

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended March 31, 2010

COMMISSION FILE NUMBER: 1-10104

UNITED CAPITAL CORP.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or
organization)

04-2294493

(I.R.S. Employer Identification No.)

9 Park Place, Great Neck, NY

(Address of principal executive offices)

11021

(Zip Code)

516-466-6464

(Registrant's telephone number, including area code)

N/A

(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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer
Non-accelerated filer

Accelerated filer
Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

The registrant had 9,047,860 shares of common stock, \$.10 par value, outstanding as of May 11, 2010.

UNITED CAPITAL CORP. AND SUBSIDIARIES

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UNITED CAPITAL CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except per share data)

	March 31, 2010	December 31, 2009
	<u>(Unaudited)</u>	
ASSET		
Current assets:		
Cash and cash equivalents	\$ 125,301	\$ 124,354
Marketable securities	30,320	25,227
Notes and accounts receivable, net	7,581	7,225
Inventories	4,133	4,450
Prepaid expenses and other current assets	<u>1,674</u>	<u>2,066</u>
Total current assets	<u>169,009</u>	<u>163,322</u>
Property, plant and equipment, net	7,733	8,088
Real property held for rental, net	92,485	92,900
Investment in joint venture	4,469	4,664
Noncurrent notes receivable	10,423	9,687
Other assets	<u>5,346</u>	<u>4,597</u>
Total assets	<u>\$ 289,465</u>	<u>\$ 283,258</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term debt	\$ 977	\$ 1,080
Accounts payable and accrued liabilities	9,503	10,134
Income taxes payable	5,624	4,658
Deferred income taxes	<u>1,817</u>	<u>96</u>
Total current liabilities	<u>17,921</u>	<u>15,968</u>
Long-term debt	31,693	32,915
Other long-term liabilities	14,330	14,817
Deferred income taxes	<u>9,771</u>	<u>9,575</u>
Total liabilities	<u>73,715</u>	<u>73,275</u>
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$.10 par value, authorized 17,500 shares; issued and outstanding 9,059 and 9,081 shares, respectively	906	908
Retained earnings	209,606	207,029
Accumulated other comprehensive income, net of tax	<u>5,238</u>	<u>2,046</u>
Total stockholders' equity	<u>215,750</u>	<u>209,983</u>
Total liabilities and stockholders' equity	<u>\$ 289,465</u>	<u>\$ 283,258</u>

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

UNITED CAPITAL CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(In thousands, except per share data)

	Three Months Ended March 31,	
	2010	2009
Revenues:		
Revenues from real estate operations	\$ 12,547	\$ 7,952
Net sales	<u>7,588</u>	<u>5,784</u>
Total revenues	<u>20,135</u>	<u>13,736</u>
Costs and expenses:		
Cost of sales	5,641	4,512
Real estate operations:		
Mortgage interest expense	538	532
Depreciation expense	1,235	940
Other operating expenses	6,741	3,983
General and administrative expenses	1,593	1,790
Selling expenses	<u>790</u>	<u>818</u>
Total costs and expenses	<u>16,538</u>	<u>12,575</u>
Operating income	<u>3,597</u>	<u>1,161</u>
Other income (expense):		
Interest and dividend income	899	835
Other income and (expense), net	<u>(5)</u>	<u>(109)</u>
Total other income (expense)	<u>894</u>	<u>726</u>
Income from continuing operations before income taxes	4,491	1,887
Provision for income taxes	<u>1,374</u>	<u>693</u>
Income from continuing operations	3,117	1,194
Loss from discontinued operations, net of tax benefit of \$52	<u>—</u>	<u>(77)</u>
Net income	<u>\$ 3,117</u>	<u>\$ 1,117</u>
Basic earnings per share:		
Income from continuing operations	\$.34	\$.14
Loss from discontinued operations	<u>—</u>	<u>(.01)</u>
Net income per share	<u>\$.34</u>	<u>\$.13</u>
Diluted earnings per share:		
Income from continuing operations	\$.31	\$.13
Loss from discontinued operations	<u>—</u>	<u>(.01)</u>
Net income per share assuming dilution	<u>\$.31</u>	<u>\$.12</u>

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

UNITED CAPITAL CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands)

	Three Months Ended	
	March 31,	
	2010	2009
Cash flows from operating activities:		
Net income	\$ 3,117	\$ 1,117
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,367	1,035
Net loss on available-for-sale securities	—	104
Net realized and unrealized gains on derivative instruments	—	(5)
Deferred income taxes	197	(135)
Accrued dividends receivable	(330)	—
Other, net	(12)	185
Changes in assets and liabilities:		
Notes and accounts receivable, net	(1,103)	1,264
Inventories	317	808
Prepaid expenses and other current assets	392	307
Other assets	(744)	(21)
Accounts payable and accrued liabilities	(631)	(2,122)
Income taxes payable	966	(967)
Other long-term liabilities	(487)	(124)
Net cash provided by operating activities of continuing operations	3,049	1,446
Operating activities of discontinued operations	—	97
Net cash provided by operating activities	<u>3,049</u>	<u>1,543</u>
Cash flows from investing activities:		
Purchase of available-for-sale securities	—	(3,939)
Proceeds/maturities from sale of available-for-sale securities	149	361
Principal payments on notes receivable	11	11
Acquisition of property, plant and equipment	(141)	(214)
Acquisition of/additions to real estate assets	(449)	(830)
Distributions from joint venture	195	194
Net cash used in investing activities	<u>(235)</u>	<u>(4,417)</u>
Cash flows from financing activities:		
Principal payments on mortgage obligations	(1,325)	(1,973)
Purchase and retirement of common stock	(542)	(79)
Proceeds from exercise of stock options	—	4,219
Tax benefit from exercise of stock options	—	1,452
Net cash (used in) provided by financing activities	<u>(1,867)</u>	<u>3,619</u>
Net increase in cash and cash equivalents	947	745
Cash and cash equivalents, beginning of period	<u>124,354</u>	<u>138,142</u>
Cash and cash equivalents, end of period	<u>\$ 125,301</u>	<u>\$ 138,887</u>
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	<u>\$ 566</u>	<u>\$ 535</u>
Taxes	<u>\$ 499</u>	<u>\$ 279</u>

