



**(702) 933-4034**

(Registrant's telephone number, including area code)

(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  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

Large accelerated filer  Accelerated filer   
Non-accelerated filer  Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).  Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of April 23, 2013  
441,726,805 shares of Common Class A Stock and 5,060,500 shares of Common Class B Stock were issued and outstanding.

USCORP

TABLE OF CONTENTS

PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

Consolidated Balance Sheets as of March 31, 2013 and September 30, 2012 (unaudited) 3

Consolidated Statements of Operations for the Three and Six Months Ended March 31, 2013 and 2012 and from Inception (May 22, 1989) through March 31, 2012 (unaudited) 4

Consolidated Statements of Cash Flows for the Six Months Ended March 31, 2013 and 2012 and from Inception (May 22, 1989) through March 31, 2012 (unaudited) 5

Notes to Consolidated Financial Statements (unaudited) 6

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations 16

Item 3. Quantitative and Qualitative Disclosures About Market Risk 18

Item 4. Controls and Procedures 18

PART II — OTHER INFORMATION

Item 1. Legal Proceedings 19

Item 1A. Risk Factors 19

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds 19

Item 3. Defaults Upon Senior Securities 19

Item 4. Mine Safety Disclosures 19

Item 5. Other Information 19

Item 6. Exhibits 19



**PART I. FINANCIAL INFORMATION****USCorp****(an Exploration Stage Company)****Consolidated Balance Sheets****As of March 31, 2013 and September 30, 2012****(Unaudited)**

ASSETS	March 31, 2013	September 30, 2012
Current assets:		
Cash	\$426,775	\$429,626
Current assets held for sale	17,507	—
Deferred charge	—	42,504
Total current assets	444,282	472,130
Other assets:		
Property & equipment- net	—	13,150
Mining claims	—	2,666,907
Real property	—	161,000
Other assets held for sale	2,835,600	—
Loans receivable related party	3,070,618	—
Total assets	\$6,350,500	\$3,313,187
<b>LIABILITIES AND SHAREHOLDERS' DEFICIT</b>		
Current liabilities:		
Accounts payable & accrued expenses	\$83,169	\$103,757
Loan payable related party	11,877	6,000
Collateralized loan payable related party	—	141,000
Current liabilities held for sale	3,079,477	—
Gold bullion loan	4,192,343	4,852,197
Total current liabilities	7,366,866	5,102,954
Long term liabilities:		
Long-term liabilities held for sale	134,778	—
Total Liabilities	7,501,644	5,102,954
Shareholders' deficit:		
Series A preferred stock, one share convertible to eight shares of common; par value \$0.001, 30,000,000 shares authorized, 25,600,000 shares issued and outstanding at March 31, 2013 and September 30, 2012	25,600	25,600
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, 141,687 outstanding at March 31, 2013 and September 30, 2012	70,844	70,844

Edgar Filing: USCORP - Form 10-Q

Common stock B- \$.001 par value, authorized 250,000,000 shares, issued and outstanding, 5,060,500 shares at March 31, 2013 and September 30, 2012	5,060	5,060
Common stock A- \$.001 par value, authorized 650,000,000 (550,000,000-September 30, 2012) shares authorized, issued and outstanding- 353,348,805 at March 31, 2013 and 324,009,052 shares at September 30, 2012	353,350	324,009
Subscriptions payable	971,077	727,500
Subscriptions receivable	(6,750 )	(13,250 )
Additional paid in capital	24,381,240	24,121,290
Accumulated deficit during exploration stage	(26,951,565)	(27,050,820)
Total shareholders' deficit	(1,151,144 )	(1,789,767 )
Total Liabilities & Shareholders' Deficit	\$6,350,500	\$3,313,187

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

**USCorp****(an Exploration Stage Company)****Consolidated Statements of Operations****For the Three and Six Months Ended March 31, 2013 and 2012****and from Inception (May 22, 1989) through March 31, 2013****(Unaudited)**

	Three months ended		Six months ended		Inception (May 22, 1989) to March 31, 2013
	March 31, 2013	March 31, 2012 (Restated)	March 31, 2013	March 31, 2012 (Restated)	
Revenues	\$—	\$—	\$—	\$255	\$265
General and administrative expenses:					
Consulting	132,043	300,059	247,283	487,574	9,582,901
Financing Fee	—	1,348,000	—	1,348,000	1,824,698
General and administrative	52,121	102,903	108,175	158,747	7,494,183
Mining development	—	218,237	2,060	645,086	1,278,245
Professional fees	62,318	115,047	155,413	211,115	1,565,178
Total operating expenses	246,482	2,084,246	512,931	2,850,522	21,745,205
Loss from operations	(246,482 )	(2,084,246 )	(512,931 )	(2,850,267 )	(21,744,940)
Other income (expenses):					
Interest income	23	140	91	327	8,851
Interest expense	87,179	(190,202 )	(60,343 )	(295,648 )	(2,170,197)
Loss on convertible debt settlement	—	(980,514 )	—	(980,514 )	(986,514)
Gain (loss) on unhedged derivative	366,444	(225,909 )	672,438	(111,522 )	(2,058,765 )
Total other income (expense)	453,646	(1,396,485 )	612,186	(1,387,357 )	(5,206,625 )
Net income (loss)	207,164	(3,480,731 )	99,255	(4,237,624 )	(26,951,565)
Less: Net loss attributable to non-controlling interest	—	(128,630 )	—	(337,253 )	—
Net income (loss) attributable to the Company	\$207,164	\$(3,352,101 )	\$99,255	\$(3,900,371 )	\$(26,951,565)
Weighted average of common shares outstanding:					
Basic	338,721,105	226,672,146	332,539,288	213,591,938	

Edgar Filing: USCORP - Form 10-Q

Fully diluted	616,602,286	226,672,146	610,420,469	213,591,938
Basic net income (loss) per common share	\$0.00	\$(0.01)	) \$0.00	\$(0.02)
Fully diluted net income (loss) per common share	\$0.00	\$(0.01)	) \$0.00	\$(0.02)

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



**USCorp****(an Exploration Stage Company)****Consolidated Statements of Cash Flows****For the Six Months Ended March 31, 2013 and 2012****and from Inception (May 22, 1989) through March 31, 2012****(Unaudited)**

