

USCORP
Form 10KSB/A
February 18, 2004

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-KSB/A

(Mark One)

Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended September 30, 2003

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.)

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4535 W. Sahara Ave., Suite 204, Las Vegas, NV 89102

(Address of principal executive offices)

(702) 933-4034

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class

None

Name of each exchange
on which registered

None

Securities registered pursuant to Section 12(g) of the Act:

Common Shares, \$0.01 Par Value

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 []

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. [X]

State the issuer's revenues for its most recent fiscal year. \$0.0

State the aggregate market value of the voting stock held by non-affiliates computed by reference to the price at which the stock was sold, or the average bid and asked price of such stock, as of a specified date within the past 60 days. As of December 12, 2003, the value of such stock was \$1,546,123.

PART I

ITEM 1. DESCRIPTION OF BUSINESS

Recent Developments.

Except as set forth herein or otherwise in this Form 10-KSB, information presented here is as of September 30, 2003.

In 2002 Registrant changed its name to USCorp, pursuant to the Articles of Amendment to the Articles of Incorporation of the Company filed on January 23, 2002 with the Secretary of State of the State of Nevada.

Also in 2002 Registrant acquired USMetals, Inc. and new Officers and Board members were elected. The current officers and directors are as follows: Robert Dultz was elected Chairman of the Board of Directors and Chief Executive Officer, Larry Dietz was elected a President and director, Carl W. O'Baugh was elected Vice President and director, Spencer Eubank was elected Secretary-Treasurer and a director, Tom Owens was elected a director and Judith Ahrens was elected a director of USCorp. Mr. Dietz and Mr. O'Baugh are former officers and directors of the Company under a prior name.

For more information on these transactions please refer to the discussion contained in Registrant's 10-KSB Report for fiscal 2002 previously filed.

Description of Our Former Business.

The Company commenced its operations in 1989 as a syndicator of motion pictures and television programming for its "network" of television stations across the United States. In 1994 the Company ceased operations and consequently wrote off all of its assets. In 1995 the Company terminated all business operations and remained inactive until 1997 when certain shareholders of the Company restructured the Company as a mining company and changed its name to Santa Maria Resources, Inc. ("Santa Maria").

In 2000 the Registrant attempted a merger with Fantasticon.com, Inc., a privately held company, and changed its name to Fantasticon, Inc. That merger was rescinded and unwound in its entirety in January 2002 by majority vote of the shareholders as described in Registrant's 10-KSB Report for fiscal 2002.

ITEM 2. DESCRIPTION OF PROPERTY

Effective January 14, 2002, the Company's principal executive offices were moved to 4535 W. Sahara Ave., Suite 204, Las Vegas, NV 89102 and its telephone number changed to (702) 933-4034.

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ITEM 3. LEGAL PROCEEDINGS

During the fiscal year ended September 30, 2003, the Company was not a party to legal proceedings requiring disclosure in this Report and none of the Company's officers or directors are involved in any litigation in their capacities as such officers or directors of the Company.

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

No matters were put to the vote of the shareholders during the fourth quarter of the Company's fiscal year ended on September 30, 2003.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Company's securities are quoted on the OTC Bulletin Board. The Company's shares originally began trading on December 20, 1993 under the symbol "PREG." On August 19, 1997 the Company changed its trading symbol to "SMRR." On October 17, 2000, the Company's trading symbol was changed to "FTST." As of March 6, 2002 the Company's current trading symbol is USCS.

The following table sets forth for the periods indicated the range of high and low closing bid quotations for the Company's common stock during the past two fiscal years. All figures in the following table have been adjusted to reflect a 1-for-10 reverse split of the Company's Shares in November 1997, a 1-for-2 reverse split of the Company's Shares in October 2000, and a 1 for 10 reverse split of the Company's Shares in March 2002. These quotations represent inter-dealer prices without retail mark-up, mark-down or commission and may not represent actual transactions:

PERIOD

HIGH

LOW

Quarter ended December 31, 2001

\$ 0.60

\$ 0.32

Quarter ended March 30, 2002

\$ 3.50

\$ 0.35

Quarter ended June 30, 2002

\$ 3.51

\$ 0.55

Quarter ended September 30, 2002

\$ 0.65

\$ 0.55

Quarter ended December 31, 2002

\$ 3.00

\$ 0.31

Quarter ended March 30, 2003

\$ 1.01

\$ 0.31

Quarter ended June 30, 2003

\$ 0.40

\$ 0.31

Quarter ended September 30, 2003

\$ 0.45

\$ 0.27

On December 15, 2003 the reported closing price for the Company's common stock was \$0.45 per share; there were approximately 293 record holders of the Company's shares.

The Company has not paid any dividends and there are presently no plans to pay any such dividends in the foreseeable future. The declaration and payment of dividends in the future will be determined by the Board of Directors in light of conditions then existing, including earning, financial condition, capital requirements and other factors. There are no contractual restrictions on the Company's present or future ability to pay dividends. Further, there are no restrictions on any of the Company's subsidiaries which would, in the future, adversely affect the Company's ability to pay dividends to its shareholders.