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

UNITED CAPITAL CORP. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except per share data)
(Unaudited)

1. BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and with the instructions to Form 10-Q and Article 8 of Regulation S-X, as promulgated by the Securities and Exchange Commission (“SEC”). Accordingly, they do not include all information and footnotes required by GAAP for complete financial statements.

In the opinion of management, all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the results for the interim periods presented have been recorded. These financial statements have been prepared in conformity with the accounting principles, and methods of applying those accounting principles, as reflected in the audited financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2009 and should be read in conjunction therewith. The results of operations for the periods presented are not necessarily indicative of the results to be expected for the full year.

2. STOCKHOLDERS’ EQUITY

Previous purchases of the Company’s common stock have reduced the Company’s additional paid-in-capital to zero and have also reduced retained earnings by amounts in excess of par value. Any future purchases in excess of par value will also reduce retained earnings.

Repurchases of the Company’s common stock may be made from time to time in the open market at prevailing market prices and may be made in privately negotiated transactions, subject to available resources. Future proceeds from the issuance of common stock in excess of par value will be credited to retained earnings until such time that previously recorded reductions have been recovered. During the three months ended March 31, 2009, the Company received proceeds of \$4,219 from the exercise of options to purchase 600 shares of the Company’s common stock and recorded a tax benefit of \$1,452 to retained earnings related to such exercise. No stock options were exercised during the three months ended March 31, 2010.

During the three months ended March 31, 2010 and 2009, the Company purchased and retired 22 and 5 shares of common stock for an aggregate purchase price of \$542 and \$79, respectively.

During April 2010, certain officers and directors of the Company exercised options to purchase an aggregate of 878 shares of the Company’s common stock with an aggregate cost to exercise of \$7,126 and sold such shares to the Company for an aggregate purchase price of \$21,497.

3. EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings per share from continuing operations:

	Three Months Ended March 31,	
	2010	2009
Numerator:		
Income from continuing operations	<u>\$ 3,117</u>	<u>\$ 1,194</u>
Denominator:		
Basic – weighted-average shares outstanding	9,067	8,675
Dilutive effect of employee stock options	<u>950</u>	<u>722</u>
Diluted – weighted-average shares outstanding	<u>10,017</u>	<u>9,397</u>
Basic earnings per share – continuing operations	<u>\$.34</u>	<u>\$.14</u>
Diluted earnings per share – continuing operations	<u>\$.31</u>	<u>\$.13</u>

Potentially dilutive securities related to outstanding options to purchase 740 shares of the Company's common stock for the three months ended March 31, 2009 were excluded from the computation of diluted earnings per share because their effect would have been anti-dilutive.

4. STOCK-BASED COMPENSATION

The Company has two stock option plans, the Incentive and Non-Qualified Stock Option Plan and the 1988 Joint Incentive and Non-Qualified Stock Option Plan, under which qualified and non-qualified options may be granted to key employees to purchase the Company's common stock at the fair market value on the date of grant. Under both plans, the options typically become exercisable in three equal installments, beginning one year from the date of grant. Stock options generally expire ten years from the date of grant. Currently, there are no options available for grant under these plans.

As of March 31, 2010 and December 31, 2009, the Company had outstanding options to purchase 3,185 shares with a weighted-average exercise price \$13.18 per share. No stock options were exercised during the three months ended March 31, 2010. As of March 31, 2010, these options had a weighted-average remaining contractual term of 1.7 years and an aggregate intrinsic value of \$33,575. The aggregate intrinsic value represents the difference between the Company's closing stock price on March 31, 2010 (\$23.72) and the exercise price of each option, multiplied by the number of "in-the-money" options. This amount changes based upon the fair market value of the Company's common stock.

