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 June 30, 2024

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _______________ to _________________

Commission file number **000-55323**

Mentor Capital, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**77-0395098**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

5964 Campus Court, Plano, Texas 75093
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code **(760) 788-4700**

Securities registered pursuant to Section 12(b) of the Act: **N/A**

Title of each class to be so registered	Trading Symbols (s)	Name of each exchange on which each class is to be registered

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

Common Stock
(Title of class)

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 every Interactive Data File required to be submitted 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 such files). Yes ☒. No ☐.

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

At August 12, 2024, there were 23,284,559 shares of Mentor Capital, Inc.'s common stock outstanding and 11 shares of Series Q Preferred Stock outstanding.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report contains “forward-looking statements,” as defined in the United States Private Securities Litigation Reform Act of 1995 and Section 21E of the Securities and Exchange Act 1934, as amended. All statements contained in this report, other than statements of historical fact, including statements regarding our future results of operations and financial position, our business strategy and plans, and our objectives for future operations, are forward-looking statements. The words “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “seek,” “look,” “hope,” “intend,” “expect,” and similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, acquisition plans, and financial needs. These forward-looking statements are subject to a number of risks, uncertainties, and assumptions. For example, statements in this Form 10-Q regarding the potential future impact on the Company’s business and results of operations of inflation, interest rate increases, tax increases, tariff increases, recession, climate regulation, economic sanctions, cybersecurity risks, evolving and sophisticated cyber-attacks and other attempts to gain unauthorized access to our information technology systems, increased risk to oil markets, potential banking crises, future weakness in the credit markets, increased rates of default and bankruptcy, political change, the war in Ukraine, and the Israel-Hamas war on the Company’s business and results of operations are forward-looking statements. Moreover, due to our past investments or current involvement in oil, gas, coal, or uranium-related industry or other industries, we may be subject to heightened scrutiny, and, as a result, our portfolio companies may be subject to additional laws, rules, regulations, and statutes. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties, and assumptions, the future events and trends discussed in this Form 10-Q may not occur, and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. The events and circumstances reflected in the forward-looking statements may not be achieved or occur. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. The Company assumes no obligation to revise or update any forward-looking statements for any reason except as required by law.

All references in this Form 10-Q to the “Company,” “Mentor,” “we,” “us,” or “our,” are to Mentor Capital, Inc.

MENTOR CAPITAL, INC.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Mentor Capital, Inc.
Condensed Consolidated Balance Sheets

	June 30, 2024 (unaudited)	December 31, 2023
ASSETS		
Current assets		
Cash and cash equivalents	$ 1,881,108	$ 2,431,299
Investments in securities, fair value	670,000	647,363
Accounts receivable, net	-	1,800
Accrued interest receivable	45,000	15,000
Note Receivable	1,000,000	1,000,000
Prepaid expenses and other current assets	12,362	6,508
Total current assets	3,608,470	4,101,970
Property and equipment		
Property and equipment	48,239	48,239
Accumulated depreciation and amortization	(47,186)	(46,648)
Property and equipment, net	1,053	1,591
Other assets		
Investment in account receivable, net of discount and current portion	-	238,849
Long term investments	104,431	104,431
Total other assets	104,431	343,280
Total assets	$ 3,713,954	$ 4,446,841

See accompanying Notes to Financial Statements

Mentor Capital, Inc.
Condensed Consolidated Balance Sheets (Unaudited) (Continued)

	June 30, 2024 (unaudited)	December 31, 2023
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 97	$ 3,152
Accrued expenses	49,834	91,460
Total current liabilities	49,931	94,612
Long-term liabilities		
Accrued salary, retirement, and incentive fee related party	456,714	436,512
Total long-term liabilities	456,714	436,512
Total liabilities	506,645	531,124
Commitments and Contingencies (Note 16)		
Shareholders' equity		
Preferred stock, $0.0001 par value, 5,000,000 shares authorized; and 11 series Q preferred shares issued and outstanding at June 30, 2024 and December 31, 2023.*	-	-
Common stock, $0.0001 par value, 75,000,000 shares authorized; and 23,284,559 and 24,686,105 shares issued and outstanding at June 30, 2024 and December 31, 2023, respectively.	2,328	2,469
Additional paid in capital	12,022,470	12,101,055
Accumulated deficit	(8,817,489)	(8,187,807)
Non-controlling interest	-	-
Total shareholders' equity	3,207,309	3,915,717
Total liabilities and shareholders' equity	$ 3,713,954	$ 4,446,841

*Par value is less than $0.01.

See accompanying Notes to Financial Statements

Mentor Capital, Inc.
Condensed Consolidated Income Statements (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue				
Service fees	$ -	$ (291)	$ -	$ (291)
Total revenue	-	(291)	-	(291)
Cost of sales	-	-	-	-
Gross profit	-	(291)	-	(291)
Selling, general and administrative expenses	212,027	118,496	483,290	289,937
Operating income (loss)	(212,027)	(118,787)	(483,290)	(290,228)
Other income and (expense)				
Loss on investments	(250,208)	(224)	(250,208)	(224)
Interest income	49,409	10,174	96,509	16,834
Unrealized gain (loss) on investments	(8,850)	-	22,637	-
Interest expense	-	(6,254)	-	(9,051)
Gain on asset disposal	-	-	-	-
Other income (expense)	-	1,291	-	1,291
Total other income and (expense)	(209,649)	4,987	(131,062)	8,850
Income (loss) before provision for income taxes	(421,676)	(113,800)	(614,352)	(281,378)
Provision for income taxes	-	-	(15,329)	(8,160)
Net income (loss) – from continued operations	(421,676)	(113,800)	(629,681)	(289,538)
Net Income (loss) from discontinued operations before tax	-	(37,972)	-	202,039
Provision for income taxes on discontinued operations	-	-	-	-
Net income (loss) - from discontinued operations	-	(37,972)	-	202,039
Net income (loss)	(421,676)	(151,772)	(629,681)	(87,499)
Gain (loss) attributable to non-controlling interest	-	(22,526)	-	91,159
Net income (loss) attributable to Mentor	$ (421,676)	$ (129,246)	$ (629,681)	$ (178,658)
Basic and diluted net income (loss) per Mentor common share:				
Basic and diluted	$ (0.017)	$ (0.006)	$ (0.026)	$ (0.008)
Weighted average number of shares of Mentor common stock outstanding:				
Basic and diluted	24,335,719	22,941,357	24,485,884	22,941,357

See accompanying Notes to Financial Statements

Mentor Capital, Inc.
Condensed Consolidated Statement of Shareholders' Equity (Unaudited)
For the Three Months Ended June 30, 2024 and 2023

	Controlling Interest							Non-controlling equity (deficit)	Totals
	Preferred stock		Common stock		Additional paid in capital	Accumulated equity (deficit)	Total		
	Shares	$0.0001 par*	Shares	$0.0001 par					
Balance at March 31, 2024	11	$ -	24,686,105	$ 2,469	$ 12,101,055	$ (8,395,813)	$ 3,707,711	$ -	$ 3,707,711
Treasury stock buy-backs	-	-	(1,401,546)	(141)	(78,585)	-	(78,726)	-	(78,726)
Net income (loss)	-	-	-	-	-	(421,676)	(421,676)	-	(421,676)
Balances at June 30, 2024	11	$ -	23,284,559	$ 2,328	$ 12,022,470	$ (8,817,489)	$ 3,207,309	$ -	$ 3,207,309
Balances at March 31, 2023	11	$ -	22,941,357	$ 2,294	$ 13,085,993	$ (11,394,877)	$ 1,693,410	$ 96,962	$ 1,790,372
Treasury stock buy-backs	-	-	-	-	(613)	-	(613)	-	(613)
Net income (loss)	-	-	-	-	-	(129,246)	(129,246)	(22,526)	(151,772)
Balances at June 30, 2023	11	$ -	22,941,357	$ 2,294	$ 13,085,380	$ (11,524,123)	$ 1,563,551	$ 74,436	$ 1,637,987

*Par value of series Q preferred shares is less than $1.

See accompanying Notes to Financial Statements

Mentor Capital, Inc.
Condensed Consolidated Statement of Shareholders' Equity (Unaudited)
For the Six Months Ended June 30, 2024 and 2023

	Controlling Interest							Non-controlling equity (deficit)	Totals
	Preferred stock		Common stock		Additional paid in capital	Accumulated equity (deficit)	Total		
	Shares	$0.0001 par*	Shares	$0.0001 par					
Balance at December 31, 2023	11	-	24,686,105	$ 2,469	$ 12,101,055	$ (8,187,807)	$ 3,915,717	$ -	$ 3,915,717
Treasury stock buy-backs	-	-	(1,401,546)	(141)	(78,585)	-	(78,726)	-	(78,726)
Net income (loss)	-	-	-	-	-	(629,681)	(629,681)	-	(629,681)
Balances at June 30, 2024	11	$ -	23,284,559	$ 2,328	$ 12,022,470	$ (8,817,489)	$ 3,207,309	$ -	$ 3,207,309
Balances at December 31, 2022	11	$ -	22,941,357	$ 2,294	$ 13,085,993	$ (11,345,465)	$ 1,742,822	$ (16,723)	$ 1,726,099
Treasury stock buy-backs	-	-	-	-	(613)	-	(613)	-	(613)
Net income (loss)	-	-	-	-	-	(178,658)	(178,658)	91,159	(87,499)
Balances at June 30, 2023	11	$ -	22,941,357	$ 2,294	$ 13,085,380	$ (11,524,123)	$ 1,563,551	$ 74,436	$ 1,637,987

*Par value of series Q preferred shares is less than $1.

See accompanying Notes to Financial Statements

Mentor Capital, Inc.
Condensed Consolidated Statements of Cash Flows (Unaudited)

	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss)	$ (629,681)	$ (87,499)
Less net income from discontinued operations	-	(202,039)
Adjustments to reconcile net (loss) to net cash provided by (used by) operating activities:		
Depreciation and amortization	538	665
Amortization of discount on investment in account receivable	(9,559)	(16,607)
(Gain) loss on investment in securities at fair value	(22,637)	224
Loss on long-term investments	250,208	-
Decrease (increase) in operating assets		
Accounts receivable - trade	-	(2,800)
Accrued interest receivable	(30,000)	-
Prepaid expenses and other current assets	(5,855)	(3,002)
Increase (decrease) in operating liabilities		
Accounts payable	(3,055)	(4,159)
Accrued expenses	(41,626)	19,654
Accrued salary, retirement, and benefits - related party	20,202	12,633
Net cash provided by (used by) operating activities	(471,465)	(282,930)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investment securities	-	(14,899)
Distributions from Waste Consolidators, Inc.	-	41,764
Purchases of property and equipment	-	(2,291)
Proceeds from investment in receivable	-	117,600
Net cash (used by) investing activities - continuing operations	-	142,174
CASH FLOWS FROM FINANCING ACTIVITIES:		
Paid in capital adjustment - stock repurchase	(141)	-
Payments on repurchase of stock	(78,585)	(613)
Net cash provided by (used by) financing activities - continuing operations	(78,726)	(613)
Net change in cash - continuing operations	(550,191)	(141,369)
Operating cash flow - discontinued operations	-	437,865
Investing activities - discontinued operations	-	(78,062)
Financing activities - discontinued operations	-	(171,595)
Net change in cash	(550,191)	46,839
Cash beginning of period - continued operations	2,431,299	283,431
Cash beginning of period - discontinued operations	-	506,499
Beginning cash	2,431,299	789,930
Cash - end of period - continued operations	1,881,108	142,062
Cash - end of period - discontinued operations	-	694,707
Ending cash	$ 1,881,108	$ 836,769
SUPPLEMENTARY INFORMATION:		
Cash paid for interest – all operations	-	6,775
Less cash paid for interest – discontinued operations	-	(5,612)
Cash paid for interest – continued operations	$ -	$ 1,163
Cash paid for income taxes – all operations	13,089	9,864
Less cash paid for income taxes – discontinued operations	-	(5,784)
Cash paid for income taxes – continued operations	$ 13,089	$ 4,080
NON-CASH INVESTING AND FINANCING TRANSACTIONS:		
Right of use assets acquired through finance lease liability - all operations	-	425,924
Less right of use assets acquired through finance lease liability - discontinued operations	-	(425,924)
Right of use assets acquired through finance lease liability	$ -	$ -

See accompanying Notes to Financial Statements

Note 1 - Nature of operations

Corporate Structure Overview

Mentor Capital, Inc. ("Mentor" or "the Company"), reincorporated under the laws of the State of Delaware in September 2015.

The entity was originally founded as an investment partnership in Silicon Valley, California, by the current CEO in 1985 and subsequently incorporated under the laws of the State of California on July 29, 1994. On September 12, 1996, the Company's offering statement was qualified pursuant to Regulation A of the Securities Act, and the Company began to trade its shares publicly. On August 21, 1998, the Company filed for voluntary reorganization, and on January 11, 2000, the Company emerged from Chapter 11 reorganization. The Company relocated to San Diego, California, and contracted to provide financial assistance and investment in small businesses. On May 22, 2015, a corporation named Mentor Capital, Inc. ("Mentor Delaware") was incorporated under the laws of the State of Delaware. A shareholder-approved merger between Mentor and Mentor Delaware was approved by the California and Delaware Secretaries of State and became effective September 24, 2015, thereby establishing Mentor as a Delaware corporation. In September 2020, Mentor relocated its corporate office from San Diego, California, to Plano, Texas.

The Company's common stock trades publicly under the trading symbol OTCQB: MNTR.

The Company's current target industry focus includes the classic energy sectors of oil, gas, coal, uranium, and related ventures. Additionally, the Company has residual investments in legal dispute resolution services, collecting on an annuity-like financing, and the collection of a judgment that it intends to continue to pursue.

Mentor's 100% owned subsidiaries, Mentor IP, LLC ("MCIP"), Mentor Partner I, LLC, ("Partner I"), Mentor Partner II, LLC ("Partner II"), and TWG, LLC ("TWG"), are headquartered in Plano, Texas.

MCIP held intellectual property and licensing rights related to one United States and one Canadian patent associated with vape pens. On October 24, 2023, MCIP divested its intellectual property and licensing rights related to the United States and Canadian patents. Maintenance fees and secretary of state fees were expensed when paid, and no capitalized assets related to MCIP are recognized on the consolidated financial statements at June 30, 2024 and December 31, 2023 because the divestment activity had been limited to secretary of state and registered agent fees.

On August 27, 2021, the Company and Mentor Partner I entered into a Settlement Agreement and Mutual Release with the G Farma Entities and guarantors ("G Farma Settlors") to resolve and settle all outstanding claims on an unpaid finance lease receivable and notes receivable of balances of $803,399 and $1,045,051, respectively, plus accrued interest ("Settlement Agreement"). On October 12, 2021, the parties filed a Stipulation for Dismissal and Continued Jurisdiction with the Superior Court of California in the County of Marin. The Court ordered that it retain jurisdiction over the parties under Section 664.6 of the California Code of Civil Procedure to enforce the Settlement Agreement until the performance in full of its terms is met.

In August 2022, September 2022, and October 2022, the G Farma Settlors failed to make monthly payments and failed to cure each default within 10 days' notice from the Company pursuant to the Settlement Agreement. As a result, $2,000,000 was added to the amount payable by the G Farma Settlors in accordance with the terms of the Settlement Agreement. The Company and Partner I sought entry of a stipulated judgment against the G Farma Settlors for (1) $494,450, the remaining amount of the $500,000 settlement amount, which has not yet been paid by the G Farma Settlors plus $2,000,000 and all accrued unpaid interest, (2) the Company's incurred costs, and (3) attorneys' fees paid by the Company to obtain the judgment.