	Six months ended		Inception (May 22, 1989)
	March 31, 2013	March 31, 2012 (RESTATED)	to March 31, 2013
Operating activities:			
Net income (loss) for the period	\$99,255	\$ (4,237,624 )	\$ (26,951,565 )
Items not involving cash:			
Warrants issued for debt extension	—	—	96,000
Financing fees for warrants	—	1,348,000	1,824,968
Loss on conversion of notes	—	980,150	986,514
Impairment expense	—	—	3,049,465
Interest	55,088	297,476	2,101,104
Shares issued to settle legal liability	—	—	12,000
(Gain) loss on non-hedged derivative	(672,438)	111,522	2,058,765
Shares issued for services	105,133	53,850	5,517,761
Shares issued for 2009 comp plan	—	—	17,850
Change in shares receivable	6,500	—	6,500
Change in deferred charge	—	—	—
Depreciation and amortization	5,457	1,949	29,961
Cash held for sale	(5,630 )	—	(5,630 )
Changes in non-cash working capital:			
Change in deposits	—	10,000	—
Change in accounts receivable	—	—	—
Change in accounts payable	(17,095 )	(73,492 )	86,662
Net cash provided by (used in) operating activities	(423,730)	(1,508,169 )	(11,348,067)
Investing activities:			
Used in asset purchase	—	—	(57,654 )
Net cash used in investing activities	—	—	(57,654 )
Financing activities:			
Proceeds from sale of shares for cash	427,735	370,350	7,663,340
Payment on notes payable	(856 )	—	(856 )
Proceeds from convertible note	—	—	1,300,000
Payments on convertible notes	—	(25,000 )	(158,500 )
Proceeds from gold bullion note	—	—	648,282

Edgar Filing: USCORP - Form 10-Q

Capital contributed by shareholder	—	—	356,743
Proceeds from related party	1,000	—	447,983
Payments on related party	(7,000 )	—	(447,983 )
Proceeds from warrants exercised	—	419,750	2,023,487
Net cash provided by financing activities	420,879	765,100	11,832,496
Net increase (decrease) in cash	(2,851 )	(743,069 )	426,775
Cash, beginning of period	429,626	1,687,001	—
Cash, end of period	\$426,775	\$943,932	\$426,775
Interest Paid with Cash	\$1,763	\$—	\$1,763
Taxes Paid with Cash	\$—	\$—	\$—
Supplemental schedule of non-cash activities:			
Increase (decrease) in stock based deferred interest charge	\$42,504	\$(116,204 )	\$—
Interest paid in shares	\$—	\$111,372	\$111,372

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

**USCorp**

**(an Exploration Stage Company)**

**Notes to the Consolidated Financial Statements**

**March 31, 2013**

**UNAUDITED**

**1. Organization of the Company and Significant Accounting Principles**

USCorp (the “Company”) is a publicly held corporation formed in May 1989 in the state of Nevada. In April 2002 the Company acquired USMetals, Inc. (“USMetals”), a Nevada corporation, and its 141 unpatented mining claims known as the Twin Peaks Project in Yavapai County Arizona. The Twin Peaks Project now consists of 268 unpatented Lode and 8 Placer Claims. In addition, The Company, through its subsidiary Southwest Resource Development, Inc., owns 200 unpatented Lode and Placer Claims on five properties in the Mesquite Mining District of Imperial County, California, which the Company collectively refers to as the Picacho Salton Project.

In April 2002, the Company acquired USMetals, Inc. (“USMetals”), a Nevada corporation, by issuing 24,200,000 shares of common stock. USMetals became a wholly owned subsidiary of the Company.

On March 22, 2011, the Company through its wholly owned subsidiary USMetals entered into an Asset Funding/Operation and Shareholders Agreement, and exhibits thereto with Arizona Gold Corp., a private British Columbia Corporation (“AGC”) and its wholly owned subsidiary, AGC Corp, a private Arizona company (“AGCAZ”), providing for the sale of 172 Arizona mining claims known as the Twin Peaks Project to AGCAZ in exchange for 90,200,000 shares or 61.34% of AGC’s common stock. The Twin Peaks Project now consists of 268 Lode and 8 Placer Claims.

In September 2012, we completed the unwinding of the Agreement with AGC. The key elements of the unwinding were: AGC Corp, a private Arizona corporation in whose name the Twin Peaks Project claims are held, became a wholly owned (100%) subsidiary of USMetals, Inc., which is a wholly owned (100%) subsidiary of USCorp; All of the Twin Peaks Project Claims are 100% under USMetals’ control and therefore under USCorp’s control; All remaining assets of AGC Corp have been transferred to USMetals, in exchange for shares of USCorp; All AGC Corp shareholders are now shareholders of USCorp; and Arizona Gold Corp, AGC Corp’s parent, will be dissolved in the future.

During the Quarter ending March 31, 2013, the Company determined it to be in the best interest of the shareholders to spin-off its two wholly owned subsidiaries, Southwest Resource Development Inc. and USMetals, Inc. through a distribution of shares to existing shareholders. All holders of USCorp shares as of the record date will be entitled to receive one common share of USMetals, Inc. and Southwest Resource Development, Inc. for every 10 shares (or shares convertible into Common shares) held in USCorp. The Company will no longer have significant influence over the operations of its subsidiaries and its ownership of the Subsidiaries after the spin-off will fall under 20%.

The Company has minimal revenues as a result of operations to date and has defined itself as an “exploration stage” company.

*Exploration Stage Company-* the Company has minimal operations or revenues since its inception and therefore qualifies for treatment as an Exploration Stage company as per the accounting guidance. Financial transactions are accounted for as per generally accepted accounting principles. Costs incurred during the development stage are accumulated in “accumulated deficit- exploration stage” and are reported in the Shareholders’ Deficit section of the balance sheet.

*Consolidation-* The unaudited consolidated financial statements incorporate the results, cash flows and net assets of USCorp and the entities controlled by it (its subsidiaries) after eliminating internal transactions and recognizing any non-controlling interests in those Entities. Control is achieved where the Group has the power to govern the financial and operating policies of an investee entity so as to obtain economic benefits from its activities. Where subsidiaries are acquired or disposed of in the year, their results and cash flows are included from the effective date of acquisition or up to the effective disposal date.