5. MARKETABLE SECURITIES

The cost, gross unrealized gains, gross unrealized losses and fair market value of available-for-sale securities are as follows:

	<u>Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Fair Market Value</u>
March 31, 2010:				
Equity securities	\$ 22,189	\$ 8,408	\$ (402)	\$ 30,195
Bonds	<u>72</u>	<u>55</u>	<u>(2)</u>	<u>125</u>
	<u>\$ 22,261</u>	<u>\$ 8,463</u>	<u>\$ (404)</u>	<u>\$ 30,320</u>
December 31, 2009:				
Equity securities	\$ 21,860	\$ 4,239	\$ (1,128)	\$ 24,971
Bonds	<u>220</u>	<u>41</u>	<u>(5)</u>	<u>256</u>
	<u>\$ 22,080</u>	<u>\$ 4,280</u>	<u>\$ (1,133)</u>	<u>\$ 25,227</u>

Proceeds/maturities from the sale of available-for-sale securities, as well as the losses recognized in earnings on available-for-sale securities, included in the determination of net income are as follows:

	<u>Three Months Ended March 31,</u>	
	<u>2010</u>	<u>2009</u>
Proceeds/maturities	<u>\$ 149</u>	<u>\$ 361</u>
Losses recognized in earnings	<u>\$ —</u>	<u>\$ (104)</u>

6. INVENTORIES

The components of inventories are as follows:

	<u>March 31, 2010</u>	<u>December 31, 2009</u>
Raw materials	\$ 1,692	\$ 1,817
Work in process	385	529
Finished goods	<u>2,056</u>	<u>2,104</u>
	<u>\$ 4,133</u>	<u>\$ 4,450</u>

7. REAL ESTATE

Property sales

The results of operations of properties sold prior to March 31, 2010, consisting primarily of \$64 of revenues, \$97 of depreciation expense, and \$96 of other operating expenses, have been reclassified to discontinued operations, on a net of tax basis, for the three months ended March 31, 2009.

Properties held for sale

As of March 31, 2010, there were no properties considered by the Company to be held for sale.

8. FAIR VALUE MEASUREMENTS

The following table sets forth the Company's financial assets and liabilities that were measured at fair value on a recurring basis, by level, within the fair value hierarchy:

	Fair Value Measurements at Reporting Date Using			
	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
March 31, 2010:				
Marketable securities	<u>\$ 30,320</u>	<u>\$ 28,192</u>	<u>\$ 2,128</u>	<u>\$ —</u>
December 31, 2009:				
Marketable securities	<u>\$ 25,227</u>	<u>\$ 23,033</u>	<u>\$ 2,194</u>	<u>\$ —</u>

The carrying amounts of financial instruments such as cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities approximate their fair value due to the short-term maturity of such items. The estimated fair values of the Company's other financial assets and liabilities not measured at fair value on a recurring basis at March 31, 2010 and December 31, 2009 are as follows:

	March 31, 2010		December 31, 2009	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Notes receivable	<u>\$ 5,045</u>	<u>\$ 6,003</u>	<u>\$ 5,057</u>	<u>\$ 6,024</u>
Note receivable – non-performing	<u>\$ 5,428</u>	<u>\$ 5,428</u>	<u>\$ 5,428</u>	<u>\$ 5,428</u>
Long-term debt, including current portion	<u>\$ 32,670</u>	<u>\$ 28,481</u>	<u>\$ 33,995</u>	<u>\$ 30,847</u>

The fair value of notes receivable is estimated using discounted cash flow analyses, with interest rates comparable to loans with similar terms and borrowers of similar credit quality. In May 2009, the Company purchased a non-performing mortgage note for \$5,428 encumbering a property located in Jericho, New York which is subject to a pending foreclosure action. Management believes that the fair value of the note approximates its carrying amount. Upon foreclosure, such amounts will be reclassified to real property held for rental. The fair value of long-term debt is estimated based on interest rates available for debt with terms and due dates similar to the Company's existing debt arrangements.

9. PENSION PLAN

The Company has a noncontributory defined benefit pension plan that covers substantially all full-time employees of the engineered products and real estate investment and management segments. The plan, which provides defined benefits based on years of service and compensation level, was frozen in September 2009 ceasing the accrual of further benefits.

Net periodic pension income (cost) consists of the following:

	Three Months Ended March 31,	
	2010	2009
Service cost	\$ (15)	\$ (80)
Interest cost	(172)	(190)
Expected return on plan assets	199	138
Amortization of net loss	<u>—</u>	<u>(61)</u>
Net periodic pension income (cost)	<u>\$ 12</u>	<u>\$ (193)</u>

During the first quarter of 2010, the Company contributed \$650 to the pension plan.

10. COMPREHENSIVE INCOME

The components of comprehensive income are as follows:

	Three Months Ended March 31,	
	2010	2009
Net income	\$ 3,117	\$ 1,117
Other comprehensive income (loss), net of tax:		
Change in net unrealized gain (loss) on available-for-sale securities, net of tax effect of (\$1,720) and \$525, respectively	3,192	(975)
Reclassification adjustment for net losses realized in net income, net of tax effect of \$36	<u>—</u>	<u>68</u>
Comprehensive income	<u>\$ 6,309</u>	<u>\$ 210</u>

Accumulated other comprehensive income included as a component of stockholders' equity at March 31, 2010 and December 31, 2009 consists of net unrealized gains on available-for-sale securities of \$5,238 and \$2,046, which are net of \$2,821 and \$1,101 of tax, respectively.

11. BUSINESS SEGMENTS

The Company operates through three business segments: real estate investment and management, hotel operations and engineered products. The real estate investment and management segment is engaged in the business of investing in and managing real estate properties located throughout the United States. The hotel operations segment owns and operates four hotels located in the United States. Engineered products are manufactured through wholly-owned subsidiaries of the Company and primarily consist of knitted wire products and components and transformer products sold worldwide.