On July 11, 2023, the Court entered judgment against the G Farma Settlors and in favor of Mentor and Partner I in the amount of $2,539,597, which is comprised of $2,494,450 in principal (calculated as the aggregate settlement amount, less payments made by the G Farma Settlors, plus the default addition) plus accrued and unpaid interest of $40,219, costs of $1,643, and attorneys' fees of $3,285 incurred by Mentor and Mentor Partner I in connection with obtaining the judgment. The judgment also accrues post-judgment interest at the rate of 10% from July 11, 2023 until such time as the judgment is paid in full.

Note 1 - Nature of operations (continued)

The Company has retained the full reserve on the unpaid notes receivable balance and collections of the unpaid lease receivable balance due to the long history of uncertain payments from G Farma and the G Farma Settlors. Payments from G Farma and G Farma Settlors will be recognized in Other Income as they are received. Recovery payments of $3,550 and $2,000 were included in other income in the consolidated financial statements for the year ended December 31, 2022 and 2021, respectively. The last recovery payment was received on October 11, 2022. The $2,539,597 judgment and interest receivable of $247,002 for the three and six months ended June 30, 2024 is fully reserved pending the outcome of the Company's collection process. See Notes 8 and 16.

On September 27, 2022, Pueblo West Organics, LLC, a Colorado limited liability company ("Pueblo West"), exercised a lease prepayment option and purchased manufacturing equipment from Partner II for $245,369. On September 28, 2022, Partner II transferred full title to the equipment to Pueblo West. Originally, Mentor contributed $400,000 to Partner II to facilitate the purchase of manufacturing equipment to be leased from Partner II by Pueblo West under a Master Equipment Lease Agreement dated February 11, 2018, as amended. On March 12, 2019, Mentor agreed to use Partner II earnings of $61,368 to facilitate the purchase of additional manufacturing equipment to Pueblo West under a Second Amendment to the lease. See Note 8.

On November 18, 2022, following the filing of a declaratory relief action, Mentor received $459,990 from Electrum Partners, LLC ("Electrum") pursuant to a certain November 14, 2022 Settlement Agreement and Mutual Release, following the Company's October 21, 2022 lawsuit against Electrum and the escrow agent in the County of San Mateo. The Company applied $196,666 to a certain October 30, 2018, Recovery Purchase Agreement, and $200,000 to an October 31, 2018 and January 28, 2019 Capital Agreement. The Company applied the remaining $63,324 to its $194,028 equity interest in Electrum; this resulted in a $130,704 loss on the Company's investment in Electrum. See Note 9.

On November 22, 2017 and October 31, 2018, the Company purchased convertible notes in principal face value of $50,000 and $25,000, respectively, from NeuCourt, Inc. ("NeuCourt") that each bore interest at 5% per annum. On November 7, 2019, October 28, 2020, and January 4, 2022, the Company received 25,000, 52,000, and 27,630 warrants covering an aggregate of 105,130 shares of NeuCourt common stock exercisable at $0.02 per share in exchange for the Company's agreement to extend the maturity dates of the convertible notes. On July 15, 2022, all principal and accrued interest on the notes were converted into a Simple Agreement for Future Equity ("SAFE"). At June 30, 2024, the SAFE Purchase Amount is $93,756. See Note 7.

On December 21, 2018, Mentor paid $10,000 to purchase 500,000 shares of NeuCourt common stock, representing approximately 6.13% of NeuCourt's issued and outstanding common stock at June 30, 2024.

The Company held an interest in a facilities operations company, Waste Consolidators Inc. ("WCI") until October 2023. The Company purchased a 50% interest in WCI in 2003 and increased its ownership stake by 1% in 2014. On October 4, 2023, the Company sold the entirety of its ownership interest in WCI for $6,000,000. Following the sale, the Company received no new income from WCI and had no further involvement or continuing influence over its operations. As a result of this sale, our facilities operations segment was eliminated, and its results of operations, assets, and liabilities were excluded from our continuing operations. Therefore, WCI is presented as a discontinued operation in our consolidated financial statements for the prior periods of December 31, 2023 and June 30, 2023. See Note 3.

Note 2 - Summary of significant accounting policies

Condensed consolidated financial statements

The unaudited condensed consolidated financial statements of the Company for the three and six month periods ended June 30, 2024 and 2023 have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and pursuant to the requirements for reporting on Form 10-Q and Regulation S-K. Accordingly, they do not include all the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. However, such information reflects all adjustments (consisting solely of normal recurring adjustments), which are, in the opinion of management, necessary for the fair presentation of the financial position and the results of operations. Results shown for interim periods are not necessarily indicative of the results to be obtained for a full fiscal year. The balance sheet information as of December 31, 2023 was derived from the audited financial statements included in the Company's financial statements as of and for the year ended December 31, 2023 included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") on April 1, 2024. These financial statements should be read in conjunction with that report.

Note 2 - Summary of significant accounting policies (continued)

Basis of presentation

The accompanying consolidated financial statements and related notes include the activity of subsidiaries in which a controlling financial interest is owned. The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). Significant intercompany balances and transactions have been eliminated in consolidation. Certain prior period amounts have been reclassified to conform with the current period presentation.

As shown in the accompanying financial statements, the Company has a significant accumulated deficit of ($8,817,489) as of June 30, 2024. The Company has recently received significant profit on the sale of its former majority owned subsidiary, although negative cash flows from operations continue.

Ongoing Capital Formation

The Company will endeavor to raise additional capital to fund its acquisitions from both related and unrelated parties to generate increasing growth and revenues. The Company has 4,250,000 Series D warrants outstanding, and the Company has reset the exercise price to $0.02 per share, which is below the current market price. The Company may reverse split the stock to raise the stock price to a level further above the warrant exercise price. The warrants are specifically not affected and do not split with the shares in the event of a reverse split. These consolidated financial statements do not include any adjustments that might result from repricing the outstanding warrants.

Management’s plans include increasing revenues through acquisition, investment, and organic growth. Management anticipates funding new activities by raising additional capital through the sale of equity securities and debt.

Impact Related to Endemic Factors

Our future financial condition may be materially and adversely impacted as a result of the ongoing worldwide economic situation, economic sanctions, the impact of inflation, interest rate increases, tax increases, tariff increases, recession, climate regulation, cybersecurity risks, evolving and sophisticated cyber-attacks and other attempts to gain access to our information technology systems, increased risk to oil and energy markets, potential banking crises, the war in Ukraine, the Israel-Hamas war, future weakness in the credit markets, increased rates of default and bankruptcy, political change, and significant liquidity problems for the financial services industry may impact our financial condition in a number of ways. For example, our current or potential customers, or the current or potential customers of our partners or affiliates, may delay or decrease spending with us, may not pay us, or may delay paying us for previously purchased products and services. Also, we, or our partners or affiliates, may have difficulties in securing additional financing. Additionally, the collectability of our investment in account receivable was impaired by $116,430 on February 15, 2022, due to a reduction in our estimated collection amount for the 2020 annual installment payment, which was affected by the COVID-19 pandemic, and the terms of the investment were modified, resulting in an additional loss of $41,930 and at June 11, 2024 the receivable was fully impaired due to a history of uncertain payments. The Company’s recognition of an impairment loss due to the uncertainty of collection does not diminish its contractual rights to collect the full amounts due pursuant to the contract. The Company intends to continue to vigorously pursue the payment of the amounts owed by available legal means. See Note 4.

The risk of inflation, interest rate increases, tax increases, recession, high energy prices, and supply-demand imbalances are expected to continue in 2024.

We anticipate that current cash and associated resources without new inflows would be sufficient for us to execute our business plan for four years after the date these financial statements are issued. The ultimate impact of the war in Ukraine, the Israel-Hamas war, potential cyber-attacks, inflation, interest rate increases, tax increases, and a potential recession on our business, results of operations, cybersecurity, financial condition, and cash flows are dependent on future developments, which are uncertain and cannot be predicted at this time.

Note 2 - Summary of significant accounting policies (continued)

Segment reporting

Continuing operations

The Company has determined that there are currently two reportable segments: 1) the historic residual operations segment and 2) the Company's energy segment.

Discontinued operation

On October 4, 2023, the Company's facilities operations segment was sold for $6,000,000. Following the sale, the Company received no new income from the discontinued operation, and it had no further involvement or continuing influence over its operations. As a result, our facilities operations segment was deconsolidated on the date of the sale, and our former facilities operations segment is reported as a discontinued operation. See Note 3.

Use of estimates

The preparation of our condensed consolidated financial statements in conformity with GAAP requires management to make estimates, assumptions, and judgments that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of our consolidated financial statements, and the reported amount of revenues and expenses during the reporting period.

Significant estimates relied upon in preparing these consolidated financial statements include revenue recognition, accounts and notes receivable reserves, expected future cash flows used to evaluate the recoverability of long-lived assets, estimated fair values of long-lived assets used to record impairment charges related to investments, goodwill, amortization periods, accrued expenses, and recoverability of the Company's net deferred tax assets and any related valuation allowance.

Although the Company regularly assesses these estimates, actual results could differ materially from these estimates. Changes in estimates are recorded in the period in which they become known. Acquisitions and divestitures are not announced until certain. The Company bases its estimates on historical experience and various other assumptions that it believes to be reasonable under the circumstances. Actual results may differ from management's estimates if past experience or other assumptions do not turn out to be substantially accurate.

Recent Accounting Standards

From time to time, the Financial Standards Accounting Board ("FASB") or other standards-setting bodies issue new accounting pronouncements. Updates to the FASB Accounting Standard Codifications ("ASCs") are communicated through the issuance of an Accounting Standards Update ("ASU"). Unless otherwise discussed, we believe that the impact of recently issued guidance, whether adopted or to be adopted in the future, is not expected to have a material impact on our consolidated financial statements upon adoption.

Segment Reporting: Improvements to Reportable Segment Disclosures - On November 27, 2023, the FASB issued Accounting Standards Update ("ASU") 2023-07, "*Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*," updates ASC 280 to expand annual and interim disclosure requirements for reportable segments, primarily through enhanced disclosures about significant segment expenses. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The adoption of this ASU is not expected to have a material impact on the Company's consolidated financial statements.

Income Taxes: Improvements to Income Tax Disclosures - In December 2023, the FASB issued ASU 2023-09, "*Income Taxes (Topics 740): Improvements to Income Tax Disclosures*," updates ASC 740 to expand the disclosure requirements for income taxes, specifically related to the rate reconciliation and income taxes paid. ASU 2023-09 is effective for annual periods beginning after December 15, 2024. Early adoption is permitted. The adoption of this ASU is not expected to have a material impact on the Company's consolidated financial statements.

There were no accounting pronouncements issued during the three and six months ended June 30, 2024 that are expected to have a material impact on the Company's condensed consolidated financial statements.

Concentrations of cash

The Company maintains its cash and cash equivalents in money market and bank deposit accounts, which at times may exceed federally insured Federal Deposit Insurance Corporation limits. The Company has not experienced any losses in such accounts, nor does the Company believe it is exposed to any significant credit risk on cash and cash equivalents. The Company will continue to monitor its accounts and the banking sector for potential financial institution risk.

Cash and cash equivalents

The Company considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents. The Company had no short-term debt securities as of June 30, 2024 and December 31, 2023.

Note 2 - Summary of significant accounting policies (continued)

Accounts receivable

Accounts receivable consist of trade accounts arising in the normal course of business and are classified as current assets and carried at original invoice amounts less an estimate for doubtful receivables based on historical losses as a percent of revenue in conjunction with a review of outstanding balances on a quarterly basis. The estimate of allowance for doubtful accounts is based on the Company's bad debt experience, market conditions, and aging of accounts receivable, among other factors. If the financial condition of the Company's customers deteriorates, resulting in the customer's inability to pay the Company's receivables as they come due, additional allowances for doubtful accounts will be required. At June 30, 2024 and December 31, 2023, the Company had no allowance for doubtful accounts on normal course receivables.

Investments in securities at fair value

Investment in securities consists of debt and equity securities reported at fair value. Under ASU 2016-01, "*Financial Instruments - Overall: Recognition and Measurement of Financial Assets and Financial Liabilities*," the Company elected to report changes in the fair value of equity investment in realized investment gains (losses), net and to report changes in the fair value of equity investments as unrealized investment gains (losses), net.

Long term investments

The Company's investments in entities where it is a minority owner and does not have the ability to exercise significant influence are recorded at fair value if readily determinable. If the fair market value is not readily determinable, the investment is recorded under the cost method. Under this method, the Company's share of the earnings or losses of such investee company is not included in the Company's financial statements. The Company reviews the carrying value of its long-term investments for impairment each reporting period.

Investments in debt securities

At June 30, 2024 and December 31, 2023, the Company held no investments in debt securities. The Company's former investment in debt securities consisted of two convertible notes receivable from NeuCourt, Inc. On July 15, 2022, all principal and accrued interest on the notes were converted into a Simple Agreement for Future Equity ("SAFE"). At June 30, 2024 and December 31, 2023, the SAFE Purchase Amount was $93,756. See Note 7.

Investment in account receivable, net of discount

The Company's investments in accounts receivable is stated at face value, net of unamortized purchase discount. The discount is amortized to interest income over the term of the exchange agreement. In the fourth quarter of 2020, we were notified that due to the effect of COVID-19 on the estimated receivable, we may not receive the 2020 installment payment or the full 2021 installment payment. Due to a reduction in expected collections, the collectability of our investment in account receivable was impaired by $116,430 on February 15, 2022 and the terms of the investment were modified, resulting in an additional loss of $41,930.

On January 10, 2023, the Company received the 2023 annual installment payment of $117,000. Three additional $117,000 annual installment payments are due in early 2024, 2025, and 2026. At June 11, 2024, the receivable was fully impaired due to a history of uncertain payments. The Company's recognition of an impairment loss due to the uncertainty of collection does not diminish its contractual rights to collect the full amounts due pursuant to the contract. The Company intends to continue to pursue the payment of the amounts owed by available legal means. See Note 4.

Credit quality of notes receivable and finance leases receivable, and credit loss reserve

As our notes receivable and finance leases receivable are limited in number, our management is able to analyze estimated credit loss reserves based on a detailed analysis of each receivable as opposed to using portfolio-based metrics. Our management does not use a system of assigning internal risk ratings to each of our receivables. Rather, each note receivable and finance lease receivable are analyzed quarterly and categorized as either performing or non-performing based on certain factors including, but not limited to, financial results, satisfying scheduled payments, and compliance with financial covenants. A note receivable or finance lease receivable will be categorized as non-performing when a borrower experiences financial difficulty and has failed to make scheduled payments.

Note 2 - Summary of significant accounting policies (continued)

Lessee Leases

We determine whether an arrangement is a lease at inception under ASC 842 "*Leases*." This includes general descriptions of leases and various details regarding terms and conditions, such as the basis that variable lease payments are determined. Lessee leases are classified as either finance leases or operating leases. A lease is classified as a finance lease if any one of the following criteria is met: (i) the lease transfers ownership of the asset by the end of the lease term, (ii) the lease contains an option to purchase the asset that is reasonably certain to be exercised, and (iii) the lease term is for a significant part of the remaining useful life of the asset or the present value of the lease payments equals or exceeds substantially all of the fair value of the asset. A lease is classified as an operating lease if it does not meet any one of these criteria.

Our discontinued operation's operating leases were comprised of office space leases and office equipment. Fleet vehicle leases entered into prior to January 1, 2019, were classified as operating leases based on an expected lease term of 4 years. Fleet vehicle leases entered into on or after January 1, 2019, for which the lease was expected to be extended to 5 years, were classified as finance leases. Our discontinued operation's leases had remaining lease terms of 1 month to 48 months. Our discontinued operation's fleet finance leases contained a residual value guarantee. As most of our discontinued operation's leases did not provide an implicit rate, we used our incremental borrowing rate based on the information available at the commencement date to determine the present value of lease payments.

