UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 31, 2024

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

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 if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes ☐ No ☒

Note – Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Exchange Act from their obligations under those Sections.

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, 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Yes ☐ No ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Yes ☐ No ☒

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Yes ☐ No ☒

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

Yes ☐ No ☒

At June 30, 2024, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of Common Shares held by non-affiliates of Mentor Capital, Inc. (based upon the closing sale price of such shares on OTCQB) was $1,373,789. Shares of Common Stock held by each officer and director and each person who owns more than 10% or more of the outstanding Common Stock have been excluded because these persons may be deemed to be affiliates. The determination of affiliate status for the purpose of this calculation is not necessarily a conclusive determination for other purposes.

At March 28, 2025, there were 21,686,105 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-K 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, the Israel-Hamas war and the post-election change in the U.S. federal government's administration on the Company's business and results of operations are forward-looking statements. These risks and uncertainties include but are not limited to, those described in "Item 1A. Risk Factors" and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations:" 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-K 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-K to the "Company," "Mentor," "we," "us," or "our," are to Mentor Capital, Inc.

MENTOR CAPITAL, INC.

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PART I

Item 1. Business.

Corporate History and Background

Mentor Capital, Inc. ("Mentor" or "the Company"), which reincorporated under the laws of the State of Delaware in September 2015, was founded as an investment partnership in Silicon Valley, California by the current CEO in 1985. The Company was originally incorporated under the laws of the State of California in 1994 as Main Street Athletic Clubs, Inc. and operated a small chain of athletic clubs, a trucking company, and food companies, among other things. On September 12, 1996, our Offering Statement was qualified pursuant to Regulation A under Section 3(b) of the Securities Act of 1933 and on March 12, 1997 we began to trade publicly. In 1997, the Company changed its name to Main Street AC, Inc. and merged with a group of approximately fifteen oil and gas partnerships which proved to be unsuccessful. In 1998 we entered a Chapter 11 bankruptcy reorganization in the Northern District of California due to a need to decrease oil and gas related debt in excess of asset value.

As we emerged from bankruptcy, the court allowed the original issuance of approximately $145 Million in warrants to the Company's claimants and creditors. The warrants were in (4) four classes, have been reset to lower prices, and have been principally exercised at $0.09, $0.11, $0.65, $1.00, $1.60, and $7.00 per share. On October 14, 2023 the Board of Directors authorized the reset of the Series D warrants strike price to $0.02 per share subject to the assignment to Company approved requesting shareholders and parties for a $0.10 per warrant redemption fee in accordance with the court-approved plan of reorganization. Designees that redeem and exercise such Series D warrants would pay $0.12 per share. For original holders, the remaining outstanding Series D warrants are exercisable at $0.02 per share plus a $0.10 warrant redemption fee, if applicable. The amount of proceeds received from exercised warrants may be limited by the general status of the economy and the price per share of our regular shares of Common Stock. Warrant holders are more likely to exercise warrants at $0.02 per warrant share if the shares of our Common Stock are priced above $0.02 per share. The greater the share price and the longer the Company's Common Stock share price is above $0.02, the more likely warrant holders will be willing to exercise their warrants.

On February 9, 2015, in accordance with Section 1145 of the United States Bankruptcy Code and the Company's Third Amended Plan of Reorganization ("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 years ended December 31, 2024 and 2023, no warrants were redeemed.

The Bankruptcy Court approved Plan of Reorganization allows all the warrants and shares that are issued upon exercise of the warrants to trade freely under an exemption provided by Section 1145 of the United States Bankruptcy Code. We received an SEC "No Comment" letter and our Plan of Reorganization was confirmed January 11, 2000. The SEC's letter is not and should not be interpreted as approval of the Company's Disclosure Statement or Plan of Reorganization.

Developments

Our general business operations are intended to provide management consultation and headquarters functions, especially with regard to funding, accounting, and audits, for our majority-owned subsidiaries, which are targeted to make up most of our holdings. We monitor our less than majority positions for value and investment security. Management also spends considerable effort reviewing possible acquisition candidates on an ongoing basis.

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 included the acquisition of oil and gas partnerships, New York Stock Exchange gas trading company mini-tender offers, ATM ownership, 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 six New York Stock Exchange energy companies in the oil and gas, coal, uranium, and pipeline markets. These six energy company stock holdings had a current combined stock value that equaled approximately 68.16% of the Company's market capitalization at December 31, 2024.

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 aligned with the Company's central business focus in the operating energy sector. The proceeds from the sale of our WCI shares has provided the Company with capital to seek out new business opportunities in the classic energy space.

Mentor IP, LLC

On April 18, 2016, the Company formed Mentor IP, LLC ("MCIP"), a South Dakota limited liability company and wholly owned subsidiary of Mentor. Since its inception, MCIP held interests related to patent rights. 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 national phase maintenance fees were expensed when paid and there were no assets related to MCIP patents represented on the consolidated financial statements at December 31, 2024 and 2023. Activity had been limited to payment of patent application maintenance fees in Canada.

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 July 15, 2022, the Company and NeuCourt entered into an Exchange Agreement whereby the Company's outstanding convertible promissory notes and accrued interest, in an aggregate net amount of $83,756, was exchanged for a Simple Agreement for Future Equity ("SAFE") in equal face value. 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 December 31, 2024 and 2023, the SAFE Purchase Amount was $93,756. See Note 7.

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 December 31, 2024.

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 FarmaLabs Limited ("G Farma"). It now holds a related settlement and $2,539,591 judgment receivable plus interest receivable of $375,025 at December 31, 2024 in favor of the Company and Partner I. In 2018, Mentor contributed $996,000 of capital to Partner I to facilitate the purchase of manufacturing equipment to be leased from Partner I by G Farma and related entities (collectively, the "G Farma Entities"), under a Master Equipment Lease Agreement dated January 16, 2018, as amended. Partner I acquired and delivered manufacturing equipment as selected by G Farma Entities under sales-type finance leases. During the years ended December 31, 2024 and 2023, Mentor withdrew no capital from Partner I. Partner I did not have any sales revenue for the years ended December 31, 2024 or 2023. There was no interest income recognized from Partner I finance leases for the years ended December 31, 2024 and 2023. The finance leases resulting from this investment have been fully impaired as of December 31, 2024 and 2023, due to circumstances described in Note 9 to the consolidated financial statements.

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 Organics, LLC ("Pueblo West") which was paid in full to Partner II on September 28, 2022. On February 8, 2018, 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. 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. 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. During the years ended December 31, 2024 and 2023, Mentor withdrew no capital from Partner II. During the year ended December 31, 2024 and 2023, Partner II recognized finance revenue of $0.

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 installment payments the Company receives from a non-affiliated party.

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 operating segments of the classic energy markets of oil, gas, coal, uranium, and related markets.

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

Competition

We face formidable competition in every aspect of our business. There are many companies that are interested in investing in target companies, similar to our energy focus, and many of them are well-funded companies.

Employees

Continuing Operation

Mentor and its subsidiaries combined have two full-time corporate office employees. The corporate office employees have relied heavily on outside CPA, payroll, tax, facilities, corporate counsel, and other professional support to provide administrative support for its discontinued operation, for MCIP, Partner I, Partner II, and TWG operations, and for the Company's classic energy business.

Discontinued Operation

Prior to its sale on October 4, 2023, our discontinued operation had approximately 66 full-time employees in Phoenix, Arizona, 19 full-time employees in San Antonio and Austin, Texas, 2 full-time employees in Houston, Texas, and 2 full-time employees in Dallas, Texas.

Available Information About Registrant

We have voluntarily registered our securities under Section 12(g) of the Securities Exchange Act of 1934, and such registration became effective January 19, 2015. Since that date, we have filed quarterly, annual, and current reports with the Securities and Exchange Commission ("SEC").

The SEC maintains an Internet site containing reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at http://www.sec.gov.

Our periodic reports and other required disclosures are available at our company website located at: www.MentorCapital.com.

Item 1A. Risk Factors.

In addition to other information in this Annual Report on Form 10-K, the following risk factors should be carefully considered in evaluating our business since it operates in a highly challenging 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-K, and the risks discussed in our Rule 15c2-11 filings, previous quarterly reports on Form 10-Q, 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 "SEC") 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 SEC'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 SEC as an accountant. On May 3, 2024, the SEC 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 at that time.

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 accountants 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 flow 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 related and unrelated parties through the sale of equity and debt. Management's plans further include monetizing existing mature business projects and increasing revenues through acquisition, investment, and organic growth.

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 28 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 December 31, 2024, the Company had 21,686,105 outstanding shares of its Common Stock trading at approximately $0.076. 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 anticipates 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 at lower than the then market price.

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 during 2024 or in fiscal year 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 that we like and then 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 lengthy written agreements or keeping financial records according to GAAP. Additionally, entities and persons with whom we had engaged may not have paid particular attention to the obligations including their obligations associated with employee retention tax credit and economic injury disaster loan programs 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.

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 14.48% of the outstanding shares of the Company's Common Stock on a fully diluted basis.

As of March 28, 2025, Mr. Billingsley owned approximately 8.38% 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, the management of the Company owns approximately 14.48% of the outstanding shares of the Company's Common Stock on a fully diluted basis. Mr. Billingsley holds 47,274 Series D warrants, exercisable at $0.02 per share. Marcia 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 are required to 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.

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 OTCQB 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 the energy products and services by entities in which we've invested;
- our ability to engage with partners who are successful in their markets;
- economic conditions within our markets;
- the timing of announcements by us or our competitors of significant products, 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.

<u>General Risk Factors</u>

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

This Form 10-K 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 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 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 in sensitive ways. 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.

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, climate regulation, economic sanctions, 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, the post-election change in the U.S. federal government's administration, 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 political, and military situations 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 scrutiny even if our actions are entirely legal and beneficial to society. Also, we may have difficulties in securing additional financing in the energy sector.

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 1B. Unresolved Staff Comments.

None.

Item 1C. Cybersecurity.

We have not experienced a material cybersecurity incident that has jeopardized the confidentiality, integrity, or availability of information systems or information residing in such information systems as defined under 17 C.F.R. § 229.106(a). If such an incident were to occur, we would work expeditiously to mitigate our damages as soon as such an incident is detected by implementing our risk management and cybersecurity plan in concert with our established cybersecurity response team. A cybersecurity incident would be reported to the Company's Chairman of the Board and our general counsel, who would determine whether such incident or event was material. If such an incident or event is material, it would be reported to our Board of Directors and Audit Committee and the material aspects of the incident would be reported on Form 8-K.

The Company maintains cybersecurity risk management, disaster readiness, and business continuity protocols to anticipate potential threats and mitigate the probability of cybersecurity risks by establishing alerts, preemptive measures, and cybersecurity responses. We have set up information technology risk management alert programs that are routinely received and reviewed by management and our information technology professionals. We have implemented protocols and procedures to protect the privacy, safety, and security of our data and information technology. We routinely assess our cybersecurity risk while working in consultation with our information technology professionals. In addition to alerts, our information technology professionals provide risk management monitoring and support along with twenty-four-hour dedicated support for the Company. They possess expertise across multiple industries, including support of Department of Defense contractors in the United States. The Company does not share confidential information with outside third parties unless required by law or necessary for compliance purposes. In such instances, the Company utilizes encryption methods to protect confidential information. The Company ensures that such information is given to such third parties in a responsible manner that would not disclose such confidential information to unintended recipients. Due to the nature of the Company's operations, the instance of the Company's receipt of confidential information is minimal, infrequent, and immaterial.

Our cybersecurity disaster readiness protocols are implemented and managed by our assistant corporate secretary, who reports to the Chairman of the Board of Directors. Management oversees our cybersecurity risk and our disaster recovery and business continuity plan in order to consider, mitigate, and plan for the preemption of cybersecurity risks that may arise. Our assistant corporate secretary was formerly responsible for information technology, risk management, and cybersecurity at an Am Law 100 law firm. She authored and implemented the firm's disaster readiness and business continuity protocols and managed the firm's information technology operations prior to implementation of these similar risk management protocols at the Company in consultation with information technology cybersecurity experts for the purpose of mitigating the Company's risk and ensuring best practices. Our assistant corporate secretary is responsible for reporting known risks and incidents relating to cybersecurity threats, including compliance with disclosure requirements, to the Chairman of the Board and our general counsel for consideration.

The Company's business strategy, results of operations, and financial condition have not been materially affected by risks from cybersecurity threats, and we have not experienced any material cybersecurity incidents. Our ability to manage our cybersecurity risks does not allow us to predict our cybersecurity vulnerability to ordinary, novel, or sophisticated cyber-attacks and cyber warfare threats in the future. As a result, we cannot provide future assurances that we will not be materially affected by cybersecurity risks or material cybersecurity incidents in the future. For more information on the risks that the Company faces, including cybersecurity-related risks, see our Item 1A Risk Factors section of this Annual Report on Form 10-K.

Item 2. Properties.

Continuing Operations

Mentor rented 2,000 square feet of office space for $2,990 per month under a one-year lease in San Diego, California, which expired in September 2020. Mentor relocated to Plano, Texas, in September 2020 and now reimburses facilities costs of $2,456 per month to the property owners, the Billingsley family. Reimbursable facilities costs have not increased since 2020. The Company does not pay rent. The Company's combined San Diego rent and facilities costs formerly totaled $4,408 per month.

MCIP, Partner I, Partner II, and TWG office and administrative support are provided by Mentor in its Plano, Texas corporate offices.

Discontinued Operation

Our discontinued operation and former facilities segment, Waste Consolidators, Inc. ("WCI"), managed our former Arizona and Texas operations from Phoenix, Arizona, where it leased 5,603 square feet of office and warehouse space pursuant to a Multi-Lessee Industrial Net Lease effected September 15, 2022, for an initial lease term of sixty-one months commencing on October 1, 2022. The monthly base rent was $5,603 for the period October 1, 2022, to September 30, 2023. On October 1, 2022, our discontinued operation also paid its monthly *pro rata* share (3.89% of total rental square footage estimated at $1,289 per month or $0.23 per square foot per month) of the annual common area operating expenses and common area improvements incurred by the landlord. Previously, our discontinued operation managed its Arizona and Texas business from Tempe, Arizona, where it leased approximately 3,000 square feet of office and warehouse space for $2,200 per month under an operating lease that expired in January 2021 and was amended February 18, 2021, to extend the lease through February 2023. The monthly rent under the extended lease was $2,350 per month for the first year of the lease and $2,500 per month for the second year of the lease. On January 1, 2022, our discontinued operation also paid its monthly *pro rata* share (1.90% of total rentable square footage) of the common area operating expenses increase over the common area operating expenses incurred by the landlord in the calendar year 2021. On October 4, 2023, the Company sold its 51% equity interest in WCI. See Note 3.

Item 3. 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 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. The $2,539,597 judgment and interest receivable of $375,025 for the twelve months ended December 31, 2024, is fully reserved pending the outcome of the Company's collection process. We will continue to pursue collection from the G Farma Settlors over time.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities.

Our shares of Common Stock are traded on the Over-The-Counter OTCQB The Venture Market ("OTCQB") under the symbol "MNTR".

The following table sets forth, for the periods indicated, the high and low sales prices for our Common Stock as reported on the OTC Markets. This information reflects inter-dealer prices without retail mark-up, markdown, or commission and may not represent actual transactions.