The accounting policies of the Company's segments are the same as those described in the Summary of Significant Accounting Policies included in the Notes to Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2009.

Operating results of the Company's business segments are as follows:

	Three Months Ended March 31,	
	2010	2009
Net revenues and sales:		
Real estate investment and management	\$ 4,978	\$ 4,836
Hotel operations	7,569	3,116
Engineered products	<u>7,588</u>	<u>5,784</u>
	<u>\$ 20,135</u>	<u>\$ 13,736</u>

	Three Months Ended March 31,	
	2010	2009
Operating income (loss):		
Real estate investment and management	\$ 3,052	\$ 2,925
Hotel operations	981	(428)
Engineered products	458	(319)
General corporate expenses	<u>(894)</u>	<u>(1,017)</u>
	3,597	1,161
Other income (expense), net	<u>894</u>	<u>726</u>
Income from continuing operations before income taxes	<u>\$ 4,491</u>	<u>\$ 1,887</u>

12. COMMITMENTS AND CONTINGENCIES

The Company has undertaken the completion of environmental studies and/or remedial action at its two New Jersey facilities and has recorded a liability for the estimated investigation, remediation and administrative costs associated therewith.

The process of remediation has begun at one facility pursuant to a plan filed with the New Jersey Department of Environmental Protection (“NJDEP”). Management’s assessment, based on estimates from environmental contractors, is that under the most probable scenario, the remediation of this site is anticipated to require initial expenditures of \$860, including the cost of capital equipment, and \$86 in annual operating and maintenance costs over a 15 year period.

Environmental studies at the second facility indicate that remediation may be necessary. Based upon the facts presently available, management’s assessment, based on estimates from environmental contractors, is that under the most probable remediation scenario, the estimated cost to remediate this site is anticipated to require \$2,300 in initial costs, including capital equipment expenditures, and \$258 in annual operating and maintenance costs over a 10 year period. These estimated costs of future expenses for environmental remediation obligations are not discounted to their present value. The Company may revise such estimates in the future due to the uncertainty regarding the nature, timing and extent of any remediation efforts that may be required at this site, should an appropriate regulatory agency deem such efforts to be necessary.

The foregoing estimates may also be revised by the Company as new or additional information in these matters become available or should the NJDEP or other regulatory agencies require additional or alternative remediation efforts in the future. Although such events are not expected to change these estimates, adverse decisions or events, particularly as to the merits of the Company’s factual and legal basis, could cause the Company to change its estimate of liability with respect to such matters in the future. The Company had approximately \$8,600 and \$8,800 recorded in accounts payable and accrued liabilities and other long-term liabilities at March 31, 2010 and December 31, 2009, respectively, to cover such matters.

The Company has an employment agreement with its Chairman, President and Chief Executive Officer (the “Officer”) which provides for a base salary of \$800 per annum plus a discretionary bonus as determined by the Compensation and Stock Option Committee of the Board of Directors. In the event of termination or a change in control, as defined in the employment agreement, the Company is required to pay the Officer a lump sum severance payment equal to three years salary and purchase outstanding options. The employment agreement contains non-competition, non-solicitation, and confidentiality provisions which apply for one-year after cessation of employment and also provides for successive one-year terms, unless either the Company or the Officer gives the other written notice that the employment agreement is terminated, and also provides a death benefit which the Company secures through an insurance policy.

The Company is subject to various other litigation, legal and regulatory matters that arise in the ordinary course of business activities. When management believes it is probable that a liability has been incurred and such amounts are reasonably estimable, the Company provides for amounts that include judgments and penalties that may be assessed. These liabilities are usually included in accounts payable and accrued liabilities or other long-term liabilities in the Condensed Consolidated Financial Statements, depending on the anticipated payment date. Based on the facts

presently available, the Company does not believe that the disposition of matters that are pending or asserted will have a material adverse effect on the Company's consolidated financial position or results of operations. However, new or additional facts or an adverse judgment by a court, arbitrator or a settlement could adversely impact the Company's results of operations in any given period.

13. USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with GAAP requires management to use judgment in making estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. Certain of the estimates and assumptions required to be made relate to matters that are inherently uncertain as they pertain to future events. While management believes that the estimates and assumptions used were the most appropriate, actual results could differ significantly from those estimates under different assumptions and conditions.

14. RECLASSIFICATIONS

Certain prior year amounts have been reclassified to present them on a basis consistent with the current year.

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

(In thousands, except per share data or as otherwise noted)

The following discussion should be read in conjunction with the Condensed Consolidated Financial Statements of United Capital Corp. (the "Company") and related notes thereto.

RESULTS OF OPERATIONS: THREE MONTHS ENDED MARCH 31, 2010 AND 2009

Total revenues for the first quarter of 2010 were \$20,135, an increase of \$6,399 or 47% from the comparable 2009 quarter, primarily as a result of the acquisition of a hotel in August 2009 and a 31% increase in net sales of the engineered products segment. Operating income also benefited from the increase in revenues, growing \$2,436 or 210% to \$3,597 for the three months ended March 31, 2010, compared to the corresponding period of 2009. Net income increased \$2,000 or 179% for the current quarter to \$3,117, compared to \$1,117 for the comparable prior year quarter. On a per share basis, net income was \$.34 per basic share for the first quarter of 2010, compared to \$.13 per basic share for the comparable 2009 quarter.