Costs associated with operating lease assets were recognized on a straight-line basis over the term of the lease, within cost of goods sold for vehicles used in direct servicing of our discontinued operation customers and in operating expenses for costs associated with all other operating leases. Finance lease assets were amortized within the cost of goods sold for vehicles used in direct servicing of our discontinued operation customers and within operating expenses for all other finance lease assets on a straight-line basis over the shorter of the estimated useful lives of the assets or the lease term. The interest component of a finance lease was included in interest expense and recognized using the effective interest method over the lease term. Our discontinued operation had agreements that contained both lease and non-lease components. For vehicle fleet operating leases, we accounted for lease components together with non-lease components (e.g., maintenance fees).

Property and equipment

Property and equipment are recorded at cost less accumulated depreciation. Depreciation is computed using the declining balance method over the estimated useful lives of various classes of property. The estimated lives of the property and equipment are generally as follows: computer equipment, 3 years to 5 years; furniture and equipment, 7 years; and vehicles and trailers, 4 years to 5 years. Depreciation on vehicles used by our discontinued operation to service its customers is included in the cost of goods sold. All other depreciation is included in selling, general, and administrative costs in the consolidated income statements.

Expenditures for major renewals and improvements are capitalized, while minor replacements, maintenance, and repairs, which do not extend the asset lives, are charged to operations as incurred. Upon sale or disposition, the cost and related accumulated depreciation are removed from the accounts, and any gain or loss is included in operations. The Company continually monitors events and changes in circumstances that could indicate that the carrying balances of its property and equipment may not be recoverable in accordance with the provisions of ASC 360, "*Property, Plant, and Equipment*." When such events or changes in circumstances are present, the Company assesses the recoverability of long-lived assets by determining whether the carrying value of such assets will be recovered through undiscounted expected future cash flows. If the total of the future cash flows is less than the carrying amount of those assets, the Company recognizes an impairment loss based on the excess of the carrying amount over the fair value of the assets. See Note 6.

Note 2 - Summary of significant accounting policies (continued)

The Company reviews intangible assets subject to amortization quarterly to determine if any adverse conditions exist or if a change in circumstances has occurred that would indicate impairment or a change in the remaining useful life. Conditions that may indicate impairment include, but are not limited to, a significant adverse change in legal factors or business climate that could affect the value of an asset, or an adverse action or assessment by a regulator. If an impairment indicator exists, we test the intangible asset for recoverability. For purposes of the recoverability test, we group our amortizable intangible assets with other assets and liabilities at the lowest level of identifiable cash flows if the intangible asset does not generate cash flows independent of other assets and liabilities. If the carrying value of the intangible asset (asset group) exceeds the undiscounted cash flows expected to result from the use and eventual disposition of the intangible asset (asset group), the Company will write the carrying value down to the fair value in the period identified.

Goodwill

On October 4, 2023, the Company sold the entirety of its interest in Waste Consolidators, Inc. ("WCI") by entering into a Stock Purchase Agreement whereby the shareholders of WCI sold all of the outstanding shares of stock to Ally Waste Services, LLC for $6,000,000, which significantly exceeded the prior combined carrying value and goodwill of WCI, with proceeds initially recorded as $5,000,000 cash and a $1,000,000 one-year note receivable. Following the sale, the Company received no new income from WCI and had no further involvement or continuing influence over its operations. Prior to the sale, goodwill of $1,324,142 was derived from consolidating WCI effective January 1, 2014, and $102,040 of goodwill was derived from the 2003 acquisition of a 50% interest in WCI. In accordance with ASC 350, "*Intangibles-Goodwill and Other*," goodwill and other intangible assets with indefinite lives were no longer subject to amortization but were tested for impairment annually or whenever events or changes in circumstances indicate that the asset might be impaired prior to the sale. Effective October 4, 2023, on the date of the sale of our WCI shares, we met the criteria outlined in ASC Topic 205-20 *"Discontinued Operations*," for our $1,426,182 goodwill to be reduced to $0 and the results of operations and assets and liabilities for our facilities operations segment were excluded from our continuing operations and presented as a discontinued operation in our consolidated financial statements. As a result, goodwill in an aggregate amount of $1,426,182 was reduced to $0. No goodwill was reported in the Company's condensed consolidated balance sheets at June 30, 2024 and December 31, 2023. See Note 3.

Revenue recognition

The Company recognizes revenue in accordance with ASC 606, "*Revenue from Contracts with Customers*," and FASB ASC Topic 842, "*Leases*." Revenue is recognized net of allowances for returns and any taxes collected from customers, which are subsequently remitted to government authorities.

The discontinued operation that we sold on October 4, 2023, worked with business park owners, governmental centers, and apartment complexes to reduce facilities-related costs. Our discontinued operation performed monthly services pursuant to agreements with customers. Customer monthly service fees were based on our discontinued operation's assessment of the amount and frequency of monthly services requested by a customer. Our discontinued operation may have also provided additional services, such as apartment cleanout services, large item removals, or similar services, on an as-needed basis at an agreed-upon rate as requested by customers. All services were invoiced and recognized as revenue in the month the agreed-on services were performed. Our discontinued operation was deconsolidated and presented as a "discontinued operation" at December 31, 2023 and at December 31, 2022 in the Company's Form 10-K filed with the Securities and Exchange Commission on April 1, 2024. Our discontinued operation is deconsolidated and presented as a "discontinued operation" at June 30, 2023 and December 31, 2023 in this Form 10-Q.

For each finance lease, the Company recognized as a gain the amount equal to (i) the net investment in the finance lease less (ii) the net book value of the equipment at the inception of the applicable lease. At lease inception, we capitalized the total minimum finance lease payments receivable from the lessee, the estimated unguaranteed residual value of the equipment at lease termination, if any, and the initial direct costs related to the lease, less unearned income. Unearned income was recognized as finance income over the term of the lease using the effective interest rate method.

Note 2 - Summary of significant accounting policies (continued)

The Company, through its subsidiaries Mentor Partner I, LLC and Mentor Partner II, LLC, was the lessor of manufacturing equipment subject to leases under master leasing agreements. The leases contained an element of dealer profit and lessee bargain purchase options at prices substantially below the subject assets' estimated residual values at the exercise date for the options. Consequently, the Company classified the leases as sales-type leases (the "finance leases") for financial accounting purposes. For such finance leases, the Company reported the discounted present value of (i) future minimum lease payments (including the bargain purchase option, if any) and (ii) any residual value not subject to a bargain purchase option as a finance lease receivable on its balance sheet and accrued interest on the balance of the finance lease receivable based on the interest rate inherent in the applicable lease over the term of the lease. For each finance lease, the Company recognized revenue in an amount equal to the net investment in the lease and cost of sales equal to the net book value of the equipment at the inception of the applicable lease.

Basic and diluted income (loss) per common share

We compute net income (loss) per share in accordance with ASC 260, "*Earnings Per Share*." Under the provisions of ASC 260, basic net income or loss per share includes no dilution and is computed by dividing the net income or loss available to common stockholders for the period by the weighted average number of shares of Common Stock outstanding during the period. Diluted net income or loss per share takes into consideration shares of Common Stock outstanding (computed under basic net income or loss per share) and potentially dilutive securities that are not anti-dilutive.

Outstanding warrants that had no effect on the computation of the dilutive weighted average number of shares outstanding as their effect would be anti-dilutive were approximately 4,250,000 and 4,250,000 as of June 30, 2024 and December 31, 2023, respectively. There were no potentially dilutive shares outstanding at June 30, 2024 and December 31, 2023.

Conversion of Series Q Preferred Stock into Common Stock would be anti-dilutive for the three and six months ended June 30, 2024 and 2023 and is not included in calculating the diluted weighted average number of shares outstanding.

Note 3 – Discontinued operation

In 2003, the Company purchased a 50% interest in Waste Consolidators, Inc., a facilities operation company that comprised our facilities operation segment ("WCI") and increased its ownership stake in WCI by 1% in 2014. Since January 1, 2014, our controlling interest investment in WCI included a facilities operations segment, which provides waste management and disposal services to business park owners, governmental centers, and apartment complexes in Phoenix, Austin, San Antonio, Houston, and Dallas. On October 4, 2023, the Company sold the entirety of its interest in WCI by entering into a Stock Purchase Agreement whereby the Company as a shareholder of WCI sold all of its outstanding shares of stock to Ally Waste Services, LLC for $6,000,000.

In connection with the sale, the Company received net, after WCI debt payoff, $5,000,000 in cash and a one-year unsecured, subordinated, promissory note in the initial principal face amount of $1,000,000. The note accrues interest at 6% per annum. For further disclosures related to the promissory note receivable, see Note 5.

At December 31, 2023 we recognized a $4,805,389 gain on our sale of WCI. See Note 3 in the Company's Annual Report for the period ended December 31, 2023 on Form 10-K as filed with the Securities and Exchange Commission on April 1, 2024 for further discussion regarding the Company's former interest in WCI.

Goodwill

Effective October 4, 2023, on the date of the $6,000,000 sale of WCI, we met the criteria outlined in ASC Topic 205-20 *"Discontinued Operations*," for our $1,426,182 goodwill to be reduced to $0 and the results of operations and assets and liabilities for our facilities operations segment were excluded from our continuing operations and presented as a discontinued operation and reported in our consolidated financial statements. As a result, goodwill in an aggregate amount of $1,426,182 was reduced to $0 at December 31, 2023.

Note 3 – Discontinued operation (continued)

Deconsolidation

In accordance with ASC Topic 810-10-40, "*Consolidation — Overall – Derecognition - Deconsolidation of a Subsidiary or Derecognition of a Group of Assets,*" a parent company must deconsolidate a subsidiary as of the date the parent ceases to have a controlling interest in that subsidiary and recognize a gain or loss in net income at that time. As a result, we deconsolidated WCI from our consolidated financial statements on October 4, 2023 and recognized a gain on the disposal of discontinued operations totaling $4,805,389. The $4,805,389 gain on disposal of discontinued operation represented the amount of our purchase price allocation at 51% WCI assets and liabilities, net investment in 51% of WCI earnings, and net investment in WCI distributions offset by the sale price as of the disposal date of October 4, 2023. We have eliminated WCI from our consolidated financials on October 4, 2023. Accordingly, WCI was excluded from the Company's continuing operations on December 31, 2023, and prior periods of comparison and WCI's financial results are presented as a discontinued operation in the Company's consolidated financial statements.

Segment Reporting

Due to the sale of our entire ownership interest in WCI on October 4, 2023, our facilities operation segment was eliminated. Following our sale of WCI, the Company received no new income from WCI and had no further involvement or continuing influence over its operations. Consequently, we determined that the results from operations and assets and liabilities associated with our facilities operation segment were to be excluded from our continuing operations and presented as a discontinued operation in our consolidated financial statements in accordance with ASC Topic 205-20-45, "*Discontinued Operations*." As a result, we classified the results from operations of our facilities accessories segment separately in captions titled "discontinued operations" on our consolidated income statements for the current and prior year period at June 30, 2023. Because we divested our discontinued operation on October 4, 2023, there were no discontinued operations to report at June 30, 2024. Prior to the sale, on June 30, 2023, our facilities operations segment was as follows:

	Discontinued Operation
Three months ended June 30, 2023	
Net revenue	$ 2,105,961
Operating income (loss)	(17,525)
Interest income	-
Interest expense	21,583
Property additions	36,298
Depreciation and amortization	16,298
Six months ended June 30, 2023	
Net revenue	$ 4,281,096
Operating income (loss)	226,529
Interest income	-
Interest expense	37,746
Property additions	36,298
Depreciation and amortization	30,506
Total assets	3,551,566

Note 3 – Discontinued operation (continued)

The following table reconciles operating segments and corporate-unallocated operating income (loss) to consolidated income before income taxes for the three and six months ended June 30, 2023, as presented in the unaudited condensed consolidated income statements:

	Three Months Ended June 30, 2023
Operating loss	$ (17,525)
Employee Retention Credits	6,921
Gain (loss) on investments	-
Interest income	-
Interest expense	(21,583)
Gain (loss) on asset disposal	-
Other income	-
Income before income taxes	$ (32,187)

	Six Months Ended June 30, 2023
Operating loss	$ 226,529
Employee Retention Credits	6,921
Gain (loss) on investments	-
Interest income	-
Interest expense	(37,746)
Gain (loss) on asset disposal	-
Other income	12,119
Income before income taxes	$ 207,823

Note 4 – Investment in account receivable

On April 10, 2015, the Company entered into an exchange agreement whereby the Company received an investment in an account receivable with annual installment payments of $117,000 for 11 years through 2026, totaling $1,287,000 in exchange for 757,059 shares of Mentor Common Stock obtained through the exercise of 757,059 Series D warrants at $1.60 per share plus a $0.10 per warrant redemption price.

The Company valued the transaction based on the market value of Company common shares exchanged in the transaction, resulting in a 17.87% discount from the face value of the account receivable. The discount is being amortized monthly to interest over the 11-year term of the agreement. In the fourth quarter of 2020, we were notified that due to the effect of COVID-19 on the estimated receivable, we may not receive the 2020 installment payment or the full 2021 installment payment. Based on management's collection estimates, we recorded an investment loss of ($139,148) on the investment in account receivable at December 31, 2020. In 2021, the Company reevaluated estimated collections and recorded an investment gain of $22,718. Subsequently, on February 15, 2022, the terms of the investment were planned to be modified, resulting in an additional loss of ($41,930). The loss of ($41,930) and gain of $22,718 were reflected in other income on the consolidated income statement for the years ended December 31, 2022 and 2021, respectively.

On January 10, 2023, the Company received the 2023 annual installment payment of $117,000. Three additional $117,000 annual installment payments are due in early 2024, 2025, and 2026. At June 11, 2024, the receivable was fully impaired due to a history of uncertain payments.

Note 4 – Investment in account receivable (continued)

The investment in account receivable consists of the following at June 30, 2024 and December 31, 2023:

	June 30, 2024	December 31, 2023
Face value*	$ 287,200	$ 285,400
Impairment	(250,208)	-
Total	36,992	285,400
Unamortized discount	(36,992)	(46,551)
Net balance	-	238,849
Current portion	-	-
Long term portion	$ -	$ 238,849

*Coincident with the impairment, accounts receivable of $2,300 was reclassed and concurrently impaired. Prior to the full impairment, the Company reduced the face value of its investment in account receivable by an additional $100 per month for five receivable payment installments at the six months ended June 30, 2024.

On June 11, 2024, our investment in account receivable was impaired by $250,208. The $250,208 impairment consisted of the Company's estimate of the reduction of $287,200 purchased receivable offset by a ($36,992) purchased receivable discount. The Company intends to continue to vigorously pursuing the payment of the annual installments. The Company's recognition of an impairment loss due to the uncertainty of collection does not diminish its contractual rights to collect the full amounts due pursuant to the contract. The Company intends to continue to vigorously pursue the payment of the amounts owed by available legal means.

For the three months ended June 30, 2024 and 2023, $4,808 and $10,042 of discount amortization is included in interest income, respectively. For the six months ended June 30, 2024 and 2023, $9,559 and $16,607 of discount amortization is included in interest income, respectively.