	High	Low
Quarter Ended December 31, 2024	$ 0.085	$ 0.0427
Quarter Ended September 30, 2024	$ 0.110	$ 0.0401
Quarter Ended June 30, 2024	$ 0.068	$ 0.030
Quarter Ended March 31, 2024	$ 0.080	$ 0.030
Quarter Ended December 31, 2023	$ 0.081	$ 0.044
Quarter Ended September 30, 2023	$ 0.041	$ 0.041
Quarter Ended June 30, 2023	$ 0.032	$ 0.024
Quarter Ended March 31, 2023	$ 0.036	$ 0.031
Quarter Ended December 31, 2022	$ 0.060	$ 0.037

Holders

As of December 31, 2024, there were approximately 7,184 registered holders of record of our Common Stock. As of December 31, 2024, we had a total of 21,686,105 shares of Common Stock issued and outstanding, 11 shares of Series Q Preferred Stock issued and outstanding, 4,250,000 Series D warrants outstanding, which are exercisable for $0.02 per share of Common Stock, and 413,512 Series H ($7) warrants outstanding which are exercisable for 413,512 shares of Common Stock.

Dividend Policy

We have not declared or paid cash dividends or made distributions in the past although we may pay cash dividends or make distributions in the future on preferred and common shares.

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 July 31, 2023, 300,000 shares had been repurchased and a total of 300,000 shares had 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 (approximately 12% of the Company's common shares outstanding at that time) at a total repurchase amount not to exceed $200,000. During the period January 1, 2024 through December 31, 2024 a total of 3,000,000 shares have been repurchased and effectively retired, 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
July 1 through September 30, 2024	1,454,166	$ 0.063	1,454,166	144,288	$ 26,650
October 1 through December 31, 2024	144,288	$ 0.065	144,288	-	$ -(2)
TOTAL	3,000,000	$ 0.060	3,000,000	-(1)	$ -(2)

(1) Under the Board-approved repurchase plan, the Company was authorized to repurchase up to 3,000,000 shares of the Company's common stock. At December 31, 2024, a total of 0 of the Company's common shares remained to be repurchased under the plan.

(2) Under the Board-approved repurchase plan, the Company was authorized to spend up to $200,000 on the repurchase of the Company's common stock. At December 31, 2024, the Company spent $183,993 on the repurchase of the Company's common stock under the plan.

Equity Compensation Plan

Mentor does not currently have an equity compensation plan in place and does not intend to create such a plan in the near future.

Recent Sales of Unregistered Securities

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 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion of our financial condition and results of operations for the years ended December 31, 2024, and 2023 should be read in conjunction with the financial statements and the notes to those statements that are included elsewhere in this Annual Report on Form 10-K.

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 were excluded from the Company's continuing operations on December 31, 2023, and for all prior periods of comparison and are presented as a discontinued operation in this report and 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.

Corporate Background

Beginning September 2008, after the name change back to Mentor Capital, Inc., the Company's common stock traded publicly under the trading symbol OTC Markets: MNTR and after February 9, 2015, as OTCQB: MNTR and after August 6, 2018, under the trading symbol OTCQX: MNTR and after May 1, 2020, under the trading symbol OTCQB: MNTR.

In 2009, the Company began focusing its investing activities on leading-edge cancer companies. In response to government limitations on reimbursement for highly technical and expensive cancer treatments and a resulting business decline in the cancer immunotherapy sector, the Company decided to exit that space. In the summer of 2013, the Company was asked to consider investing in a cancer-related project with a medical marijuana focus. In late 2019, the Company expanded its target industry focus which now prioritizes the oil, gas, coal, uranium, and related businesses. In September 2020, the Company moved its corporate office to Plano, Texas. Most recently, the Company has signaled a substantial return to its energy roots, starting with a tracking investment in six New York Stock Exchange energy companies in the oil and gas, coal, uranium, and pipeline markets while also working to cooperatively acquire royalty interests and operating companies in these classic energy markets.

Acquisitions and investments

Discontinued Operation - Waste Consolidators, Inc.

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. We sold the entirety of our majority ownership interest in WCI on October 4, 2023. The sale proceeds support the Company's focus on acquisition and investment opportunities in the classic energy space available in the state of Texas, increasing our liquidity and capitalizing on the long-standing experience of our Chief Executive Officer in this sector. Following the sale, the Company received no new income from WCI and had no further involvement or continuing influence over its operations. The sale of WCI resulted in the elimination of our facilities operations segment at that time. Accordingly, the results of operations and assets and liabilities for our facilities operations segment are excluded from the Company's continuing operations on December 31, 2023, and for all prior periods of comparison, and WCI is presented as a discontinued operation. See Note 3 to the consolidated financial statements and 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 comparative prior period December 31, 2022 reporting related to our discontinued operation.

Mentor IP, LLC

On April 18, 2016, the Company formed Mentor IP, LLC ("MCIP"), a South Dakota limited liability company and wholly owned subsidiary of Mentor. Since its inception, MCIP held interests related to patent rights. 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 national phase maintenance fees were expensed when paid and there were no assets related to MCIP patents represented on the consolidated financial statements at December 31, 2024 and 2023. Activity has been limited to payment of patent application maintenance fees in Canada.

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 July 15, 2022, the Company and NeuCourt entered into an Exchange Agreement whereby the Company's outstanding convertible promissory notes and accrued interest, in an aggregate amount of $86,030, was exchanged for a Simple Agreement for Future Equity ("SAFE") in equal face value. 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 outstanding aggregate SAFE Purchase Amount to $83,756.

On January 20, 2023, the Company and NeuCourt entered into a SAFE Purchase Agreement, whereby the Company purchased an additional SAFE at face value of $10,000, increasing the Company's aggregate SAFE Purchase Amount to $93,756. At December 31, 2024 and 2023, the SAFE Purchase Amount was $93,756. See Note 7.

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 December 31, 2024.

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.

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.

G FarmaLabs Limited

On March 17, 2017, the Company entered into a Notes Purchase Agreement with G FarmaLabs Limited, a Nevada corporation ("G Farma"). Under the Agreement, the Company purchased two secured promissory notes from G Farma in an aggregate principal face amount of $500,000. Since the initial investment, the Company made several additional investments in G Farma. Addenda II through VIII increased the aggregate investment amount to $1,110,000. G Farma has not made scheduled payments on the notes receivable since February 19, 2019. See Note 8 to the consolidated financial statements.

On September 6, 2018, the Company entered into an Equity Purchase and Issuance Agreement with G FarmaLabs Limited, G FarmaLabs DHS, LLC, GFBrands, Inc., Finka Distribution, Inc., and G FarmaLabs, WA, LLC under which Mentor was supposed to receive equity interests in the G Farma Equity Entities and their affiliates (together the "G Farma Equity Entities") equal to 3.75% of the G Farma Equity Entities interests. On March 4, 2019, Addendum VIII increased the G Farma Equity Entities' equity interest to which Mentor is immediately entitled to 3.843% and added Goya Ventures, LLC as a G Farma Equity Entity. We have fully impaired the equity investment with these entities, formerly valued at $41,600. See Note 8 to the consolidated financial statements.

On February 22, 2019, the City of Corona Building Department closed access to G Farma's corporate location; the Company was not informed by G Farma of this incident until March 14, 2019. On April 24, 2019, the Company was notified that certain G Farma assets at its corporate location, including approximately $427,804 of equipment leased by G Farma Entities from Mentor Partner I, LLC, under a Master Equipment Lease Agreement, were impounded. See further description under Mentor Partner I, LLC, below, and Note 9 to the consolidated financial statements.

This event severely impacted G Farma's ability to pay amounts due the Company in the future and led the Company, in the quarter ended March 31, 2019, to fully impair G Farma notes receivable of $1,045,051 and fully impair the Company's 3.843% equity interest in G Farma Equity Entities, formerly valued at $41,600. See Note 8 to the consolidated financial statements.

Following the initiation of an action against the G Farma Lease Entities and their guarantors (collectively, the "G Farma Entities") in California Superior Court for Marin County, the Company and Mentor Partner I and the G Farma Entities entered into a settlement agreement on August 27, 2021, whereby the G Farma Entities were to pay the Company an aggregate of $500,000. The G Farma Entities made a handful of payments and then ceased the performance of their settlement obligations.

In February 2023, the Company and Mentor Partner I sought entry of a stipulated judgment against the G Farma Entities. On July 11, 2023, the Court entered judgment against the G Farma Entities 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 Entities, plus an additional $2,000,000 in default principal) 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 G Farma and 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 December 31, 2024 and 2023, respectively. No payments have been received from the G Farma Entities since October 11, 2022. The $2,539,597 judgment and interest receivable of $375,025 at December 31, 2024 is fully reserved pending the outcome of the Company's collection process. See Notes 8, 9, and 16.

Mentor Partner I, LLC

Mentor Partner I, LLC (“Partner I”) was reorganized as a limited liability company under the laws of the State of Texas as of February 17, 2021. Partner I was formed as a wholly owned subsidiary of Mentor for the purpose of acquisition and investment. In 2018, Mentor contributed $996,000 of capital to Partner I to facilitate the purchase of manufacturing equipment to be leased from Partner I by G FarmaLabs Limited (“G Farma”) under a Master Equipment Lease Agreement dated January 16, 2018, as amended. During the years ended December 31, 2024 and 2023, Mentor withdrew no capital from Partner I. Partner I acquired and delivered manufacturing equipment as selected by G Farma and its related entities under sales-type finance leases. Partner I did not have any equipment sales revenue for the years ended December 31, 2024 or 2023.

In 2020, the Company repossessed leased equipment under G Farma’s control with a cost of $622,669 and sold it to the highest offerors for net proceeds of $249,481 after shipping and delivery costs. Net sales proceeds were applied against the finance lease receivable.

On July 11, 2023, the Court entered judgment against the G Farma Entities in favor of Mentor and Partner I 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. Collection is uncertain at this time. The remaining finance lease receivable balance is fully impaired at December 31, 2024 and 2023. See Notes 9 and 16 to the consolidated financial statements.

Mentor Partner II, LLC

Mentor Partner II, LLC (“Partner II”) was reorganized as a limited liability company under the laws of the State of Texas on February 17, 2021. The entity was originally organized as a limited liability company under the laws of the State of California on February 1, 2018. Partner II was formed as a wholly owned subsidiary of Mentor for the purpose of acquisition and investment. Partner II originally held the contractual rights to lease payments from Pueblo West Organics, LLC (“Pueblo West”) which was paid in full to Partner II on September 28, 2022. See Note 9 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 former Master Equipment Lease Agreement between Partner II and Pueblo West.

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 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, 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 $1,000,000 initial principal face amount of the note plus accrued interest of $60,000 was paid by Ally on October 4, 2024. See Note 5.

Liquidity and Capital Resources

The Company's future success is dependent upon its ability to make a return on our acquisitions and investments to generate positive cash flow and to obtain sufficient capital from non-portfolio-related sources. The Company currently has enough cash to effectuate its business plans for the next four years. Management believes they can raise additional funds to support their business plan and develop a successful operating company.

Critical Accounting Policies

Basis of presentation

The accompanying consolidated financial statements and related notes include the activity of majority-owned subsidiaries of 51% or more. The consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP"). Significant intercompany balances and transactions have been eliminated in consolidation.

Certain amounts from the prior year have been reclassified to conform with the current year's presentation.

As shown in the accompanying financial statements, the Company has a significant accumulated deficit of ($9,027,312) as of December 31, 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.

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. Following the sale, the Company received no new income from WCI, and had no further involvement or continuing influence over the operations of WCI. As a result, our facilities operations segment was deconsolidated on the date of the sale, and our former facilities operations segment was reported as a discontinued operation. See Note 3.

Use of estimates

The preparation of our 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. 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 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 - In November 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. We adopted ASU 2023-07 in fiscal year 2024. See Note 17.

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.

Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures: Disaggregation of Income Statement Expenses - In November 2024, the FASB issued ASU 2024-03 "*Income Statement: Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40)*" which adds ASC 220-40 to expand disclosure requirements related to entity expenses. Upon adoption, entities will be required to disclose a disaggregation of certain expense categories included within the expense captions on the face of the income statement within the notes to the financial statements. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. The adoption of this ASU is not expected to have a material impact on the Company's consolidated financial statements.

Concentrations of cash

The Company maintains its cash and cash equivalents in bank deposit accounts, which at times may exceed federally insured 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.

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 December 31, 2024 and 2023.

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 December 31, 2024 and 2023, the Company had $0 allowance for doubtful 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.

Note receivable

The Company had a one-year subordinated note receivable from Ally Waste Services, LLC that was recorded at the principal face amount of $1,000,000 plus accrued interest of $15,000 at December 31, 2023. The note matured on October 4, 2024, and bore interest at 6% per annum from October 4, 2023, to October 4, 2024, at which time the note was due and payable to Mentor. The $1,000,000 initial principal face amount of the note plus accrued interest of $60,000 was paid by Ally on October 4, 2024.

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.

Finance leases receivable

The Company, through its subsidiaries, is the lessor of manufacturing equipment subject to leases under master leasing agreements. The leases contain 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 reports 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 accrues 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.

A finance receivable is considered impaired, based on current information and events, if it is probable that we will be unable to collect all amounts due according to contractual terms. Impaired finance receivables include finance receivables that have been restructured and are troubled debt restructures. See Note 9.

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. As part of the monitoring process we may physically inspect the collateral or a borrower's facility and meet with a borrower's management to better understand such borrower's financial performance and its future plans on an as-needed basis.

Property and equipment

Property and equipment are recorded at cost less accumulated depreciation. Depreciation is computed on 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. Prior to the sale of our discontinued operation, depreciation on vehicles used by the discontinued operation to service its customers is included in 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.

The Company reviews intangible assets subject to amortization quarterly to determine if any adverse conditions exist or 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, a product recall, 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.

<u>Lessee Leases</u>

We determine whether an arrangement is a lease at inception. 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 are met: the lease transfers ownership of the asset by the end of the lease term, the lease contains an option to purchase the asset that is reasonably certain to be exercised, the lease term is for a major 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 operating leases are comprised of office space leases, and office equipment. Fleet vehicle leases entered into prior to January 1, 2019, under ASC 840 guidelines, are classified as operating leases. Fleet vehicle leases entered into beginning January 1, 2019, under ASC 842 guidelines, are classified as finance leases. Our leases have remaining lease terms of 1 month to 48 months. Our fleet finance leases contain a residual value guarantee which, based on past lease experience, is unlikely to result in a liability at the end of the lease. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at the commencement date in determining 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 discontinued operation customers and in operating expenses for costs associated with all other operating leases. Finance lease assets were amortized within cost of goods sold for vehicles used in direct servicing of 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 is 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).

<u>Long-lived assets impairment assessment</u>

In accordance with the FASB Accounting Standards Codification ("ASC") 350, "*Intangibles - Goodwill and Other*," we regularly review the carrying value of intangible and other long-lived assets for the existence of facts or circumstances, both internally and externally, that suggest impairment. The carrying value and ultimate realization of these assets are dependent upon our estimates of future earnings and benefits that we expect to generate from their use. If our expectations of future results and cash flows are significantly diminished, intangible assets and other long-lived assets may be impaired, and the resulting charge to operations may be material. When we determine that the carrying value of intangibles or other long-lived assets may not be recoverable based upon the existence of one or more indicators of impairment, we use the projected undiscounted cash flow method to determine whether an impairment exists and then measure the impairment using discounted cash flows.

Goodwill

Goodwill of $1,324,142 for our discontinued operation was derived from consolidating our discontinued operation effective January 1, 2014, and $102,040 of goodwill was derived from our initial acquisition of a 50% interest in such discontinued operation. 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 indicated that the asset might be impaired.