Where a consolidated company is less than 100% owned by the Group, the non-controlling interest share of the results and net assets are recognized at each reporting date. The interests of non-controlling shareholders are ordinarily measured at the non-controlling interests’ proportionate share of the fair value of the acquirer’s identifiable net assets, but may alternatively be initially measured at fair value. The choice of measurement is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests’ share of subsequent changes in equity. Total comprehensive income is attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to equity holders of the parent.

*Use of Estimates-* The preparation of the unaudited consolidated financial statements in conformity with generally accepted accounting principles requires management to make reasonable estimates and assumptions that affect the reported amounts of the assets and liabilities and disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses at the date of the financial statements and for the period they include. Actual results may differ from these estimates.

*Cash and cash equivalents-* For the purpose of calculating changes in cash flows, cash includes all cash balances and highly liquid short-term investments with an original maturity of three months or less.

*Fair Value of Financial Instruments-*The carrying amounts reflected in the balance sheets for cash, deferred charges, accounts payable and accrued expenses and loans payable approximate the respective fair values due to the short maturities of these items. The Company does not hold any investments that are available-for-sale.

*Long Lived Assets-* The Company reviews for the impairment of long-lived assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss would be recognized when estimated future cash flows expected to result from the use of the asset and its eventual disposition is less than its carrying amount.

*Property and Equipment-* Property and equipment are stated at cost. Depreciation expense on equipment is computed using the straight-line method over the estimated useful life of the asset, which is estimated at three years.

*Income taxes-* The Company accounts for income taxes in accordance with generally accepted accounting principles which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually for differences between the consolidated financial statement and income tax bases of assets and liabilities that will result in taxable income or deductible expenses in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets and liabilities to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period adjusted for the change during the period in deferred tax assets and liabilities.

The Company follows the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more likely than not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of September 30, 2012, the Company has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. All tax returns from tax years 2007 to 2011 are subject to IRS audit.

*Mineral Property Expenditures*- Mineral property acquisition costs are capitalized in accordance with FASB ASC 930-805, "Extractive Activities-Mining," when management has determined that probable future benefits consisting of a contribution to future cash inflows have been identified and adequate financial resources are available or are expected to be available as required to meet the terms of property acquisition and budgeted exploration and development expenditures. Mineral property acquisition costs are expensed as incurred if the criteria for capitalization are not met. In the event that mineral property acquisition costs are paid with Company shares, those shares are recorded at the estimated fair value at the time the shares are due in accordance with the terms of the property agreements.

Mineral property exploration costs are expensed as incurred. When it has been determined that a mineral property can be economically developed as a result of establishing proven and probable reserves and pre-feasibility, the costs incurred to develop such property are capitalized. Estimated future removal and site restoration costs, when determinable are provided over the life of proven reserves on a units-of-production basis. Costs, which include production equipment removal and environmental remediation, are estimated each period by management based on current regulations, actual expenses incurred, and technology and industry standards. Any charge is included in exploration expense or the provision for depletion and depreciation during the period and the actual restoration expenditures are charged to the accumulated provision amounts as incurred.

*Revenue Recognition-* Mineral sales will result from undivided interests held by the Company in mineral properties. Sales of minerals will be recognized when delivered to be picked up by the purchaser. Mineral sales from marketing activities will result from sales by the Company of minerals produced by the Company (or affiliated entities) and will be recognized when delivered to purchasers. Mining revenues generated from the Company's day rate contracts, included in mine services revenue, will be recognized as services are performed or delivered.

*Earnings per share-* The Company follows ASC Topic 260 to account for earnings per share. Basic earnings per common share ("EPS") calculations are determined by dividing net income by the weighted average number of shares of common stock outstanding during the year. Diluted earnings per common share calculations are determined by dividing net income by the weighted average number of common shares and dilutive common share equivalents outstanding. During periods when common stock equivalents, if any, are anti-dilutive they are not considered in the computation.

## 2. Going Concern

The accompanying consolidated financial statements have been presented in accordance with generally accepted accounting principles, which assume the continuity of the Company as a going concern. However, the Company has incurred significant losses since its inception and has minimal revenues and continues to rely on the issuance of shares and warrants to raise capital to fund its business operations.

Management's plans with regard to this matter are as follows:

\* Obtain the necessary approvals and permits to complete exploration and begin test production on our properties as warranted. An application for drilling on Picacho Salton Project has been submitted by us to the Bureau of Land Management ("BLM") and is being reviewed by them. A drilling plan for the newly-expanded Twin Peaks Project was approved and commenced in November 2011 and was completed in the spring of 2012.

\* Receive BLM permit for Picacho Salton Project in California; Drill the Picacho Salton Project.

- \* Receive and analyze the Twin Peaks assays and drill reports and Picacho Salton assays and drill reports;
  
- \* Review the results of the drilling programs on each of the sites when completed. After consideration of the nature of the ore bodies of the properties, Management will make decisions regarding further development of the properties, including beginning commercial scale operations when exploration is completed on the Twin Peaks Project and the Picacho Salton Project.
  
- \* Continue exploration and ramp up transitioning to development and production in order to meet ongoing and anticipated demand for gold and silver.
  
- \* Continue to augment our mining exploration team and strategic business relationships with quality and results-oriented people as needed: professionals and consulting firms to advise management to handle mining operations, acquisitions and development of existing and future mineral resource properties.
  
- \* Continue to recruit strategic business alliances with consultants, engineers, contractors as well as joint venture partners when appropriate, and set up an information and communication network that allows the alliance to function effectively to develop the properties.
  
- \* Draw up and Submit to the BLM the final Mining Plan of Operations ("MPO") for the Twin Peaks; Submit the MPO to the BLM;
  
- \* Submit the Final MPO on the Picacho Salton Project to the BLM.
  
- \* Begin commercial scale operations on one or more of the properties as soon as the required permits and approvals have been granted, or be acquired by a major gold mining company.
  
- \* Continue to acquire additional properties and/or from strategic business relationships with corporations with properties as joint ventures or subsidiaries in order to advance the company's growth plans.