Note 5 – Note receivable

On October 4, 2023, in connection with the sale of the Company's ownership interest in WCI, the Company received a one-year unsecured, subordinated, promissory note in an initial principal face amount of $1,000,000 from Ally Waste Services, LLC ("Ally") at 6% per annum. The note is recorded at the principal face amount of $1,000,000 plus accrued interest of $45,000 and $15,000 at June 30, 2024 and December 31, 2023, respectively. The note is unsecured, subordinated, and junior in right of payment of the indebtedness of borrowed money and obligations of Ally owed to senior lenders. Subject to the terms of agreements with senior lenders, the note principal plus accrued interest is payable on October 4, 2024. Ally's failure to pay the principal and accrued interest on October 4, 2024, among other enumerated events of default, will result in the interest rate retroactively increasing to 12% per annum. The note may be set off against any indemnification obligations owed by the Company to Ally, which indemnification obligations are secondary to indemnification obligations owed by the other WCI selling shareholder to Ally. The Company has continued to receive assurances from Ally that the purchased business is performing well, and the note will be paid, so management has not impaired the note receivable. If management is given any indication from Ally or the other selling shareholder of WCI that collection is uncertain, the Company will impair the note receivable at such time. At June 30, 2024 and December 31, 2023, our note receivable consisted of the following:

	June 30, 2024	December 31, 2023
October 4, 2023 Ally Waste Services, LLC subordinated promissory note receivable, including accrued interest of $45,000 and $15,000, at June 30, 2024 and December 31, 2023, respectively. The note bore interest at 6% per annum. No payments are required under the note until the maturity date, October 4, 2024. Ally has the option to pay the note plus any accrued interest at any time prior to its maturity without penalty. Any prepayment shall be applied first to accrued but unpaid interest and then to the outstanding principal.	$ 1,045,000	$ 1,015,000
Total note receivable, including interest	$ 1,045,000	$ 1,015,000

Note 6 - Property and equipment

Property and equipment are comprised of the following:

	June 30, 2024	December 31, 2023
Computers	$ 33,626	$ 33,626
Furniture and fixtures	14,613	14,613
Machinery and vehicles	-	-
	48,239	48,239
Accumulated depreciation and amortization	(47,186)	(46,648)
Property and equipment of discontinued operations	-	-
Accumulated depreciation of discontinued operations	-	-
Net Property and equipment	$ 1,053	$ 1,591

Depreciation and amortization expense were $269 and $427 for the three months ended June 30, 2024 and 2023, and $538 and $665 for the six months ended June 30, 2024 and 2023, respectively.

Depreciation and amortization expense for our discontinued operation was $11,362 for the three months ended June 30, 2023 and $20,634 for the six months ended June 30, 2023. Our discontinued operation was sold for $6,000,000 on October 4, 2023 and on the date of sale our discontinued operation was deconsolidated from the Company's financials and our discontinued operation is presented separately for prior reporting periods. See Note 3.

Note 7 – Convertible notes receivable

On November 22, 2017, the Company invested $25,000 in NeuCourt, Inc. ("NeuCourt") as a convertible note receivable. The note bore interest at 5% per annum, originally matured November 22, 2019, and was amended to extend the maturity date to November 22, 2021. No payments were required prior to maturity. However, at the time the November 22, 2017 note was extended, interest accrued through November 4, 2019, was remitted to Mentor. As consideration for the extension of the maturity date for the $25,000 note, a warrant to purchase up to 25,000 shares of NeuCourt common stock at $0.02 per share was issued to Mentor.

On October 31, 2018, the Company invested an additional $50,000 as a convertible note receivable in NeuCourt, which bore interest at 5%, originally matured on October 31, 2020, and was amended to extend the maturity date to October 31, 2022. As consideration for the extension of the maturity date for the $50,000 note plus accrued interest of $5,132, a warrant to purchase up to 52,500 shares of NeuCourt common stock at $0.02 per share was issued to Mentor. On June 13, 2022, the Company sold $2,161 in note principal to a third party, thereby reducing the principal face value of the note to $47,839.

Principal and unpaid interest on the Notes could have been converted into a blend of shares of a to-be-created series of Preferred Stock and Common Stock of NeuCourt (i) on the closing of a future financing round of at least $750,000, (ii) on the election of NeuCourt on the maturity of the Note, or (iii) on the election of Mentor following NeuCourt's election to prepay the Note.

On July 15, 2022, the November 22, 2017 and October 31, 2018 convertible notes were exchanged for a Simple Agreement for Future Equity ("SAFE"). Prior to the exchange, the Conversion Price for each Note was the lower of (i) 75% of the price paid in the Next Equity Financing, or the price obtained by dividing a $3,000,000 valuation cap by the fully diluted number of shares. The number of Conversion Shares to be issued on conversion was the quotient obtained by dividing the outstanding principal and unpaid accrued interest on a Note to be converted on the date of conversion by the Conversion Price (the "Total Number of Shares"), The Total Number of Shares consisted of Preferred Stock and Common Stock as follows: (i) That number of shares of Preferred Stock obtained by dividing (a) the principal amount of each Note and all accrued and unpaid interest thereunder by (b) the price per share paid by other purchasers of Preferred Stock in the Next Equity Financing (such number of shares, the "Number of Preferred Stock") and (ii) that number of shares of Common Stock equal to the Total Number of Shares minus the Number of Preferred Stock.

On July 15, 2022, the Company and NeuCourt, Inc. entered into an Exchange Agreement by which the $25,000 and $47,839 principal amounts of the NeuCourt November 22, 2017 and October 31, 2018 convertible notes and accrued unpaid interest in the amounts of $3,518 and $9,673, respectively, were exchanged for a Simple Agreement for Future Equity ("SAFE"), a security providing for the conversion of the SAFE into shares of NeuCourt common or preferred stock ("Capital Stock") at some future date. As of July 15, 2022, the Company received SAFEs in the aggregate face amount of $86,030 (the "Purchase Amount").

The valuation cap of the SAFE is $3,000,000 ("Valuation Cap"), and the discount rate is 75% ("Discount Rate").

If, prior to termination, conversion, or expiration of the SAFE, NeuCourt sells a series of preferred stock ("Equity Preferred Stock") to investors in an equity financing raising not less than $500,000, Mentor's SAFE shall be converted into shares equal to the Purchase Amount divided by the lessor of (x) the price per share of the Equity Preferred Stock multiplied by the Discount Rate and (y) the price per share equal to the Valuation Cap divided by the number of outstanding shares of NeuCourt on a fully diluted, as-converted basis ("Conversion Shares"). The Conversion Shares shall consist of (a) the number of shares of Equity Preferred Stock equal to the Purchase Amount divided by the price per share of the Equity Preferred Stock ("Preferred Stock") and (b) the number of shares of common stock equal to the Conversion Shares minus the Preferred Stock.

The SAFE will expire and terminate upon the earlier to occur of (i) conversion and (ii) repayment. The SAFE may be repaid by NeuCourt upon sixty (60) days prior notice ("Repayment Notice") to the Company unless the Company elects during that period to convert the SAFE.

Note 7 – Convertible notes receivable (continued)

If NeuCourt does not close an equity financing round raising $500,000 or more prior to expiration or termination of the SAFE, the Company may elect to convert the SAFE into the number of shares of a to-be-created series of preferred stock equal to the (x) Purchase Amount divided by (y) the Valuation Cap divided by the number of outstanding shares of NeuCourt on a fully diluted, as-converted basis ("Default Conversion"). Additionally, if NeuCourt experiences a change of control, initial public offering, ceases operations, or enters into a general assignment for the benefit of its creditors prior to conversion, termination, or expiration of the SAFE, the Company will receive the greater of (a) a cash payment equal to the Purchase Amount and (b) the value of the shares issuable on Default Conversion.

On July 22, 2022, the Company sold $989 of the SAFE Purchase Amount to a third party. On August 1, 2022, the Company sold an additional $1,285 of the SAFE Purchase Amount to a third party, thereby reducing the aggregate outstanding SAFE Purchase Amount to $83,756.

On January 20, 2023, the Company and NeuCourt entered into a SAFE Purchase Agreement by which the Company invested an additional $10,000 in the form of a NeuCourt Simple Agreement for Future Equity under the same terms as the previous July 15, 2022 SAFE Purchase Agreement between NeuCourt and the Company, increasing the aggregate SAFE Purchase Amount to $93,756. At June 30, 2024 and December 31, 2023, the SAFE Purchase Amount was $93,756.

Note 8 – Finance leases receivable

Mentor Partner I, LLC

Net finance leases receivable from G Farma remain fully impaired at June 30, 2024 and December 31, 2023. At June 30, 2024 and December 31, 2023, Partner I recognized no finance lease revenue. See Note 16.

Net finance leases receivable, non-performing, consist of the following at June 30, 2024 and December 31, 2023:

	June 30, 2024	December 31, 2023
Gross minimum lease payments receivable	$ 1,203,404	$ 1,203,404
Accrued interest	-	-
Less: unearned interest	(400,005)	(400,005)
Less: reserve for bad debt	(803,399)	(803,399)
Finance leases receivable	$ -	$ -

Mentor Partner II, LLC

Partner II entered into a Master Equipment Lease Agreement with Pueblo West, dated February 11, 2018, amended November 28, 2018 and March 12, 2019. Partner II acquired and delivered manufacturing equipment as selected by Pueblo West under sales-type finance leases. On September 27, 2022, Pueblo West exercised its lease prepayment option and purchased the manufacturing equipment for $245,369. On September 28, 2022 Partner II transferred full title to the equipment to Pueblo West. At June 30, 2024 and December 31, 2023, Partner II recognized no finance lease revenue.

Note 9 - Contractual interests in legal recoveries

Interest in Electrum Partners, LLC legal recovery

Electrum was the plaintiff in a certain legal action in the Supreme Court of British Columbia ("Litigation"). See Note 10 in the Company's Annual Report for the year ended December 31, 2023 on Form 10-K as filed with the Securities and Exchange Commission on April 1, 2024 for a discussion regarding the Company's former interest in the Litigation.

Note 9 - Contractual interests in legal recoveries (continued)

On November 18, 2022, Electrum repaid $459,990 to the Company pursuant to a certain November 14, 2022 Settlement Agreement and Mutual Release, following the Company's October 21, 2022 lawsuit against Electrum and the escrow agent in the County of San Mateo. The Company applied $196,666 to the Recovery Purchase Agreement, $200,000 to the Capital Agreements, and the remaining $63,324 to its $194,028 equity interest in Electrum, resulting in a net $130,704 loss on the Company's March 12, 2014 and April 27, 2017 equity investments in Electrum at December 31, 2022.

Note 10 – Investments and fair value

The hierarchy of Level 1, Level 2 and Level 3 Assets are listed as following:

		Fair Value Measurement Using			
	Unadjusted Quoted Market Prices (Level 1)	Quoted Prices for Identical or Similar Assets in Active Markets (Level 2)		Significant Unobservable Inputs (Level 3)	Significant Unobservable Inputs (Level 3)
	Investment in Securities			Investment in Common Stock Warrants	Other Equity Investments
Balance at December 31, 2022	$ -	$ -	$	$ 675	$ 93,756
Total gains or losses					
Included in earnings (or changes in net assets)	(2,484)	-		-	-
Purchases, issuances, sales, and settlements					
Purchases	649,847	-		-	10,000
Issuances	-	-		-	-
Sales	-	-		-	-
Settlements	-	-		-	-
Balance at December 31, 2023	$ 647,363	-		675	103,756
Total gains or losses					
Included in earnings (or changes in net assets)	22,637	-		-	-
Purchases, issuances, sales, and settlements					
Purchases	-	-		-	-
Issuances	-	-		-	-
Sales	-	-		-	-
Settlements	-	-		-	-
Balance at June 30, 2024	$ 670,000	$ -	$	$ 675	$ 103,756

Note 11 - Common stock warrants

On August 21, 1998, the Company filed for voluntary reorganization with the United States Bankruptcy Court for the Northern District of California, and on January 11, 2000, the Company's Plan of Reorganization was approved. Among other things, the Company's Plan of Reorganization allowed creditors and claimants to receive new Series A, B, C, and D warrants in settlement of their prior claims. The warrants expire on May 11, 2038.

Note 11 - Common stock warrants (continued)

All Series A, B, C, and D warrants have been called, and all Series A, B, and C warrants have been exercised. The Company intends to allow warrant holders or Company designees, in place of original holders, additional time as needed to exercise the remaining Series D warrants. The Company may lower the exercise price of all or part of a warrant series at any time. Similarly, the Company could reverse split the stock to raise the stock price further above the warrant exercise price. The warrants are specifically not affected and do not split with the shares in the event of a reverse split. If the called warrants are not exercised, the Company has the right to designate the warrants to a new holder in return for a $0.10 per share redemption fee payable to the original warrant holders. All such changes in the exercise price of warrants were provided for by the court in the Plan of Reorganization to provide a mechanism for all debtors to receive value even if they could not or did not exercise their warrants. Therefore, Management believes that the act of lowering the exercise price is not a change from the original warrant grants, and the Company did not record an accounting impact as the result of such change in exercise prices.

Exercise prices in effect from January 1, 2015 through September 30, 2023 for Series D warrants were $1.60 per share plus a $0.10 per warrant redemption fee, if applicable. On October 14, 2023, the Board of Directors of the Company authorized a reset of the Series D warrants strike price to $0.02 plus the $0.10 per warrant redemption fee, if applicable, and the exercise price in effect at June 30, 2024 for the Series D warrants is $0.02 per share plus a $0.10 per warrant redemption fee, if applicable.

In 2009, the Company entered into an Investment Banking agreement with Network 1 Financial Securities, Inc. and a related Strategic Advisory Agreement with Lenox Hill Partners, LLC regarding a potential merger with a cancer development company. In conjunction with those related agreements, the Company issued 689,159 Series H ($7) Warrants, with a 30-year life. On November 14, 2022, the 275,647 Series H Warrants of Lenox Hill Partners, LLC were canceled pursuant to a Settlement Agreement. As of June 30, 2024, and December 31, 2023, there were 413,512 Series H ($7) Warrants outstanding. The warrants are subject to cashless exercise based upon the ten-day trailing closing bid price preceding the exercise as interpreted by the Company.

As of June 30, 2024, and December 31, 2023, the weighted average contractual life for all Mentor warrants was 14.0 years and 14.5 years, respectively, and the weighted average outstanding warrant exercise price was $0.64 and $0.64 per share, respectively.

During the six months ended June 30, 2024, there were no Series D warrants exercised, and no warrants were issued. The intrinsic value of outstanding warrants at June 30, 2024 and December 31, 2023 was $165,750 and $180,200, respectively.

The following table summarizes Series D common stock warrants as of each period:

	Series D
Outstanding at December 31, 2022	6,250,000
Issued	-
Exercised	2,000,000
Outstanding at December 31, 2023	4,250,000
Issued	-
Exercised	-
Outstanding at June 30, 2024	4,250,000

Note 11 - Common stock warrants (continued)

Series E, F, G, and H warrants were issued for investment banking and advisory services during 2009. Series E, F, and G warrants were exercised in 2014. On November 14, 2022, the 275,647 Series H Warrants of Lenox Hill Partners, LLC were canceled pursuant to a Settlement Agreement. As of December 31, 2023, there were 413,512 Series H ($7) Warrants outstanding. The following table summarizes Series H ($7) warrants as of each period:

	Series H $7.00 exercise price
Outstanding at December 31, 2022	413,512
Issued	-
Canceled	-
Exercised	-
Outstanding at December 31, 2023	413,512
Issued	-
Exercised	-
Outstanding at June 30, 2024	413,512

On February 9, 2015, in accordance with Section 1145 of the United States Bankruptcy Code and the Company's Third Amended Plan of Reorganization, the Company announced a minimum 30-day partial redemption of up to 1% of the already outstanding Series D warrants to provide for the court specified redemption mechanism for warrants not exercised timely by the original holder or their estates. Company designees that applied during the 30 days paid 10 cents per warrant to redeem the warrant and then exercised the Series D warrant to purchase a share of the Company's Common Stock at the court-specified formula of not more than one-half of the closing bid price on the day preceding the 30-day exercise period. In successive months, the authorized partial warrant redemption amount was recalculated, and the redemption offer repeated according to the court formula. In the Company's October 7, 2016 press release, Mentor stated that the 1% redemptions which were formerly priced on a calendar month schedule would subsequently be initiated and priced on a random date schedule after the prior 1% redemption was completed to prevent potential third-party manipulation of share prices at month-end. The periodic partial redemptions could continue to be recalculated and repeated until such unexercised warrants are exhausted, or the partial redemption is otherwise paused, or truncated by the Company. For the six months ended June 30, 2024, and 2023 no warrants were redeemed.

