividend, stated value \$0.50, 50,000,000 shares authorized, 155,000 shares outstanding at September 30, 2007 and 141,687 at March 31, 2008	63,498		70,165
Common stock B- \$.001 par value, authorized 250,000,000 shares, issued and outstanding, 5,000,000 shares at March 31, 2008 and 5,000,000 at September 30, 2007, non-voting	5,000		5,000
Common stock A- \$.01 par value, authorized 550,000,000 shares, issued and outstanding, 33,856,462 shares at September 30, 2007 and 51,756,416 at March 31, 2008	\$ 517,564	\$	338,564
Additional paid in capital	10,561,666		7,839,031
Accumulated deficit - exploration stage	(12,700,694)		(11,737,086)
Total shareholders' deficit	(1,621,464)		(3,559,491)
Total Liabilities & Shareholders' Deficit	\$ 926,546	\$	1,546,432

See the notes to the consolidated financial statements.

USCorp
(an Exploration Stage Company)
Statements of Operations
For the Six Months Ended March 31, 2008 and March 31, 2007
and from Inception, May 1989 through March 31, 2008

	6 Months	6 Months	3 Months	3 Months	Inception
	31-Mar-08	31-Mar-07	31-Mar-08	31-Mar-07	to Date
General and administrative expenses:					
Consulting	\$ 114,807	\$ 0	\$ 105,497	\$ (5,492)	\$ 5,803,143
Administration	273,311	137,298	126,443	51,535	4,329,730
License expense	0	2,500	0	2,234	190,684
Professional fees	41,289	1,000	(2,383)	(8,864)	534,616
Total general & administrative expenses	429,407	140,798	229,557	39,413	10,858,173
Net loss from operations	\$ (429,407)	\$ (140,798)	\$ (229,557)	\$ (39,413)	\$ (10,858,173)
Other income (expenses):					
Interest expense	(243,029)	(38,524)	(80,953)	(24,104)	(496,418)
Loss on un-hedged derivative	(291,172)	(31,032)	(15,966)	14,107	(746,103)
(Loss) gain on mining claim	0	0	0	0	(600,000)
Net loss before provision for income taxes	\$ (963,608)	\$ (210,354)	\$ (326,476)	\$ (49,410)	\$ (12,700,694)
Provision for income taxes	0	0	0	0	0
Net loss	\$ (963,608)	\$ (210,354)	\$ (326,476)	\$ (49,410)	\$ (12,700,694)
Basic & fully diluted net loss per common share	\$ (0.02)	\$ (0.01)	\$ (0.01)	0.00	
Weighted average of common shares outstanding: Basic & fully diluted	50,636,908	33,831,875	51,756,416	33,856,461	

See the notes to the consolidated financial statements.

USCorp
(an Exploration Stage Company)
Statements of Cash Flows
For the Six Months Ended March 31, 2008 and March 31, 2007
and from Inception, May 1989 through March 31, 2008

	Unaudited 31-Mar-08	Unaudited 31-Mar-07	Inception to Date
Operating Activities:			
Net loss	\$ (963,608)	\$ (210,354)	\$ (12,700,694)
Adjustments to reconcile net income items not requiring the use of cash:			
Loss on sale of mining claim	0	0	600,000
Consulting fees	0	5,000	1,922,520
Depreciation expense	2,014	2,422	12,497
Interest expense	243,029	38,524	496,418
Impairment expense	0	0	2,449,465
Loss on un-hedged underlying derivative	291,172	31,032	746,103
Changes in other operating assets and liabilities :			
Accounts payable and accrued expenses	14,784	(72,791)	2,425,702
Net cash used by operations	\$ (412,609)	\$ (206,167)	\$ (4,047,989)
Investing activities:			
Purchase of office equipment	\$ 0	\$ (1,665)	\$ (15,914)
Net cash used by investing activities	0	(1,665)	(15,914)
Financing activities:			
Issuance of common stock	\$ 0	\$ 0	\$ 2,151,768
Issuance of preferred stock	0	0	70,165
Issuance of gold bullion note	0	0	648,282
Subscriptions received	0	0	569,323
Issuance of convertible notes	0	300,000	1,200,000
Advances received (paid) shareholder	(205,263)	18,833	(9,249)
Capital contributed by shareholder	0	0	356,743
Net cash provided by financing activities	(205,263)	318,833	4,987,032
Net increase (decrease) in cash during the period	\$ (617,872)	\$ 111,001	\$ 923,129
Cash balance at beginning of the fiscal year	1,541,001	83,573	0
Cash balance at March 31st	\$ 923,129	\$ 194,574	\$ 923,129
Supplemental disclosures of cash flow information:			
Interest paid during the fiscal year	\$ 0	\$ 0	\$ 0
Income taxes paid during the fiscal year	\$ 0	\$ 0	\$ 0

See the notes to the consolidated financial statements.