The Company reviews the goodwill allocated for possible impairment annually, and our policy is also to review goodwill whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In the impairment test, the Company measured the recoverability of goodwill by comparing a reporting unit's carrying amount, including goodwill, to the estimated fair value of the reporting unit. If the carrying amount of a reporting unit is in excess of its fair value, the Company would recognize an impairment charge equal to the amount in excess. To estimate the fair value, management used valuation techniques, which included the discounted value of estimated future cash flows. The evaluation of impairment requires the Company to make assumptions about future cash flows over the life of the asset being evaluated. These assumptions required significant judgment and were subject to change as future events and circumstances changed, as actual results may differ from assumed and estimated amounts.

Effective October 4, 2023, the date of sale of our WCI interest, 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 the aggregate amount of $1,426,182 was reduced to $0. No goodwill is reported in the Company's condensed consolidated balance sheets at December 31, 2024 and 2023.

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.

Our discontinued operation 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 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 of our discontinued operation were invoiced and recognized as revenue in the month the agreed-on services were performed.

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 capitalize 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 is recognized as finance income over the term of the lease using the effective interest rate method.

The Company, through its subsidiaries, has been the lessor of manufacturing equipment subject to leases under master leasing agreements. The leases contain 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 reports 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 accrues 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 or 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.

There were 4,250,000 potentially dilutive outstanding warrants as of December 31, 2024 and 2023 that on a treasury stock basis would have the dilutive effect of 3,128,628 common shares and had the dilutive effect of 2,887,821 common shares as of December 31, 2024 and 2023, respectively. Earnings for the twelve months ended December 31, 2024 were negative and the inclusion of the computational effect of the 3,128,628 common share equivalents from the warrants would be anti-dilutive, so no dilution effect was included for the period ending December 31, 2024, for the 4,250,000 potentially dilutive warrants then outstanding.

Assumed conversion of Series Q Preferred Stock into Common Stock would be anti-dilutive as of December 31, 2024 and 2023 and is not included in calculating the diluted weighted average number of shares outstanding.

Income taxes

The Company accounts for income taxes in accordance with accounting guidance now codified as FASB ASC 740, "*Income Taxes*," which requires that the Company recognize deferred tax liabilities and assets based on the differences between the financial statement carrying amounts and the tax bases of assets and liabilities, using enacted tax rates in effect in the years the differences are expected to reverse. Deferred income tax benefit (expense) results from the change in net deferred tax assets or deferred tax liabilities. A valuation allowance is recorded when it is more likely than not that some or all deferred tax assets will not be realized.

The Company applies the provisions of ASC 740, "*Accounting for Uncertainty in Income Taxes*." The ASC prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The ASC provides guidance on de-recognition, classification, interest, and penalties, accounting in interim periods, disclosure, and transition. The Company utilizes a two-step approach to recognizing and measuring uncertain tax positions (tax contingencies). The first step evaluates the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that we will sustain the position on audit, including resolution of related appeals or litigation processes. The second step measures the tax benefit as the largest amount of more than 50% likely of being realized upon ultimate settlement. The Company did not identify any material uncertain tax positions on returns that have been filed or that will be filed. The Company did not recognize any interest or penalties for unrecognized tax provisions during the years ended December 31, 2024 and 2023, nor were any interest or penalties accrued as of December 31, 2024 and 2023. To the extent the Company may accrue interest and penalties, it elects to recognize accrued interest and penalties related to unrecognized tax provisions as a component of income tax expense.

Fair value measurements

The Company adopted ASC 820, "*Fair Value Measurement,*" which defines fair value as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

The Fair Value Measurements and Disclosure Topic establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels. These three general valuation techniques that may be used to measure fair value are as follows: Market approach (Level 1) – which uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Prices may be indicated by pricing guides, sale transactions, market trades, or other sources. Cost approach (Level 2) – which is based on the amount that currently would be required to replace the service capacity of an asset (replacement cost); and the Income approach (Level 3) – which uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (including present value techniques, and option-pricing models). Net present value is an income approach where a stream of expected cash flows is discounted to a single current value at an appropriate market interest rate.

The carrying amounts of cash, accounts receivable, prepaid expenses and other current assets, accounts payable, customer deposits, and other accrued liabilities approximate their fair value due to the short-term nature of these instruments.

The fair value of available-for-sale investment securities is based on quoted market prices in active markets.

The fair value of the investment in account receivable is based on the net present value of calculated interest and principal payments. The carrying value approximates fair value as interest rates charged are comparable to market rates for similar investments.

The fair value of notes receivable is based on the net present value of calculated interest and principal payments. The carrying value approximates fair value as interest rates charged are comparable to market rates for similar notes.

The fair value of long-term notes payable is based on the net present value of calculated interest and principal payments. The carrying value of long-term debt approximates fair value due to the fact that the interest rate on the debt is based on market rates.

Results of Operations for the year ended December 31, 2024 compared to the year ended December 31, 2023:

Segregation of Discontinued Operations

On October 4, 2023, the Company sold its majority ownership interest in WCI, 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 the operations of WCI. Accordingly, the results of operations for this segment are excluded from the Company's continuing operations at December 31, 2023 year, the prior period of comparison, and the financial results are presented as a discontinued operation in the Company's consolidated financial statements. See Note 3.

Revenues

We had revenue of $0 and gross profit of $0 for the year ended December 31, 2024, versus revenue of $0 and gross profit of $0 for the year ended December 31, 2023, a decrease in revenue of $0 and a decrease in gross profit of $0.

Selling, general, and administrative expenses

Our selling, general, and administrative expenses for the year ended December 31, 2024 was $780,212 compared to $1,775,210 for the year ended December 31, 2023, a decrease of ($994,998) or 56.05%. The decrease was due to a decrease in officer accrued benefits of ($661,718), a decrease in officer salary and payroll tax expense of ($391,154), a decrease in employee accrued benefits of ($17,005), a decrease in administrative expenses of ($2,004), a decrease in depreciation expense of ($632), a decrease in insurance expenses of ($418), and a decrease in subsidiary related expenses of ($313), offset by an increase of $44,718 in professional service fees, an increase in board of directors fees of $20,750, an increase in employee salary and payroll tax expense of $12,575, an $129 increase in advertising and promotion expense, and a $74 increase in travel related expenses.

Other income and expense

Other income and expenses, net, totaled ($43,964) for the year ended December 31, 2024, compared to $4,863,129 for the year ended December 31, 2023, a decrease of ($4,907,093). The decrease was due to the October 4, 2023 sale of our discontinued operation, WCI, on which we recognized a $4,805,389 gain at December 31, 2023, plus a $94,476 increase in interest income, a $15,847 decrease in interest expenses, a $250,208 decrease in loss on investments, and a ($6,387) increase in unrealized loss on investments, offset by a $41,376 gain on sale of investments.

Net results

The net result for the year ended December 31, 2024, was a net loss attributable to Mentor of ($839,505) or ($0.036) per Mentor common share compared to a net gain attributable to Mentor of $3,157,658 or $0.137 per Mentor common share for the year ended December 31, 2023. The Company will continue to look for acquisition opportunities to expand its portfolio, ideally with companies that are positive for operating revenue or have the potential to become positive for operating revenue.

Changes in cash flows

At December 31, 2024, we had cash of $2,182,121 and working capital of $3,263,848. Operating cash outflows during 2024 were ($627,055), inflows from investing activities were $561,870, and outflows from financing activities were ($183,993). We are evaluating various options to raise additional funds, including equity and debt. See discussion of cash flow changes under the next section, Liquidity, and Capital Resources.

Liquidity and Capital Resources

Since our reorganization, we have raised capital through warrant holder exercise of warrants to purchase shares of Common Stock. At December 31, 2024, we had cash of $2,182,121 and working capital of $3,263,848. Operating cash outflows in the year ended December 31, 2024, were ($627,055), including ($839,505) of net income loss, plus depreciation and amortization of $1,073, less amortization of discount on investment receivable of ($9,559), less gain on investment in securities, at fair value of ($34,989), plus loss on long-term investments of $250,208, plus other receivables of $15,000, less prepaid expenses and current assets of ($502), plus accounts payable of $14, less accrued expenses of ($48,861), plus accrued salary, retirement, and benefits of related party of $40,066.

Net cash inflows in 2024 from investing activities were $561,870, including ($1,420,608) purchase of investment securities, plus $982,478 proceeds from investment securities sold, plus $1,000,000 received from proceeds from Ally Waste note receivable.

Net outflows from financing activities in 2024 were ($183,993), including ($300) paid in capital for Company stock repurchases, less ($183,693) payments on the repurchase of the Company's stock.

We will seek to raise additional funds through financing, additional collaborative relationships, or other arrangements to increase revenues to support positive cash flow. We believe our existing available resources and opportunities are sufficient to satisfy our funding requirements for four years.

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% (approximately 90,000) 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. In the Company's October 7, 2016 press release, Mentor stated that the 1% redemptions, which were formerly on a calendar month schedule, would subsequently be initiated on a random date schedule 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, at the Company's discretion, to be recalculated and repeated until such unexercised warrants are exhausted or the partial redemption is otherwise truncated by the Company.

There were no warrant redemptions in 2024 or 2023.

Disclosure About Off-Balance Sheet Arrangements

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

Item 7A. 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 8. Financial Statements and Supplementary Data.

MENTOR CAPITAL, INC.

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Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

On May 8, 2024, the relationship between our Company and the firm of BF Borgers CPA PC ("BF Borgers"), our independent accountant, was terminated upon the recommendation of the Company's Audit Committee and by the unanimous approval of the Company's Board of Directors.

In connection with the audit of our financial statements as of and for the fiscal years ended December 31, 2023 and 2022, there were no disagreements with BF Borgers on any matter of accounting principles or practices, financial statement disclosure, or auditing scope of procedures, which disagreements, if not resolved to the satisfaction of BF Borgers, would have caused them to make reference in connection with its reports to the subject matter of the disagreements. No "disagreement" and no "reportable event" leading to a difference of opinion as defined in Item 304(a)(1)(iv) and Item 304(a)(1)(v) of Regulation S-K of the SEC's rules and regulations have occurred during the fiscal years ended December 31, 2022 and 2023, as of May 8, 2024, or preceding the dismissal of BF Borgers.

The audit report of BF Borgers on our financial statements as of and for the year ended December 31, 2023 and 2022 did not contain an adverse opinion or disclaimer of opinion, nor was it qualified or modified as to uncertainty, audit scope, or accounting principles, other than an explanatory paragraph relating to the Company's ability to continue as a going concern on the Company's December 31, 2022 financials.

BF Borgers furnished us with a letter addressed to the Commission stating that it agreed with the above statements. A copy of BF Borgers' letter was attached to the Company's current report on Form 8-K filed with the Securities and Exchange Commission 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 ("Spicer Jeffries") as the Company's independent registered public accountant, effective immediately. During the two most recent fiscal years and the subsequent interim period prior to their engagement, there were no consultations between us and Spicer Jeffries prior to their appointment concerning (i) the application of accounting principles to a specified transaction, either completed or proposed; or the type of audit opinion that might be rendered on the Company's financial statements, and neither a written report nor oral advice was provided to the Company that Spicer Jeffries concluded was an important factor considered by the Company in reaching a decision as to the accounting, auditing or financial reporting issue; (ii) any matter that was the subject of a disagreement (as defined in Item 304(a)(1)(iv) of Regulation S-K); or (iii) any reportable event (as described in Item 304(a)(1)(v) of Regulation S-K).

Item 9A. Controls and Procedures.

(a) 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 December 31, 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.

(b) 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.

Effective October 22, 2020, our former Chief Financial Officer agreed to provide services pursuant to a certain Contract Chief Financial Officer Agreement; her consulting services relating to internal control remained similar, and she retained her position as Treasurer of the Company's Board of Directors and she served as a consultant CFO to the Company from time to time. Since January 1, 2023, the Company had also obtained Chief Financial Officer and Certified Public Accountant services from a primary consultant CPA who consulted with our former Chief Financial Officer and current Treasurer as needed. Consulting services remained similar to that of our former consultant CFO. Since July 1, 2024, our former Chief Financial Officer has served as the primary consultant CPA to the Company. There have been no other changes in internal control over financial reporting in the years ended December 31, 2024 and 2023.

(c) Management's report on internal control over financial reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) of the Exchange Act. The Company's internal control system is designed to provide reasonable assurance to the Company's management and Board of Directors regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. The Company's internal control over financial reporting includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

- Provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitation, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness in future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Management, with the participation of our chief executive officer and principal financial officer, conducted an evaluation of the effectiveness of the Company's internal control over financial reporting required by Section 404 of the Sarbanes-Oxley Act of 2002 based on the framework set forth in the *Internal Control–Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that our internal control over financial reporting was effective as of December 31, 2024.

Item 9B. Other Information.

None

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

PART III

Item 10. Directors, Executive Officers, and Corporate Governance.

Our executive officers and directors, and their respective ages as of December 31, 2024, are as follows:

Name	Age	Position
Chet Billingsley	72	President and Chief Executive Officer, Principal Financial Officer, and Chairman of the Board of Directors
Lori Stansfield	65	Treasurer, Director, and Audit Committee Chair

Chet Billingsley has been our Chief Executive Officer since 1994 and founded the private company, which was the predecessor of the Company, in 1985. On May 6, 2017, Mr. Billingsley was appointed as a member of Mentor's Audit Committee. On March 24, 2022, Mr. Billingsley resigned from Mentor's Audit Committee. On August 7, 2021, Mr. Billingsley was appointed as our Principal Financial Officer. On behalf of the Company, Mr. Billingsley has conducted dozens of acquisitions and business financings during this period. He began investing in 1979 and, as CEO, successfully completed the Series 65 examination. He was briefly a registered investment advisor with an affiliated portfolio entity in 2010. He received his undergraduate education at West Point and a master's degree in Applied Physics from Harvard University, concurrently studying at Harvard Business School and at MIT's Nuclear Engineering Department. Mr. Billingsley spent his early career in the energy sector in a broad range of technologies, including coal, LNG, geothermal, and solar, plus the administration of all technology contracts for the Department of Energy in Washington, DC. Mr. Billingsley worked at General Electric from January 1979 to June 1985, including General Electric's Nuclear Division. An avid business writer and promoter of ethical business dealings, Mr. Billingsley wrote "In Defense of Business Ethics" in *Management Today*.

Lori J. Stansfield, CPA, served as our Chief Financial Officer between May 27, 2014 and May 14, 2021. On April 9, 2015, Ms. Stansfield was appointed as a director and named our Treasurer. On April 24, 2024, Ms. Stansfield was appointed our Audit Committee Chair. Ms. Stansfield provides financial consulting services to the Company as needed. Ms. Stansfield is also the Chief Financial Officer of NeuCourt, Inc., an entity in which the Company has purchased convertible promissory notes, SAFEs, and shares of common stock. In addition to the services Ms. Stansfield provides to Mentor Capital, Inc., and her role as Chief Financial Officer of NeuCourt, Inc., Ms. Stansfield currently serves as a consultant to various private and public companies. For six years prior to joining Mentor, Ms. Stansfield was Director of Audit Services for Robert R. Redwitz & Co. in San Diego, California. She has taught, written about, managed, audited, and prepared financial statements during the past thirty years. She graduated magna cum laude in accounting from the University of Colorado in Denver and where she also received a master's degree in marketing. She is certified as a public accountant in both Colorado and California. Ms. Stanfield has no affiliated or conflicting outside business interests.