Note 12 - Warrant redemption liability

The Plan of Reorganization provides the right for the Company to call, and the Company or its designee to redeem warrants that are not exercised timely, as specified in the Plan, by transferring a $0.10 redemption fee to the former holders. Certain individuals desiring to become a Company designee to redeem warrants have deposited redemption fees with the Company that, when warrants are redeemed, will be forwarded to the former warrant holders through DTCC or at their last known address 30 days after the last warrant of a class is exercised, or earlier at the discretion of the Company. The Company has arranged for a service to process the redemption fees in offset to an equal amount of liability.

In prior years the Series A, Series B, and Series C redemption fees have been distributed through DTCC into holder's brokerage accounts or directly to the holders. All Series A, Series B, and Series C warrants have been exercised and are no longer outstanding.

Once the Series D warrants have been fully redeemed and exercised, the fees for the Series D warrant series will likewise be distributed. Mr. Billingsley has agreed to assume liability for paying these redemption fees and therefore warrant redemption fees received are retained by the Company for operating costs. Should Mr. Billingsley be incapacitated or otherwise become unable to pay the warrant redemption fees, the Company will remit the warrant redemption fees to former holders from amounts otherwise due to Mr. Billingsley from the Company, which are sufficient to cover the redemption fees at June 30, 2024 and December 31, 2023.

Note 13 - Stockholders' equity

Common Stock

The Company was incorporated in California in 1994 and was redomiciled as a Delaware corporation, effective September 24, 2015. There are 75,000,000 authorized shares of Common Stock at $0.0001 par value. The holders of Common Stock are entitled to one vote per share on all matters submitted to a vote of the stockholders.

Issuer Purchases of Equity Securities

On August 8, 2014, the Company announced that it was initiating the repurchase of 300,000 shares of its Common Stock (approximately 2% of the Company's common shares outstanding at that time). A total of 44,748 shares were repurchased between August 8, 2014 and September 9, 2015. As of December 31, 2023, and 2022, 300,000 and 44,748 shares have been repurchased, respectively and a total of 300,000 shares have been retired.

On October 14, 2023, the Board of Directors of the Company approved an additional stock repurchase plan authorizing the Company to repurchase up to 3,000,000 shares of the Company's common stock at a total repurchase amount not to exceed $200,000. During the period January 1, 2024 through June 30, 2024 1,401,546 shares have been repurchased and retired. During the period January 1, 2024 through June 30, 2024, Mentor repurchased 1,401,546 shares of Common Stock as follows:

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 (or approximate dollar value) of shares that may yet be purchased under the plans or programs	Maximum number (or approximate dollar value) of shares that may yet be purchased under the plans or programs
January 1 through March 31, 2024	0	N/A	0	3,000,000(1)	$ 200,000(2)
April 1 through June 30, 2024	1,401,546	$ 0.053	1,401,546	1,598,454	$ 121,416
TOTAL	1,401,546	$ 0.053	1,401,546	1,598,454	$ 121,416

(1) Under the Board-approved repurchase plan, the Company is authorized to repurchase up to 3,000,000 shares of the Company's common stock. At June 30, 2024, a total of 1,598,454 of the Company's common shares may be repurchased under the plan.

(2) Under the Board-approved repurchase plan, the Company is authorized to spend up to $200,000 on the repurchase of the Company's common stock. At June 30, 2024, a total of $121,416 may be spent on the repurchase of the Company's common stock under the plan.

Preferred Stock

Mentor has 5,000,000, $0.0001 par value, preferred shares authorized.

On July 13, 2017, the Company filed a Certificate of Designation of Rights, Preferences, Privileges and Restrictions of Series Q Preferred Stock ("Certificate of Designation") with the Delaware Secretary of State to designate 200,000 preferred shares as Series Q Preferred Stock, such series having a par value of $0.0001 per share. Series Q Preferred Stock is convertible into Common Stock, at the option of the holder, at any time after the date of issuance of such share and prior to notice of redemption of such share of Series Q Preferred Stock by the Company, into such number of fully paid and nonassessable shares of Common Stock as determined by dividing the Series Q Conversion Value by the Conversion Price at the time in effect for such share.

Note 13 - Stockholders' equity (continued)

The per share "Series Q Conversion Value," as defined in the Certificate of Designation, shall be calculated by the Company at least once each calendar quarter as follows: The per share Series Q Conversion Value shall be equal to the quotient of the "Core Q Holdings Asset Value" divided by the number of issued and outstanding shares of Series Q Preferred Stock. The "Core Q Holdings Asset Value" shall equal the value, as calculated and published by the Company, of all assets that constitute Core Q Holdings which shall include such considerations as the Company designates and need not accord with any established or commonly employed valuation method or considerations. "Core Q Holdings" consists of all proceeds received by the Company on the sale of shares of Series Q Preferred Stock and all securities, acquisitions, and business acquired from such proceeds by the Company. The Company shall periodically, but at least once each calendar quarter, identify, update, account for and value, the assets that comprise the Core Q Holdings.

The "Conversion Price" of the Series Q Preferred Stock shall be at the product of 105% and the closing price of the Company's Common Stock on a date designated and published by the Company. The Series Q Preferred Stock will be available only to accredited, institutional, or qualified investors.

The Company sold and issued 11 shares of Series Q Preferred Stock on May 30, 2018, at a price of $10,000 per share, for an aggregate purchase price of $110,000 ("Series Q Purchase Price"). The Company invested the Series Q Purchase Price as capital in Partner II to purchase equipment to be leased to Pueblo West. On September 27, 2022, Pueblo West exercised its lease prepayment option and purchased the manufacturing equipment for $245,369. On September 28, 2022 Partner II transferred full title to the equipment to Pueblo West. Therefore, the Core Q Holdings at September 30, 2022 and December 31, 2022 include this interest. The Core Q Holdings Asset Value at June 30, 2024 and December 31, 2023 was $20,843 and $20,843 per share, respectively. There was no contingent liability for the Series Q Preferred Stock conversion at June 30, 2024 and December 31, 2023. At June 30, 2024 and December 31, 2023, the Series Q Preferred Stock could have been converted at the Conversion Price of $0.072 and $ 0.105, respectively.

Note 14 - Accrued salary, accrued retirement, and incentive fee - related party

The Company had an outstanding liability to its CEO as follows:

	June 30, 2024	December 31, 2023
Accrued salaries and benefits	$ 42,055	$ 30,517
Accrued retirement and other benefits	676,312	667,648
Offset by shareholder advance	(261,653)	(261,653)
	$ 456,714	$ 436,512

As approved by resolution of the Board of Directors in 1998, the CEO will be paid an incentive fee and a bonus, which are payable in installments at the CEO's option. The incentive fee is 1% of the increase in market capitalization based on the bid price of the Company's stock beyond the book value at confirmation of the bankruptcy, which was approximately $260,000. The bonus is 0.5% of the increase in market capitalization for each $1 increase in stock price up to a maximum of $8 per share (4%) based on the bid price of the stock beyond the book value at confirmation of the bankruptcy. For the six months ended June 30, 2024 and 2023, there were no incentive fee expenses.

Note 15 – Related party transactions

On August 10, 2023, Mentor received a $50,000 loan from its CEO, which bore interest at 7.8% per annum, was compounded quarterly, and was due upon demand. On October 7, 2023, the loan plus accrued interest of $545 was paid in full.

On March 12, 2021, Mentor received a $100,000 loan from its CEO, which bore interest at 7.8% per annum, was compounded quarterly, and was due upon demand. On June 17, 2021, and June 5, 2022, Mentor received additional $100,000 and $50,000 loans from its CEO with the same terms as the original loan. On December 1, 2022, the loans plus accrued interest of $28,024 were paid in full.

On August 2, 2023, Mentor called a $1,080,000 note receivable from WCI, a related party at such time, plus accrued interest of $3,591. OnSeptember 6, 2023, WCI satisfied the note and accrued interest in full. WCI's payment consisted of $66,712 cash and a $1,016,879 credit from the Company in exchange for the other WCI shareholder's surrender of rights to exercise 2,259,732 Series D warrants of the Company at $0.45 per warrant. The Company recorded the $1,016,879 warrant credit as a reduction to additional paid in capital in accordance with ASC 480 "Distinguishing Liabilities from Equity Overall." WCI recorded the $1,016,879 credit as a capital contribution because it was derived from the surrender of the WCI non-controlling stockholder's rights to exercise the Company's 2,259,732 warrants.

Note 15 – Related party transactions (continued)

The note was payable on demand, and the other WCI stockholder was permitted to utilize any of his remaining Mentor warrants as currency to partially repay the loan at a rate of $0.45 per warrant upon the surrender of such remaining unexercised warrants. The note accrued interest at 0.42% per annum with annual interest only payments due. The note was issued September 13, 2011, as payment for past amounts owed of $380,000 and included prepaid amounts of $700,000 for administrative fees payable to the Company under that certain May 31, 2005 Liquidity Agreement between the Company and WCI. The WCI note receivable and interest on the Company's financials and the Mentor note payable and interest on WCI's financials were eliminated in our September 30, 2023 consolidation.

WCI deferred fees represented deferred administrative fees relating to the paid $1,080,000 note receivable from WCI, a related party at such time. The Company recognized $2,667 in deferred fees per month and an additional $318,667 in deferred fees on September 6, 2023, concurrent with WCI's payment of the note to the Company. The deferred fees on the Company's financials and the deferred asset on WCI's financials were eliminated in our September 30, 2023 consolidation.

On October 4, 2023, we sold the entirety of our majority, controlling 51% interest in WCI for $6,000,000. Upon the date of the sale, our legacy investment in WCI was deconsolidated, and it is now reported as a discontinued operation. See Note 3.

Note 16 – Commitments and contingencies

On May 28, 2019, the Company and Mentor Partner I, LLC filed suit against the G Farma Entities and three guarantors to the various G Farma agreements in the California Superior Court in and for the County of Marin. The Company primarily sought monetary damages for breach of the G Farma agreements, including promissory notes, leases, and other agreements, to recover collateral under a security agreement and to collect from guarantors on the agreements. The Company obtained, in January 2020, a writ of possession to recover leased equipment within G Farma's possession. On January 31, 2020, all remaining equipment leased to G Farma by Mentor Partner I was repossessed by the Company. In the quarter ended June 30, 2020, the Company sold all of the recovered equipment, with an original cost of $622,670, for net proceeds of $249,481, after deducting shipping and delivery costs. All proceeds from the sale of repossessed equipment have been applied to the G Farma lease receivable balance that is fully reserved at June 30, 2024 and December 31, 2023.

On November 4, 2020, the Court granted Mentor Capital, Inc.'s and Mentor Partner I's motion for summary adjudication as to both causes of action against G FarmaLabs Limited for liability for breach of the two promissory notes and one cause of action against each of Mr. Gonzalez and Ms. Gonzalez related to their duties as guarantors of G FarmaLabs Limited's obligations under the promissory notes.

On August 27, 2021, the Company and Mentor Partner I entered into a Settlement Agreement and Mutual Release with the G Farma Entities and guarantors (collectively, "G Farma Settlors") to resolve and settle all outstanding claims ("Settlement Agreement"). The Settlement Agreement requires the G Farma Settlors to pay the Company an aggregate of $500,000 plus interest, payable monthly as follows: (i) $500 per month for 12 months beginning on September 5, 2021, (ii) $1,000 per month for 12 months beginning September 5, 2022, (iii) $2,000 per month for 12 months beginning September 5, 2023, and (iv) increasing by an additional $1,000 per month on each succeeding September 5th thereafter, until the settlement amount and accrued unpaid interest is paid in full. Interest on the unpaid balance shall initially accrue at the rate of 4.25%, commencing February 25, 2021, and shall be adjusted on February 25th of each year to equal the Prime Rate as published in the Wall Street Journal plus 1%. In the event that the G Farma Settlors fail to make any monthly payment and have not cured such default within 10 days of notice from the Company, the parties have stipulated that an additional $2,000,000 will be immediately added to the amount payable by the G Farma Settlors.

In August, September, and October 2022, the G Farma Settlors failed to make monthly payments, and failed to cure each default within 10 days' notice from Company pursuant to the Settlement Agreement. As a result, $2,000,000 was added to the amount payable by the G Farma Settlors in accordance with the terms of the Settlement Agreement. The Company and Partner I sought entry of a stipulated judgment against the G Farma Settlors for (1) $494,450, the remaining amount of the $500,000 settlement amount which has not yet been paid by the G Farma Settlors plus $2,000,000 and all accrued unpaid interest, (2) the Company's incurred costs, and (3) attorneys' fees paid by the Company to obtain the judgment. On July 11, 2023, the Court entered judgment against the G Farma Settlors and in favor of Mentor and Partner I in the amount of $2,539,597, which is comprised of $2,494,450 in principal (calculated as the aggregate settlement amount, less payments made by the G Farma Settlors, plus the default addition) plus accrued and unpaid interest of $40,219, costs of $1,643, and attorneys' fees of $3,285 incurred by Mentor and Mentor Partner I in connection with obtaining the judgment. The judgment also accrues post-judgment interest at the rate of 10% from July 11, 2023 until such time as the judgment is paid in full.

The Company has retained the full reserve on the unpaid notes receivable balance and collections of the unpaid lease receivable balance due to the long history of uncertain payments from G Farma and the G Farma Settlors. Payments from the G Farma Settlors will be recognized in Other Income as they are received. No recovery payments were included in other income in the consolidated financial statements for the year ended June 30, 2024 and December 31, 2023. The $2,539,597 judgment and interest receivable of $247,002 for the three and six months ended June 30, 2024 is fully reserved pending the outcome of the Company's collection process. See Notes 1 and 8 to this Quarterly Report and Notes 1, 8, 9, and 18 to Company's Annual Report for the period ended December 31, 2023 on Form 10-K filed with the Securities and Exchange Commission on April 1, 2024 for a discussion of the reserve against the finance lease receivable.

