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

SEC FILE NUMBER
8-53127

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 January 1, 2008 AND ENDING December 31, 2008
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Union Capital Company

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
4400 E. Broadway, Suite 512
(No. and Street)

Tucson Arizona 85711
(City) (State) (Zip Code)

OFFICIAL USE ONLY
FIRM I.D. NO.

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Frank Almada (520) 664-2001
(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Klewer, Julie S.
(Name - if individual, state last, first, middle name)

4783 E. Camp Lowell Drive Tucson Arizona 85712
(Address) (City) (State) (Zip Code)

CHECK ONE:

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

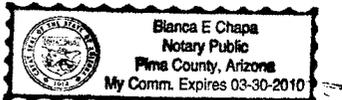
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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

AB
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OATH OR AFFIRMATION

I, Frank Almada, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Union Capital Company, as of December 31, 20 08, 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:



Blanca E Chapa
Notary Public

[Signature]

Signature

President

Title

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

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' 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.

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

**UNION CAPITAL HOLDINGS CORP. AND
SUBSIDIARY UNION CAPITAL COMPANY**

**Audited Consolidated Financial Statements
and Supplementary Information**

For the year ended December 31, 2008

UNION CAPITAL HOLDINGS CORP. AND SUBSIDIARY UNION CAPITAL COMPANY

INDEX TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

	<u>Page</u>
Independent Auditors' Report	1
Consolidated Balance Sheet	2
Consolidated Statement of Operations	3
Consolidated Statement of Stockholders' Equity	4
Consolidated Statement of Cash Flows	5
Notes to Consolidated Financial Statements	6 - 9
Supplementary Information:	
Consolidating Balance Sheet	11
Consolidating Statement of Operations	12
Consolidating Statement of Stockholders' Equity	13
Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission	14
Reconciliations Under Rule 17a-5(d)(4) of the Securities and Exchange Commission	15
Computation for Determination of Reserve Requirements and Information Relating to Possession or Control of Securities Under Rule 15c3-3 of the Securities and Exchange Commission	16
Report on Internal Control Required by SEC Rule 17a-5 for a Broker-Dealer Claiming an Exemption from SEC Rule 15c3-3	17 - 18



INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders
Union Capital Holdings Corp. and Subsidiary
Union Capital Company

We have audited the accompanying consolidated balance sheet of Union Capital Holdings Corp. (a Corporation) and subsidiary Union Capital Company (a Corporation) as of December 31, 2008 and the related consolidated statements of operations, stockholders' equity and cash flows for the year then ended that you are filing pursuant to rule 17a-5 under the Securities and Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements 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 consolidated financial statements are 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 consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Union Capital Holdings Corp. and subsidiary Union Capital Company as of December 31, 2008 and the results of their operations and their cash flows for the year then ended in conformity with generally accepted accounting principles accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. However, this information is required by Rule 17a-5 of the Securities and Exchange Commission. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Ludwig Klewer & Co. PLLC

January 30, 2009

UNION CAPITAL HOLDINGS CORP. AND SUBSIDIARY UNION CAPITAL COMPANY

CONSOLIDATED BALANCE SHEET
December 31, 2008

ASSETS

Assets:	
Cash	\$ 33,449
Clearing deposit	35,000
Commissions receivable	19,842
Other receivable	25,997
Employee advances	8,686
Due from stockholder	92,310
Deferred income tax asset	<u>16,500</u>
Total current assets	231,784
Deposits	1,705
Intangible asset, net	453
Furniture and equipment, net	<u>7,619</u>
Total assets	<u><u>\$ 241,561</u></u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities:	
Accounts payable and accrued expenses	\$ 61,547
Income taxes payable	50
Capital leases payable, current portion	2,868
Deferred income tax liability	<u>400</u>
Total current liabilities	64,865
Capital leases payable, non-current portion	<u>525</u>
Total liabilities	65,390
Stockholders' equity:	
Common stock, no par value; 2,000,000 shares authorized, 1,308,941 shares issued and outstanding	459,085
Accumulated deficit	<u>(282,914)</u>
Total stockholders' equity	<u>176,171</u>
Total liabilities and stockholders' equity	<u><u>\$ 241,561</u></u>

See independent auditors' report and accompanying notes.