REAL ESTATE OPERATIONS

The Company's real estate operations consist of the real estate investment and management and hotel operations segments. The operating results for these segments are as follows:

	Three Months Ended March 31, 2010			Three Months Ended March 31, 2009		
	Real Estate	Hotel Operations	Total	Real Estate	Hotel Operations	Total
Revenues	\$ 4,978	\$ 7,569	\$ 12,547	\$ 4,836	\$ 3,116	\$ 7,952
Mortgage interest expense	90	448	538	60	472	532
Depreciation expense	609	626	1,235	555	385	940
Other operating expenses	<u>1,227</u>	<u>5,514</u>	<u>6,741</u>	<u>1,296</u>	<u>2,687</u>	<u>3,983</u>
Income (loss) from operations	<u>\$ 3,052</u>	<u>\$ 981</u>	<u>\$ 4,033</u>	<u>\$ 2,925</u>	<u>\$ (428)</u>	<u>\$ 2,497</u>

Real Estate Investment and Management

Revenues from the real estate investment and management segment increased \$142 or 2.9% to \$4,978 for the first quarter of 2010, compared to the corresponding quarter of 2009, primarily due to additional revenues (\$113) from a property purchased in the fourth quarter of the prior year. In general, rental revenues from the Company's real estate properties do not fluctuate significantly due to the long-term nature of the Company's leases. However, future rental revenues could be affected by lease renewals, terminations and by the purchase or sale of additional properties.

Mortgage interest expense increased \$30 for the three months ended March 31, 2010, compared to that reported in the corresponding period of 2009. The increase is primarily the result of additional interest from a mortgage associated with a property acquired in the fourth quarter of 2009, partially offset by reduced mortgage interest from a matured mortgage and from continuing mortgage amortization. As a result of this activity, mortgage interest expense from the Company's real estate investment and management segment for 2010 will continue to be higher than that reported for the corresponding periods of 2009.

Depreciation expense associated with real properties held for rental increased \$54 for the quarter ended March 31, 2010, compared to the corresponding 2009 quarter. The increase is primarily attributable to depreciation expense (\$59) related to additions to real estate assets over the past twelve months. As a result of the purchase of a commercial property in November 2009, depreciation expense on the Company's properties for each of the quarters and full year of 2010 should be higher than that reported in the corresponding 2009 periods.

Other operating expenses associated with the management of real properties decreased \$69 for the three months ended March 31, 2010, compared to the corresponding period of 2009, primarily related to a decrease in property maintenance (\$116) which is the result of the timing of certain repairs and renovations. Future operating expenses of the Company's real estate properties may vary as a result of property age, location, and vacancies.

Hotel Operations

Hotel revenues increased \$4,453 or 143% to \$7,569 for the first quarter of 2010, compared to the first quarter of 2009, primarily related to additional revenues (\$4,329) resulting from the August 2009 acquisition of a hotel located in Miami, Florida (the "Miami Hotel"). In addition, the Company's hotel located in Windsor Locks, Connecticut, experienced increased food and beverage revenue (\$162) from its new restaurant concept which was opened during the fourth quarter of 2009. Due to the acquisition of the Miami Hotel, reported hotel revenues are expected to increase for each of the quarters and for the full year of 2010, as compared to the corresponding periods of 2009.

Mortgage interest expense related to the Company's hotel properties decreased \$24 for the first quarter of 2010, compared to the corresponding quarter of 2009. This decrease primarily relates to a reduction in mortgage interest due to refinancing the mortgage on the Company's Atlanta, Georgia hotel. The Company paid down \$1,000 of the outstanding balance and reduced the interest rate from 6.57% to 4.5% per annum. The refinancing did not change the maturity date which remains January 2018. As a result, without additional refinancings or borrowings, 2010 mortgage interest should be lower in each of the quarters, than reported during the corresponding periods of 2009.

Depreciation expense associated with the Company's hotel operations increased \$241 for the quarter ended March 31, 2010, compared to the corresponding quarter in 2009, primarily attributable to additional depreciation expense (\$208) related to the Miami Hotel acquired in August 2009. As a result of the Miami Hotel acquisition, depreciation expense for the full year of 2010 should be higher than that reported in 2009.

Other operating expenses related to the management of the Company's hotels increased \$2,827 to \$5,514 for the first quarter of 2010 due to the additional operating expenses (\$2,964) from the Miami Hotel. Minor fluctuations in operating expenses at the Company's other hotels resulted from corresponding variances in revenues at the respective property.

ENGINEERED PRODUCTS

The operating results of the engineered products segment are as follows:

	Three Months Ended March 31,	
	2010	2009
Net sales	\$ 7,588	\$ 5,784
Cost of sales	5,641	4,512
Selling, general and administrative expenses	<u>1,489</u>	<u>1,591</u>
Operating income (loss)	<u>\$ 458</u>	<u>\$ (319)</u>

Net sales of the engineered products segment increased \$1,804 or 31% for the first quarter of 2010, compared with the results of the corresponding 2009 quarter, primarily related to increased demand for the Company's airbag products, however most products also demonstrated modest sales growth from the prior year. Sales of this segment are directly influenced by general economic conditions, worldwide automotive demand, and industrial capital spending. As economic conditions improve, management is hopeful that net sales of its engineered products segment will also improve.