Recent Sales of unregistered securities.

During this period the Registrant issued 90,000 shares to directors as an inducement to serve the Company without compensation.

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS

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 21E 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

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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.

The Company is a "development stage" company. During fiscal year ended September 30, 2003, the Company's operations centered on the development of USMetals' mining property known as the Twin Peaks Mine. During the fiscal year, the Company did not engage in any commercially viable operations and realized no revenues from operations. The annual operating costs incurred to date were primarily for the continued development of the Company's mining properties, development and maintenance of the Company's website, legal and accounting costs in conjunction with the Company's general and administrative expenses in anticipation of completing exploration and development of USMetals' mining property, the Twin Peaks Mine. The annual lease payment for the 141 claims owned by the Registrant was \$100 per claim for a total of \$14,100.

The Company borrowed \$20,000 from each of two shareholders. The terms of each of these loans were as follows: The full amount of each note is due and payable no later than September 30, 2004; The lenders each agreed to accept twenty thousand (20,000) shares of USCorp common stock in lieu of interest on the loans; the shares payable in lieu of interest were provided by a non-affiliated shareholder of Registrant; The \$20,000 principal is payable before the due date of the note in the event that the Company receives funding from any source in the amount of \$300,000 or more; each Lender has the right to convert their note to shares of USCorp common stock at any time prior to the full payment of the principle by Borrower. The conversion rate is fixed at \$0.40 per share.

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 consolidated financial statements included in our Annual Report on Form 10-KSB for the fiscal year ended September 30 2003.

OVERVIEW

On April 2, 2002, the Company acquired USMetals, Inc. ("USMetals") for 24,200,000 shares of its common stock in a share-for-share exchange whereby USMetals became a wholly owned subsidiary of USCorp. The fair value of the property owned by USMetals is based upon the values that were estimated by field personnel. The estimated fair market values of the assets acquired and liabilities assumed in the acquisition of USMetals are as follows:

Estimated fair value of assets acquired:

Property

\$ 19,600

Mine Development

Hayes Mining, Phillips Mining

400,000

American Metals and Minerals

297,758

Santa Maria Resources

600,000

International Energy and Resources

818,000

Total fair value of assets

2,435,358

Liabilities assumed:

Annual Lease Payments 2002 and 2003

28,208

Estimated fair value of acquisition

\$2,463,566

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Complete details of the transaction were disclosed in a Current Report on Form 8-K dated April 2, 2002.

All of the Company's mining business operations are conducted at this time through its subsidiary, USMetals. International Energy Resources, Inc. has agreed to continue to supervise and direct the work of the mine Exploration and Development Team upon adequate funding of the project.

As a result of the acquisition, Registrant owns 141 unpatented contiguous mining claims totaling approximately 2,820 acres in Township 13, Yavapai County, Arizona. These claims have a history of mining activity from the middle of the 19th century to the beginning of World War II. Gold, silver, copper and other minerals were recovered in

important quantities. The previous owners started acquisition of this claim group in the early 1940's and by the mid-1980's the claims group totaled 134 claims. Exploration, drilling and assessment work was done and several geological reports were completed indicating the presence of economically viable deposits of precious metals and complex ores.

Appraisal and Valuation

The late Mr. N. H. Carouso, formerly President of Geo-Processing, Inc., was retained in 1985 by the prior owners of these claims to prepare an Economic Evaluation of the 134 claims in the group at that time. Mr. Carouso earned a Bachelor of Arts and a Master of Science degree from the University of California, College of Engineering, Department of Mineral Technology and Mining. His report was for the recovery of gold and silver only.

The following is a statement from Mr. Carouso's report:

"The mining claims project area offers excellent economic potential. With the gold and silver mineralization cropping out at the surface and the favorable topography for surface mining techniques, it is felt that an early cash flow can be expected. The gross dollar potential of the areas evaluated, which the writer [Mr. Carouso] feels represents only about 30% of the potential of the entire group of claims, if combined, could be \$280,836,000.00. Even if one then takes a 50% confidence factor as to the grade of ore, the gross dollar potential would be \$115,418,000, and with an expected 70% recovery of precious metals, the adjusted gross dollar potential would be \$80,792,600.00 based on a spot price of \$325/oz, for gold and \$6.00/oz. for silver, and mining to a depth of 100 feet."

Other minerals are available from these claims as reported from the United States Geological Survey conducted in 1940. Of the minerals listed, one of the most notable was a content of Uranium Ore, U308 (Yellow Cake) which has a content ranging from .43% to 1.77% by volume. The Company has discussed the potential of mining U308 Uranium Ore. Management intends upon receipt of adequate funding to determine the feasibility of economical recovery of uranium.