Note 17 – Segment Information

Continuing Operations

The Company is an operating, acquisition, and investment business. Subsidiaries in which the Company has a controlling financial interest are consolidated. The Company generally has two reportable segments: 1) the historic residual operations segment, which included the cost basis of our former membership interests of Electrum, the former contractual interest in the Electrum legal recovery, the settlement payments receivable from G Farma and its co-defendants, the former finance lease payments receivable from Pueblo West to Partner II, the operation of subsidiaries Mentor IP and Partner I, and 2) its classic energy segment which will consist of the Company's operations and investment in the classic energy space. The classic energy segment includes the fair value of securities investments in (i) oil and gas through Exxon Mobil Corp. (XOM) stock, Occidental Petroleum Corp. (OXY) stock, and Chevron Corp. (CVX) stock, (ii) uranium through Cameco Corp. (CCJ) stock, and (iii) coal through Arch Resources, Inc. (ARCH) stock. Additionally, the Company formerly had small investments in securities listed on the NYSE and NASDAQ, an investment in note receivable from a non-affiliated party, the fair value of convertible notes receivable and accrued interest from NeuCourt, which on July 15, 2022, was exchanged for a NeuCourt SAFE security investment that will be carried at cost, and the investment in NeuCourt that is included in the Corporate, Other, and Eliminations section below. Segment information for our current operating segments is as follows:

	Energy Segment	***Historic Segment***	**Corporate and Eliminations**	**Consolidated**
Three months ended June 30, 2024				
Net revenue	$ -	$ -	$ -	$ -
Operating income (loss)	-	(442)	(211,585)	(212,027)
Interest and dividend income	5,981	-	43,428	49,409
Interest expense	-	-	-	-
Property additions	-	-	-	-
Depreciation and amortization	-	-	269	269
Three months ended June 30, 2023				
Net revenue	$ -	$ -	$ (291)	$ (291)
Operating income (loss)	-	(238)	(118,549)	(118,787)
Interest and dividend income	-	-	10,174	10,174
Interest expense	-	-	6,254	6,254
Property additions	-	-	2,291	2,291
Depreciation and amortization	-	-	427	427
Six months ended June 30, 2024				
Net revenue	$ -	$ -	$ -	$ -
Operating income (loss)	-	(630)	(482,660)	(483,290)
Interest and dividend income	11,555	-	84,954	96,509
Interest expense	-	-	-	-
Property additions	-	-	-	-
Depreciation and amortization	-	-	538	538
Total assets	670,000	2,104	3,041,850	3,713,954
Six months ended June 30, 2023				
Net revenue	$ -	$ -	$ (291)	$ (291)
Operating income (loss)	-	(943)	(289,285)	(290,228)
Interest and dividend income	-	-	16,834	16,834
Interest expense	-	-	9,051	9,051
Property additions	-	-	2,291	2,291
Depreciation and amortization	-	-	665	665
Total assets	-	632	1,486,070	1,486,702

Note 17 – Segment Information (continued)

The following table reconciles operating segments and corporate-unallocated operating income (loss) to consolidated income before income taxes for the three and six months ended June 30, 2024 and 2023, as presented in the unaudited condensed consolidated income statements:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Operating income (loss)	$ (212,027)	$ (118,787)	$ (483,290)	(290,228)
Gain (loss) on investments	(259,058)	(224)	(227,571)	(224)
Interest income	49,409	10,174	96,509	16,834
Interest expense	-	(6,254)	-	(9,051)
Other income	-	1,291	-	1,291
Income before income taxes	$ (421,676)	$ (113,800)	$ (614,352)	(281,378)

Discontinued Operation – Facilities Operations Segment

As disclosed in Note 3 of the consolidated financial statements, we sold our entire 51% ownership interest in WCI on October 4, 2023 for $6,000,000. Following our sale of WCI, we received no new income from WCI and had no further involvement or continuing influence over its operations. Consequently, our facilities operations segment was eliminated at the time of sale. Additionally, the results of operations associated with our facilities operations segment were excluded from our continuing operations and presented as a discontinued operation in our consolidated financial statements. WCI worked with business park owners, governmental centers, and apartment complexes to reduce their facility-related operating costs. The WCI segment is now reported as a discontinued operation. See Note 3 of the consolidated financial statements for detailed financial information on our former facilities operations segment.

Note 18 – Subsequent events

None.

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

The following discussion will assist in the understanding of our financial position at June 30, 2024 and the results of operations for the three and six months ended June 30, 2024 and 2023. The information below should be read in conjunction with the information contained in the unaudited Condensed Consolidated Financial Statements and related notes to the financial statements included within this Quarterly Report on Form 10-Q for the three and six months ended June 30, 2024 and 2023 and our Annual Report for the year ended December 31, 2023 on Form 10-K filed with the Securities and Exchange Commission on April 1, 2024.

We sold the entirety of our majority ownership interest in Waste Consolidators, Inc. ("WCI") on October 4, 2023 for $6,000,000, resulting in the elimination of our facilities operations segment at that time. Accordingly, the results of operations and assets and liabilities for this segment are excluded from the Company's continuing operations on June 30, 2024, and for all prior periods of comparison and are presented as a discontinued operation in this report.

Corporate Background

The Company's common stock trades publicly under the trading symbol OTCQB: MNTR.

The Company was originally founded as an investment partnership in Silicon Valley, by the current CEO in 1985. The partnership acquired a salsa factory, bakery, trucking company, tortilla chip plant, and an athletic club chain. The former investment partnership was incorporated under the laws of the State of California on July 29, 1994 and on September 12, 1996, the Company's offering statement was qualified under Regulation A of the Securities Act of 1933 and began to trade its shares publicly. The Company relocated to San Diego, California, and contracted to provide financial assistance and investment in small businesses. On September 24, 2015, the Company redomiciled from California to Delaware by merging the California Mentor Capital, Inc. corporation into a newly formed Delaware entity, Mentor Capital, Inc. Following the merger, the Company is governed under the laws of the State of Delaware. In September 2020, Mentor relocated its corporate office from San Diego, California, to Plano, Texas.

In the public arena, the Company continues its diverse investment activities. These have included the acquisition of oil and gas partnerships, New York Stock Exchange gas trading company mini-tender offers, ATM ownership, facilities operations investment, cancer immunotherapy investment, equipment financing, intellectual property investment, litigation financing, investment in a dispute resolution company, and discounted funding of annuity-like fund flows. Most recently, from its new Texas base, the Company has signaled a substantial return to its energy roots, starting with a tracking investment in five New York Stock Exchange energy companies in the oil and gas, coal, and uranium markets and cooperatively acquiring operating companies in these classic energy markets.

Acquisitions and investments

Discontinued Operation – Facilities Operations Segment

On October 4, 2023, we sold and completely divested our majority controlling 51% interest in Waste Consolidators Inc. ("WCI"), our facilities operations segment, that provides waste management and disposal services, including waste consolidation, bulk item pickup, general property maintenance, and one-time clean-up services to business park owners, governmental centers, and apartment complexes in Phoenix, Austin, San Antonio, Houston, and Dallas. Following the sale, the Company received no new income from WCI and had no further involvement or continuing influence over its operations. WCI is now reported as a discontinued operation. WCI had been a long-standing investment, but it no longer aligns with the Company's central business focus in the energy sector. The $6,000,000 proceeds from the sale of our WCI shares provided the Company with capital to seek out new business opportunities in the classic energy space.

Electrum Partners, LLC (Electrum)

Electrum Partners, LLC ("Electrum") is a Nevada based consulting, investment, and management company. On November 18, 2022 Mentor received $459,990 from Electrum in consolidated settlement of one equity purchase, one recovery purchase, and two secured capital agreements.

Mentor IP, LLC (MCIP)

On April 18, 2016, the Company formed Mentor IP, LLC ("MCIP"), a South Dakota limited liability company and wholly owned subsidiary of Mentor. On October 24, 2023, the Company divested Mentor IP, LLC's intellectual property and licensing rights related to a certain United States and - Canadian patent. The Company received no payment for its divestment. Patent application and maintenance fees have been expensed when paid and there were no assets related to the MCIP patents represented on the condensed consolidated financial statements at June 30, 2024 and December 31, 2023.

NeuCourt, Inc.

NeuCourt, Inc. ("NeuCourt") is a Delaware corporation that is developing a technology that is expected to be useful to the dispute resolution industry.

On January 20, 2023, the Company and NeuCourt entered into a SAFE Purchase Agreement, increasing the Company's aggregate SAFE Purchase Amount to $93,756. At June 30, 2024 and December 31, 2023, the SAFE Purchase Amount was $93,756.

On December 21, 2018, the Company purchased 500,000 shares of NeuCourt Common Stock, approximately 6.13% of the issued and outstanding NeuCourt shares at June 30, 2024.

G FarmaLabs Limited

On August 27, 2021, the Company and Mentor Partner I entered into a Settlement Agreement and Mutual Release with G FarmaLabs Limited, its affiliated entities, and guarantors ("G Farma Settlors") to resolve and settle all outstanding claims on an unpaid finance lease receivable and notes receivable of balances of $803,399 and $1,045,051, respectively, plus accrued interest ("Settlement Agreement"). On October 12, 2021, the parties filed a Stipulation for Dismissal and Continued Jurisdiction with the Superior Court of California in the County of Marin. The Court ordered that it retain jurisdiction over the parties under Section 664.6 of the California Code of Civil Procedure to enforce the Settlement Agreement until the performance in full of its terms is met.

In August 2022, September 2022, and October 2022, the G Farma Settlors failed to make monthly payments and failed to cure each default within 10 days' notice from the Company pursuant to the Settlement Agreement. As a result, $2,000,000 was added to the amount payable by the G Farma Settlors in accordance with the terms of the Settlement Agreement. The Company and Partner I sought entry of a stipulated judgment against the G Farma Settlors for (1) $494,450, the remaining amount of the $500,000 settlement amount, which has not yet been paid by the G Farma Settlors plus $2,000,000 and all accrued unpaid interest, (2) the Company's incurred costs, and (3) attorneys' fees paid by the Company to obtain the judgment.

On July 11, 2023, the Court entered judgment against the G Farma Settlers in favor of the Company and Mentor Partner I, LLC in the amount of $2,539,597. The judgment also accrues post-judgment interest at the rate of 10% from July 11, 2023 until such time as the judgment is paid in full. The judgment and interest receivable of $247,002 at June 30, 2024 is fully reserved pending the outcome of the Company's collection process. Payments from G Farma and G Farma guarantors will be recognized in Other Income as they are received. The Company has retained the full reserve on the unpaid notes receivable balance and collections of the unpaid lease receivable balance due to the long history of uncertain payments from G Farma and the G Farma Settlors. Payments from G Farma and G Farma Settlors will be recognized in Other Income as they are received. Recovery payments of $3,550 and $2,000 were included in other income in the consolidated financial statements for the year ended December 31, 2022 and 2021, respectively.

Mentor Partner I, LLC

Mentor Partner I, LLC ("Partner I") was reorganized under the laws of the State of Texas in February 2021. Partner I originally held the contractual rights to lease payments from G Farma and now the related settlement and judgment.

Mentor Partner II, LLC

Mentor Partner II, LLC ("Partner II") was reorganized under the laws of the State of Texas in February 2021. Partner II originally held the contractual rights to lease payments from Pueblo West, which was paid off by a final payment of $245,369 on September 28, 2022.

TWG, LLC

On October 4, 2022, the Company formed TWG, LLC ("TWG"), a Texas limited liability company, as a wholly owned subsidiary of Mentor in order to prepare to fulfill certain February 16, 2022 modification agreement performance obligations related to annuity-like installment payments the Company receives from a non-affiliated party.

Ally Waste Services, LLC

On October 4, 2023, in connection with the sale of the Company's 51% ownership interest in WCI, in addition to a $5,000,000 cash payment, the Company received a one-year unsecured, subordinated, promissory note in initial principal face amount of $1,000,000 from Ally Waste Services, LLC ("Ally") at 6% per annum. The note is recorded at the principal face amount of $1,000,000 plus accrued interest of $45,000 and $15,000 at June 30, 2024 and December 31, 2023, respectively. The note is unsecured, subordinated, and junior in right of payment of the indebtedness of borrowed money and obligations of Ally owed to senior lenders. Subject to the terms of agreements with senior lenders, the note principal plus accrued interest is payable on October 4, 2024. Ally's failure to pay the principal and accrued interest on October 4, 2024, among other enumerated events of default, will result in the interest rate retroactively increasing to 12% per annum. The note may be set off against any indemnification obligations owed by the Company to Ally, which indemnification obligations are secondary to indemnification obligations owed by the other WCI selling shareholder to Ally. The Company has continued to receive assurances from Ally that the purchased business is performing well, and the note will be paid, so management has not impaired the note receivable. If management is given any indication from Ally or the other WCI selling shareholder that collection is uncertain, the Company will impair the note receivable at such time.

Overview

The Company maintains a diverse and opportunistic acquisition focus. It sold its former legacy investment in the former facilities operations segment and continues looking to expand into the classic energy markets of oil, gas, coal, uranium, and related markets.

Business Approach

Our general headquarters functions are aimed at providing accounting, legal, and general business support for our larger investment targets and our majority-owned subsidiaries. We monitor our smaller and less than majority positions for value and investment security. Management also spends considerable effort reviewing possible acquisition candidates on an ongoing basis.

Mentor seeks to take significant positions in target companies to provide public market liquidity for founders, protection for investors, funding for the companies, and incubate private companies that Mentor believes to have significant potential. When Mentor takes a major position in its investees, it provides financial management when needed but leaves operating control in the hands of the company founders. Retaining control, receiving greater liquidity, and working with an experienced organization to efficiently develop disclosures and compliance that are similar to what is required of public companies are three potential key advantages to company founders working with Mentor Capital, Inc.

The Company continually works to identify potential acquisitions, investments, and divestitures. While evaluating whether an acquisition or divestiture may be in the best interests of the Company and its shareholders, no transaction will be announced until that transaction is certain.

Liquidity and Capital Resources

The Company's future success depends upon its ability to make a return on its investments, generate positive cash flow, and obtain sufficient capital from non-portfolio-related sources. Management believes they have approximately four years of operating resources on hand and can raise additional funds as may be needed to support their business plan and develop an operating, cash flow positive company.

Results of Operations

Segregation of Discontinued Operations

On October 4, 2023, the Company sold its majority ownership interest in WCI for $6,000,000, resulting in the elimination of the Company's facilities operations segment at the time of such sale. Following the sale, the Company received no new income from WCI and had no further involvement or continuing influence over its operations. Accordingly, the results of operations for this segment are not applicable to the Company's continuing operations at June 30, 2024 and the results of operations related to our facilities operations segment are excluded from the three and six months ended June 30, 2023, the prior period of comparison, and such financial results are presented as a discontinued operation. See Note 3 to the consolidated financial statements.

Three Months Ended June 30, 2024, compared to Three Months Ended June 30, 2023

Revenues

Continuing Operations

Pending the application of sale proceeds to operating energy businesses, revenue for the three months ended June 30, 2024 was $0 compared to ($291) for the three months ended June 30, 2023 ("the prior year period").

Discontinued Operation

The lack of revenue is due to the deconsolidation of our discontinued operation, WCI, which the Company sold for $6,000,000 on October 4, 2023. At the three months ended June 30, 2023, our discontinued operation had $2,105,961 in quarterly revenue, which was reported in our consolidated financials in the prior reporting period.

Gross profit

Continuing Operations

Gross profit for the three months ended June 30, 2024 was $0 compared to ($291) for the prior year period. The Company's cost of goods sold for the three months ended June 30, 2024 were $0 and $0 for the prior year period.

Discontinued Operation

Gross profit amounts of zero are due to the deconsolidation of our discontinued operation, WCI. At the three months ended June 30, 2023, gross profit for our discontinued operation was $691,840. WCI gross profit was included in our consolidated financials in the prior reporting period. Cost of goods sold of $1,414,121 at the three months ended June 30, 2023 were related to WCI.

Selling, general and administrative expenses

Continuing Operations

Our selling, general and administrative expenses for the three months ended June 30, 2024 was $212,027 compared to $118,496 for the prior year period, an increase of $93,531. We experienced a $21,413 increase in professional audit, tax, and accounting expenses, a $11,939 increase in legal fees, a $28,153 increase in officer salary, a $3,619 increase in officer accrued benefits, a $847 increase in employee salary, a $840 increase in employee accrued benefits, a $2,288 increase in payroll taxes, and a $25,500 increase in board fees, offset by a ($1,177) decrease in miscellaneous and other expenses, resulting in an increase in other selling, general and administrative expenses of 78.93%, for the three months ended June 30, 2024 as compared to the prior year period.