Cost of sales as a percentage of net sales decreased 3.7% for the three month period ended March 31, 2010, compared to the corresponding period of 2009. The decrease is primarily related to the mix of products sold, as noted above, and from cost-saving initiatives implemented during the last eighteen months to combat the declining sales in this segment.

Selling, general and administrative expenses of the engineered products segment decreased \$102 or 6.4% for the first quarter of 2010, compared to the first quarter of 2009. This decrease is primarily due to a decrease in payroll and payroll related expenses (\$95) and other implemented cost-saving initiatives.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses not associated with the manufacturing operations decreased \$122 for the three months ended March 31, 2010, compared to such expenses incurred in the comparable 2009 period, primarily attributable to a decrease in net periodic pension cost (\$205) in the current year.

DISCONTINUED OPERATIONS

Loss from operations on properties sold and accounted for as discontinued operations was (\$77), on a net of tax basis, for the first quarter of 2009. Such amounts have been reclassified to reflect results of operations of real estate properties sold during 2009 as discontinued operations. The Company did not consider any of its properties to be held for sale as of March 31, 2010 and no properties have been sold during the three months ended March 31, 2010.

LIQUIDITY AND CAPITAL RESOURCES

Net cash provided by operating activities was \$3,049 in the three months ended March 31, 2010 versus \$1,543 in the comparable 2009 period. This increase primarily results from higher operating income before depreciation (\$2,768) in the current year and from fluctuations in working capital, including accounts payable and accrued expenses (\$1,491). These were offset by uses in notes and accounts receivable, net (\$2,367) and by a contribution to the Company's defined benefit pension plan in 2010 (\$650).

Net cash used in investing activities was \$235 and \$4,417 for the three months ended March 31, 2010 and 2009, respectively. This change primarily results from cash used in 2009 for the purchase of available-for-sale securities (\$3,939). No such securities were purchased in the current year.

Net cash used in financing activities was \$1,867 for the three months ended March 31, 2010, compared to net cash provided by financing activities of \$3,619 for the same period of 2009. This change results primarily from the exercise of stock options (\$4,219) and related tax benefits (\$733) during the three months ended March 31, 2009. No stock options were exercised in the first quarter of the current year. Fluctuations also result from an increase in

principal payments on mortgage obligations (\$648) and a decrease in the purchase and retirement of common stock (\$463) during the current year, as compared to the first quarter of 2009.

Previous purchases of the Company's common stock have reduced the Company's additional paid-in capital to zero and have also reduced retained earnings by amounts in excess of par value. Any future purchases in excess of par value will also reduce retained earnings. Repurchases of the Company's common stock may be made from time to time in the open market at prevailing market prices and may be made in privately negotiated transactions, subject to available resources. Future proceeds from the issuance of common stock in excess of par value will be credited to retained earnings until such time that previously recorded reductions have been recovered.

During April 2010, certain officers and directors of the Company exercised options to purchase an aggregate of 878 shares of the Company's common stock with an aggregate cost to exercise of \$7,126 and sold such shares to the Company for an aggregate purchase price of \$21,497.

During the remainder of this calendar year, the Company anticipates investing approximately \$8,000 in additional renovations and improvements to the Miami Hotel.

At March 31, 2010, the Company's cash and marketable securities totaled \$155.6 million and working capital was \$151.1 million compared to cash and marketable securities of \$149.6 million and working capital of \$147.4 million at December 31, 2009. While there has been a decline in the value of certain real estate properties in the United States, real estate prices could drop even further. Management has limited acquisitions to those select properties that meet the Company's stringent financial requirements. Management believes that opportunities to acquire additional properties at favorable prices may be available in the future and the Company's available working capital provides a considerable advantage to fund acquisitions and grow its portfolio, if and when attractive long-term opportunities become available. The tightened credit market however, could limit the Company's ability to leverage future acquisitions.

The equity method of accounting is used for investments in 20% to 50% owned joint ventures in which the Company has the ability to exercise significant influence, but not control. These investments are recorded initially at cost and subsequently adjusted for equity in earnings and cash contributions and distributions. The debt of the joint venture in which the Company currently has an ownership interest is a non-recourse obligation and is collateralized by the entity's real property. The Company believes that the value of the underlying property and its operating cash flows are sufficient to satisfy its obligations. The Company is not obligated for the debts of the joint venture, but could decide to satisfy them in order to protect its investment. In such event, the Company's capital resources and financial condition would be reduced and, in certain instances, the carrying value of the Company's investment and its results of operations would be negatively impacted.

The cash needs of the Company have been satisfied from funds generated by current operations. It is expected that future operational cash needs will also be satisfied from existing cash balances, marketable securities, ongoing operations or borrowings. The primary source of capital to fund additional real estate acquisitions and to make additional high-yield mortgage loans may come from existing funds, the sale, financing and refinancing of the Company's properties and from third party mortgages and purchase money notes obtained in connection with specific acquisitions.

In addition to the acquisition of properties for consideration consisting of cash and mortgage financing proceeds, the Company may acquire real properties in exchange for the issuance of the Company's equity securities. The Company may also finance acquisitions of other companies in the future with borrowings from institutional lenders and/or the public or private offerings of debt or equity securities. The Company currently has no agreements, commitments or understandings with respect to the acquisition of real properties or other companies in exchange for its equity or debt securities.