### 3. Gold Bullion Promissory Note

In September 2005, the Company issued a promissory note to a shareholder and received proceeds of \$648,282. The note requires the Company to pay the shareholder 2,507 ounces of Gold Bullion (.999 pure) and accrued interest of 9% compounded annually. Originally, the promissory note came due in September 2007. Subsequently, the holder of the note extended the maturity date on an informal ongoing basis. The loan had been in default but the maturity date was extended to March 31, 2012 in exchange for 1,600,000 shares of common stock. The loan entered default again until the company negotiated with the lender to extend the maturity date of the loan until December 31, 2012 by the issuance of 2,550,000 share of stock along with the stipulation that cash payments totaling \$78,774 be made per an outlined schedule. At this time the Company has not made the required payments and the loan is considered in default. The Company continues to accrue interest and to calculate the loan at fair value. Due to the fluctuation of price of Gold a gain or loss on the underlying gold derivative on the promissory note has been calculated based upon the difference between the fair market value of an ounce of Gold Bullion on the date the agreement is executed and the current fair market value of Gold Bullion (.999 pure).

During the quarter ending March 31, 2013, the Company and the Lender entered into discussion concerning the method used to calculate interest on the loan from inception in 2005. It was determined that the interest as calculated by the lender and reported by the company was inherently unfair. A mutual agreement was reached resulting in a reduction of interest due to the lender of 226 ounces of Gold Bullion. The reduction resulted in a total gain of \$376,104. This gain was recognized as a reduction in interest expense of \$178,422 and a gain on derivative of \$197,682.

	March 31, 2013	September 31, 2012
Principal	\$ 635,663	\$ 635,663
Accrued interest	1,497,923	1,485,340
Life to date loss on unhedged underlying derivative	2,058,757	2,731,194
Carrying value	\$ 4,192,343	\$ 4,852,197

### 4. Rights of USCorp Securities

#### SERIES A CONVERTIBLE PREFERRED STOCK RIGHTS, PREFERENCES AND ENTITLEMENTS

Designation and Amount: The shares of Series A Preferred Stock and each have a par value of one-tenth of one cent (\$0.001). There are 30,000,000 Series A Preferred shares authorized and 25,600,000 shares outstanding. Preferred A Shares are available to Officers and Directors for purchase at par value per shareholder vote and Board vote. The Corporation may not issue fractional shares of the Series A Preferred Stock.

Rank: The Series A Preferred Stock, with respect to rights on liquidation, winding up and dissolution, ranks senior to the Corporation's Class A and Class B Common Stock, and to any issued Preferred B Stock.

Conversion Rights: Each Series A Preferred Share may be converted into eight (8) shares of the Corporation's Class A Common Stock.

Voting: The shares of Preferred A stock hold voting rights of 8 votes for each Preferred A share. The outstanding shares at March 31, 2013 have ability to vote 204,800,000 shares.

#### SERIES B CONVERTIBLE PREFERRED STOCK RIGHTS, PREFERENCES AND ENTITLEMENTS

Designation and Amount: The shares of Series B Preferred Stock have a stated value of (\$0.50). There are 50,000,000 Series B Preferred shares authorized and 141,687 shares outstanding. The Corporation may not issue fractional shares of the Series B Preferred Stock.

Rank: The Series B Preferred Stock with respect to rights on liquidation, winding up and dissolution, ranks senior to the Corporation's Common Stock and to any subsequently issued Preferred Stock, but ranks junior to the Corporations Series A Preferred Stock.

Conversion Rights: Each Series B Preferred Share may be converted into two (2) shares of the Corporation's Class A Common Stock.

Voting: The shares of Series B Preferred Stock hold no voting rights.

#### CLASS A COMMON STOCK RIGHTS, PREFERENCES AND ENTITLEMENTS

**Designation and Amount:** The shares of Class A Common Stock each have a par value of one-tenth of one cent (\$0.001). There are 650,000,000 Class A common shares authorized and 326,559,052 shares outstanding. The Corporation may not issue fractional shares of the Class A Common Stock.

**Rank:** The Class A Common Stock, with respect to rights on liquidation, winding up and dissolution, ranks senior to the Corporation's Class B Common Stock, and junior to any issued Preferred Stock.

**Voting:** The shares of Class A Common Stock holds voting rights of 1 vote for each Class A Common share.

#### CLASS B COMMON STOCK RIGHTS, PREFERENCES AND ENTITLEMENTS

**Designation and Amount:** The shares of Class B Common Stock each have a par value of one-tenth of one cent (\$0.001). There are 250,000,000 Class B Common shares authorized and 5,060,500 shares outstanding. The Corporation may not issue fractional shares of the Class B Common Stock.

**Rank:** The Class B Common Stock, with respect to rights on liquidation, winding up and dissolution, ranks junior to the Corporation's Class A Common Stock and to any issued Preferred Stock.

**Conversion Rights:** Each Class B Common Stock may not be converted into any other class of stock.

**Voting:** The shares of Class B Common Stock hold no voting rights.

If all of the preferred shares were converted and warrants exercised as of March 31, 2013 the company would have fully diluted shares of:

	Shares	Convertible to Common A
Series A	25,600,000	204,800,000

Series B	141,687	283,374
Common	353,348,805	353,348,805
Fully diluted at 3/31/13		558,432,179

## 5. Issuances of Common Stock

### SHAREHOLDERS' EQUITY

The stockholders' equity of the Company comprises the following classes of capital stock as of March 31, 2013 and 2012:

Series A Convertible Preferred Stock, \$0.001 par value per share; 30,000,000 shares authorized, 25,600,000 and 5,600,000 shares issued and outstanding at March 31, 2013 and September 30, 2012, respectively.

Holders of Series A Convertible Preferred Stock ("Series A Preferred Stock") may convert one share of Series A Preferred Stock into eight shares of Common Stock A.

Series B Convertible Preferred Stock, \$0.50 stated value per share; 50,000,000 shares authorized, 141,687 shares issued and outstanding at March 31, 2013 and September 30, 2012, respectively.

Holders of Series B Convertible Preferred Stock ("Series B Preferred Stock") may convert one share of Series B Preferred Stock into two shares of Common Stock B. Additionally, holders of Series B Preferred Stock are entitled to a 10% cumulative stated dividend.

Common Stock A, par value of \$0.001 per share; 650,000,000 shares authorized, 353,348,805 and 324,009,052 shares issued and outstanding at March 31, 2012 and September 30, 2012, respectively.

Common Stock B, par value of \$0.001 per share; 250,000,000 shares authorized, 5,060,500 shares issued and outstanding at March 31, 2013 and September 30, 2012, respectively. The Class B Common shares are non-voting shares that trade on the Frankfurt stock exchange under the symbol U9CB.F. There are 250,000,000 shares authorized and 5,060,500 issued and outstanding. The par value of these shares is \$0.001. These shares do not trade in the United States on any market and the Company has no plans to register these shares for trading in the U.S.