UNION CAPITAL HOLDINGS CORP. AND SUBSIDIARY UNION CAPITAL COMPANY

CONSOLIDATED STATEMENT OF OPERATIONS
For the year ended December 31, 2008

Revenues:	
Commissions	\$ 793,971
Other income	<u>2,229</u>
Total revenues	796,200
Operating expenses:	
Compensation and benefits	624,049
Floor brokerage and clearing costs	40,886
Rent	26,584
Travel and entertainment	19,361
Automobile	14,539
Legal and professional fees	13,207
Licenses and fees	13,115
Contract labor	11,975
Telephone	10,919
Advertising	10,879
Office expenses	10,101
Depreciation and amortization	7,426
Quotes	7,157
Miscellaneous	2,824
Website and internet	<u>1,940</u>
Total operating expenses	814,962
Operating loss	(18,762)
Other income (expense):	
Interest income	3,779
Interest expense	<u>(934)</u>
Total other income (expense)	2,845
Loss before income tax benefit	(15,917)
Income tax benefit	<u>(1,950)</u>
Net loss	<u>\$ (13,967)</u>

See independent auditors' report and accompanying notes.

UNION CAPITAL HOLDINGS CORP. AND SUBSIDIARY UNION CAPITAL COMPANY

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
For the year ended December 31, 2008

	<u>Common Stock</u>		<u>Accumulated</u>	<u>Total</u>
	<u>Shares</u>	<u>Amount</u>	<u>Deficit</u>	
Balance, December 31, 2007	1,308,941	\$ 459,085	\$ (268,947)	\$ 190,138
Net loss			(13,967)	(13,967)
Balance, December 31, 2008	<u>1,308,941</u>	<u>\$ 459,085</u>	<u>\$ (282,914)</u>	<u>\$ 176,171</u>

See independent auditors' report and accompanying notes.

UNION CAPITAL HOLDINGS CORP. AND SUBSIDIARY UNION CAPITAL COMPANY

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended December 31, 2008

Cash flows from operating activities:	
Net loss	\$ (13,967)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation and amortization	7,426
Deferred income taxes, net	(2,000)
Changes in operating assets and liabilities:	
Commissions receivable	1,097
Other receivable	(25,997)
Employee advances	(8,686)
Accounts payable and accrued expenses	40,148
Income taxes payable	(7,901)
Total adjustments	<u>4,087</u>
Net cash used in operating activities	(9,880)
Cash flows from investing activities:	
Purchases of furniture and equipment	(6,560)
Cash flows from financing activities:	
Principal repayments of capital leases payable	(2,640)
Short-term advances made to stockholder	(148,670)
Short-term advances repayments from stockholder	<u>76,190</u>
Net cash used in financing activities	<u>(75,120)</u>
Net change in cash	(91,560)
Cash, beginning of year	<u>125,009</u>
Cash, end of year	<u><u>\$ 33,449</u></u>
Supplemental disclosure of cash flow activities:	
Cash paid during the year for interest	<u>\$ 934</u>
Cash paid during the year for income taxes	<u>\$ 7,951</u>
Supplemental disclosure of noncash investing and financing activities:	
Furniture and equipment financed with capital lease	<u><u>\$ 2,325</u></u>

See independent auditors' report and accompanying notes.

UNION CAPITAL HOLDINGS CORP. AND SUBSIDIARY UNION CAPITAL COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Organization

The consolidated financial statements include the accounts of Union Capital Holdings Corp. (UHC) and its wholly owned subsidiary Union Capital Company (UCC), collectively referred to as the Company.

UCC, an Arizona corporation, began operations in December 1999 as Inversionista Online.com, Inc. and became a registered securities broker-dealer during 2001. The name was changed to Union Capital Company during 2002. UCC operates a customer business whereby transactions are cleared through another broker-dealer on a fully disclosed basis in accordance with the exemption under rule 15c3-3(k)(2)(ii) of the Securities and Exchange Commission.