Robert B. Meyer was named Secretary of the Board of Directors on April 9, 2015. He previously held a director position between January 11, 2000, and August 27, 2003, and later returned to this role on April 29, 2012, until his passing in late December 2024. As the largest outside shareholder, Mr. Meyer had been a senior professional voice in the Company's management for over 19 years. Mr. Meyer was the founder, publisher, and editor of a business magazine, *Barter News*, which went into print in 1979. In 2003, he began a monthly newsletter called *The Competitive Edge*. He was one of the first charter inductees of the International Reciprocal Trade Association's "Barter Hall of Fame," and he had twice addressed the American Countertrade Association, a prestigious organization of Major Fortune 500 companies that countertrades in billions of dollars annually. As a business founder, Mr. Meyer brought his knowledge and business understanding to Board discussions. Mr. Meyer was a former professional baseball player, playing in the major leagues with New York Yankees, Kansas City Athletics, Los Angeles Angels, Seattle Pilots, and Milwaukee Brewers from 1960 - 1971. Mr. Meyer had no affiliated or conflicting outside business interests. He is survived by his wife, Marcia Meyer. Ms. Meyer, a businesswoman, and now, other than our founder, the Company's largest shareholder, was appointed to fill Mr. Meyer's vacant board seat on March 28, 2025. See Note 19.

Director Qualifications

The selection of directors is a complex and subjective process requiring consideration of many intangible factors. The Company believes that candidates should generally meet the following criteria:

- Significant historical or current Mentor share ownership;
- Business founder and CEO experience;
- Broad training, experience, and a successful track record at senior policy-making levels in business, government, education, technology, accounting, law, consulting and/or administration;

- The highest personal and professional ethics, integrity, and values;
- Commitment to representing the long-term interests of the Company and all of its shareholders;
- An inquisitive and objective perspective, strength of character, and the mature judgment essential to effective decision-making;
- Expertise that is useful to the Company and complementary to the background and experience of other Board members; and
- Sufficient time to devote to Board activities and to enhance their knowledge of our business, operations, and industry.

The Board believes that our current directors meet these criteria. The directors bring a strong and diversified background and set of essential skills to the Board, as described above in the director descriptions.

Term of Office

All directors hold office until the next annual meeting of shareholders and until their respective successors are elected. Directors may also be elected at any special meeting of shareholders held for that purpose. Nominees for the board of directors are presented by management. Except for a vacancy created by the removal of a director, all vacancies in the Board of Directors, whether caused by resignation, death or otherwise, may be filled by a majority of the remaining directors, though less than a quorum, or by a sole remaining director, and each director so elected shall hold office until his successor is elected at an annual, regular or special meeting of the shareholders. Vacancies created by the removal of a director may be filled only by approval of the shareholders. The shareholders may elect a director at any time to fill any vacancy not filled by the directors.

Certain Legal Proceedings

No director, nominee for director, or executive officer of the Company has appeared as a party in any legal proceeding material to an evaluation of his or her ability or integrity during the past ten years.

Audit Committee

On May 6, 2017, a resolution was unanimously adopted by the Board to create an audit committee. On March 19, 2022, the Board approved the Company's Audit Committee Charter and appointed David Carlile to serve as the Company's sole Audit Committee Member to be effective as of the filing date of Mentor's 2021 Form 10-K, that was filed with the Securities and Exchange Commission on March 24, 2022. On April 24, 2024, upon the Board's request, Mr. Carlile resigned and, accounting professional, Lori Stansfield, CPA, was appointed to the Audit Committee as the Company's Audit Committee Chair. Our Audit Committee Charter may be found on Mentor's website at https://ir.mentorcapital.com/corporate-governance.

Our Audit Committee is responsible for, among other things, assisting the Board in fulfilling its general oversight responsibilities with respect to the Company's accounting and financial disclosures, audits of the financial statements, internal controls, and audit functions.

As part of the financial statement audit, the auditors are required to communicate with the Audit Committee in writing. The Audit Committee discusses the audited financial statements with management.

The Audit Committee had one special meeting with the Company's Board of directors in 2024 and one meeting in 2023. All members of the Audit Committee attended both meetings.

Membership of the Audit Committee

The Audit Committee shall be comprised of one to five directors as determined by the Board, of which a majority of the members shall satisfy the independence requirements of Section 10A(m)(3) of the Securities Exchange Act of 1934, as amended and all other regulatory requirements applicable to the Company.

Lori Stansfield, CPA, our single audit committee member since April 24, 2024, and Audit Committee Chair, is considered independent under the Audit Committee Charter. With over thirty years of experience, Ms. Stansfield fully understands complex and straight forward financial statements, including the Company's balance sheet, income statement, and cash flow statement. Ms. Stansfield is an "audit committee financial expert" as defined under applicable SEC rules.

The Audit Committee of Mentor Capital, Inc. has reviewed and discussed with management the Company's audited financial statements for the year ended December 31, 2024. In addition, it has discussed with Spicer Jeffries LLP the matters required by the applicable requirements of the Public Company Accounting Oversight Board and the Commission. Also, the Audit Committee has received from Spicer Jeffries LLP the written disclosures required by the Independence Standards Board Standard No. 1 and has discussed with Spicer Jeffries LLP its independence from the Company. Based upon this information and these materials, the Audit Committee recommends to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission.

Compensation or Nominating Committees and Conflicts of Interest

The Board does not have a compensation committee comprised of independent directors; the functions that would have been performed by such a committee are performed by our directors as a whole. The Board of Directors has not established a nominating committee. The Board has been of the opinion that such committees are not necessary since the Company is small, and to date, the entire Board of Directors has been performing the functions of such committees. Thus, there is a potential conflict of interest in that our directors and officers have the authority to determine issues concerning management compensation and nominations that may affect management decisions.

We do not have a policy regarding the consideration of any director candidates that may be recommended by our stockholders. Our Board has not considered or adopted a policy regarding the consideration of director candidates recommended by our stockholders, as we have not received a recommendation from any stockholder for any candidate to serve on our Board for over ten years. We do not know if any of our stockholders will make a recommendation for any candidate to serve on our Board, given the relatively small size of our company and the small remuneration for attendance at the Board meetings.

The Board is responsible for establishing broad corporate policies and reviewing our overall performance rather than day-to-day operations. The primary responsibility of the Board is to oversee the management of the Company and, in doing so, serve the best interests of the Company and its stockholders. The Board selects, evaluates, and provides for the succession of executive officers and, subject to stockholder election, directors. It reviews and approves major corporate strategy changes, evaluates significant policies, and proposes major commitments of corporate resources. The Board also participates in decisions that have a potential major economic impact on the Company. Management keeps the directors informed of Company activity through regular communication.

Director compensation for attendance at each regular or special meeting of the Board, if any, is set by Board resolution. Officers of the Company are appointed by the Board. The salaries of the officers shall be fixed from time to time by the Board.

Shareholders may contact the Chairman of the Board by telephone or email at the Company's corporate offices with any questions or concerns they wish to have addressed. The Chairman will discuss any material shareholder questions, concerns, or other information with the other directors, as necessary.

Board Leadership and Role in Risk Oversight

Chet Billingsley acts as Mentor's Chief Executive Officer and Chairman of the Board. Robert Meyer acted as the Company's Secretary and lead independent director through late December 2024. Mentor has determined that its leadership structure is appropriate as Mentor is a small company, and Mr. Billingsley is the most familiar with the various industries and their related risks and benefits. The Board has direct discussions with the CEO and suggests operating approaches to mitigate identified risks on a regular basis. Because all independent directors are major shareholders, direct discussions reinforce the priority of reducing shareholder risk and increasing shareholder return on all corporate actions.

Familial Relationships Amongst Directors and Executives

There are no family relationships between any of our directors or executive officers and any other directors or executive officers.

Meetings of the Board of Directors

The Board of Directors of Mentor conducts business through meetings of the Board or by unanimous written consent of the Board. Actions taken by written consent of all directors, are, according to Delaware corporate law and our bylaws, valid and effective as if they had been passed at a meeting of the directors duly called and held. With the exception of Mr. Billingsley, all directors are independent directors under the adopted definition of independence from the OTC Markets OTCQB Rules. The directors are all shareholders of the Company.

Mentor held five meetings of the Board of Directors in 2024 and five meetings of the Board of Directors in 2023. All directors attended each of the meetings.

Code of Ethics

On March 21, 2019, the Company adopted a Code of Ethics in compliance with Section 406 of Regulation S-K, which is applicable to all officers, directors, and employees of the Company. The Code of Ethics is available at the Company's website at https://ir.mentorcapital.com/governance-docs without charge. Interested persons may also request a copy of such Code of Ethics without charge by contacting the Company at the address or telephone number included on the cover page of this Annual Report on Form 10-K.

Our Code of Ethics emphasizes that "The men and women of business are the stewards of the assets of society. If we are good and faithful in our work, the world becomes a better place." We are to avoid "carelessness" and "waste" and comply with applicable governmental laws, rules, and regulations at all levels of government in the United States and in any non-U.S. jurisdiction in which the Company does business. We are to "act in good faith, with due care, and shall engage only in fair and open competition, by treating ethically competitors, suppliers, customers, and colleagues."

Environment

Continuing Operations

Management continually seeks to improve and make decisions that legitimately and scientifically eliminate negative impacts and promote our ethical goal of stewardship of society's assets for first, the greater good of our shareholders, and in a second and supporting way, our stakeholders, the public, and future generations. In part, we accomplish these goals by ensuring that we engage in environmentally and socially responsible decisions, including decisions aligned with energy efficiency and waste avoidance. The principles of respect for others in the form of fair compensation based on merit, and good faith business dealings irrespective of race, alienage, national origin, religion, or gender have been a management priority for forty years. We will continue our efforts to treat others with fairness and respect, seek corporate opportunities that benefit shareholders and align with our ethical stewardship principles, and avoid conflicts of interest to help ensure that our conduct remains consistent with our Code of Ethics.

Discontinued Operation

Our discontinued operation provided cost-effective, environmentally responsible waste management disposal services in Phoenix, Austin, San Antonio, Houston, and Dallas by assisting its customers in managing and reducing excess waste from collection to disposal. It ensured that the property locations of its clients were clean and maintained through its responsible, timely, and environmentally friendly waste consolidation, bulk item pickup, general property maintenance, and one-time clean-up services. Additionally, our discontinued operation delivered a portion of the waste it collects to facilities that recover, recycle, and reuse waste products to support cleanliness and environmental sustainability.

Item 11. Executive Compensation.

The following table summarizes all compensation recorded by us in each of the last two completed fiscal years for our principal executive officer and each other executive officer whose annual compensation exceeded $100,000. The value attributable to any option awards, if any, is computed in accordance with FASB ASC 718 "*Compensation - Stock Compensation.*"

Summary Executive Compensation Table

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Nonqualified Deferred Compensation ($)	All Other Compensation ($)	Total ($)
Chet Billingsley	2024	$ 212,462(1)	0	0	0	0	$ 40,066(3)	15,000(2)	267,528
Chairman, CEO, & Principal Financial Officer	2023	1,814,839(1)	0	0	0	0	349,039(3)	192,556(2)	2,356,434

(1) In 2024, the Chief Executive Officer's compensation consisted of $208,000 annual gross base salary, before payroll taxes, plus $24,000 accrued vacation, $8,000 accrued sick, and $17,328 accrued severance pay. Mr. Billingsley's net unpaid accrued vacation, sick pay, and severance are reported as nonqualified deferred compensation. In 2024, Mr. Billingsley was paid $4,000 gross base salary accrued in 2023 and paid in 2024 plus $462 in deferred vacation pay.

In 2023, the annual base salary for our Chief Executive Officer was $124,000 gross, before payroll taxes. Prior to 2023, the base annual salary for our Chief Executive Officer had not changed from the amount set by the court in the 1998 Chapter 11 bankruptcy document. On October 14, 2023, the Board of Directors approved a base salary increase to $208,000 gross, before payroll taxes, per year. Mr. Billingsley's unpaid accrued vacation and sick pay is reported as nonqualified deferred compensation. For twenty-eight and a half years, from July 1, 1985 to January 1, 2014, much of Mr. Billingsley's compensation, comprised of salary and benefits, was voluntarily deferred, and accrued in lieu of payment and were approved as payable to Mr. Billingsley at any time of his choosing. Mr. Billingsley did not begin to receive his full base salary until 2014. Following the satisfactory October 4, 2023 sale of our discontinued operation for $6,000,000, at Mr. Billingsley's request, the Company paid Mr. Billingsley his deferred executive compensation of $1,497,731 gross, before payroll taxes. The deferred payment was comprised of (i) $907,731 of accrued and unpaid salary, (ii) $190,000 of accrued and unpaid sick pay, and (iii) $400,000 of accrued and unpaid vacation pay. Additionally, Mr. Billingsley was paid (i) $82,377 in officer relocation expenses accrued since 2020 and (ii) $110,731 gross, before payroll taxes, in officer auto benefits. With the exception of severance, vacation, and sick pay that continues to routinely accrue, all deferred and accrued amounts were paid in full to Mr. Billingsley in 2023. Mr. Billingsley's benefit package was approved by the court in the 1998 Chapter 11 bankruptcy order, as approved by the Company's shareholders, to incentivize Mr. Billingsley to remain with the Company.

(2) In 2024, Mr. Billingsley received $15,000 in compensation for his service as a member of Mentor's Board of Directors. Mr. Billingsley was paid $2,500 per meeting for his attendance at the four regular quarterly Board meetings and $2,500 for his attendance at one special Board and Audit Committee meeting. He was paid $1,250 per consent for two unanimous written consents.

In 2023, Mr. Billingsley received $8,625 in compensation for his service as a member of Mentor's Board of Directors. Mr. Billingsley was paid $1,000 for his attendance at three regular quarterly Board meetings. On October 14, 2023, regular board meeting fees were increased to $2,500, and minor action fees were increased to $1,250. Mr. Billingsley was paid $2,500 for his attendance at one regular quarterly Board meeting and one special meeting. He was paid $125 for his attendance at the Company's annual Audit Committee meeting held in 2023, paid $250 for one unanimous written consent, and paid $250 for his certification regarding our discontinued operation in 2023. Mr. Billingsley received $46,565 interest for deferred and unpaid relocation expenses and $137,365 in previously accrued unpaid medical expenses. Because relocation expenses are now paid in full, no interest will accrue in future periods.

(3) In 2024, our accrual for estimated retirement and other benefits to Mr. Billingsley increased by $40,066. This consisted of $5,600 accrued sick pay, $17,138 accrued vacation pay, and $17,328 accrued officer severance pay.

In 2023, our accrual for estimated retirement and other benefits to Mr. Billingsley increased by $349,039. This consisted of $5,000 accrued sick pay, $15,000 accrued vacation pay, and $342,488 accrued officer severance pay, less a reduction of accrued relocation costs of $13,449 due to payment of the previously accrued costs.

Director Compensation

The following table sets forth information concerning the compensation of directors of Mentor, other than Mr. Billingsley, for the year ended December 31, 2024.

Director Name	Fees Earned or Paid In Cash ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Nonqualified Deferred Compensation ($)	All Other Compensation ($)	Total ($)
Robert B. Meyer	15,000(1)	0	0	0	0	0	0	15,000
David G. Carlile	5,000(1)	0	0	0	0	0	0	5,000
Lori J. Stansfield	16,250(1)	0	0	0	0	0	2,925(2)	19,175

(1) Mr. Meyer and Ms. Stansfield were paid $2,500 per meeting for their attendance at four regular quarterly Board meetings plus $2,500 for their attendance at one special meeting. Mr. Meyer and Ms. Stansfield were paid $1,250 per consent for two unanimous written consents. Ms. Stansfield was paid $1,250 in Audit Committee fees. Mr. Carlile was paid $2,500 for his attendance at one regular quarterly board meeting plus $2,500 for his attendance at one special meeting.

