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AUG 29 2008

**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

Office of Compliance Inspection
and Examinations

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING JULY 1, 2007 AND ENDING JUNE 30, 2008
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

CHURCHILL CAPITAL USA, INC.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

**1270 Avenue of the Americas
New York, NY 10020**

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FIRM I.D. NO.

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Steven C. Bender

646.290.7248

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

PROCESSED

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

SEP 05 2008

JANOVER RUBENROIT, LLC

THOMSON REUTERS

(Name - if individual, state last, first, middle name)

100 Quentin Roosevelt Blvd New York

NY

11530

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant
☐ Public Accountant
☐ Accountant not resident in United States or any of its possessions.

* Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant

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must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

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information contained in this form are not required to respond
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OATH OR AFFIRMATION

I, Steven C. Bender, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Churchill Capital USA, Inc. as of JUNE 30, 2008, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows: NONE.



Signature

VENAMAE BACON
No. 01BA6050961
Notary Public, State of New York
Qualified in Erie County
My Commission Expires 11/13/2010

Financial & Operations Principal
Title



Notary Public

This report ** contains (check all applicable boxes):

- ☒ (a) Facing page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Cash Flows.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- ☒ (o) Independent Auditor's Report on Internal Control

***For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).*

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CHURCHILL CAPITAL USA, INC.

Financial Statements

June 30, 2008

CHUHRCHILL CAPITAL USA, INC.

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JANOVER RUBINROIT

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the Board of Directors and Stockholders of
Churchill Capital USA, Inc.:

We have audited the accompanying statement of financial condition of Churchill Capital USA, Inc. as of June 30, 2008, pursuant to rule 17a-5 under the Securities Exchange Act of 1934. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of Churchill Capital USA, Inc. at June 30, 2008, in conformity with accounting principles generally accepted in the United States of America.

Janover Rubinroit, LLC

August 27, 2008

CHURCHIL CAPITAL USA, INC.

Statement of Financial Condition

June 30, 2008

Assets

Cash and cash equivalents	\$ 641,635
Clearing firm deposits	100,279
Clearing firm receivable	343,582
Other receivable	22,750
Prepaid expenses	41,166
Other assets	20,526
Property and equipment, net	98,729
	<u>\$ 1,268,667</u>

Liabilities and Stockholder's Equity

Liabilities:

Accounts payable and accrued expenses	\$ 403,267
Income taxes payable - current	196,053
Income taxes payable - deferred	44,020
	<u>643,340</u>

Stockholder's equity:

Common stock, no par-value; 200 shares authorized; 100 share issued and outstanding	20,000
Additional paid-in capital	325,000
Retained earnings	280,327
	<u>625,327</u>
	<u>\$ 1,268,667</u>

CHURCHILL CAPITAL USA, INC.

Notes to Financial Statements

June 30, 2008

1. Business Organization

Churchill Capital USA, Inc. (the "Company"), a wholly-owned subsidiary of Churchill Capital Ltd., is a registered broker-dealer with the Securities and Exchange Commission ("SEC") in the state of New York and a member of the Financial Industry Regulatory Authority ("FINRA"). The Company engages in a general securities business with institutional investors. The Company received its FINRA approval for membership on July 12, 2007. The Company is exempt from rule 15c3-3 of the SEC under paragraph (k)(2)(ii) of that rule.

2. Summary of Significant Accounting Policies

The following summary of the Company's major accounting policies is presented to assist in the interpretation of the financial statements.

Basis of preparation - The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Cash and cash equivalents - At times during the year, the Company's cash accounts exceeded the related amount of Federal depository insurance. The Company has not experienced any loss in such accounts and believes it is not exposed to any significant credit risk. The Company considers investments in financial instruments with maturities of less than 90 days when issued to be cash equivalents.

Revenue recognition - Revenues from general securities transactions are recognized when the transaction closes and realization is reasonably assured. Expenses are recognized as they are incurred.

Property and equipment - Property and equipment are recorded at cost. Depreciation of property and equipment is computed on the straight-line method over estimated useful lives of three to seven years.

Income taxes - The Company accounts for income taxes using the asset and liability method of SFAS No. 109, "Accounting for Income Taxes". Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amount of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The affect on deferred tax assets and liabilities of a change in tax rates is recognized in results of operations for the period during which the tax change occurs.

CHURCHILL CAPITAL USA, INC.