2. Summary of Significant Accounting Policies

Basis of Accounting

The consolidated financial statements include the accounts of UHC and its wholly-owned subsidiary UCC. All intercompany balances and transactions have been eliminated in consolidation. The consolidated financial statements of the Company have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Cash

For purposes of the statement of cash flows, the Company considers all highly-liquid investments purchased with a maturity of three months or less to be cash equivalents. There were no cash equivalents at December 31, 2008.

Commissions Revenue and Receivable

Commissions revenue and related expenses are recognized on a trade date basis and recorded monthly. Commissions receivable represent commissions earned on transactions that occurred prior to and on December 31, 2008 and paid to UCC after December 31, 2008. The entire balance of commissions receivable was collected during January 2009.

Furniture and Equipment

Property and equipment is stated at cost. The cost of maintenance, repairs and minor renewals is charged to expense in the year incurred. Expenditures that increase the useful lives of the assets are capitalized and depreciated. When items are retired or disposed of, the cost and accumulated depreciation are removed from the accounts and any gain or loss is included in income.

For financial statement purposes, depreciation is computed using the straight-line method over the following estimated useful lives of the various classes of assets:

Office furniture and fixtures	7 years
Computer equipment and software	5 years

Intangible Asset

The costs for UCC to purchase its website domain name are stated at cost. These costs are being amortized using the straight-line method over an estimated useful life of five years.

Income Taxes

UHC and UCC file a consolidated income tax return and maintain a December 31 year-end for financial and income tax reporting purposes.

The Company records deferred income tax assets and liabilities based on items of income and expense that are reported for financial statement purposes in different periods than for income tax purposes. The differences relate principally to the use of different methods of depreciation for financial and tax purposes and net operating loss carryovers.

UNION CAPITAL HOLDINGS CORP. AND SUBSIDIARY UNION CAPITAL COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2. Summary of Significant Accounting Policies, Continued

Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure 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.

Concentration of Credit Risk

UCC, as an introducing broker, clears all transactions with and for customers on a fully-disclosed basis with a clearing broker and promptly transmits all customer funds and securities to the clearing broker who carries all of the accounts. These activities may expose UCC to off-balance sheet risk in the event that the customer and/or clearing broker is unable to fulfill their obligations. UCC does not maintain margin accounts for its customers, and therefore, there were no excess margin securities at December 31, 2008.

UCC transacts its business with customers located throughout the United States and Latin America.

3. Net Capital

UCC, as a registered broker-dealer in securities, is subject to the Uniform Net Capital Rule of the Securities and Exchange Commission and the related rules of the National Association of Securities Dealers, Inc. Such rules prohibit the UCC from engaging in any securities transactions whenever its "aggregate indebtedness" (as defined by SEC rules) exceeds eight times its "net capital" (as defined by SEC rules) for the first year, and fifteen times its "net capital" for subsequent years.

At December 31, 2008, UCC had a net capital requirement of \$5,000 and net capital and aggregate indebtedness of \$26,228 and \$65,390 respectively.

4. Deposits

The clearing deposit at December 31, 2008 in the amount of \$35,000 represents monies on deposit with RBC Dain Correspondent Services, the broker-dealer through which all UCC transactions are cleared. The deposit in the amount of \$1,705 at December 31, 2008 represents monies paid in connection with the rental of the Company's office space.

5. Intangible Asset

The intangible asset consists of:

Website domain name	\$ 3,400
Accumulated amortization	(2,947)
Intangible asset, net	\$ 453

6. Furniture and Equipment

Furniture and equipment consists of:

Office furniture and fixtures	\$ 21,220
Computer equipment and software	25,525
Total furniture and equipment, at cost	46,745
Less: accumulated depreciation	(39,126)
Furniture and equipment, net	\$ 7,619

UNION CAPITAL HOLDINGS CORP. AND SUBSIDIARY UNION CAPITAL COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

7. Capital Leases Payable

The Company is obligated under three capital leases. The total cost of computer equipment under these leases was \$6,533 and accumulated depreciation was \$2,693 at December 31, 2008.