Six months ended March 31, 2012

In October 2011, the Company issued 750,000 shares of common stock A for \$16,750 in cash proceeds (\$0.02 per share).

In October 2011, 750,000 warrants were exercised and exchanged for 750,000 shares of common stock A for cash proceeds of \$23,750 (\$0.03/share).

In November 2011, the Company issued 3,200,000 shares of common stock A for \$64,000 in cash proceeds (\$0.02 per share).

In November 2011, 6,000,000 warrants were exercised and exchanged for 6,000,000 shares of common stock A for cash proceeds of \$70,000 (\$0.01/share).

On November 23, 2011, the Company issued 60,000 shares of common stock A for services rendered to them for an aggregate fair market value of \$3,000 based on the quoted market price of the shares at the time of service (\$0.05/share).

In December 2011, the Company issued 630,000 shares of common stock A for \$12,600 in cash proceeds (\$0.03 per share).

In December, 2011, the Company issued 825,000 shares of common stock A for services rendered to them for an aggregate fair market value of \$41,250 based on the quoted market price of the shares at the time of service (\$0.05/share).

On December 13, 2011, the Company recorded a stock payable of \$10,000 for common stock A for cash received (\$0.01/share).

On December 16, 2011, 500,000 warrants were exercised and exchanged for 500,000 shares of common stock A for cash proceeds of \$10,000 (\$0.02/share).

In January 2012, 11,450,000 warrants were exercised and exchanged for 11,450,000 shares of common stock A for cash proceeds of \$142,500 (\$0.01/share).

On January 4, 2012, the Company issued 1,000,000 shares of common stock A to satisfy a stock payable valued at \$10,000 (\$0.01/share).

In February 2012, 9,150,000 warrants were exercised and exchanged for 9,150,000 shares of common stock A for cash proceeds of \$105,500 (\$0.01/share).

On March 12, 2012, the Company issued 22,894,100 shares of common stock A as consideration for debt with an aggregate fair market value of \$1,602,587 based on the quoted market price of the shares at the time of settlement (\$0.07/share).

On March 27, 2012, 5,000,000 warrants were exercised and exchanged for 5,000,000 shares of common stock A for cash proceeds of \$25,000 (\$0.005/share).

On March 27, 2012, the Company recorded a \$257,000 stock payable for shares of common stock A for warrants exercised valued at \$204,984. A reduction of the difference (\$52,016) was recorded in additional paid-in capital.

On March 31, 2012, in an effort to raise necessary capital the company allowed holders of 21,900,000 warrants to exchange their outstanding warrant for the right to purchase 21,900,000 shares of common stock at a discounted rate. The purchase price of stock for this issuance ranged from \$0.01 to \$0.08 per share. Cash proceeds of \$234,696 were received through this issuance. A financing fee of \$1,824,968 was recorded for the difference in the fair market value and the purchase price of the stock to reflect the beneficial value it provided to the warrant holders who purchased shares at a discount.

On March 31, 2012, the Company recorded a \$9,600 stock payable for shares of common stock A for services rendered.

Six months ended March 31, 2013

On November 19, 2012, USCorp amended its articles of incorporation increasing the number of authorized Class A Common shares from 550,000,000 to 650,000,000 shares and changing the par value of Class A Common shares from \$0.01 per share to \$0.001 per share. The change in par value been reflected in the financial statements as an increase in additional paid in capital. Total stockholders' deficit is unaffected due to this accounting change.

During the six months ended March 31, 2013, 2,550,000 shares were issued in order to obtain an extension on an outstanding debt agreement through December 31, 2012. These shares were valued at \$0.05 per share or \$127,500. These shares were recorded as a deferred charge and amortized over the period of the debt extension. Interest expense of \$42,504 was recognized during the six months ended March 31, 2012 in relation to these shares.

During the six months ended March 31, 2013, the Company issued 21,000,000 shares for cash and received proceeds of \$80,000. In addition the company received an additional \$352,735 in cash for shares which were not issued as of March 31, 2013 the unissued shares were recorded as stock payable.

During the six months ended March 31, 2013, the Company issued 20,000 shares to a consultant for general consulting services. These shares were valued at \$20,000 based upon the shares price when the services were provided.

During the six months ended March 31, 2013, the Company issued 5,803,922 shares for accounting services. These shares were valued at \$54,000 based upon the lowest trading price of the month in which services were performed as per the agreement. In addition to the shares issued, stock payable valued at \$15,000 remained payable as of March 31, 2013.

During the six months ending March 31, 2013, 300,000 shares were returned to treasury and cancelled due to non-payment of the purchasing party.

In July of 2012, the company entered into a consulting agreement with Workbox, Inc. for web-based consulting services. The contract stated that the company would issue 250,000 shares to Workbox in exchange for 12 months of services. As of March 31, 2013, 145,831 shares had been issued and 20,833 are recorded as stock payable. The total stock issued and payable has been recorded to consulting expense in the amount of \$8,333.

## 6. Common Stock Options and Warrants

The Company applies ASC 718, "Accounting for Stock-Based Compensation" to account for its option issues. Accordingly, all options granted are recorded at fair value using a generally accepted option pricing model at the date of the grant. The fair values generated by option pricing model may not be indicative of the future values, if any, that may be received by the option holder.

The following is a summary of common stock options outstanding at March 31, 2013:

	Amount	Weighted Average Exercise Price	Weighted Years to Maturity
Outstanding at September 30, 2011	81,044,999	\$ 0.10	0.71
Warrants granted and assumed	0	0	
Warrants exercised	(69,106,665)	0.09	
Warrants expired	(9,438,334 )	0.10	
Outstanding at September 30, 2012	2,500,000	\$ 0.24	0.34
Warrants granted and assumed	0	0	
Warrants exercised	0	0	
Warrants expired	(2,500,000 )	0.24	0.34
Outstanding at March 31, 2012	0	\$ 0	0



## 7. Related Party Transactions

The Company holds consulting agreements with various Company officers and related parties are not considered employees and are paid for services rendered based upon management's judgment of the value received. A total of \$249,529 and \$127,574 was paid to related parties for consulting services in the six months ending March 31, 2012 and 2013, respectively.