Notes to Financial Statements

June 30, 2008

2. Summary of Significant Accounting Policies *(continued)*

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. Clearing Broker

The Company clears all of its trades through Pershing, LLC ("Pershing") on a fully disclosed basis. For this service Pershing receives a percentage of the gross commission on each transaction. At June 30, 2008, the Company had \$100,279 on deposit with Pershing.

4. Property and Equipment

Property and equipment at June 30, 2008 is as follows:

Furniture and fixtures	\$ 79,293
Computer and telephone equipment	47,471
	<u>126,764</u>
Less: accumulated depreciation	28,035
	<u>\$ 98,729</u>

Depreciation expense was \$28,035 for the year ended June 30, 2008.

5. Related Party Transactions

Through December 31, 2007, the Company and Churchill Capital Ltd. engaged in a transfer pricing arrangement under which the Company incurred net charges of \$33,395. At June 30, 2008, no intercompany balances regarding the transfer pricing arrangement existed.

The Company occupies office space under a sublease agreement with Churchill Capital Ltd. (See Note 8).

CHURCHILL CAPITAL USA, INC.

Notes to Financial Statements

June 30, 2008

6. Income Taxes

The net deferred tax liability of \$44,020 in the accompanying balance sheet results from the use of accelerated methods of depreciation of property and equipment.

The Company used an effective tax rate of 46% comprised as follows:

Statutory federal income tax rate	34%
State taxes on income, net of federal income tax benefit	6%
Local taxes on income, net of federal income tax benefit	<u>6%</u>
Total effective tax rate	<u>46%</u>

7. Net Capital Requirements

The Company is subject to the SEC Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 8 to 1 during the first twelve months of operation. Thereafter the ratio cannot exceed 15 to 1. Rule 15c3-1 also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. At June 30, 2008, the Company had net capital of \$442,156, which was \$342,156 in excess of its required net capital of \$100,000. The Company's ratio of aggregate indebtedness to net capital was 1.46 to 1.

8. Commitments and Contingencies

Lease - The Company occupies office space in New York City under a sublease agreement with its parent company, Churchill Capital Ltd. The Company pays monthly rent directly to the landlord. Rent expense for the year ended June 30, 2008 was \$129,597.

Minimum lease obligations at June 30, 2008 are as follows for the years ending June 30,:

2009	\$	147,560
2010		147,560
2011		147,560
2012		<u>73,780</u>
	\$	<u>516,460</u>

CHURCHILL CAPITAL USA, INC.

Notes to Financial Statements

June 30, 2008

9. Concentration of Risk

In the normal course of its business, the Company enters into financial transactions where the risk of potential loss due to changes in the market (market risk) or failures of the other parties to the transaction to perform (counterparty risk) exceeds the amounts recorded for the transaction.

The Company's policy is to continuously monitor its exposure to the market and counterparty risk through the use of a variety of financial, position and credit exposure reporting and control procedures. In addition, the Company has a policy of reviewing the customers and/or other counterparties with which it conducts business.

As of June 30, 2008, there were no customer accounts having debit balances which presented any risks nor was there any exposure with any other transaction conducted with any other broker.

10. Financial Instruments with Off-Balance Sheet Risk

In the normal course of business, the Company's customer activities involve the execution, settlement, and financing of various customer securities transactions. These activities may expose the Company to off-balance-sheet risk in the event the customer or other broker is unable to fulfill its contracted obligations and the Company has to purchase or sell the financial instrument underlying the contract at a loss.

11. New Accounting Pronouncements

Financial Accounting Standards Board (FASB) Interpretation No. 48 (FIN 48)

On July 13, 2006, the Financial Accounting Standards Board (FASB) released FASB Interpretation No. 48 "*Accounting for Uncertainty in Income Taxes*" (FIN 48). FIN 48 provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. FIN 48 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense in the current year. The FASB voted to defer adoption of FIN 48 for all nonpublic entities accounting periods that begin after December 15, 2007. At this time, management is evaluating the implications of FIN 48 and its impact on the financial statements has not yet been determined.

CHURCHILL CAPITAL USA, INC.

Notes to Financial Statements

June 30, 2008

12. Pension Plan

The Company has a 401(k) Employee Savings Plan (the "Plan") which is open to all employees who are at least 20 years of age. The Plan is designed to provide additional financial security during retirement by providing eligible employees with an incentive to make regular savings contributions. Presently, the Company does not provide any matching contributions to participants.

END