Dell Financial, capital lease with payments of \$68 per month including interest through November 2009; collateralized by computer equipment	\$ 197
Dell Financial, capital lease with payments of \$112 per month including interest through November 2009; collateralized by computer equipment	1,113
Dell Financial, capital lease with payments of \$119 per month including interest through September 2010; collateralized by computer equipment	<u>2,083</u>
Net minimum lease payments	3,393
Capital leases, current portion	<u>(2,868)</u>
Capital leases, non-current portion	<u>\$ 525</u>

The future maximum lease payments due under the capital leases at December 31, 2008 are:

Year ending <u>December 31,</u>	
2009	\$ 2,868
2010	<u>1,068</u>
Total lease payments	3,936
Less imputed interest	<u>(543)</u>
Net minimum lease payments	<u>\$ 3,393</u>

8. Income Taxes

The income tax benefit for the year ended December 31, 2008 is:

Current:	
Federal	\$ -
State	<u>50</u>
Total current provision	50
Deferred:	
Federal	(1,760)
State	<u>(240)</u>
Total deferred benefit	<u>(2,000)</u>
Total income tax benefit	<u>\$ (1,950)</u>

The income tax provision approximates the expected taxes using combined federal and state statutory rates. Deferred taxes are calculated based on temporary differences in the recognition of certain income and expense items for financial reporting and income tax purposes.

UNION CAPITAL HOLDINGS CORP. AND SUBSIDIARY UNION CAPITAL COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

8. Income Taxes, Continued

The deferred tax asset and liability in the accompanying financial statements consists of the following at December 31, 2008:

Deferred tax asset	\$ 16,500
Deferred tax liability	<u>400</u>
Deferred tax asset, net	<u>\$ (16,100)</u>

The net deferred tax asset is the result of approximately \$107,500 and \$8,500 in federal and Arizona net operating loss carryovers, respectively. These loss carryovers are available to offset future taxable income. The federal loss carryover expires in 2020, and the Arizona loss carryover expires in 2013. The deferred tax liability is the result of differences between depreciation methods used for income tax and financial reporting purposes.

9. Related Party Transactions

As of December 31, 2008, UCC was owed \$92,310 from short-term advances made to a stockholder. Interest is accrued monthly on the outstanding advances, and accrued interest, based on the applicable federal rate, at December 31, 2008 of \$923 is included in the due from stockholder balance of \$92,310. The advances are due on demand and unsecured.

10. Commitments and Contingency

Commitments

The Company leases office space under an operating lease that expires during December 2010. Rent expense under this lease during the year ended December 31, 2008 was \$25,584.

Future minimum lease payments under this leases are:

Lease Commitments

2009	\$ 25,205
2010	<u>26,220</u>
	<u>\$ 51,425</u>

Contingency

UCC does not carry general liability insurance; therefore, the Company's assets are subject to loss in the event of damage of business property and equipment or malpractice claims filed against the Company or its employees. As described in Note 1 above, UCC is an introducing broker and does not hold client funds in any of its accounts.

11. Common Stock and Options

As of December 31, 2008, UCHC has options outstanding for the purchase of 449,540 shares of common stock at \$0.01 per share. 414,540 of the options outstanding are to an employee of the Company.

SUPPLEMENTARY INFORMATION

UNION CAPITAL HOLDINGS CORP. AND SUBSIDIARY UNION CAPITAL COMPANY

CONSOLIDATING BALANCE SHEET
December 31, 2008

ASSETS

	Union Capital Holdings Corp.	Union Capital Company	Consolidating Adjustments	Consolidated Totals
Assets:				
Cash	\$ 272	\$ 33,177	\$ -	\$ 33,449
Clearing deposit	-	35,000	-	35,000
Commissions receivable	-	19,842	-	19,842
Other receivable	-	25,997	-	25,997
Employee advances	-	8,686	-	8,686
Due from stockholder	-	92,310	-	92,310
Investment in Union Capital Company	183,900	-	(183,900)	-
Due from parent company	-	7,951	(7,951)	-
Deferred income tax asset	-	16,500	-	16,500
Total current assets	184,172	239,463	(191,851)	231,784
Deposits	-	1,705	-	1,705
Intangible asset, net	-	453	-	453
Furniture and equipment, net	-	7,619	-	7,619
Total assets	\$ 184,172	\$ 249,240	\$ (191,851)	\$ 241,561