(2) In 2024, Ms. Stansfield provided financial consulting services to the Company from July 1, 2024 to December 31, 2024. As a result, Ms. Stansfield received $2,925 in professional consulting fees.

Mentor does not currently have any equity incentive plan in place for officers, directors, or employees. As an emerging growth company, we are not required to report pay versus performance.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Beneficial Ownership of Directors, Officers, and 5% Stockholders

Beneficial ownership is determined in accordance with the rules of the SEC. In computing the number of shares beneficially owned by a person and the percentage of ownership of that person, shares of Common Stock subject to options and warrants held by that person that are currently exercisable or become exercisable within 60 days are deemed outstanding even if they have not actually been exercised. Those shares, however, are not deemed outstanding for the purpose of computing the percentage ownership of any other person. The following table sets forth certain information as to shares of our Common Stock owned by (i) each person known to beneficially own more than five percent of our outstanding Common Stock or Preferred Stock, (ii) each of our directors and executive officers named in our summary compensation table, and (iii) all of our executive officers and directors as a group.

The percent ownership information presented in the table below is based on the total number of shares of Mentor's Common Stock outstanding as of March 28, 2025, which was 21,686,105.

Title of Security	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage of Class
Common Stock	Chet Billingsley 5964 Campus Court Plano, TX 75093	2,126,296(1)	8.38%(4)
Common Stock	Marcia Meyer 21141 Canada Road, #7E Lake Forest, CA 92677	864,871(2)	5.03%(4)
Common Stock	Lori Stansfield 903 N Towner Street Santa Ana, CA 92703	87,418(3)	1.07%(4)
Common Stock	Directors and Officers as a group	3,078,548	14.78%(5)

(1) In addition to 2,126,296 shares of Common Stock, Mr. Billingsley also holds 47,274 Series D warrants exercisable at $0.02 per share. As of the date of this Annual Report on Form 10-K, Mr. Billingsley has not exercised any of these Series D warrants.

(2) In addition to 864,871 shares of Common Stock, Ms. Meyer also holds 438,955 Series D warrants exercisable at $0.02 per share. As of the date of this Annual Report on Form 10-K, Ms. Meyer has not exercised any of these Series D warrants.

(3) In addition to 87,418 shares of Common Stock, Ms. Stansfield holds 190,000 Series D warrants exercisable at $0.02 per share. As of the date of this Annual Report on Form 10-K, Ms. Stansfield has not exercised any of these Series D warrants.

(4) The Percentage of Class ownership of Mr. Billingsley, Ms. Meyer, and Ms. Stansfield is calculated based on the total number of outstanding shares of Common Stock (21,686,105) and Series D warrants (4,250,000).

(5) Calculated based on the diluted Percentage of Class ownership of the Registrant's management, executive officers, and directors.

If an individual or entity tried to take control of the Company, Mr. Billingsley is authorized to obtain a loan from the Company to pay for the exercise of his unexercised Series D warrants.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Except as disclosed below, between January 1, 2023, and December 31, 2024, there were no transactions, and there are no proposed transactions in which we were or are to be a participant, involving an amount in excess of $120,000, and in which any related person had or will have a direct or indirect material interest.

Mr. Billingsley acts as both the Chief Executive Officer, Principal Financial Officer, and Chairman of the Board of Directors of the Company. Ms. Stansfield acts as Treasurer of the Board of Directors of the Company, and from time to time, she provides professional financial consulting services to the Company. Mr. Meyer acted as the Company's Secretary but was not paid for his role and was not a Company employee. With the exception of Mr. Billingsley, all directors are independent directors under the adopted definition of independence from the OTC Markets OTCQB Rules. The directors are all shareholders of the Company. Ms. Stansfield is the independent and single director on the Audit Committee.

Item 14. Principal Accounting Fees and Services.

The following table summarizes the fees, as applicable, of Spicer Jeffries, LLP, our independent auditor, and BF Borgers CPA PC, our former independent auditor, for the fiscal years ended December 31, 2024 and 2023.

Fee Category	2024	2023
Audit Fees (1)	$ 78,500(5)	$ 66,000(6)
Audit-Related Fees (2)	-	-
Tax Return Fees (3)	-	-
All Other Fees (4)	-	-

(1) Audit fees include the audit of our annual financial statements, review of our quarterly financial statements, and services that are normally provided by the independent auditors in connection with engagements for those fiscal years. This category also includes advice on audit and accounting matters that arose during, or as a result of, the audit or the review of interim financial statements.

(2) Audit-related fees consist of assurance and related services by the independent auditors that are reasonably related to the performance of the audit or review of our financial statements and are reported above under "Audit Fees." The services for the fees disclosed under this category include consultation regarding our correspondence with the SEC and other accounting consulting. Mentor did not incur any audit-related fees in fiscal years 2024 or 2023.

(3) The services for the fees disclosed under this category include tax return preparation and technical tax advice.

(4) All other fees, if any, consist of fees for other miscellaneous items.

(5) In 2024, the Company paid a total of $78,500 in audit fees. The Company paid $60,500 to BF Borgers CPA PC, our former independent auditor and $18,000 to Spicer Jeffries, LLP, our current independent auditor.

(6) In 2023, the Company paid a total of $66,000 in audit fees to BF Borgers CPA PC, our former independent auditor.

Our Board has adopted a procedure for pre-approval of all fees charged by our independent auditors. Under the procedure, the Chairman of the Board approves the engagement letter with respect to audit, tax, and review services. Other fees are subject to pre-approval by the Board or, in the period between meetings, by a designated member of the Board. Any such approval by the designated member is disclosed to the entire Board at the next meeting. The audit and tax fees paid to the auditors with respect to 2024 and 2023 were pre-approved by the entire Board and our Audit Committee Chair.

PART IV

Item 15. Exhibits, Financial Statement Schedules

Financial Statements

The Company is filing the following financial statements with this Annual Report on Form 10-K:

- Report of Independent Registered Public Accounting Firm (PCAOB ID: 349)
- Consolidated Balance Sheets as of December 31, 2024 and 2023
- Consolidated Income Statements for the years ended December 31, 2024 and 2023
- Consolidated Statements of Changes in Shareholders' Equity (Deficit) for the years ended December 31, 2024 and 2023
- Consolidated Statements of Cash Flows for the years ended December 31, 2024 and 2023
- Notes to the Financial Statements

Item 16. Form 10–K Summary.

None.

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).
4.4	Description of Company's Securities.
21.1	Subsidiaries of the Company.
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 Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Annual Report for the period ending December 31, 2024 on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized.

	Mentor Capital, Inc.
Date: March 31, 2025	By: *<u>/s/ Chet Billingsley</u>* Chet Billingsley, Director, Chairman, Chief Executive Officer, and Principal Financial Officer
	Directors
Date: March 31, 2025	By: *<u>/s/ Lori Stansfield</u>* Lori Stansfield Director and Treasurer
Date: March 31, 2025	By: *<u>/s/ Marcia Meyer</u>* Marcia Meyer Director and Secretary

SPICER JEFFRIES LLP
Certified Public Accountants

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of
Mentor Capital, Inc.

Opinions on the Financial Statements

We have audited the accompanying consolidated balance sheets of Mentor Capital, Inc. (the “Company”) as of December 31, 2024 and 2023, and the related consolidated income statements, changes in shareholders’ equity (deficit) and cash flows for the years then ended, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its consolidated income statements and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Spicer Jeffries LLP

We have served as the Company’s auditor since 2024.

Denver, Colorado
March 31, 2025

Mentor Capital, Inc.
Consolidated Balance Sheets
December 31, 2024 and 2023

	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents	$ 2,182,121	$ 2,431,299
Investment in securities at fair value	1,120,482	647,363
Accounts receivable, net	-	1,800
Other receivable	-	15,000
Note Receivable	-	1,000,000
Prepaid expenses and other current assets	7,010	6,508
Total current assets	3,309,613	4,101,970
Property and equipment		
Property and equipment	48,239	48,239
Accumulated depreciation and amortization	(47,721)	(46,648)
Property and equipment, net	518	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	$ 3,414,562	$ 4,446,841

Mentor Capital, Inc.
Consolidated Balance Sheets (Continued)
December 31, 2024 and 2023

	2024	2023
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 3,166	$ 3,152
Accrued expenses	42,599	91,460
Total current liabilities	45,765	94,612
Long-term liabilities		
Accrued salary, retirement, and incentive fee-related party	476,578	436,512
Total long-term liabilities	476,578	436,512
Total liabilities	522,343	531,124
Commitments and Contingencies (Note 16)		
Shareholders' equity		
Preferred stock, $0.0001 par value, 5,000,000 shares authorized; 11 and 11 series Q preferred shares issued and outstanding at December 31, 2024 and 2023*		-
Common stock, $0.0001 par value, 75,000,000 shares authorized; 21,686,105 and 24,686,105 shares issued and outstanding at December 31, 2024 and 2023	2,169	2,469
Additional paid in capital	11,917,362	12,101,055
Accumulated deficit	(9,027,312)	(8,187,807)
Total shareholders' equity	2,892,219	3,915,717
Total liabilities and shareholders' equity	$ 3,414,562	$ 4,446,841

***Par value is less than $0.01**

See accompanying Notes to Financial Statements

Mentor Capital, Inc.
Consolidated Income Statements
For The Years Ended December 31, 2024 and 2023

	2024	2023
Revenue		
Service fees	$ -	$ -
Finance lease revenue	-	-
Total revenue	-	-
Cost of revenue	-	-
Gross profit	-	-
Selling, general, and administrative expenses	780,212	1,775,210
Operating income (loss)	(780,212)	(1,775,210)
Other income and (expense)		
Gain on sale of discontinued operations	-	4,805,389
Loss on investments	(250,208)	-
Gain on sale of investments	41,376	-
Interest income	171,255	74,780
Unrealized gain (loss) on investments	(6,387)	(2,484)
Interest expense	-	(15,847)
Other income (expense)	-	1,291
Total other income and (expense)	(43,964)	4,863,129
Income (loss) before provision for income taxes	(824,176)	3,087,919
Provision for income taxes	(15,329)	(8,160)
Net income (loss) – from continued operations	(839,505)	3,079,759
Net Income (loss) from discontinued operations before tax	-	83,682
Provision for income taxes on discontinued operations	-	(5,783)
Net income (loss) - from discontinued operations	-	77,899
Net income (loss)	(839,505)	3,157,658
Net income (loss) attributable to Mentor	$ (839,505)	$ 3,157,658
Basic and diluted net income (loss) per Mentor common share:		
Basic	$ (0.036)	$ 0.137
Diluted	$ (0.036)	$ 0.122
Weighted average number of shares of Mentor common stock outstanding:		
Basic	23,472,892	22,977,395
Diluted	26,601,520	25,865,216

See accompanying Notes to Financial Statements

Mentor Capital, Inc.

Consolidated Statements of Changes in Shareholders' Equity (Deficit)

For The Years Ended December 31, 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, 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	-	-	(255,252)	(25)	(7,859)	-	(7,884)	-	(7,884)
Conversion of Warrants to Common Stock	-	-	2,000,000	200	39,800	-	40,000	-	40,000
Surrender of warrants in payment of note receivable	-	-	-	-	(1,016,879)	-	(1,016,879)	-	(1,016,879)
Equity adjustment on discontinued operations	-	-	-	-	-	-	-	16,723	16,723
Net income (loss)	-	-	-	-	-	3,157,658	3,157,658	-	3,157,658
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	-	-	(3,000,000)	(300)	(183,693)	-	(183,993)	-	(183,993)
Net income (loss)	-	-	-	-	-	(839,505)	(839,505)	-	(839,505)
Balance at December 31, 2024	11	$ -	21,686,105	$ 2,169	$ 11,917,362	$ (9,027,312)	$ 2,892,219	$ -	$ 2,892,219

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

See accompanying Notes to Financial Statements

Mentor Capital, Inc.
Consolidated Statements of Cash Flows
For The Years Ended December 31, 2024 and 2023

		2024		2023
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income (loss)	$	(839,505)	$	3,157,658
Less net income from discontinued operations		-		(77,899)
Adjustments to reconcile net income (loss) to net cash provided by (used by) operating activities:				
Depreciation and amortization		1,073		1,706
Bad debt expense		-		10,198
Amortization of discount on investment in account receivable		(9,559)		(41,741)
Gain on sale of discontinued operation		-		(4,805,389)
(Gain) loss on investment in securities at fair value		(34,989)		2,484
(Gain) loss on long-term investments		250,208		-
Decrease (increase) in operating assets				
Accounts receivable - trade		-		(11,398)
Other receivables		15,000		(15,000)
Prepaid expenses and other current assets		(502)		2,867
Increase (decrease) in operating liabilities				
Accounts payable		14		(4,383)
Accrued expenses		(48,861)		72,089
Accrued salary, retirement, and benefits - related party		40,066		(717,436)
Net cash provided by (used by) operating activities		(627,055)		(2,426,244)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of investment securities		(1,420,608)		(649,847)
Proceeds from securities sold		982,478		-
Sale of investment of discontinued operation		-		6,000,000
Adjustment on sale of discontinued operation		-		129,532
Proceeds from Ally Waste note receivable		1,000,000		-
Increase in long-term investments		-		(10,000)
Purchases of property and equipment		-		(2,291)
Proceeds from investment in receivable		-		118,201
Net cash (used by) investing activities - continuing operations		561,870		5,585,595
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from warrants converted to common stock		-		40,000
Paid in capital adjustment - stock repurchase		(300)		-
Payments on repurchase of stock		(183,693)		(7,884)
Increase in notes receivable		-		(1,000,000)
Paid in capital adjustment - note receivable reduction		-		(1,016,879)
Net cash provided by (used by) financing activities - continuing operations		(183,993)		(1,984,763)
Net change in cash – continued operations		(249,178)		1,174,588
Operating cash flow - discontinued operations		-		408,928
Investing activities - discontinued operations		-		1,480,861
Financing activities - discontinued operations		-		(1,423,008)
Net change in cash		(249,178)		1,641,369
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		2,182,121		2,431,299
Less cash of discontinued operations		-		-
Ending cash	$	2,182,121	$	2,431,299
SUPPLEMENTARY INFORMATION:				
Cash paid for interest – all operations		-		64,685
Less Cash paid for interest - discontinued operations		-		(29,992)
Cash paid for interest – continued operations	$	-	$	34,693
Cash paid for income taxes – all operations		15,489		15,304
Less Cash paid for income taxes – discontinued operations		-		(5,784)
Cash paid for income taxes – continued operations	$	15,489	$	9,520
Right of use assets acquired through finance lease liability - all operations		-		934,905
Less right of use assets acquired through finance lease liability - discontinued operations		-		(934,905)

See accompanying Notes to Consolidated Financial Statements

Note 1 - Nature of operations

Corporate Structure Overview

Mentor Capital, Inc. ("Mentor" or "the Company") was 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 into 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.

The following is a list of subsidiaries of Mentor Capital, Inc. as of December 31, 2024:

Name of Subsidiary	% of ownership	State in which Incorporated
Mentor IP, LLC	100%	South Dakota
Mentor Partner I, LLC	100%	Texas
Mentor Partner II, LLC	100%	Texas
TWG, LLC	100%	Texas

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 coincident Canadian patent. On October 24, 2023, the Company divested MCIP's intellectual property and licensing rights related to the United States and the Canadian patent. The Company received no payment for its divestment. Patent application national phase maintenance fees were expensed when paid, and there were no assets related to MCIP patents represented on the consolidated financial statements on December 31, 2024 and 2023. Activity had been limited to payment of patent application maintenance fees in Canada.