Funds of the Company in excess of that needed for working capital, purchasing real estate and arranging financing for real estate acquisitions are invested by the Company in corporate equity securities, corporate notes, certificates of deposit, government securities and other financial instruments. Although these excess funds are invested in investment grade securities, they are subject to significant fluctuations in fair value due to the volatility of the stock market and changes in general economic conditions. Changes in U.S. interest rates affect the interest earned on the Company's cash and cash equivalent balances and other interest bearing investments. Given the level of cash and

other interest bearing investments held by the Company, changes in U.S. interest rates could impact the Company's earnings.

The Company manufactures its products in the United States and Mexico and sells its products in those markets as well as in Europe, South America and Asia. As a result, the Company's operating results could be affected by factors such as changes in foreign currency exchange rates or weak economic conditions in the foreign markets in which the Company distributes its products. Most of the Company's sales are denominated in U.S. dollars. Net sales of the Company's engineered products segment denominated in Euros were 9.5% and 8.4% for the three months ended March 31, 2010 and 2009, respectively. As such, a portion of the Company's receivables are exposed to fluctuations with the U.S. dollar. However, the Company does not believe this risk to be material to its overall financial position as the Company's historical results have not been significantly impacted by foreign exchange gains or losses. Accordingly, the Company has not entered into forward exchange contracts to hedge this exposure. If such exposure increased in the future, the Company may reexamine this practice to minimize the associated risks.

While there have been signs of improvement in the U.S. economy, the current global economic weakness and high unemployment continue to pressure results of the Company's engineered products and hotel segments. These factors are expected to continue to impact the Company throughout the year. While the depth and duration of the current negative economic environment and its impact on the Company are uncertain, management believes the Company's strong balance sheet together with the significant cash flow generated from its core real estate portfolio, should allow the Company to weather this downturn.

The plan assets of the Company's defined benefit pension plan are valued at fair value using quoted market prices. Investments, in general, are subject to various risks, including credit, interest and overall market volatility. During September 2009, the pension plan was frozen, ceasing the accrual of further benefits. The plan is currently in a funded status, however market fluctuations will continue to effect the need for, and amount of, future contributions.

The Company has undertaken the completion of environmental studies and/or remedial action at the Company's two New Jersey facilities and has recorded a liability for the estimated investigation, remediation and administrative costs associated therewith. See Note 12 of Notes to Condensed Consolidated Financial Statements for further discussion of this matter.

The Company is subject to various other litigation, legal, regulatory and tax matters that arise in the ordinary course of business activities. When management believes it is probable that liabilities have been incurred and such amounts are reasonably estimable, the Company provides for amounts that include judgments and penalties that may be assessed. These liabilities are usually included in accounts payable and accrued liabilities or other long-term liabilities in the Condensed Consolidated Financial Statements, depending on the anticipated payment date. Based on the facts presently available, the Company does not believe that the disposition of matters that are pending or asserted will have a material adverse effect on the Company's consolidated financial position or results of operations. However, new or additional facts or an adverse judgment by a court, arbitrator or a settlement could adversely impact the Company's results of operations in any given period.

CRITICAL ACCOUNTING POLICIES AND MANAGEMENT ESTIMATES

The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America requires management to use judgment in making estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. Certain of the estimates and assumptions required to be made relate to matters that are inherently uncertain as they pertain to future events. While management believes that the estimates and assumptions used were the most appropriate, actual results could differ significantly from those estimates under different assumptions and conditions.

Refer to the Company's 2009 Annual Report on Form 10-K for a discussion of the Company's critical accounting policies, which include revenue recognition and accounts receivable, marketable securities, inventories, real estate, discontinued operations, long-lived assets and pension plans. There were no material changes to the Company's critical accounting policies during the three months ended March 31, 2010.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable, as the Company is a smaller reporting company.

ITEM 4. CONTROLS AND PROCEDURES

As of the end of the period covered by this report, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(e) and 15d-15(e). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective as of the end of the period covered by this report.

The Company's internal control over financial reporting is a process designed by, or under the supervision of, the Chief Executive Officer and Chief Financial Officer and effected by the Company's Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of the Company's financial statements for external purposes in accordance with generally accepted accounting principles (United States). Internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the Company's assets, provide reasonable assurance that transactions are recorded as necessary to permit preparation of the Company's financial statements in accordance with generally accepted accounting principles (United States), and that the Company's receipts and expenditures are being made only in accordance with the authorization of the Company's Board of Directors and management, and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the Company's financial statements.