An officer of the Company and a related party were considered employees during the six months ending March 31, 2012 and 2013. Total compensation paid to related party employees was of \$64,731 and \$69,165 for the six months ending March 31, 2012 and 2013, respectively. Payroll taxes were not paid on this compensation as such a payroll tax accrual has been made for \$6,469 and \$11,095 for the six months ending 2012 and 2013, respectively.

The Company received related party financing of \$0 and \$1,000 in the six months ending March 31, 2012 and 2013, respectively. \$7,000 was paid to an officer of the company in the six months ending March 31, 2013 as repayment of financing provided in prior periods. All related party loans bear no interest and are due on demand.

During the year ended September 30, 2012 the Company purchased real property from a related party located near the twin peaks claims. The purchase price of the property was \$161,000, the Company made a cash payment of \$20,000 and signed a \$141,000 promissory note. The note bears an annual interest rate of 5% and payments are due quarterly. The Company makes quarterly payments of \$2,618. As of March 31, 2012, the Company owed \$140,144 on the note. The note is secured by the real property obtained in the purchase. The Company plans to use the house as a headquarters for exploration of the claims. This property is held by the Company's wholly subsidiary USMetals as such the property is listed as available for sale.

**8. Planned Spin-off of USMetals, Inc. and Southwest Resource Development Inc.**

During the Quarter ending March 31, 2013, the Company determined it to be in the best interest of the shareholders to spin-off the its two wholly owned subsidiaries, Southwest Resource Development Inc. and USMetals, Inc. through a distribution of shares to existing shareholders. All holders of USCorp shares as of the record date will be entitled to received one common share of USMetals, Inc. and Southwest Resource Development, Inc. for every 10 shares (or shares convertible into Common shares) held in USCorp. The Company will no longer have significant influence over the operations of its subsidiaries and its ownership of the subsidiaries after the spin-off will fall under 20%.

Due to the planned spin-off the Company has evaluated ASC 360-10 and reclassified all assets and liabilities of its subsidiaries as available for sale.

Southwest Resource Development, Inc.	
Schedule of Assets and Liabilities reclassified as available for sale	Total
Cash	1,223
Due to related party: USCorp	(397,940)
Due to related party: Arizona Gold Corp	(3,700)
Net Value of Assets Spun-Out	\$(400,417 )

USMetals, Inc.	
Schedule of Assets and Liabilities reclassified as available for sale	Total
Cash	4,407
Real property, net	156,942
Mining Claims	2,666,907
Furniture and Equipment, net	11,751
Due from related party: Southwest Resource Development, Inc.	3,700
Due from related party: USCorp	11,877
Due to related party: USCorp	(2,672,678)
Collateralized note payable	(140,114)
Accrued expenses	(3,493)
Net Value of Assets Spun-Out	\$39,269

## 9. Restatement

We are restating in its entirety the financial statements for the three and six months ended March 31, 2012 as originally filed with the Securities and Exchange Commission on May 15, 2012. We have determined that our previously reported results for the quarter ended March 31, 2012 contained significant errors which affected the consolidated balance sheet, statement of operations and statement of cash flows. These errors were caused by poor internal controls and an internal staff with limited accounting knowledge. Several stock issuances were not accounted for correctly in the previously reported statements in addition the loss attributable to the non-controlling interest of our subsidiary Arizona Gold Corp. (“AGC”) was not separated from losses attributable to the company. We have also made necessary conforming changes in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” resulting from the correction of these errors. The following table summarizes the impact of these corrections on our consolidated balance sheet, statement of operations, statement of cash flows and (loss) per share.

	As of March 31, 2012	Restatement Adjustments	As of March 31, 2012 As Restated
Total assets	\$1,002,932	\$(43,618 )	\$959,314
Total current liabilities	4,491,542	(89,929 )	4,401,613
Shareholders' equity			
Series A preferred stock	24,304	1,296	25,600
Series B preferred stock	63,498	7,346	70,844
Common stock B	5,060	—	5,060
Common stock A	2,571,758	(2 )	2,571,756
Stock payable	—	266,600	266,600
Subscriptions receivable	—	(840,000 )	(840,000 )
Additional paid in capital	17,108,797	1,897,472	19,006,269
Accumulated deficit	(23,262,027)	(1,636,197)	(24,898,224)
Total shareholders' deficit	(3,581,472 )	(210,623 )	(3,792,095 )
Non-controlling interest	—	349,769	349,769
Total liabilities and shareholders' deficit	\$1,002,932	(43,618 )	\$959,314

	Three months ended March 31, 2012	Restatement Adjustments	Three months ended March 31, 2012 As Restated
Sales	\$—	\$255	\$255
Consulting	161,713	138,346	300,059
Financing fee	0	1,348,000	1,348,000
General and administrative	178,392	(75,489 )	102,903
Mining development	221,067	(2,830 )	218,237
Professional fees	119,541	(4,494 )	115,047
Total operating expenses	680,713	1,403,533	2,084,246
Other expenses	(1,064,507)	(331,978 )	(1,396,485)

Edgar Filing: USCORP - Form 10-Q

Net Loss	(1,745,220)	(1,735,511)	(3,480,731)
Less: Net loss attributable to non-controlling interest	—	(128,630 )	(128,630 )
Net loss attributable to the Company	\$(1,745,220)	\$(1,606,881)	\$(3,352,101)
Basic (loss) per share	\$(0.01 )	\$—	\$(0.01 )

Edgar Filing: USCORP - Form 10-Q

	Six months ended March 31, 2012	Restatement Adjustments	Six months ended March 31, 2012 As Restated
	As Previously reported		
Sales	\$—	\$255	\$255
Consulting	325,645	161,929	487,574
Financing fee	—	1,348,000	1,348,000
General and administrative	244,200	(85,453 )	158,747
Mining development	651,984	(6,898 )	645,086
Professional fees	211,115	—	211,115
Total operating expenses	1,432,944	1,417,578	2,850,522
Other expenses	(1,009,923)	(377,434 )	(1,387,357)
Net Loss	(2,442,867)	(1,794,757)	(4,237,624)
Less: Net loss attributable to non-controlling interest	—	(337,253 )	(337,253 )
Net loss attributable to the Company	\$(2,442,867)	\$(1,457,504)	\$(3,900,371)
Basic (loss) per share	\$(0.01 )	\$—	\$(0.01 )
Net loss attributable to the Company	(697,647 )	149,377	(4,237,624)
Basic (loss) per share	\$(0.00 )	\$0.00	(0.00 )