Discontinued Operation

At the three months ended June 30, 2023 selling, general and administrative expenses for our discontinued operation, WCI, was $709,365. WCI selling, general and administrative expenses were included in our consolidated financials in the prior reporting period.

Other income and expense

Continuing Operations

Other income and expense, net, totaled ($209,649) for the three months ended June 30, 2024 compared to $4,987 for the prior year period, an increase of $214,636. The increase is due to our $250,208 impairment of investment in account receivable resulting in a ($249,984) loss on investments compared to the prior period, plus a ($8,850) decrease in unrealized gain on investment offset by a $39,235 increase in interest income for the three months ended June 30, 2024.

Discontinued Operation

At the three months ended June 30, 2023 other income and expense, net for our discontinued operation, WCI, was ($14,664). WCI other income and expense, net was included in our consolidated financials in the prior reporting period.

Net results

The net result for the three months ended June 30, 2024 was a net loss attributable to Mentor of ($421,676) or ($0.017) per Mentor common share compared to a net loss attributable to Mentor in the prior year period of ($129,246) or ($0.006) per Mentor common share. Management will continue to make an effort to lower operating expenses and increase revenue and gross margin. The Company will continue to look for acquisition opportunities to expand its portfolio in companies that are positive for operating revenue or have significant potential to become positive for operating revenue.

Six Months Ended June 30, 2024, compared to Six Months Ended June 30, 2023

Revenues

Continuing Operations

Pending the application of sale proceeds to operating energy businesses, revenue for the six months ended June 30, 2024 was $0 compared to ($291) for the three months ended June 30, 2023 ("the prior year period").

Discontinued Operation

The lack of revenue is due to the deconsolidation of our discontinued operation, WCI, which the Company sold for $6,000,000 on October 4, 2023. At the six months ended June 30, 2023, our discontinued operation had $4,281,096 in revenue year to date, which was reported in our consolidated financials in the prior reporting period.

Gross profit

Continuing Operations

Gross profit for the six months ended June 30, 2024 was $0 compared to ($291) for the prior year period. The Company's cost of goods sold for the six months ended June 30, 2024 were $0 and $0 for the prior year period.

Discontinued Operation

Gross profit amounts of zero are due to the deconsolidation of our discontinued operation, WCI. At the six months ended June 30, 2023, gross profit for our discontinued operation was $1,606,373. WCI gross profit was included in our consolidated financials in the prior reporting period. Cost of goods sold of $2,674,723 at the six months ended June 30, 2023 were related to WCI.

Selling, general and administrative expenses

Continuing Operations

Our selling, general and administrative expenses for the six months ended June 30, 2024 was $483,290 compared to $289,937 for the prior year period, an increase of $193,353. We experienced a $75,195 increase in professional audit, tax, and accounting expenses, a $18,939 increase in legal fees, a $54,219 increase in officer salary, a $9,248 increase in officer accrued benefits, a $3,882 increase in employee salary, a $9,788 increase in payroll taxes, a $31,750 increase in board fees, and a $1,595 increase in general expenses offset by a ($7,498) decrease in employee accrued benefits, and a ($1,466) decrease in shareholder services expenses, a ($1,096) decrease in travel related expenses, and a ($1,203) decrease in miscellaneous and other expenses, resulting in an increase in other selling, general and administrative expenses of 66.69%, for the six months ended June 30, 2024 as compared to the prior year period.

Discontinued Operation

At the six months ended June 30, 2023 selling, general and administrative expenses for our discontinued operation, WCI, was $1,379,844. WCI selling, general and administrative expenses were included in our consolidated financials in the prior reporting period.

Other income and expense

Continuing Operations

Other income and expense, net, totaled ($131,062) for the six months ended June 30, 2024 compared to $8,850 for the prior year period, an increase of $139,912 or 1,580.93%. The increase is due to our $250,208 impairment of investment in account receivable resulting in a ($249,984) loss on investments net, offset by a $22,637 increase in unrealized gain on investment, and a $79,675 increase in interest income for the three months ended June 30, 2024.

Discontinued Operation

At the six months ended June 30, 2023 other income and expense, net for our discontinued operation, WCI, was ($18,707). WCI other income and expense, net was included in our consolidated financials in the prior reporting period.

Net results

The net result for the six months ended June 30, 2024 was a net loss attributable to Mentor of ($629,681) or ($0.017) per Mentor common share compared to a net loss attributable to Mentor in the prior year period of ($178,658) or ($0.008) per Mentor common share. Management will continue to make an effort to lower operating expenses and increase revenue and gross margin. The Company will continue to look for acquisition opportunities to expand its portfolio in companies that are positive for operating revenue or have the potential to become positive for operating revenue.

Liquidity and Capital Resources

Continuing Operations

Since our reorganization, we have raised capital through warrant holder exercise of warrants to purchase shares of Common Stock. At June 30, 2024 we had cash and cash equivalents of $1,881,108 and working capital of $3,558,539.

Operating cash inflows in the six months ended June 30, 2024 was ($471,465), including ($629,681) of net income (loss), increased by non-cash depreciation and amortization of $538, gain (loss) on investments at fair value of ($22,637), a decrease in operating assets of ($35,854), a decrease in operating liabilities of ($24,479), non-cash amortization of discount on investment in account receivable of ($9,559), and a $250,208 loss on long-term investments.

Net cash outflows for the six months ended June 30, 2024 were ($550,191) consisting of cash outflows in the six months ended June 30, 2024 of ($471,465) plus ($141) paid in capital for Company common stock repurchases and ($78,585) in payments on repurchases of the Company’s common stock.

We will seek to raise additional funds through financing, additional collaborative relationships, or other arrangements to increase revenues to support positive cash flow.

In addition, on February 9, 2015, in accordance with Section 1145 of the United States Bankruptcy Code and the Company's court-approved Plan of Reorganization, the Company announced a minimum 30-day partial redemption of up to 1% of the already outstanding Series D warrants to provide for the court specified redemption mechanism for warrants not exercised timely by the original holder or their estates. Company designees that applied during the 30 days paid 10 cents per warrant to redeem the warrant and then exercised the Series D warrant to purchase a share at the court-specified formula of not more than one-half of the closing bid price on the day preceding the 30-day exercise period. In the Company's October 7, 2016 press release, Mentor stated that the 1% redemptions, which were formerly priced on a calendar month schedule, would subsequently be initiated and be priced on a random date to be scheduled after the prior 1% redemption is completed to prevent potential third party manipulation of share prices at month-end. The periodic partial redemptions may continue to be recalculated and repeated until such unexercised warrants are exhausted or the partial redemption is otherwise temporarily paused, suspended, or truncated by the Company.

For the three and six months ended June 30, 2024, there were no redemptions of Series D Warrants. There were no redemptions of Series D Warrants in 2023. We believe that if warrants are redeemed and exercised, partial warrant redemptions will provide monthly cash for monthly operations.

Disclosure About Off-Balance Sheet Arrangements

We do not have any transactions, agreements, or other contractual arrangements that constitute off-balance sheet arrangements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

As a "smaller reporting company," as defined in Rule 12b-2 of the Exchange Act, we are not required to provide the information called for by this item.

Item 4. Controls and Procedures.

Evaluation of disclosure controls and procedures

Management, with the participation of our chief executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Exchange Act. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Based on management's evaluation, our chief executive officer and principal financial officer concluded that, as of June 30, 2024, our disclosure controls and procedures are designed at a reasonable assurance level and are effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to our managers, including our chief executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in internal control over financial reporting.

We regularly review our system of internal control over financial reporting and make changes to our processes and systems to improve controls and increase efficiency while ensuring that we maintain an effective internal control environment. Changes may include such activities as implementing new, more efficient systems, consolidating activities, and migrating processes.

There were no changes in our internal control over financial reporting that occurred during the quarter ended June 30, 2024 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

G FarmaLabs Limited

On August 27, 2021, the Company and Mentor Partner I settled certain litigation with G FarmaLabs Limited, a Nevada corporation, and certain of its affiliates (the "G Farma Settlors"). The G Farma Settlors partially performed, and then breached, the Settlement Agreement.

Consequently, in February 2023, the Company and Mentor Partner I filed a Request for Entry of Judgment seeking entry of a stipulated judgment against the G Farma Settlors for (1) the remaining unpaid settlement amount of $494,450 promised, all accrued and unpaid interest thereon, and an additional $2,000,000 principal amount as agreed in the Settlement Agreement, (2) the Company's incurred costs, and (3) attorneys' fees paid by the Company to obtain the judgment. On July 11, 2023, the Court entered judgment against the G Farma Settlors and in favor of Mentor and Partner I in the amount of $2,539,597, which is comprised of $2,494,450 of principal (calculated as the aggregate settlement amount, less payments made by the G Farma Settlors, plus the default addition) plus accrued and unpaid interest of $40,219, costs of $1,643, and attorneys' fees of $3,285 incurred by Mentor and Mentor Partner I in connection with obtaining the judgment. The judgment also accrues post-judgment interest at the rate of 10% from July 11, 2023, until such time as the judgment is paid in full.

The Company has retained the reserve on the unpaid notes receivable balance and collections of the unpaid lease receivable balance due to the long history of uncertain payments from G Farma and the G Farma Settlors. Payments recovered will be reported as Other income in the consolidated income statements. See Notes 1, 8, and 16 to this Quarterly Report and Notes 1, 8, 9, and 18 to Company's Annual Report for the period ended December 31, 2023 on Form 10-K filed with the Securities and Exchange Commission on April 1, 2024. The $2,539,597 judgment and interest receivable of $247,002 for the six months ended June 30, 2024 is fully reserved pending the outcome of the Company's collection process.

Item 1A. Risk Factors.

In addition to other information in this Quarterly Report on Form 10-Q, the following risk factors should be carefully considered in evaluating our business since it operates in a highly changing and complex business environment that involves numerous risks, some of which are beyond our control. The following discussion highlights a few of these risk factors, any one of which may have a significant adverse impact on our business, operating results, and financial condition.

As a result of the risk factors set forth below and elsewhere in this Form 10-Q and in our Form 10-K, and the risks discussed in our Rule 15c2-11 and other publicly disclosed submissions, actual results could differ materially from those projected in any forward-looking statements.

We face significant risks, and the risks described below may not be the only risks we face. Additional risks that we do not know of or that we currently consider immaterial may also impair our business operations. If any of the events or circumstances described in the following risks actually occurs, our business, financial condition or results of operations could be harmed, and the trading price of our Common Stock could decline.

Our auditor has changed.

On May 3, 2024, the Securities and Exchange Commission (the "Commission") entered an Order Instituting Public Administrative and Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933, Sections 4C and 21C of the Securities Exchange Act of 1934 and Rule 102(e) of the Commission's Rules of Practice, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (the "Order") whereby the Company's then auditor, BF Borgers CPA PC ("BF Borgers") was banned from appearing or practicing before the Commission as an accountant. On May 3, 2024, the Commission issued a Staff Statement on Issuer Disclosure and Reporting Obligations in Light of Rule 102(e) Order against BF Borgers CPA PC ("Staff Statement") which stated that BF Borgers is no longer permitted to appear or practice before the Securities and Exchange Commission. As a result of the Order and the Staff Statement, Form 10-K and Form 10-Q filings filed on or after May 3, 2024 may not present financial information that has been reviewed by BF Borgers. Annual and quarterly periods presented in the Company's annual and quarterly reports must be reviewed by the Company's new independent registered public accountant who is qualified, PCAOB-registered, and permitted to appear or practice before the Securities and Exchange Commission. In light of the Order, the Audit Committee dismissed BF Borgers as our independent registered public accounting firm on May 8, 2024. On May 15, 2024, the Company's audit committee and Board of Directors unanimously approved the engagement of Spicer Jeffries LLP as the Company's independent registered public accountant, effective immediately.

We may incur material expenses or delays in financings or SEC filings due to the dismissal of BF Borgers and our stock price and access to the capital markets may be affected.

As a public company, we are required to file annual and quarterly financial statements with the Securities and Exchange Commission which are audited or reviewed, as applicable, by independent registered public accountant who are PCAOB-registered, and permitted to appear and practice before the Securities and Exchange Commission. Our access to the capital markets and our ability to make timely filings with the Securities and Exchange Commission will depend on having financial statements re-audited and re-reviewed by independent registered public accountants who are PCAOB-registered and permitted to appear and practice before the Securities and Exchange Commission. In addition, we may experience delays in working with potential acquisition targets or lenders until our financial statements are re-audited and reviewed by a new auditor. As a result, we may encounter delays, additional audit expenses, and other material costs due to our inability to rely on our previously reviewed and audited financial statements due to the dismissal of BF Borgers. Any resulting delay in accessing or inability to access the public capital markets could be disruptive to our operations and could affect the price and liquidity of our securities. Any negative news about the proceedings against BF Borgers may also adversely affect investor confidence and public perception of the Company. All of these factors could materially and adversely affect our business, the market price of our common stock, and our ability to access the capital markets.

Variable financial conditions can be challenging.

Prior to the profitable October 4, 2023 sale of our discontinued operation we experienced cash flows challenges. Securing additional sources of financing to enable us to increase investing in our target markets will be difficult, and there is no assurance of our ability to secure such financing. A failure to obtain additional financing, or to continue to generate capital from the sale of operating businesses and assets, or to generate positive cash flow from operations could prevent us from continuing to seek out and invest in larger new companies.

Mentor will continue to attempt to raise capital resources from both related and unrelated parties. Management's plans include monetizing existing mature business projects and increasing revenues through acquisition, investment, and organic growth. Management anticipates funding new activities by raising additional capital through the sale of equity securities and debt.

A failure to obtain future financing could prevent us from executing our business plan.

We anticipate that current cash resources and opportunities without new inflows would be sufficient for us to execute our business plan for four years after the date these financial statements are issued. We believe that securing substantial additional sources of financing is possible, but there is no assurance of our ability to secure such financing. A failure to obtain additional financing could prevent us from making substantial expenditures for advancement and growth to partner with businesses and hire additional personnel. If we raise additional future financing by selling equity, or convertible debt securities, the relative equity ownership of our existing investors could be diluted, or the new investors could obtain terms more favorable than previous investors. If we raise additional funds through debt financing, we could incur significant borrowing costs and be subject to adverse consequences in the event of a default.

Management voluntarily transitioned to a fully reporting company and spends considerable time meeting the associated reporting obligations.

Management operated Mentor Capital, Inc. as a non-reporting public company for over 27 years and approximately 9 years ago voluntarily transitioned to reporting company status subject to financial and other SEC-required disclosures. Prior to such voluntary transition, management had not been required to prepare and make such required disclosures. As a reporting company, we may be subject to the Securities and Exchange Act, as amended ("Exchange Act"), the Sarbanes-Oxley Act, the Dodd-Frank Act, and other securities rules and regulations. If we were listed on an Exchange, we would be subject to the rules of the Exchange on which we were listed. The Exchange Act requires, among other things, that we file annual, quarterly, and current reports with respect to our business and operating activities. Preparing and filing periodic reports imposes a significant expense, time, and reporting burden on management. This distraction can divert management from its operation of the business to the detriment of core operations.

Investors may suffer risk of dilution following exercise of warrants for cash.