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities:				
Accounts payable and accrued expenses	\$ -	\$ 61,547	\$ -	\$ 61,547
Due to subsidiary	7,951	-	(7,951)	-
Income taxes payable	50	-	-	50
Capital lease payable, current portion	-	2,868	-	2,868
Deferred income tax liability	-	400	-	400
Total current liabilities	8,001	64,815	(7,951)	64,865
Capital lease payable, non-current portion	-	525	-	525
Total liabilities	8,001	65,340	(7,951)	65,390
Stockholders' equity:				
Common stock, no par value; 2,000,000 shares authorized, 1,308,941 shares issued and outstanding	459,085	458,624	(458,624)	459,085
Accumulated deficit	(282,914)	(274,724)	274,724	(282,914)
Total stockholders' equity	176,171	183,900	(183,900)	176,171
Total liabilities and stockholders' equity	\$ 184,172	\$ 249,240	\$ (191,851)	\$ 241,561

Supplementary Information.
See independent auditors' report.

UNION CAPITAL HOLDINGS CORP. AND SUBSIDIARY UNION CAPITAL COMPANY

CONSOLIDATING STATEMENT OF OPERATIONS
For the year ended December 31, 2008

	Union Capital Holdings Corp.	Union Capital Company	Consolidating Adjustments	Consolidated Totals
Revenues:				
Commissions	\$ -	\$ 793,971	\$ -	\$ 793,971
Management fees	-	-	-	-
Other income	14	2,215	-	2,229
Equity in loss of subsidiary	<u>(13,849)</u>	<u>-</u>	<u>13,849</u>	<u>-</u>
Total revenue	(13,835)	796,186	13,849	796,200
Operating expenses:				
Compensation and benefits	-	624,049	-	624,049
Floor brokerage and clearing costs	-	40,886	-	40,886
Rent	-	26,584	-	26,584
Travel and entertainment	-	19,361	-	19,361
Automobile	-	14,539	-	14,539
Legal and professional fees	-	13,207	-	13,207
Licenses and fees	-	13,115	-	13,115
Contract labor	-	11,975	-	11,975
Telephone	-	10,919	-	10,919
Advertising	-	10,879	-	10,879
Office expenses	82	10,019	-	10,101
Depreciation and amortization	-	7,426	-	7,426
Quotes	-	7,157	-	7,157
Miscellaneous	-	2,824	-	2,824
Website and internet	-	1,940	-	1,940
Total operating expenses	<u>82</u>	<u>814,880</u>	<u>-</u>	<u>814,962</u>
Operating loss	(13,917)	(18,694)	13,849	(18,762)
Other income (expense):				
Interest income	-	3,779	-	3,779
Interest expense	-	(934)	-	(934)
Total other income (expense)	<u>-</u>	<u>2,845</u>	<u>-</u>	<u>2,845</u>
Loss before income tax provision (benefit)	(13,917)	(15,849)	13,849	(15,917)
Income tax provision (benefit)	<u>50</u>	<u>(2,000)</u>	<u>-</u>	<u>(1,950)</u>
Net loss	<u>\$ (13,967)</u>	<u>\$ (13,849)</u>	<u>\$ 13,849</u>	<u>\$ (13,967)</u>

Supplementary Information.
See independent auditors' report.

UNION CAPITAL HOLDINGS CORP. AND SUBSIDIARY UNION CAPITAL COMPANY

CONSOLIDATING STATEMENT OF STOCKHOLDERS' EQUITY
For the year ended December 31, 2008

	<u>Union Capital Holdings Corp.</u>	<u>Union Capital Company</u>	<u>Consolidating Adjustments</u>	<u>Consolidated Totals</u>
Common stock:				
Balance, December 31, 2007	\$ 459,085	\$ 458,624	\$ (458,624)	\$ 459,085
Balance, December 31, 2008	<u>\$ 459,085</u>	<u>\$ 458,624</u>	<u>\$ (458,624)</u>	<u>\$ 459,085</u>
Accumulated deficit:				
Balance, December 31, 2007	\$ (268,947)	\$ (260,875)	\$ 260,875	\$ (268,947)
Net loss	<u>(13,967)</u>	<u>(13,849)</u>	<u>13,849</u>	<u>(13,967)</u>
Balance, December 31, 2008	<u>\$ (282,914)</u>	<u>\$ (274,724)</u>	<u>\$ 274,724</u>	<u>\$ (282,914)</u>

Supplementary Information.
See independent auditors' report.