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 Company pursuant to the Settlement Agreement. 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. 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 collections of the unpaid lease receivable balance due to the long history of uncertain payments from G Farma. Payments from G Farma will be recognized in Other Income as they are received. We will continue to pursue collection from the G Farma Settlors over time. No recovery payments have been received since October 11, 2022. The $2,539,597 judgment and interest receivable of $375,025 for the twelve months ended December 31, 2024 is fully reserved pending the outcome of the Company's collection process. See Notes 8, 9, and 16.

On December 21, 2018, Mentor paid $10,000 to purchase 500,000 shares of NeuCourt, Inc. ("NeuCourt") common stock, representing approximately 6.13% of NeuCourt's issued and outstanding common stock at December 31, 2024.

Since 2003, the Company has held an interest in a facilities operations company, Waste Consolidators Inc. ("WCI"). 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. See Note 3.

Note 2 - Summary of significant accounting policies

<u>Basis of presentation</u>

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 an accumulated deficit of ($9,027,312) as of December 31, 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, political, and military situations, 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, the post-election change in the U.S. federal government's administration, 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 2025.

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, the post-election change in the U.S. federal government's administration, potential cyber-attacks, inflation, interest rate increases, tax increases, tariff 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.

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 WCI and 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 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.

Accounting pronouncements recently adopted

Segment Reporting: Improvements to Reportable Segment Disclosures - In November 2023, the FASB issued ASU 2023-07, "*Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*," which updates ASC 280 to expand annual and interim disclosure requirements for reportable segments, primarily through enhanced disclosures about significant segment expenses. We adopted ASU 2023-07 for the fiscal year ended December 31, 2024. The adoption of ASU 2023-07 did not have a material impact on the Company's consolidated financial statements. See Note 17.

Accounting pronouncements to be adopted

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*," which 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 ASU 2023-09 is not expected to have a material impact on the Company's consolidated financial statements.

Income Statement—Reporting Comprehensive Income - Expense Disaggregation Disclosures: Disaggregation of Income Statement Expenses - In November 2024, the FASB issued ASU 2024-03 "*Income Statement: Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40)*" which adds ASC 220-40 to expand disclosure requirements related to entity expenses. Upon adoption, entities will be required to disclose a disaggregation of certain expense categories included within the expense captions on the face of the income statement within the notes to the financial statements. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. The adoption of ASU 2024-03 is not expected to have a material impact on the Company's consolidated financial statements.

Concentrations of cash

The Company maintains its cash and cash equivalents 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 December 31, 2024 and 2023.

Accounts receivable

Accounts receivables 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 December 31, 2024 and 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 December 31, 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 December 31, 2024 and 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 were due in early 2024, 2025, and 2026. The 2024 annual installment payment has not been received. 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.

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.

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.

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: the lease transfers ownership of the asset by the end of the lease term, the lease contains an option to purchase the asset that is reasonably certain to be exercised, the lease term is for a major 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 beginning 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).

Goodwill

On October 4, 2023, the Company sold the entirety of its interest in Waste Consolidators, Inc. ("WCI") for $6,000,000 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. The sale price 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 is reported in the Company's condensed consolidated balance sheets at December 31, 2024 and 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 throughout this report and it is presented as a "discontinued operation" at December 31, 2024 and 2023 , respectively.

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.

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 the lessee bargained 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 or 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.

There were 4,250,000 potentially dilutive outstanding warrants as of December 31, 2024 that on a treasury stock basis would have the dilutive effect of 3,128,628 common shares. Earnings for the twelve months ended December 31, 2024 were negative and the inclusion of the computational effect of the 3,128,628 common share equivalents from the warrants would be anti-dilutive, so no dilution effect was included for the period ending December 31, 2024, for the 4,250,000 potentially dilutive warrants then outstanding. At December 31, 2023, these 4,250,000 potentially dilutive outstanding warrants on a treasury stock basis had the dilutive effect of 2,887,821 common shares.

Conversion of Series Q Preferred Stock into Common Stock would be anti-dilutive as of December 31, 2024 and 2023 and is not included in calculating the diluted weighted average number of shares outstanding.

Income taxes

The Company accounts for income taxes in accordance with accounting guidance now codified as FASB ASC 740, "*Income Taxes*," which requires that the Company recognize deferred tax liabilities and assets based on the differences between the financial statement carrying amounts and the tax basis of assets and liabilities, using enacted tax rates in effect in the years the differences are expected to reverse. Deferred income tax benefit (expense) results from the change in net deferred tax assets or deferred tax liabilities. A valuation allowance is recorded when it is more likely than not that some or all deferred tax assets will not be realized.

The Company applies the provisions of ASC Subtopic 740-10, "*Accounting for Uncertainty in Income Taxes.*" The ASC prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The ASC provides guidance on de-recognition, classification, interest, and penalties, accounting in interim periods, disclosure, and transition. The Company utilizes a two-step approach to recognizing and measuring uncertain tax positions (tax contingencies). The first step evaluates the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that we will sustain the position on audit, including resolution of related appeals or litigation processes. The second step measures the tax benefit as the largest amount of more than 50% likely of being realized upon ultimate settlement. The Company did not identify any material uncertain tax positions on returns that have been filed or that will be filed. The Company did not recognize any interest or penalties for unrecognized tax provisions during the years ended December 31, 2024 and 2023, nor were any interest or penalties accrued as of December 31, 2024 and 2023. To the extent the Company may accrue interest and penalties, it elects to recognize accrued interest and penalties related to unrecognized tax provisions as a component of income tax expense.

Fair value measurements

The Company adopted ASC 820, "*Fair Value Measurement,"* which defines fair value as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

The Fair Value Measurements and Disclosure Topic establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels. These three general valuation techniques that may be used to measure fair value are as follows: Market approach (Level 1) – which uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Prices may be indicated by pricing guides, sale transactions, market trades, or other sources. Cost approach (Level 2) – which is based on the amount that currently would be required to replace the service capacity of an asset (replacement cost); and the Income approach (Level 3) – which uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (including present value techniques, and option-pricing models). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate, to a single current value.

The carrying amounts of cash, accounts receivable, prepaid expenses and other current assets, accounts payable, customer deposits, and other accrued liabilities approximate their fair value due to the short-term nature of these instruments.

The fair value of available-for-sale investment securities is based on quoted market prices in active markets.

The fair value of the investment in account receivable is based on the net present value of calculated interest and principal payments. The carrying value approximates fair value as interest rates charged are comparable to market rates for similar investments.

The fair value of notes receivable is based on the net present value of calculated interest and principal payments. The carrying value approximates fair value as interest rates charged are comparable to market rates for similar notes.

The fair value of long-term notes payable is based on the net present value of calculated interest and principal payments. The carrying value of long-term debt approximates fair value due to the fact that the interest rate on the debt is based on market rates.

Note 3 – Discontinued operation

Acquisition

Waste Consolidators, Inc. ("WCI") was a legacy investment that originated when the Company purchased 50% of the outstanding shares of WCI on October 1, 2003, in a stock for stock exchange that was originally valued at $1,000,000 and was later reduced to a cost basis of $79,200 on October 28, 2007, pursuant to a purchase price related addendum between WCI and the Company. Effective January 1, 2014, the Company purchased an additional 1% of the outstanding shares of WCI for $25,000, which resulted in the Company owning a 51% controlling interest in WCI and an amendment to our change in valuation of WCI due to our controlling interest. As a result, WCI was included in the consolidated financial statements since January 1, 2014, and the Company recognized a fair value of $1,250,000 of non-cash gain on the adjustment to the fair value of the investment in WCI. This resulted in a total of $1,275,000 investment in WCI in its audited financials for the year ended December 31, 2014. Additionally, the Company recognized a ($47,216) effect of consolidating our interest in WCI that was previously accounted for at cost prior to December 31, 2014.

Prior to acquiring a controlling interest in WCI on January 1, 2014, Mentor accounted for the investment in WCI using the equity method based on the ownership interest and the Company's limited ability to exercise significant influence from December 31, 2003 to December 31, 2013. Accordingly, the investment was initially recorded at cost with adjustments to the carrying amount of the investment to recognize our share of the earnings or losses of the investee each reporting period.

In accordance with ASC 810-10, "*Consolidation – Overall*," Mentor remeasured its previously held equity interest in WCI at the acquisition-date fair value, which was reported at December 31, 2014 as follows:

Cash to acquire an additional 1% equity interest in WCI	$	25,000
Fair value of 50% interest (1)		1,250,000
Investment under the equity method		-
Total purchase price to be allocated	$	1,275,000

(1) The estimated fair value of Mentor's previously held equity interest in WCI was valued at 1.25 times WCI's projected 2014 revenue.

Purchase price allocation at 51% of WCI assets and liabilities:

WCI assets and liabilities:		
Current assets	$	327,238
Property and equipment		51,239
Other assets		816,952
Current liabilities		(112,810)
Long-term debt		(1,178,977)
Net deficit		(96,358)
Mentor equity rate		51%
Mentor portion of liabilities in excess of assets		(49,143)
Goodwill		1,324,143
Net assets acquired	$	1,275,000

Goodwill of $1,324,143 was derived from consolidating WCI effective January 1, 2014. The remaining $102,040 of goodwill was related to our first acquisition of a 50% interest in WCI. The Company accounted for its goodwill in accordance with ASC 350*, "Intangibles – Goodwill and Other*," which required the Company to test goodwill for impairment annually or whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable, rather than amortize. No impairment write-downs were required prior to our sale of WCI on October 4, 2023.

Disposal

On October 4, 2023, the Company sold the entirety of its interest in WCI for $6,000,000 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. In connection with the sale, the Company received $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 accrued interest at 6% per annum and matured on October 4, 2024. The $5,000,000 cash payment was paid by Ally on October 4, 2023. The $1,000,000 initial principal face amount of the note plus accrued interest of $60,000 was paid by Ally on October 4, 2024.

At December 31, 2023 we recognized a $4,805,389 gain on our sale of WCI as follows:

Cost basis of WCI		
Purchase price allocation at 51% WCI assets and liabilities		1,275,000
Net investment in 51% earnings		326,735
Net investment in distributions		(407,124)
Total WCI Cost Basis	$	1,194,611
Sale price of WCI		
Payment at Closing		5,000,000
Promissory Note Receivable		1,000,000
Total WCI Sale Price	$	6,000,000
Gain on sale of WCI		
WCI sale price		6,000,000
Less WCI cost basis		(1,194,611)
Total gain on sale of WCI	$	4,805,389

Effective October 4, 2023, on the date of the 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. As a result, goodwill in an aggregate amount of $1,426,182 was reduced to $0.

Consolidation and deconsolidation

Consolidation

As a result of the acquisition of our 51% ownership interest in WCI on January 1, 2014, in accordance with ASC 810-10, "*Consolidation – Overall*," we included WCI in our consolidated financial statements and eliminated all significant intercompany balances and transactions. Net income (loss) attributable to our 49% non-controlling interest in WCI was excluded from net income (loss) attributable to Mentor Capital, Inc. in prior annual reports on Form 10-K for and between the years ended December 31, 2014 to December 31, 2022.

<u>Deconsolidation</u>

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 eliminated WCI from our consolidated financials on October 4, 2023. Accordingly, WCI was excluded from the Company's continuing operations 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 and the prior period of comparison, and WCI's financial results are presented as a discontinued operation in the Company's consolidated financial statements.

Discontinued operation financial statement presentation and disclosures

Financial statement presentation

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 we presented WCI as a discontinued operation in our December 31, 2023 consolidated financial statements and the prior reporting period in accordance with ASC Topic 205-20-45, "*Discontinued Operations*."

Discontinued operations balance sheet

The following is a summary of the assets and liabilities of our discontinued operation that were sold effective October 4, 2023:

		October 4, 2023(1)
ASSETS		
Current assets:		
Cash and cash equivalents	$	369,387
Accounts receivable		786,616
Other current assets		19,027
Total current assets sold - discontinued operation		1,169,030
Property and equipment		179,673
Goodwill(2)		102,040
Prepaid Admin Fee – Mentor		-
Security deposit		22,477
Right of use asset		1,884,632
Total noncurrent assets sold - discontinued operation		2,188,822
Total assets	$	3,357,852
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts -payable trade	$	38,530
Finance lease liability - current		419,073
Accrued expenses		597,217
Total current liabilities sold - discontinued operation		1,054,820
EIDL loan payable		51,796
Note payable - Mentor		-
Long term debt		-
Finance lease liability – long-term		1,069,810
Operating lease liability - long-term		256,071
Total noncurrent liabilities sold - discontinued operation		1,377,677
Total liabilities		2,432,497
Total net assets of discontinued operation	$	925,355

(1) Effective on the date of sale, October 4, 2023, we reported our discontinued operations financials as of September 30, 2023.

(2) Effective upon the date of sale, October 4, 2023, we deconsolidated our discontinued operation and goodwill of $102,040 previously reported on our consolidated financials.

Net income (loss) from discontinued operations before tax

The following is a reconciliation of the major classes of financial statement line items constituting net income (loss) from discontinued operations before tax from WCI, our discontinued operation, that is disclosed in the notes to the financial statements and presented in the consolidated statements of net (loss) income for fiscal year December 31, 2023, following our October 4, 2023 sale of WCI:

	December 31, 2023
Revenue	$ -
Cost of sales	-
Gross profit	-
Selling, general and administrative expenses	1,775,210
Operating income (loss)	(1,775,210)
Total other income and (expense)[(1)]	4,863,129
Income (loss) before provision for income taxes	$ 3,087,919
Provision for income taxes	(8,160)
Net income (loss) from continued operations	3,079,759
Net income (loss) from discontinued operations	77,899
Net income (loss)	3,157,658
Gain (loss) attributable to non-controlling interest	-
Net income (loss) attributable to Mentor	3,157,658

(1) During fiscal year 2023, we recognized a $4,805,389 gain on the sale of our discontinued operations.

Cash flow disclosures

Prior to the October 4, 2023 sale date, on September 30, 2023, our discontinued operation had net cash used in operating activities totaling $333,207, accounts receivable of $728,657, other receivable of $20,374, prepaid expenses of $82,984, property and equipment of $392,838, operating lease assets of $323,875, finance lease assets of $1,560,757, accrued expenses of $523,178, finance lease liability of $1,488,883, an operating lease liability of $323,875, an EIDL loan liability of $58,031, and long term debt of $0.

At December 31, 2023 we reported a $4,805,389 gain on disposal of our discontinued operation, which is reported above in this Note 3, in our consolidated income statements, and our consolidated statements of cash flows.

Lease commitment disclosures

Prior to the October 4, 2023 sale date, on September 30, 2023, our discontinued operation had entered into non-cancellable operating and finance leases for office and warehouse space, computers, furniture, fixtures, machinery, and vehicles. The following summarizes our discontinued operations' lease liability maturities for operating and finance leases effective October 4, 2023:

Maturity of lease liabilities October 4, 2023(1)	**Finance leases**	**Operating leases**
2024	419,073	67,804
2025	424,735	74,860
2026	388,723	82,475
2027	251,571	90,670
2028	4,781	8,066
Total	1,488,883	323,875
Less: Present value discount	(419,073)	(67,804)
Total lease liabilities	$ 1,069,810	$ 256,071

(1) Effective on the date of sale, October 4, 2023, we reported our discontinued operations financials as of September 30, 2023.