There have been no changes in the Company's internal controls over financial reporting during the quarter ended March 31, 2010 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

In May 2008, an insurance company for one of the Company's subsidiaries, purchased as part of a bankruptcy reorganization, filed suit in Supreme Court of the State of New York against such entity's other insurance companies seeking, among other things, contribution for insurance settlements from carriers, some of which now claim to be exhausted. The complaint also names the Company's subsidiary and several underlying claimants with whom such settlements were reached. The action challenges the exhaustion of the underlying policies and seeks contribution as well as a declaration of the rights, duties and liabilities of the parties under the insurance policies. In June 2008, the Company removed the action to the U.S. Court for the Southern District of New York. Plaintiffs and certain defendants contested the removal. In October 2008, a stipulation was reached to remand certain issues to State Court while staying the remaining issues in Federal Court. Plaintiffs have also agreed to dismiss the underlying claimants. In February 2009, the Company succeeded on a motion for summary judgment against one of the primary insurance companies who claimed exhaustion. The insurance company was ordered to defend the underlying actions and reimburse certain costs to the other carriers. This decision was appealed by the carrier in April 2009. In July 2009, the Company asked the lower court for leave to amend its complaint to correct a procedural deficiency. The lower court granted such leave, but withdrew its earlier summary judgment motion, pending a rehearing of the matter, rendering the appeal moot. The lower court, however, stayed the defense obligations, pending a decision based on a new hearing held in September 2009. In March 2010, another of the insurance companies filed a motion for summary judgment relating to coverage allocations. Similar motions were filed by other carriers and all actions are currently scheduled to be heard in June of this year. The Company intends to continue to vigorously defend this matter. The Company is subject to various other litigation, legal and regulatory matters that arise in the ordinary course of business activities. When management believes it is probable that a liability has been incurred and such amounts are reasonably estimable, the Company provides for amounts that include judgments and penalties that may be assessed. These liabilities are usually included in accounts payable and accrued liabilities or other long-term liabilities in the Condensed Consolidated Financial Statements, depending on

the anticipated payment date. Based on the facts presently available, the Company does not believe that the disposition of matters that are pending or asserted will have a material adverse effect on the Company's consolidated financial position or results of operations. However, new or additional facts or an adverse judgment by a court, arbitrator or a settlement could adversely impact the Company's results of operations in any given period.

ITEM 1A. RISK FACTORS

The significant factors known to the Company that could materially effect the Company's business, financial position or results of operations are set forth under Item 1A of the Company's Annual Report on Form 10-K for the year ended December 31, 2009, which are incorporated herein by reference.

FORWARD-LOOKING STATEMENTS

Certain statements in this Report on Form 10-Q and other statements made by the Company or its representatives that are not strictly historical facts are "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995 that should be considered as subject to the many risks and uncertainties that exist in the Company's operations and business environment. The forward-looking statements are based on current expectations and involve a number of known and unknown risks and uncertainties that could cause the actual results, performance and/or achievements of the Company to differ materially from any future results, performance or achievements, expressed or implied, by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, and that in light of the significant uncertainties inherent in forward-looking statements, the inclusion of such statements 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 also assumes no obligation to publicly update or revise its forward-looking statements or to advise of changes in the assumptions and factors on which they are based. See the Company's 2009 Annual Report on Form 10-K for a discussion of risk factors that could impact the Company's future financial performance and/or cause actual results to differ significantly from those expressed or implied by such statements.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table details the Company's repurchases of common stock during the three months ended March 31, 2010:

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
January 1, 2010 – January 31, 2010	10,983	\$24.76	10,983	314,884
February 1, 2010 – February 28, 2010	7,200	\$23.45	7,200	307,684
March 1, 2010 – March 31, 2010	<u>4,143</u>	\$24.47	<u>4,143</u>	303,541
	<u>22,326</u>	\$24.28	<u>22,326</u>	

As previously announced, the Board of Directors have approved repurchase plans for the Company's common stock, which may be made from time to time in the open market at prevailing market prices or in privately negotiated transactions. At March 31, 2010, 303,541 shares remain to be purchased under such plans. These authorizations are ongoing and have no expiration date. From time to time, the Company may also purchase shares outside of these plans.

ITEM 6. EXHIBITS

- 31.1 Certification of the Chief Executive Officer pursuant to Rule 13a-15(e) and 15d-15(e).
- 31.2 Certification of the Chief Financial Officer pursuant to Rule 13a-15(e) and 15d-15(e).
- 32.1 Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.2 Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

UNITED CAPITAL CORP.

Date: May 11, 2010

By: /s/ Anthony J. Miceli
Anthony J. Miceli
Chief Financial Officer, Secretary and
Director (Principal Financial Officer and
Principal Accounting Officer)

CERTIFICATION

I, A. F. Petrocelli, certify that:

1. I have reviewed this report on Form 10-Q of United Capital Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 11, 2010

By: /s/ A. F. Petrocelli
A. F. Petrocelli
Chairman, President and Chief Executive Officer

CERTIFICATION

I, Anthony J. Miceli, certify that:

1. I have reviewed this report on Form 10-Q of United Capital Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 11, 2010

By: /s/ Anthony J. Miceli
Anthony J. Miceli
Chief Financial Officer

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, A. F. Petrocelli, Chairman, President and Chief Executive Officer of United Capital Corp., (the "Company"), does hereby certify, with respect to the Quarterly Report of the Company on Form10-Q for the period ended March 31, 2010 (the "Report") that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 11, 2010

By: /s/ A. F. Petrocelli
A. F. Petrocelli
Chairman, President and Chief Executive Officer

**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, Anthony J. Miceli, Chief Financial Officer of United Capital Corp., (the “Company”), does hereby certify, with respect to the Quarterly Report of the Company on Form 10-Q for the period ended March 31, 2010 (the “Report”) that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 11, 2010

By: /s/ Anthony J. Miceli
Anthony J. Miceli
Chief Financial Officer