USCorp
(an Exploration Stage Company)
Statement of Changes in Shareholders Equity
From Inception, May 1989 to March 31, 2008

	Common Shares	Common Par Value	Paid in Capital	Accumulated Deficit	Total	Stock Price *
Inception	0	\$ 0	\$ 0	\$ 0	\$ 0	
Issuance of common stock	84,688	847	1,185,153		1,186,800	\$ 0.07
Net income fiscal 1990				520,000	520,000	
Balance at September 30, 1990-unaudited	84,688	\$ 847	\$ 1,185,153	\$ 520,000	\$ 1,706,000	
Net income fiscal 1991				1,108,000	1,108,000	
Balance at September 30, 1991-unaudited	84,688	\$ 847	\$ 1,185,153	\$ 1,628,000	\$ 2,814,000	
Issuance of common stock	472	5	32,411		32,416	\$ 0.22
Net income fiscal 1992				466,000	466,000	
Balance at September 30, 1992-unaudited	85,160	\$ 852	\$ 1,217,564	\$ 2,094,000	\$ 3,312,416	
Net loss fiscal 1993				(3,116,767)	(3,116,767)	
Balance at September 30, 1993-unaudited	85,160	\$ 852	\$ 1,217,564	\$ (1,022,767)	\$ 195,649	
Net loss fiscal 1994				(63,388)	(63,388)	
Balance at September 30, 1994-unaudited	85,160	\$ 852	\$ 1,217,564	\$ (1,086,155)	\$ 132,261	
Net income fiscal 1995				(132,261)	(132,261)	
Balance at September 30, 1995-unaudited	85,160	\$ 852	\$ 1,217,564	\$ (1,218,416)	\$ 0	
Net loss fiscal 1996				0	0	

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Balance at September 30,
1996-unaudited

85,160 \$	852 \$	1,217,564 \$	(1,218,416)\$	0
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USCorp
(an Exploration Stage Company)
Statement of Changes in Shareholders Equity
From Inception, May 1989 to March 31, 2008
(Continued)

	Common Shares	Common Par Value	Paid in Capital	Accumulated Deficit	Total	Stock Price *
Stock issued for mining claim	150,000	1,500	598,500		600,000	\$ 0.20
Issuance of common stock	50,000	500	59,874		60,374	\$ 0.06
Stock issued for services	14,878	149	29,608		29,757	\$ 0.10
Net loss fiscal 1997				(90,131)	(90,131)	
Balance at September 30, 1997-unaudited	300,038	\$ 3,001	\$ 1,905,546	\$ (1,308,547)	600,000	
Capital contributed by shareholder			58,668		58,668	
Net loss fiscal 1998				(58,668)	(58,668)	
Balance at September 30, 1998-unaudited	300,038	\$ 3,001	\$ 1,964,214	\$ (1,367,215)	600,000	
Capital contributed by shareholder			28,654		28,654	
Net income fiscal 1999				(26,705)	(26,705)	
Balance at September 30, 1999-unaudited	300,038	\$ 3,001	\$ 1,992,868	\$ (1,393,920)	601,949	
Capital contributed by shareholder			22,750		22,750	
Net loss fiscal 2000				(624,699)	(624,699)	
Balance at September 30, 2000-unaudited	300,038	\$ 3,001	\$ 2,015,618	\$ (2,018,619)	0	

USCorp
(an Exploration Stage Company)
Statement of Changes in Shareholders Equity
From Inception, May 1989 to March 31, 2008
(Continued)

	Common Shares	Common Par Value	Paid in Capital	Accumulated Deficit	Total	Stock Price *
Issuance of common stock	103,535	1,035	611,943		612,978 \$	0.15
Issued stock for compensation	50,000	500	19,571		20,071 \$	0.04
Capital contributed by shareholder			21,719		21,719	
Net loss fiscal 2001				(654,768)	(654,768)	
Balance at September 30, 2001-unaudited	453,573 \$	4,536 \$	2,668,851 \$	(2,673,387)\$	0	
Issued stock to purchase mining claim	24,200,000	242,000	2,207,466		2,449,466 \$	0.10
Issued shares to employees	267,500	2,675	(2,675)		0	