Term debt disclosures

Our discontinued operation had no term debt on the date of the sale.

Economic injury disaster loan disclosures

On July 9, 2020, our discontinued operation received an additional economic injury disaster loan in the amount of $149,900 through the Small Business Administration. The loan was secured by all tangible and intangible personal property of our discontinued operation, bore interest at 3.75% per annum, required monthly installment payments of $731 beginning July 2021, and matured July 2050. In March 2021, the Small Business Administration extended the deferment period for payments, which extended the initial payment until July 2022. The loan was collateralized by all tangible and intangible assets of our discontinued operation. Coincident with the sale, the economic injury disaster loan plus interest was paid in full.

Other receivable disclosures

Other receivable consisted of the following:

	October 4, 2023
Accrued sales tax receivable from customers*	20,374
Total other receivable	$ 20,374

* At December 31, 2022, our discontinued operation's estimated accrued sales tax receivable was $237,243 out of the remaining $285,128 that our discontinued operation was entitled to collect at year-end. As of September 30, 2023, our discontinued operation received $206,671 from its customers, and estimated that an additional $20,374 in accrued sales tax would be received from its clients. Effective on the date of sale, October 4, 2023, we reported our discontinued operations financials as of September 30, 2023.

Property, plant, and equipment disclosures

Property and equipment for our discontinued operation were comprised of the following:

	October 4, 2023 (1)
Computers	$ -
Furniture and fixtures	12,761
Machinery and vehicles	380,077
	392,838
Accumulated depreciation and amortization	(213,165)
Net Property and equipment	$ 179,673

(1) Effective on the date of sale, October 4, 2023, we reported our discontinued operations financials as of September 30, 2023.

Prior to the October 4, 2023 sale date, on September 30, 2023, depreciation and amortization expenses was $49,260. Of these amounts, depreciation on our discontinued operation's vehicles used to service customer accounts included in the cost of goods sold and was $16,325. All other depreciation was associated with our discontinued operation's selling, general, and administrative expenses.

Lessee Leases disclosures

Our discontinued operation's operating leases were comprised of office space and office equipment leases. Fleet and vehicle leases were entered into prior to January 1, 2019, and under ASC 840 guidelines, they had 4-year terms and were classified as operating leases. Fleet leases entered into beginning January 1, 2019, under ASC 842 guidelines, were expected to be extended to 5-year terms and are classified as finance leases.

Prior to the October 4, 2023 sale date, on September 30, 2023, gross right of use assets recorded under finance leases related to our discontinued operation's vehicle fleet leases were $2,272,984 and accumulated amortization associated with our discontinued operation's finance leases was $712,227.

Our discontinued operation's lease costs were as follows:

	October 4, 2023 (1)
Operating lease cost included in cost of goods	$ -
Operating lease cost included in operating costs	60,256
Total operating lease cost (1)	60,256
Finance lease cost, included in cost of goods:	
Amortization of lease assets	269,470
Interest on lease liabilities	56,450
Total finance lease cost	325,920
Short-term lease cost	-
Total lease cost	$ 386,176

(1) Effective on the date of sale, October 4, 2023, we reported our discontinued operations financials as of September 30, 2023.

Prior to the October 4, 2023 sale date, on September 30, 2023, right of use asset amortization under our discontinued operations operating agreements were $46,289.

Lease amounts of our discontinued operations were as follows:

	October 4, 2023 (1)
Weighted-average remaining lease term – operating leases	4.01 years
Weighted-average remaining lease term – finance leases	3.49 years
Weighted-average discount rate – operating leases	6.0%
Weighted-average discount rate – finance leases	7.5%

(1) Effective on the date of sale, October 4, 2023, we reported our discontinued operations financials as of September 30, 2023.

Finance lease liabilities were as follows:

	October 4, 2023 (1)
Gross finance lease liabilities	$ 1,696,301
Less: imputed interest	(207,418)
Present value of finance lease liabilities	1,488,883
Less: current portion	(419,073)
Long-term finance lease liabilities	$ 1,069,810

(1) Effective on the date of sale, October 4, 2023, we reported our discontinued operations financials as of September 30, 2023.

Operating lease liabilities were as follows:

	October 4, 2023 (1)
Gross operating lease liabilities	$ 366,918
Less: imputed interest	(43,043)
Present value of operating lease liabilities	323,875
Less: current portion	(67,804)
Long-term operating lease liabilities	$ 256,071

(1) Effective on the date of sale, October 4, 2023, we reported our discontinued operations financials as of September 30, 2023.

Lease maturities of our discontinued operation were follows:

Maturity of lease liabilities

12 months ending October 4, 2023 (1)	Finance leases	Operating leases
2024	$ 419,073	$ 67,804
2025	424,735	74,860
2026	388,723	82,475
2027	251,571	90,670
2028	4,781	8,066
Total	1,488,883	323,875
Less: Current maturities	(419,073)	(67,804)
Long-term liability	$ 1,069,810	$ 256,071

(1) Effective on the date of sale, October 4, 2023, we reported our discontinued operations financials as of September 30, 2023.

Facilities operations segment disclosures

Following the October 4, 2023 sale of our discontinued operation, WCI, the Company received no new income from WCI and had no further involvement or continuing influence over its operations. Consequently, our facilities operations segment, WCI, 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.

Following is our discontinued operations segment information before income taxes as of October 4, 2023:

	Discontinued Operation
October 4, 2023 (1)	
Net sales	$ 6,432,907
Operating income (loss)	178,854
Interest income	1
Interest expense	62,770
Property additions	83,062
Fixed asset depreciation and amortization	49,260
Total Assets	3,357,852

	October 4, 2023 (1)
Operating income (loss)	$ 178,854
Interest income	1
Interest expense	(62,770)
Gain (loss) on equipment disposals	-
Other income	20,060
Income before income taxes	$ 136,145

(1) Effective on the date of sale, October 4, 2023, we reported our discontinued operations financials as of September 30, 2023.

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 or net present value of $0.78 per share, the then current share price closing. 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, we might not receive the 2020 installment or the full 2021 installment. 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 re-evaluated estimated collections and recorded an investment gain of $22,718. Subsequently, on February 15, 2022, the terms of the investment were 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 were due in early 2024, 2025, and 2026. The 2024 annual installment payment has not been received. At June 11, 2024, the receivable was fully impaired due to a history of uncertain payments.

The April 10, 2015 account receivable is supported by an exchange agreement and consisted of the following at December 31, 2024 and 2023:

	2024	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
Long term portion	$ -	$ 238,849

* Coincident with the June 11, 2024 impairment, accounts receivable of $2,300 were 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.

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'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 annual payments and associated amounts owed by available legal means.

For the years ended December 31, 2024 and 2023, $9,559 and $41,741 of discount amortization are included in interest income.

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.

On the note maturity date, October 4, 2024, the Company received full payment of the one-year promissory note from Ally. The payment consisted of the payment of the $1,000,000 initial principal face amount of the note plus accrued interest of $60,000.

At December 31, 2024 and 2023, the note receivable consisted of the following:

	December 31, 2024	December 31, 2023
October 4, 2023 Ally Waste Services, LLC subordinated promissory note receivable, including accrued interest of $0 and $15,000, at December 31, 2024 and 2023, respectively. The note bore interest at 6% per annum. The $1,000,000 initial principal face amount of the note plus accrued interest of $60,000 was paid by Ally on October 4, 2024.	$ -	$ 1,015,000
Total note receivable, including interest	$ -	$ 1,015,000

Note 6 - Property and equipment

Property and equipment are comprised of the following at December 31, 2024 and 2023:

	2024	**2023**
Computers	$ 33,626	$ 33,626
Furniture and fixtures	14,613	14,613
Machinery and vehicles	-	-
	48,239	48,239
Accumulated depreciation and amortization	(47,721)	(46,648)
Net Property and equipment	$ 518	$ 1,591

Continuing Operations

Depreciation and amortization expenses for our continuing operations was $1,073 and $1,706 for the years ended December 31, 2024 and 2023, respectively. All depreciation is included in selling, general and administrative expenses in the consolidated income statements.

Discontinued Operation

Prior to the October 4, 2023 sale date, on September 30, 2023, depreciation and amortization expenses for our discontinued operations were $49,260. Of these amounts, depreciation on our discontinued operation's vehicles used to service customer accounts included in the cost of goods sold and was $16,325. All other depreciation was associated with our discontinued operation's selling, general, and administrative expenses.

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.

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 December 31, 2024 and 2023, the SAFE Purchase Amount was $93,756.

Note 8 - Note purchase agreement and consulting agreement with G FarmaLabs Limited

On March 17, 2017, the Company entered into a Notes Purchase Agreement with G FarmaLabs Limited (“G Farma”), a Nevada corporation. Under the Agreement, the Company purchased two secured promissory notes from G Farma in an aggregate principal amount of $500,000, both of which bore interest at 7.42% per annum, with monthly payments beginning on April 15, 2017 and maturity on April 15, 2022. The two G Farma notes, as amended by subsequent addenda, are secured by all property, real and personal, tangible, or intangible of G Farma and are guaranteed by GF Brands, Inc. and two majority shareholders of G Farma. As of March 4, 2019, the Company and G Farma had executed eight addenda subsequent to the original agreement. Addendum II through Addendum VIII increased the aggregate principal face amount of the working capital note to $990,000 and increased the monthly payments on the working capital note to $10,239 per month beginning March 15, 2019. G Farma has not made scheduled payments on the notes receivable since February 19, 2019.

On February 22, 2019, the City of Corona Building Department closed access to G Farma’s corporate location and posted a notice preventing entry to the facility; the Company was not informed by G Farma of this incident until March 14, 2019. The notice cited unpermitted modifications to electrical, mechanical, and plumbing, including all undetermined building modifications, as the reason for the closure. On April 24, 2019, the Company was notified that certain G Farma assets at the corporate location, including equipment leased to G Farma by Mentor Partner I valued at approximately $427,804, were impounded. This event significantly impacted G Farma’s financial position and its ability to make future payments under the notes purchase agreements and the finance leases receivable, described in Note 9, due the Company.

All arrangements with G Farma, were placed on non-accrual basis effective April 1, 2019. Accrual of interest on notes receivable and finance leases, as well as consulting revenue, were suspended April 1, 2019. The notes receivable balance of $1,039,501 at December 31, 2024 and 2023, is fully reserved and reflected in the consolidated balance sheet as $0 at December 31, 2024 and 2023.

On November 4, 2020, the Superior Court of California in the County of Marin granted Mentor Capital, Inc.'s and Mentor Partner I's motion for summary adjudication as to all four causes of action: both causes of action against G FarmaLabs Limited for breach of the two promissory notes totaling $1,166,570 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 ("G Farma Settlors") to resolve and settle all outstanding claims ("Settlement Agreement"). The Settlement Agreement required 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 were paid in full. Interest on the unpaid balance initially accrued at the rate of 4.25% per annum, commencing February 25, 2021, compounded monthly, and was to 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 failed to make any monthly payment and had not cured two such defaults within 10 days of notice from the Company, the parties stipulated that an additional $2,000,000 would be added to the amount payable by the G Farma Settlors.

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.

The Company has retained the full reserve on 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 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 December 31, 2024 and 2023, respectively. The $2,539,597 judgment and interest receivable of $375,025 for the twelve months ended December 31, 2024 is fully reserved pending the Company's collection process.

Note 9 – Finance leases receivable

Partner I entered into a Master Equipment Lease Agreement with G FarmaLabs Limited and G FarmaLabs DHS, LLC (the "G Farma Lease Entities") with guarantees by GFBrands, Inc., formerly known as G FarmaBrands, Inc, Ata Gonzalez and Nicole Gonzalez (collectively, the "G Farma Lease Guarantors") dated January 16, 2018, and amended March 7, April 4, June 20, and September 7, 2018, and March 4, 2019. Partner I acquired and delivered manufacturing equipment as selected by G Farma Lease Entities under sales-type finance leases. In 2018, Mentor contributed $996,000 of capital to Partner I to facilitate the purchase of manufacturing equipment to be leased from Partner I by G Farma and related entities.

As discussed in Note 8, on February 22, 2019, the City of Corona Building Department closed access to G Farma's corporate location; the Company was not informed by G Farma of this incident until March 14, 2019. On April 24, 2019, the Company was informed that certain G Farma assets at its corporate location, including equipment valued at approximately $427,804 leased to the G Farma Lease Entities under the Master Equipment Lease Agreement, was impounded. This event severely impacted G Farma's ability to pay amounts due to the Company in the future, and the G Farma lease receivable was put on non-accrual status effective April 1, 2019. In 2019, an impairment of $783,880 was recorded. Additional bad debt expense of $19,519 was recognized for the year ended December 31, 2020.

In 2020, the Company repossessed leased equipment under G Farma's control with a cost of $622,569 and sold it to the highest offerors for net proceeds of $249,481 after shipping and delivery costs. Net sales proceeds were applied against the finance lease receivable.

On August 27, 2021, the Company and Mentor Partner I entered into a Settlement Agreement and Mutual Release with the G Farma Entities to resolve and settle all outstanding claims, as further discussed in Notes 1, 8, and 18.

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 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.

Net finance leases receivable from G Farma remain fully impaired at December 31, 2024 and 2023. Payment received will first be applied against the notes receivable described in Note 8, and if any additional amounts are recovered, they will then be applied against the finance leases receivable. There was no finance lease revenue recognized on Partner I finance leases at December 31, 2024 and 2023, respectively. See Note 16.

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

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

Note 10 – Investments and fair value

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

			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)	Significant Unobservable Inputs (Level 3)
	Investment in Securities	Quoted Prices or Inputs	Contractual interest Legal Recovery	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)	34,989	-	-	-	-
Purchases, issuances, sales, and settlements	-	-	-	-	-
Purchases	1,420,608	-	-	-	-
Issuances	-	-	-	-	-
Sales	(982,478)	-	-	-	-
Settlements	-	-	-	-	-
Balance at December 31, 2024	$ 1,120,482	-	-	675	103,756

The amortized costs, gross unrealized holding gains and losses, and fair values of the Company's investment securities classified as equity securities, at fair value, at December 31, 2024 consist of the following:

Type	Amortized Costs	Gross Unrealized Gains	Gross Unrealized Losses	Fair Values
NYSE-listed company stock	$ 1,129,353	$ -	$ (8,871)	$ 1,120,482

The portion of unrealized gains and losses for the period related to equity securities still held at the reporting date is calculated as follows:

	Year Ended December 31, 2024	Year Ended December 31, 2023
Net gains and losses recognized during the period on equity securities	$ 34,989	$ (2,484)
Less: Net gains (losses) recognized during the period on equity securities sold during the period	41,376	-
Unrealized gains and losses recognized during the reporting period on equity securities still held at the reporting date	$ (6,387)	$ (2,484)

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.

All Series A, B, C, and D warrants have been called, and as of December 31, 2024, 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 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 a change in exercise prices.