	Six months ended March 31, 2012	Restatement Adjustments	Six months ended March 31, 2012 As Restated
	As Previously reported		
Net (loss) for the period	\$(2,442,867)	\$(1,794,757)	\$(4,237,624)
Net cash used by operations	(1,368,450)	(139,719 )	(1,508,169)
Net Cash used by investing activities	9,717	(9,717 )	—
Net cash provided by financing activities	661,590	103,510	765,100

Net increase (decrease) in cash	(697,143 )	<u>—</u>	(45,926 )	(743,069 )
Cash balance at beginning of fiscal year	1,686,996	<u>5</u>		1,687,001
Cash balance at December 31, 2011	\$989,853	<u>—</u>	\$(45,921 )	\$943,932

## 10. Subsequent Events

On April 9, 2013, the Company announced that it would be spinning off its subsidiaries USMetals, Inc. and Southwest Resource Development, Inc. through a distribution of shares to its existing shareholders. All holders of USCorp shares as of April 15, 2013 (record date) will be entitled to received one common share of USMetals, Inc. and Southwest Resource Development, Inc for every 10 shares (or shares convertible into Common shares) held in USCorp. See Note 8 for additional details.

On April 23, 2013 USCorp received notification from FINRA that the required forms notifying FINRA and the Company's shareholders of the Spin-offs and Record Date had not been filed. As a result management and the Company's securities counsel are preparing the notification forms for submission to FINRA. As soon as these forms and other required filings with regulatory bodies have been prepared and submitted, a new record date will be announced.

On April 24, 2013, the Company amended its articles of incorporation increasing the total authorized Class A common shares from 650,000,000 to 950,000,000.

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

You should read the following discussion and analysis in conjunction with the Consolidated Financial Statements and Notes thereto, and the other financial data appearing elsewhere in this Report.

The information set forth in Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") contains certain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21 E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995, including, among others (i) expected changes in the Company's revenues and profitability, (ii) prospective business opportunities and (iii) the Company's strategy for financing its business. Forward-looking statements are statements other than historical information or statements of current condition. Some forward-looking statements may be identified by use of terms such as "believes", "anticipates", "intends" or "expects". These forward-looking statements relate to the plans, objectives and expectations of the Company for future operations. Although the Company believes that its expectations with respect to the forward-looking statements are based upon reasonable assumptions within the bounds of its knowledge of its business and operations, in light of the risks and uncertainties inherent in all future projections, the inclusion of forward-looking statements in this report should not be regarded as a representation by the Company or any other person that the objectives or plans of the Company will be achieved.



The Company's revenues and results of operations could differ materially from those projected in the forward-looking statements as a result of numerous factors, including, but not limited to, the following: (i) changes in external competitive market factors, (ii) termination of certain operating agreements or inability to enter into additional operating agreements, (iii) inability to satisfy anticipated working capital or other cash requirements, (iv) changes in or developments under domestic or foreign laws, regulations, governmental requirements or in the mining industry, (v) changes in the Company's business strategy or an inability to execute its strategy due to unanticipated changes in the market, (vi) various competitive factors that may prevent the Company from competing successfully in the marketplace, and (ix) the Company's lack of liquidity and its ability to raise additional capital. In light of these risks and uncertainties, there can be no assurance that actual results, performance or achievements of the Company will not differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. The foregoing review of important factors should not be construed as exhaustive. The Company undertakes no obligation to release publicly the results of any future revisions it may make to forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

### Significant Accounting Policies and Estimates

Management's Discussion and Analysis of Financial Condition and Results of Operations discusses the Company's consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an on-going basis, management evaluates its estimates and judgments, including those related to reserves and intangible assets. Management bases its estimates and judgments on historical experiences and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The most significant accounting estimates inherent in the preparation of the Company's financial statements include estimates as to the appropriate carrying value of certain assets which are not readily apparent from other sources, primarily allowance for the cost of the Mineral Properties based on the successful efforts method of accounting. These accounting policies are described at relevant sections in this discussion and analysis and in the notes to the audited consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended September 30, 2012.

## Results of Operations

### Comparison of operating results for the three months ended March 31, 2013 and March 31, 2012:

During the quarters ended March 31, 2013 and 2012, the Company recorded revenue in the amount \$0.

Operating expenses were \$246,482 compared to \$2,084,246 for the same period a year ago. Consulting costs decreased from \$300,059 to \$132,043 in the three months ended March 31, 2013 compared to the same period last year, which is mainly due to a decrease in investor and public relations costs. Financing expense decreased to \$0 from \$1,348,000 for the same period last year due to warrant issuance costs. Administration costs decreased from \$102,903 in the three months ended March 31, 2012 to \$52,121, for the three months ended March 31, 2013. Mineral Property Expenditures were \$0 in the three months ended March 31, 2013 compared to \$218,237 for the same period last year; this decrease was due to costs associated with completing the Company's Twin Peaks project site in Arizona. Professional fees decreased from \$115,047 to \$62,318 in the three months ended March 31, 2013 compared to the same period last year, which is mainly due to a decrease in exploration costs.

As a result of general and administrative costs, the Company experienced a loss from operations of \$246,482 for the three months ended March 31, 2013, compared to loss from operations of \$2,084,246 for the same period last year.

Interest expense decreased by \$277,381 during the three months ended March 31, 2013 to (\$87,179) compared to \$190,202 for the three months ended March 31, 2012, mainly as a result of an agreement with the lender to adjust the interest accrued on the Gold Bullion Loan borrowed at the end of September 2005 and the change in the price of gold compared to the same period one year ago. The loan is payable in gold bullion at the prevailing price and is not hedged. The Company's gain on the unhedged loan is \$366,444 for the three months ended March 31, 2013 compared to a loss of \$225,909 for the same period a year ago due to the change in the price of gold over the past year. Loss on conversion of debt was \$0 in the three months ending March 31, 2013 as compared to (\$980,514) for the three months ending March 31, 2012

Net income for the three months ended March 31, 2013 was \$207,164 or \$0.00 per share compared to a loss of (\$3,480,731), or (\$0.01) per share for the three months ended March 31, 2012.