UNION CAPITAL HOLDINGS CORP. AND SUBSIDIARY UNION CAPITAL COMPANY

COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF
THE SECURITIES AND EXCHANGE COMMISSION

For the year ended December 31, 2008

Net Capital	
Consolidated stockholders' equity qualified for net capital	\$ 176,171
Add:	
Allowable credits:	
Deferred tax liability	400
Capital lease for computers (allowable under SEC Rule 15c3-1(c)(1)(viii) and (2)(iv))	3,393
	<u>179,964</u>
Total capital and allowable credits	179,964
Deductions:	
Nonallowable assets:	
Due from stockholder	92,310
Employee advances	8,686
Other receivables	25,997
Lease deposit	1,705
Deferred tax asset	16,500
Furniture and equipment, net	7,619
Intangible asset, net	453
	<u>26,694</u>
Net capital before haircuts	26,694
Haircuts on money market account (2%)	<u>(466)</u>
Net capital	26,228
Minimum net capital requirement	<u>5,000</u>
Net capital in excess of required amount	<u>\$ 21,228</u>
Aggregate indebtedness	<u>\$ 65,390</u>

Supplementary Information.
See independent auditors' report.

UNION CAPITAL HOLDINGS CORP. AND SUBSIDIARY UNION CAPITAL COMPANY
RECONCILIATIONS UNDER RULE 17a-5(d)(4) OF THE SECURITIES AND EXCHANGE COMMISSION
For the year ended December 31, 2008

Reconciliation of Computation of Net Capital:

Net Capital

Net capital, per FOCUS Report, Part IIA, page 10, line 10	\$ 25,946
Net capital, per December 31, 2008 audited financial statement	\$ 26,228

The difference between net capital per the FOCUS report and the audited financial statement is due to audit adjustments with a net income effect and consolidation of Union Capital Company with its parent company, Union Capital Holdings Corp. for financial reporting purposes.

Aggregate Indebtedness

Aggregate indebtedness, per FOCUS Report, Part IIA, page 11, line 19	\$ 65,203
Aggregate indebtedness, per December 31, 2008 audited financial statement	\$ 65,390

The difference between aggregate indebtedness per the FOCUS report and the audited financial statement is due to audit adjustments and the consolidation of Union Capital Company with its parent company, Union Capital Holdings Corp. for financial reporting purposes.

Supplementary Information.
See independent auditors' report.

UNION CAPITAL HOLDINGS CORP. AND SUBSIDIARY UNION CAPITAL COMPANY
COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS AND INFORMATION
RELATING TO POSSESSION OR CONTROL OF SECURITIES UNDER RULE 15c3-3 OF THE
SECURITIES AND EXCHANGE COMMISSION
For the year ended December 31, 2008

Exemption Provisions

The Company has claimed an exemption from Rule 15c3-3 under Section (k)(2)(ii), in which all customer transactions are cleared through another broker-dealer on a fully disclosed basis.

Supplementary Information.
See independent auditors' report.



REPORT ON INTERNAL CONTROL REQUIRED BY SEC RULE 17a-5 FOR A BROKER-DEALER
CLAIMING AN EXEMPTION FROM SEC RULE 15c3-3

To the Board of Directors and Stockholders
Union Capital Holdings Corp. and Subsidiary
Union Capital Company

In planning and performing our audit of the consolidated financial statements and supplemental schedules of Union Capital Holdings Corp. and subsidiary Union Capital Company (the Company), for the year ended December 31, 2008, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements and not to provide assurance on internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the company including tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons
2. Recordation of differences required by rule 17a-13
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control and the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there

REPORT ON INTERNAL CONTROL REQUIRED BY SEC RULE 17a-5 FOR BROKER-DEALER
CLAIMING AN EXEMPTION FROM SEC RULE 15c3-3, Continued

is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. We did not identify any deficiencies in internal control and control activities for safeguarding securities that we consider to be material weaknesses, as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2008, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, and other regulatory agencies that rely on rule 17a-5(g) under the Securities and Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

Audwig Klever & Co, PLLC

January 30, 2009