As of June 30, 2024, the Company had 23,284,559 outstanding shares of its Common Stock trading at approximately $0.059 per share. As of the same date, the Company also had 4,250,000 outstanding Series D warrants exercisable for shares of Common Stock at $0.02 per share. These Series D warrants do not have a cashless exercise feature. The Company estimates that the warrants may be increasingly exercised anytime the per share price of the Company's Common Stock is greater than $0.24 per share. Exercise of these Series D warrants may result in immediate and potentially substantial dilution to current holders of the Company's Common Stock. In addition, the Company has 413,512 outstanding Series H warrants with a per share exercise price of $7.00 held by an investment bank and its affiliates. These $7.00 Series H warrants include a cashless exercise feature. Current and future shareholders may suffer dilution of their investment and equity ownership if any of the warrant holders elect to exercise their warrants.

Beginning on February 9, 2015, in accordance with Section 1145 of the United States Bankruptcy Code and in accordance with the Company's court-approved Plan of Reorganization, the Company announced that it would allow for partial redemption of up to 1% per month of the outstanding Series D warrants to provide for the court specified redemption mechanism for warrants not exercised timely by the original holder or their estates. On October 7, 2016, the Company announced that the 1% redemptions which were formerly priced on a calendar month schedule would subsequently be initiated and priced on a random date to be scheduled after the prior 1% redemption is complete to prevent potential third-party manipulation of share prices during the pricing period at month-end. Company designees that apply during the redemption period must pay 10 cents per warrant to redeem the warrants and then exercise the Series D warrant to purchase a share of the Company's Common Stock at a maximum of one-half of the closing bid price on the day preceding the 1% partial redemption. The 1% partial redemption may continue to be periodically recalculated and repeated according to the court formula until such unexercised warrants are exhausted, or the partial redemption is otherwise suspended or truncated by the Company. There were no warrant redemptions in the second quarter of 2024 or in fiscal 2023.

Our business model is to partner with or acquire other companies.

We aim to find energy businesses whose products, managers, technology, or other factors we like and acquire or invest in those businesses. While we are open to investing in a diverse portfolio of entities across the energy sector, there is no certainty that we will find suitable partners or that we will be able to engage in transactions on advantageous terms with the partners we identify. There is also no certainty that we will be able to consummate future transactions on favorable terms, or any new transaction at all. To date, several of our acquisitions/investments have not turned out well for us.

We may have to work harder to introduce rigor in our transactions.

Many of the people and entities with whom we engage may not be used to operating in business transactions in a public environment. Therefore, in order to discharge our fiduciary and disclosure obligations, we may have to work harder to maintain good business practices. Entities and persons operating in private industry may be unaccustomed to entering into detailed written agreements or keeping financial records according to GAAP. Additionally, entities and persons with whom we had engaged may not pay particular attention to the obligations with which they have agreed in written contracts. We have experienced or may experience differences in this manner with several different entities with whom we do business, including several entities that failed to comply with common law contractual obligations, which led us into litigation and other legal remedies.

Our actual results could differ materially from those anticipated in our forward-looking statements.

This Form 10-Q contains forward-looking statements within the meaning of the federal securities laws that relate to future events or future financial performance. When used in this report, you can identify forward-looking statements by terminology such as “believes,” “anticipates,” “seeks,” “looks,” “hopes,” “plans,” “predicts,” “expects,” “estimates,” “intends,” “will,” “continue,” “may,” “potential,” “should,” and similar expressions. These statements are only expressions of expectation. Our actual results could, and likely will, differ materially from those anticipated in such forward-looking statements as a result of many factors, including those set forth above and elsewhere in this report and including factors unanticipated by us and not included herein. Although we believe that the expectations reflected in our forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. Neither we nor any other person assumes responsibility for the accuracy and completeness of these statements. Accordingly, we caution readers not to place undue reliance on these statements. Where required by applicable law, we will undertake to update any disclosures or forward-looking statements.

If we are unable to protect our property, our competitive position would be adversely affected.

We and our partners and subsidiaries intend to rely on contracts and agreements with to protect our property rights. If we, or our affiliates and partners, fail to protect property rights, our business, financial condition, and results of operations would suffer. In the future, we may be forced to pay significant amounts to defend our rights, and a substantial amount of the attention of our management may be diverted from our ongoing business, all of which would materially adversely affect our business.

We depend on our key personnel and may have difficulty attracting and retaining the skilled staff and outside professionals we need to execute our growth plans.

Our success will be dependent largely upon the personal efforts of our Chief Executive Officer, Chet Billingsley. The loss of Mr. Billingsley could have a material adverse effect on our business and prospects. Currently, we have two full-time employees, and we substantially rely on the services provided by outside professionals. To execute our plans, we will have to retain our current employees and work with outside professionals who we believe will help us achieve our goals. Competition for recruiting and retaining highly skilled employees with technical, management, marketing, sales, product development, and other specialized training is intense. We may not be successful in employing and retaining such qualified personnel. Specifically, we may experience increased costs in order to retain skilled employees. If we are unable to retain experienced employees and the services of outside professionals as needed, we may be unable to execute our business plan.

Founder and CEO Chet Billingsley, along with other members of the Company’s Board of Directors, have considerable control over the company through their aggregate ownership of approximately 12.98% of the outstanding shares of the Company’s Common Stock on a fully diluted basis.

As of June 30, 2024, Mr. Billingsley owned approximately 7.51% of the outstanding shares of the Company’s Common Stock on a fully diluted basis. Together with other members of the Company’s Board of Directors, management of the Company owns approximately 12.98% of the outstanding shares of the Company’s Common Stock on a fully diluted basis. Mr. Billingsley also holds 47,274 Series D warrants, exercisable at $0.02 per share. Additionally, Robert Meyer and Lori Stansfield, directors of the Company, hold an aggregate of 628,955 Series D warrants exercisable at $0.02 per share. Due to the large number of shares of Common Stock owned by Mr. Billingsley and the directors of the Company, management has considerable ability to exercise control over the Company and matters submitted for shareholder approval, including the election of directors and approval of any merger, consolidation or sale of substantially all of the assets of the Company. Additionally, due to his position as CEO and Chairman of the Board, Mr. Billingsley has the ability to control the management and affairs of the Company. The Company’s directors and Mr. Billingsley owe a fiduciary duty to our shareholders and must act in good faith in a manner each reasonably believes to be in the best interests of our shareholders. As shareholders, Mr. Billingsley and the other directors are entitled to vote their shares in their own interests, which may not always be in the interests of our shareholders generally.

We face rapid change.

The market for our partners' and subsidiaries' products and services is characterized by rapidly changing laws, political climate, technologies, and the introduction of new products and services. We believe that our future success will depend in part upon our ability to work with companies that develop and enhance products and services offered in the energy and dispute resolution industries. There can be no assurance that our partners and subsidiaries will be able to develop and execute products and services or enhance initial products in a timely manner to apply and satisfy customer needs, achieve market acceptance or address changes in our target markets. Failure to apply and develop products and services and introduce them successfully and in a timely manner could adversely affect our competitive position, financial condition, and results of operations.

If we experience rapid growth, we will need to manage such growth well.

We may experience substantial growth in the size of our staff and the scope of our operations, resulting in increased responsibilities for management. To manage this possible growth effectively, we will need to continue to improve our operational, financial and management information systems, will possibly need to create departments that do not now exist, and hire, train, motivate and manage a growing number of staff. Due to a competitive employment environment for qualified accounting, technical, marketing, and sales personnel, we may experience difficulty in filling our needs for qualified personnel. There can be no assurance that we will be able to effectively achieve or manage any future growth, and our failure to do so could delay market penetration or otherwise have a material adverse effect on our financial condition and results of operations.

We could face product liability risks and may not have adequate insurance.

Our partners' and affiliates' products may be used for sensitive purposes. We may become the subject of litigation alleging that our partners' and affiliates' products were pollutive, ineffective, or unsafe. Thus, we may become the target of lawsuits from injured or disgruntled customers or other users. We intend to, but do not now, carry product and liability insurance, but in the event that we are required to defend more than a few such actions, or in the event we are found liable in connection with such an action, our business and operations may be severely and materially adversely affected.

There is a limited market for our Common Stock.

Our Common Stock is not listed on any exchange and trades on the OTC Markets OTCQB system. As such, the market for our Common Stock is limited and is not regulated by the rules and regulations of any exchange. Freely trading shares of even fully reporting OTCBQ companies like ours receive careful scrutiny by brokers who may require legal opinion letters, proof of consideration, medallion guarantees, or expensive fee payments before accepting or declining share deposits. Further, the price of our Common Stock and its volume in the market may be subject to wide fluctuations. Our stock price could decline regardless of our actual operating performance, and stockholders could lose a substantial part of their investment as a result of industry or market-based fluctuations. Our stock may trade relatively thinly. If a more active public market for our stock is not sustained, it may be difficult for stockholders to sell shares of our Common Stock. Because we do not now pay cash dividends on our Common Stock, stockholders may not be able to receive a return on their shares unless they are able to sell them. The market price of our Common Stock will likely fluctuate in response to a number of factors, including but not limited to the following:

- sales, sales cycle, and market acceptance or rejection of energy products;
- our ability to engage with partners who are successful in selling products;
- economic conditions within the markets;

- the timing of announcements by us or our competitors of significant contracts or acquisitions or publicity regarding actual or potential results or performance thereof;
- domestic and international economic, business, and political conditions;
- justified or unjustified adverse publicity; and
- proper or improper third-party short sales or other manipulation of our stock.

We have a long business and corporate existence.

We began in Silicon Valley in 1985 as a limited partnership and operated as Mentor Capital, LP until we incorporated in California in 1994. We were privately owned until September 1996; at which time our Common Stock began trading on the Over The Counter Pink Sheets. Our merger and acquisition and business development activities have spanned many business sectors, and we went through a bankruptcy reorganization in 1998. In late 2015, we reincorporated under the laws of the State of Delaware. We have operated in several different industries over our existence but do not have brand recognition within any one industry.

Failure to maintain effective internal controls in accordance with Section 404 of the Sarbanes-Oxley Act of 2002 could have a material adverse effect on our stock price.

Section 404 of the Sarbanes-Oxley Act of 2002 and the related rules and regulations of the SEC require annual management assessments of the effectiveness of our internal control over financial reporting. If we fail to adequately maintain compliance with, or maintain the adequacy of, our internal control over financial reporting, as such standards are modified, supplemented or amended from time to time, we may not be able to ensure that we can conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002 and the related rules and regulations of the SEC. If we cannot favorably assess our internal controls over financial reporting, investor confidence in the reliability of our financial reports may be adversely affected, which could have a material adverse effect on our stock price.

We have indemnified our officers and directors.

We have indemnified our officers and directors against possible monetary liability to the maximum extent permitted under California and Delaware law. The managers of Mentor Partner I, LLC, Mentor Partner II, LLC, and TWG, LLC have been indemnified to the maximum extent permitted under Texas law.

The worldwide economy could impact the Company in numerous ways.

The effects of negative worldwide economic events, such as the impact of inflation, interest rate increases, tariff increases, recession, potential banking crises, cybersecurity risks, evolving and sophisticated cyber-attacks and other attempts to gain access to our information technology systems, the war in Ukraine, the Israel-Hamas war, product and labor shortages, increased risk to oil and energy markets, and a global economic slowdown may cause disruptions and extreme volatility in global financial markets, increased rates of default and bankruptcy, political change, impact levels of consumer spending, and may impact our business, operating results, or financial condition. The ongoing worldwide economic situation, future weakness in the credit markets, and significant liquidity problems for the financial services industries may also impact our financial condition in a number of ways. For example, current or potential partners and affiliates may not pay us, or our partners or affiliates may delay paying us or our partners or affiliates for previously purchased products and services. Our involvement in the classic energy sector may draw political or regulatory backlash even if our actions are entirely legal and beneficial to the American society as a whole. Also, we may have difficulties in securing additional financing.

Shareholders, Directors, Partners, Professionals, and Employees May Disagree with Management's Plan and Direction for the Company.

In any organization, some individuals will have differing views on the best approach that the Company should follow to optimize results. These differences can sometimes even evolve into personal conflicts that are a distraction to management. With over four decades of senior management experience current leadership has rarely but occasionally encountered these sorts of diverging opinions as to how the Company should proceed. Disagreements of this nature have recently been addressed but may again continue or reappear in the future and randomly over time.

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

On December 14, 2023, our Chief Executive Officer, Chet Billingsley, exercised 2,000,000 Series D warrants at $0.02 per share. Mr. Billingsley paid the Company $40,000 in cash. This increased Mr. Billingsley's share ownership by 2,000,000 common shares, increased the Company's outstanding shares of common stock to 24,686,105, and decreased the Company's outstanding Series D warrants to 4,250,000.

On January 11, 2022, our Chief Executive Officer, Chet Billingsley, exercised 87,456 Series B warrants and 2,954 Series D warrants at $0.11 per share and $1.60 per share, respectively. Mr. Billingsley paid the Company $14,347 in cash.

The sale of 2,000,000 and 90,410 shares of common stock through the exercise of Series B and Series D warrants were made in reliance on 11 U.S.C. § 1145 and Section 3(a)(7) of the Securities Act of 1933, as amended.

Other than as stated above, there have been no other unregistered securities sold within the past three years.

Item 3. Defaults Upon Senior Securities and Use of Proceeds.

None.

Item 4. Mine Safety Disclosures.

None.

Item 5. Other Information.

None.

Item 6. Exhibits.

The following exhibits are filed as part of this report:

Exhibit Number	Description
3.1	Amended and Restated Certificate of Incorporation of the Company (Incorporated by reference to Mentor's Definitive Information Statement on Schedule 14C filed with the SEC on July 10, 2015).
3.2	Bylaws of the Company (Incorporated by reference to Mentor's Definitive Information Statement on Schedule 14C filed with the SEC on July 10, 2015).
4.1	Instrument Defining Rights of Security Holders. (A copy of our Bankruptcy Plan of Reorganization, including Mentor's Sixth Amended Disclosure Statement, incorporated by reference to Exhibit 4 of our Registration Statement on Form 10, filed with the SEC on November 19, 2014.)
4.2	Description of assumed warrants to purchase shares of Mentor's Common Stock (Incorporated by reference to Mentor's Definitive Information Statement on Schedule 14C filed with the SEC on July 10, 2015).
4.3	Certificate of Designations of Rights, Preferences, Privileges and Restrictions of Series Q Preferred Stock (Incorporated by reference to Exhibit 4.3 to Mentor's Quarterly Report on Form 10-Q for the Period Ended September 30, 2017, filed with the SEC on November 9, 2017)
31.1	Certification of the Chief Executive Officer required by Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of the Principal Financial Officer required by Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
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 Principal Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101	XBRL Exhibits
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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

	Mentor Capital, Inc.
Date: August 12, 2024	By: */s/ Chet Billingsley* Chet Billingsley, Chief Executive Officer
Date: August 12, 2024	By: */s/ Chet Billingsley* Chet Billingsley, Principal Financial Officer

Exhibit 31.1 and 31.2

Quarter ended June 30, 2024
CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Chet Billingsley, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Mentor Capital, Inc.

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 change 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: August 12, 2024

/s/ CHET BILLINGSLEY
Chet Billingsley
Chief Executive Officer
Principal Financial Officer

Exhibit 32.1 and 32.2

Certification of Chief Executive Officer and Principal Financial Officer
Certification Pursuant to 18 U.S.C. Section 1350, as Amended,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

I, Chet Billingsley, Chief Executive Officer and Principal Financial Officer of Mentor Capital, Inc. (the "Company"), hereby certify pursuant to Rule 13a-14(b) or 15d-14(b) of the Securities Exchange Act of 1934, as amended, and Section 1350 of Chapter 63 of Title 18 of the United States Code that to my knowledge:

1. The Company's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2024, to which this statement is furnished as an exhibit (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; 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: August 12, 2024

/s/ CHET BILLINGSLEY
Chet Billingsley
Chief Executive Officer
Principal Financial Officer