All Series A and Series C warrants were exercised by December 31, 2014. All Series B warrants were exercised on January 11, 2022. Exercise prices in effect from January 1, 2015 through December 31, 2022 for Series D warrants were $1.60. 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 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, with regard to 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 issued to Lenox Hill Partners, LLC were canceled pursuant to a Settlement Agreement. As of December 31, 2024, 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 December 31, 2024, and 2023, the weighted average contractual life for all Mentor warrants was 13.5 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 years ended December 31, 2024 and 2023, 0 and 2,000,000 warrants were exercised, and no warrants were issued. The intrinsic value of outstanding warrants at December 31, 2024 and 2023 was $237,150 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 December 31, 2024	4,250,000

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, 2024, 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	-
Canceled	-
Exercised	-
Outstanding at December 31, 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 was 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 years ended December 31, 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, Series A, Series B, and Series C redemption fees were 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 due to Mr. Billingsley from the Company, which are sufficient to cover the redemption fees at December 31, 2024 and 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). As of December 31, 2023, all 300,000 shares had been repurchased and 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 (approximately 12% of the Company's common shares outstanding at that time) at a total repurchase amount not to exceed $200,000. During the period January 1, 2024 through December 31, 2024 a total of 3,000,000 shares have been repurchased and effectively retired. The total stock repurchase amount, with the inclusion of commissions and fees, was $183,993.

<u>Preferred Stock</u>

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

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.

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 December 31, 2024 and 2023 include this interest. The Core Q Holdings Asset Value at December 31, 2024 and 2023 was $20,843 and $20,843 per share, respectively. There was no contingent liability for the Series Q Preferred Stock conversion at December 31, 2024 and 2023.

At December 31, 2024 and 2023, the Series Q Preferred Stock could have been converted at the Conversion Price of $0.105 and $0.105 per Mentor common share, respectively, which would be anti-dilutive and therefore are not included in the weighted average share calculation for these periods.

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

The Company had an outstanding liability to its Chief Executive Officer ("CEO") as follows at December 31, 2024 and 2023:

	2024	2023
Accrued salaries and benefits	$ 53,255	$ 30,517
Accrued retirement and other benefits	684,976	667,648
Offset by shareholder advance	(261,653)	(261,653)
	$ 476,578	$ 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 years ended December 31, 2024 and 2023, there was no incentive fee expense.

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 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. 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 Series D warrants.

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 negotiated 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 off 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, described in Notes 1, 8, and 9, 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 December 31, 2024 and 2023. Due to the uncertainty of collection, the Company has recorded reserves against the finance leases receivable described in Note 9 and has fully impaired all other notes receivables and investments in G Farma described in Note 8.

On November 4, 2020, the Superior Court of California in the County of Marin 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 required 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 were paid in full. Interest on the unpaid balance initially accrued at the rate of 4.25%, commencing February 25, 2021, and was to 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 failed to make any monthly payment and had not cured such default within 10 days of notice from the Company, the parties stipulated that an additional $2,000,000 would be immediately added to the amount payable by the G Farma Settlors.

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, September, 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.

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 periods ended December 31, 2024 and 2023. The $2,539,597 judgment and interest receivable of $375,025 for the year ended December 31, 2024, is fully reserved pending the outcome of the Company's collection process. See Notes 1, 8, and 9.

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 formerly included the cost basis of our former membership interests of Electrum, the former contractual interest in the Electrum legal recovery prior to settlement and payment to the Company on or about September 14, 2022, the settlement payments receivable from G Farma and its co-defendants in the amount of $2,539,597 plus $375,025 at December 31, 2024, the former finance lease payments receivable from Pueblo West to Partner II received on September 27, 2022, and the operation of subsidiaries Mentor IP, Partner I, Partner II, and TWG, and 2) its classic energy segment which consists 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, (iii) coal through Arch Resources, Inc. (ARCH) stock, and (iv) energy pipelines through Energy Transfer LP (ET) stock. The Company's primary aim for its classic energy segment is to acquire tangible, revenue-generating energy assets, such as oil and gas royalties, oil service businesses or other private energy operating companies as viable opportunities for such acquisition(s) become available. 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 that was fully impaired on June 11, 2024, and 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 is carried at cost as a long-term investment and is included with the Company's long term investments on the Company's consolidated balance sheet. The investment in NeuCourt and unrealized and realized investment gains and losses are included in the Corporate, Other, and Eliminations section below.

Our Chief Operating Decision Maker ("CODM") is our Chairman and Chief Executive Officer, Chet Billingsley. Our CODM evaluates the performance of the Company's operating segments on an ongoing weekly basis and he routinely monitors each segment's exposure to risk due to potential economic factors, societal trends, and market conditions in order to assess and determine the proper allocation of resources related to segment expenses. Our CODM uses segment operating income (loss) to review monthly, quarterly, and annual segment trends. Additionally, he regularly monitors actual and prospective cash and cash equivalent balances weekly.

Costs not allocated to our two reportable segments represent activities associated with the Company's management and headquarters functions, especially with regard to accounting and audits for the Company and its majority-owned subsidiaries. The Company's headquarters functions also include monitoring our less than majority positions for value and investment security and reviewing possible acquisition candidates and acquisition assets on an ongoing basis. These costs primarily included administrative expenses, professional service fees, adverting and promotion expenses, travel related expenses, employee and officer salaries, employee and officer accrued benefits, employee and officer payroll tax expenses, board fees, and depreciation expenses. See Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, Results of Operations for the year ended December 31, 2024 compared to the year ended December 31, 2023, Selling, General, and Administrative Expenses for a further disclosure and discussion of the Company's management and headquarters related expenses.

Segment information for our current operating segments is as follows:

	Energy Segment	***Historic Segment***	**Corporate, Other, and Eliminations**	**Consolidated**
2024				
Net revenue	$ -	$ -	$ -	$ -
Operating income (loss)	-	(990)	(779,222)	(780,212)
Interest and dividend income	20,289	-	150,966	171,255
Interest expense	-	-	-	-
Property additions	-	-	-	-
Depreciation and amortization	-	-	1,073	1,073
Total assets	618,038	1,744	2,794,780	3,414,562
2023				
Net revenue	$ -	$ -	$ -	$ -
Operating income (loss)	-	(1,305)	(1,773,905)	(1,775,210)
Interest and dividend income	5,292	-	69,488	74,780
Interest expense	-	-	15,847	15,847
Property additions	-	-	2,291	2,291
Depreciation and amortization	-	-	1,706	1,706
Total assets	647,363	2,472	3,797,006	4,446,841

The following table reconciles operating segments and corporate-unallocated operating income (loss) to consolidated income before income taxes for the years ended December 31, 2024 and 2023, as presented in the consolidated income statements:

	2024	2023
Operating income (loss)	$ (780,212)	$ (1,775,210)
Gain (loss) on investments	(215,219)	4,802,905
Interest and dividend income	171,255	74,780
Interest expense	-	(15,847)
Other income	-	1,291
Income before income taxes	$ (824,176)	$ 3,087,919

Discontinued Operation – Facilities Operations Segment

As disclosed in Note 3 of the consolidated financial statements, we sold our entire ownership interest in WCI, our facilities operations segment, 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 facilities operations 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 – Income tax

The provision (benefit) for income taxes for the years ended December 31, 2024 and 2023 consist of the following:

	2024	2023
Current taxes from continuing operations:		
Federal	$ -	$ -
State	15,329	8,160
	15,329	8,160
Taxes from discontinued operations(1):		
Federal	-	-
State	-	5,783
Tax provision plus discontinued operations	15,329	13,943
Deferred tax asset:		
Federal	98,300	(273,400)
State	(156,600)	1,100
Change in valuation	58,300	(272,300)
Total provision (benefit)	$ 15,329	$ 13,943

(1) We sold our entire ownership interest in WCI on October 4, 2023 and as a result WCI is excluded from our continuing operations and presented as discontinued operations. See Note 3.

The Company has net deferred tax assets resulting from a timing difference in recognition of depreciation and reserves for uncollectible accounts receivable and from net operating loss carryforwards.

At December 31, 2024, the Company had approximately $6,500,000 of federal net operating loss carryforwards, of which approximately $3,700,000 can be carried forward indefinitely, and the remaining $2,800,000 will begin to expire in 2034 and be fully expired by the year 2037. The Company has a California net operating loss carryforward of approximately $7,100,000 that begins expiring in 2025. Mentor relocated to Texas in September 2020, and the Company's ability to utilize the California net operating loss carryforwards is dependent on the future generation of California taxable income.

The income tax provision (benefit) differs from the amount computed by applying the U.S. federal statutory corporate income tax rate of 21% in 2024 and 2023, respectively, to net income (loss) before income taxes for the years ended December 31, 2024 and 2023 as a result of the following:

	2024	2023
Net income (loss) before income tax - continuing operations	$ (824,176)	$ 3,087,919
US federal income tax rate	21%	21%
Computed expected tax (benefit) - continuing operations	(173,077)	648,463
Net Income (loss) before income tax - discontinued operations (1)	-	83,682
US federal income tax rate	21%	21%
Computed expected tax (benefit) - discontinued operations	-	17,573
Total computed expected tax (benefit)	(173,077)	666,036
Permanent differences and other	114,777	(393,736)
Change in valuation	58,300	(272,300)
Federal income tax provision	$ -	$ -

(1) We sold our entire ownership interest in WCI on October 4, 2023 and as a result WCI is excluded from our continuing operations and presented as discontinued operations. See Note 3.

The significant components of deferred income tax assets as of December 31, 2024 and 2023 after applying enacted corporate income tax rates are as follows:

	2024	2023
Net Operating Losses carried forward from continuing operations	$ 1,957,000	$ 1,913,000
Capital Losses carried forward	-	156,600
Deferred - Other	54,000	-
Valuation allowance	(2,011,000)	(2,069,600)
	$ -	$ -

The Company files income tax returns in the U.S. federal jurisdiction and various state and local jurisdictions. All tax years from 2020 to 2023 are subject to examination.

Note 19 – Subsequent events

Management evaluated subsequent events through the date these financial statements were issued and concluded that no events subsequent to December 31, 2024 have occurred that would require recognition or disclosure, except as noted below.

Subsequent to year-end, on March 17, 2025, Mentor Capital, Inc. purchased 3 (three) kilograms of gold bullion for $295,328.

Subsequent to year-end, on March 20, 2025, Mentor Capital, Inc. purchased oil and gas royalty interests in seven (7) horizontal wells and a royalty interest of approximately 0.15625% in two (2) producing mineral wells located in the Permian Basin situated in Howard County, Texas from Bluestem Royalty Partners, LP, a Texas limited partnership, for $60,800.

Subsequent to year-end, on March 25, 2025, Mentor Capital, Inc. purchased an overriding royalty interest of approximately 0.06% in seventy-one (71) producing oil and gas wells in a nearly 3.5 square mile pooled horizontal drilling project located in the Permian Basin situated in Martin County, Texas from Gatorex Holdings, LLC, a Texas limited liability company, for $720,000.

Subsequent to year-end, on March 27, 2025, Mentor Capital, Inc. purchased royalty interests from Maven Royalty 2, LP, a Delaware limited partnership, for $84,000. The royalty interests include various non-participating royalty interests in seven (7) properties, with an additional royalty interest of 0.007157% in the Elias 16-9 Unit 2 Lease, and various royalty interests (producing minerals) in four (4) properties, all located in Martin County, Texas, containing a total of forty-one (41) producing wells.

Subsequent to year end, effective March 28, 2025, Marcia K. Meyer was appointed by a unanimous vote of our board of directors to fill the Board seat vacated as a result of her husband's passing in late December 2024. Ms. Meyer was also appointed to serve as Secretary of the Company, effective March 28, 2025. Ms. Meyer is the Company's second largest shareholder after our founder and CEO. She was a co-owner of a publishing business for thirty years, after spending a decade in the escrow industry. Ms. Meyer graduated from Western Michigan University with a double-major in biology and psychology.

Subsequent to year-end, on March 31, 2025, Mentor Capital, Inc. purchased royalty interests from Maven Royalty 2, LP, a Delaware limited partnership, for $504,000. The royalty interests include various non-participating royalty interests in seven (7) properties, with an additional royalty interest of 0.042942% in the Elias 16-9 Unit 2 Lease, and various royalty interests (producing minerals) in four (4) properties, all located in Martin County, Texas, containing a total of forty-one (41) producing wells.

Exhibit 4.4

Description of the Company's Securities

As of March 28, 2025, Mentor Capital, Inc. has one class of securities registered under Section 12(g) of the Securities Exchange Act of 1934, as amended: our Common Stock.

The following description of our Common Stock is a summary and does not include all terms and conditions applicable to such shares. The description is subject to and qualified in its entirety by reference to our Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation") and our Bylaws, each of which is incorporated by reference as an exhibit to our Annual Report on Form 10-K for the period ended December 31, 2024, to which this description is attached, and the Delaware General Corporation Law. We encourage you to read the Certificate of Incorporation, Bylaws, and the applicable provisions of the Delaware General Corporation Law for additional information.

Authorized Capital Shares

Our authorized capital shares consist of 75,000,000 shares of Common Stock, each with a par value of $0.0001, and 5,000,000 shares of Preferred Stock, each with a par value of $0.0001, of which 200,000 shares of Preferred Stock have been designated as Series Q Preferred Stock.

Voting Rights

The holders of Common Stock are entitled to one vote per share on all matters voted on by shareholders, including the election of directors. The Company's Board of Directors is not classified, and each member is elected at the annual meeting of shareholders or at any special meeting of shareholders called for that purpose. The Common Stock does not have cumulative voting rights. Holders of Common Stock may act by unanimous consent.

Dividend Rights

Subject to the rights of holders of outstanding shares of Preferred Stock, including shares of Series Q Preferred Stock, the holders of Common Stock are entitled to receive dividends when and if declared by the Company's Board of Directors in its discretion out of funds legally available for payment of dividends.

Liquidation Rights

Subject to any preferential rights of outstanding shares of Preferred Stock, including shares of Series Q Preferred Stock, holders of Common Stock will share ratably in all assets legally available for distribution to our stockholders in the event of dissolution or liquidation.

Other Rights and Preferences

All of the issued shares of Common Stock of the Company are fully paid and non-assessable. Our Common Stock has no sinking fund provision and no preemptive, conversion, or exchange rights. Except as allowed by Delaware General Corporation Law, the shares of Common Stock are not subject to any redemption provisions.

Trading

The Company's shares of Common Stock are traded on the Over-the-Counter OTCQB ("OTCQB") under the trading symbol "MNTR."

Exhibit 21.1

Mentor Capital, Inc. Subsidiaries

The following is a list of subsidiaries of Mentor Capital, Inc. as of December 31, 2024:

Name of Subsidiary	% of ownership	State in which Incorporated
Mentor IP, LLC	100%	South Dakota
Mentor Partner I, LLC	100 %	Texas
Mentor Partner II, LLC	100 %	Texas
TWG, LLC	100 %	Texas

Exhibit 31.1

Year ended December 31, 2024

Certification of Chief Executive Officer
Pursuant to Rule 13A-14(a) under the Securities Exchange Act of 1934

I, Chet Billingsley, certify that:

1. I have reviewed this annual report on Form 10-K for the year ended December 31, 2024 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: March 31, 2025

/s/ CHET BILLINGSLEY
Chet Billingsley
Chief Executive Officer

Exhibit 31.2

Year ended December 31, 2024

Certification of Principal Financial Officer
Pursuant to Rule 13A-14(a) under the Securities Exchange Act of 1934

I, Chet Billingsley, certify that:

1. I have reviewed this annual report on Form 10-K for the year ended December 31, 2024 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: March 31, 2025

/s/ CHET BILLINGSLEY
Chet Billingsley
Principal Financial Officer

Exhibit 32.1

Certification of Chief Executive 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 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 Annual Report on Form 10-K for the period ended December 31, 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 this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 31, 2025

/s/ CHET BILLINGSLEY
Chet Billingsley
Chief Executive Officer

Exhibit 32.2

Certification of 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, 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 Annual Report on Form 10-K for the period ended December 31, 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 this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 31, 2025

/s/ CHET BILLINGSLEY
Chet Billingsley
Principal Financial Officer