### Comparison of operating results for the six months ended March 31, 2013 and March 31, 2012:

During the six months March 31, 2013 the Company recorded revenue in the amount \$0 as compared to \$255 for the six months ended March 31, 2012. The Company is still an exploration stage Company and the revenue that was

recorded was a result of a sale of raw materials.

Operating expenses were \$512,931 compared to \$2,850,522 for the same period a year ago. Consulting costs decreased from \$487,574 to \$247,283 in the six months ended March 31, 2013 compared to the same period last year, which is mainly due to a decrease in investor and public relations costs. Financing expense decreased from \$1,348,000 for the six months ended March 31, 2012 to \$0 for the same this year due to warrant issuance costs. Administration costs decreased from \$158,747 in the six months ended March 31, 2012 to \$108,175, for the six months ended March 31, 2013. Mineral Property Expenditures were \$2,060 in the six months ended March 31, 2013 compared to \$645,086 for the same period last year; this decrease was due to costs associated with completing the Company's Twin Peaks project site in Arizona. Professional fees decreased from \$211,115 to \$115,413 in the six months ended March 31, 2013 compared to the same period last year, which is mainly due to a decrease in exploration costs.

As a result of general and administrative costs, the Company experienced a loss from operations of \$512,931 for the six months ended March 31, 2013, compared to loss from operations of \$2,850,267 for the same period last year.

Interest expense decreased by \$235,305 during the six months ended March 31, 2013 to \$60,343 compared to \$295,648 for the six months ended March 31, 2012, mainly as a result of an agreement with the lender to adjust the interest accrued on the Gold Bullion Loan borrowed at the end of September 2005 and the change in the price of gold compared to the same period one year ago. The loan is payable in gold bullion at the prevailing price and is not hedged. The Company's gain on the unhedged loan is \$672,438 for the six months ended March 31, 2013 compared to a loss of (\$111,522) for the same period a year ago due to the change in the price of gold over the past year.

Net income for the six months ended March 31, 2013 was \$99,255 or \$0.00 per share compared to a loss of \$(4,237,624), or \$0.02 per share for the same period last year.

#### **Discussion of Financial Condition: Liquidity and Capital Resources**

At March 31, 2013 cash on hand was \$426,775 as compared with \$429,626 at September 30, 2012. During the six months ended March 31, 2013, the Company used \$423,730 for its operations compared to \$1,508,169 for the six months ended March 31, 2012.

At March 31, 2013, the Company had a working capital deficit of \$6,922,584 compared to a working capital deficit of \$1,789,767 at September 30, 2012. The increase is due to lower costs of continuing exploration and preparations for development of Company's mining properties offset by the Company's on-going financing efforts.

Total assets at March 31, 2013 were \$6,350,500 as compared to \$3,313,187 at September 30, 2012. The increase is mainly due to the reclassification of the Company's wholly owned subsidiaries assets and liabilities as available for sale.

The Company's total shareholders' deficit decreased to a deficit of \$1,151,144 at March 31, 2013 compared to a deficit of \$1,789,767 at September 30, 2012. The decrease in stockholders' deficit was mainly the result of an increase in additional paid in capital which increased as a result of selling Class A Common stock for cash and non-operating gains of \$612,186 for the three months ended March 31, 2012 due to a decrease in interest expense and gain on derivative as a result of an agreement with the lender to adjust the interest accrued on the Gold Bullion Loan borrowed at the end of September 2005 and the change in the price of gold compared to the same period one year ago.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Not applicable.

### **ITEM 4. CONTROLS AND PROCEDURES**

Our Chief Executive Officer, who is also our acting Chief Financial Officer (the "Certifying Officer") is responsible for establishing and maintaining disclosure controls and procedures for the Company. The Certifying Officer has designed such disclosure controls and procedures to ensure that material information is made known, particularly during the period in which this Report was prepared.

#### **Evaluation of Controls and Procedures**

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Securities Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our chief executive and financial officer, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, as ours are designed to do, and management necessarily was required to apply its judgment in evaluating the cost- benefit relationship of possible controls and procedures.

As of March 31, 2013, an evaluation was performed under the supervision and with the participation of our management, including our Chief Executive Officer and Principal Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based upon that evaluation, our Chief Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures were effective.

### **Changes in Internal Controls**

There have been no changes in the Company's internal controls over financial reporting that occurred during the Company's last fiscal quarter to which this report relates that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting, except that the Company increased its internal controls around the issuance and recording of common stock sales.

### **Limitations on the Effectiveness of Controls**

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected. The Company's disclosure controls and procedures are designed to provide reasonable assurance of achieving its objectives. The Company's chief executive officer and principal financial officer concluded that the Company's disclosure controls and procedures are effective at that reasonable assurance level.

## **PART II - OTHER INFORMATION**

### **Item 1. Legal Proceedings.**

None.

### **Item 1A. Risk Factors**

Not Applicable.

### **Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.**

In the first six months of fiscal year 2013, the Company issued 8,639,753 shares of common stock to consultants for services rendered valued by the Company at \$215,833.

In the first six months of fiscal year 2013, the Company issued 21,000,000 shares of common stock to various investors and received proceeds of \$80,000.

The Company claimed an exemption from the registration requirements of the Securities Act of 1933, as amended (the "Act") for the private placement of these securities pursuant to Section 4(2) of the Act and/or Rule 506 of Regulation D promulgated thereunder since, among other things, the transaction did not involve a public offering, the Investor was an "accredited investor" and/or qualified institutional buyers, the Investor had access to information about the Company and its investment, the Investor took the securities for investment and not resale, and we took appropriate measures to restrict the transfer of the securities.

### **Item 3. Defaults Upon Senior Securities.**

None.

**Item 4. Mine Safety Disclosure**

Not applicable

**Item 5. Other Information.**

On November 19, 2012 USCorp amended its articles of incorporation increasing the number of authorized Class A Common shares from 550,000,000 to 650,000,000 shares and changing the par value of Class A Common shares from \$0.01 per share to \$0.001 per share.

**ITEM 6. EXHIBITS**

(a) Exhibits:

- 31.1 Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 32.1 Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002  
Amendment to Articles of Incorporation

**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.

USCORP

By: /s/ ROBERT DULTZ

Robert Dultz  
Chairman, Chief Executive Officer and Acting Chief Financial  
Officer

Dated: May 8, 2013