MANAGEMENT'S DEVELOPMENT PLANS

In order to improve operations and liquidity and meet its cash flow needs, the company has or intends to do the following:

- Raise \$20,000,000 to complete mining plan of operations.
- Resume and complete exploration and drilling on all claims of the Twin Peaks mine.
- Complete test plant work at International Energy and Resources' nearby test facility.
- Complete feasibility studies on the Twin Peaks mine.
- Bring the Twin Peaks mine to full-scale commercial mining.
- Obtain a credit facility based in part on the value of its proven reserves when necessary and if appropriate given market conditions.

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As of the date of this Report Registrant has secured no financing commitments from any source without which financing management will be unable to meet its goals or establish commercial operations. No assurance can be given that adequate funding will be available to the Company when needed in the future.

Discussion of Financial Condition.

As of September 30, 2003 the Company had total assets of \$2,523,121 with total liabilities of \$16,835 (compared with \$2,450,743 and \$0 respectively for September 30, 2002).

Registrant will require significant additional funds in order to complete exploration and development of the Twin Peaks Mine. The Company has made plans to undertake a private placement of its securities in order to raise the needed funding. However, as of the date hereof, the Company has not sold any securities or raised any funding.

Based upon available cash on hand, management is of the opinion that, without additional financing, the Company will have adequate funds available to meet its cash needs for the next three (3) months. Thereafter, it will need to secure additional funds in order to continue its operations.

ITEM 7. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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INDEPENDENT AUDITORS REPORT

The Shareholders

USCorp

4535 W. Sahara Ave. Suite 204

Las Vegas, Nevada 89102

I have audited the accompanying balance sheet of USCorp and Subsidiary as of September 30, 2003, 2002, and 2001 and the related restated statements of income and changes in stockholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of management. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of USCorp, a development stage company, for the dates indicated above and the results of operations, stockholders' equity and cash flows for the year then ended in conformity with generally accepted accounting principles consistently applied.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has suffered losses from operations and has a lack of net capital that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Henry Schiffer

Henry Schiffer

An Accountancy Corporation

Beverly Hills, California

December 15, 2003

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USCORP AND SUBSIDIARY

(a Development State Company)

CONSOLIDATED BALANCE SHEET

	9/30/2003	9/30/2002	9/30/2001
ASSETS			
Current Assets:			
Cash	59,555	1,277	-
Other Assets:			
Mineral properties -- at cost based on successful efforts method of accounting, net of accumulated depletion and amortization 1975 to 2003	2,115,758	2,115,758	-

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Annual Assessment Work and Lease
Payments

to the BLM 1975 to 2003	347,808	333,708	-
Total Other Assets	2,463,566	2,449,466	-
Total Assets	2,523,121	2,450,743	-

LIABILITIES & STOCKHOLDERS' EQUITY

Accounts Payable	56,835	-	-
Total Liabilities	56,835	-	-

Shareholders' Equity:

Common stock, \$.01 par value; authorized 100,000,000 shares, issued, and outstanding at September 30, 2001 1,056,067 at September 30, 2002 24,921,073 at September 30, 2003 25,793,073	257,931	249,212	105,607
Additional paid in capital	5,402,658	5,017,123	2,567,780
Retained deficit	(3,194,303)	(2,815,592)	(2,673,387)
Total Shareholders' Equity	2,466,286	2,450,743	-
Total Liabilities & Shareholders' Equity	2,523,121	2,450,743	-

See accompanying Notes to Financial Statements.

STATEMENT OF OPERATIONS

FOR THE YEARS ENDED SEPTEMBER 30th

	9/30/2003	9/30/2002	9/30/2001
Net sales	-	-	-
Less cost of sales	-	-	-
Gross profit	-	-	-
Administrative expenses:			
Registered Agent, Corp maintenance	3,740	660	-
Transfer Agent	18,935	6,389	-
Filing Agent	2,246	361	-
Automobile	1,748	353	-
Bank Charges	531	30	-
Accounting and Legal	3,433	500	-
Office Expense	16,720	6,072	-
Motels/Hotels	479	250	-
Consulting & Public Relations	241,386	2,860	-
Printing	18,357	233	-
Rent	2,359	198	-
Mining Development	14,100	14,100	-
Communications and Clerical	8,603	4,147	-
Travel	2,235	500	-
Utilities	1,331	726	-
Entertainment	2,508	501	-
	-----	-----	-----
Total administrative expenses	338,711	37,880	0
Loss from Operations	(338,711)	(37,880)	0
Other Income (expenses):			
Interest income	-	-	-
Interest expense	-	-	-
	-----	-----	-----
Net Loss before income tax provision	(338,711)	(37,880)	0
Income tax expense	-	-	-
	-----	-----	-----
Net Loss	(338,711)	(37,880)	0
	=====	=====	=====
Earnings per common share:			
Basic	-	-	-

Weighted average of common shares: