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, 2016

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.)

511 Fourteenth Street, Suite A-2, A-4, A-6, Ramona, CA 92065
(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	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 Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-5 (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

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

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

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

Yes ☐ No ☒

At March 22, 2017, the approximate aggregate market value of shares held by non-affiliates of Mentor Capital, Inc. (based upon the closing sale price of such shares on OTCQB) was $40,449,698. 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 purpose of this calculation is not necessarily a conclusive determination for other purposes.

At March 22, 2017, there were 22,350,152 shares of Mentor Capital, Inc.’s Common 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. 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, and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions. Moreover, as we begin to increase our investments in the cannabis-related industry we may be subject to heightened scrutiny and 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 Registration Statement 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.

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 late 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. In 1996 our registration under Regulation A of the Securities Act of 1933 was declared effective and we began to trade publicly. In 1997 we 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. The outstanding warrants are exercisable at $1.60 per share, at which price we may receive as much as $12 Million in warrant proceeds. 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 $1.60 per warrant share if the shares of our Common Stock are priced above $1.60 per share. The longer the Company's Common Stock share price is above $1.60 the more likely warrant holders will be willing to exercise their warrants. If the Common Stock share price is less than $1.60 for a long period of time, the Company may also decide to lower the exercise price of outstanding warrants so as to entice warrant holders to exercise their warrants and invest in the Company. The amount of potential funds received by the Company from such exercises will decrease as the warrant exercise price decreases.

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 share 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 has been 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 is completed to prevent potential third party manipulation of share prices at month-end. The periodic partial redemptions will continue to be recalculated and repeated until such unexercised warrants are exhausted or the partial redemption is otherwise truncated by the Company. The partial redemptions were exercised at an average exercise price of $0.320 per share for the year ended December 31, 2016 and $0.320 per share for the period from February 9, 2015 thru December 31, 2015.

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.

Recent Developments

Currently, our general business operations are intended to provide management consultation and headquarters functions, especially with regard to accounting and audits, for our majority owned subsidiaries, which makes 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, including within the cannabis industry.

In 2009, we began examining cancer treatment-related companies, and created a proprietary Cancer Immunotherapy Index and worked with one or two private cancer therapy companies. In June 2013, we were approached to invest in a cancer related medical marijuana project and in August 2013 made the decision to start focusing on the medical marijuana space. The goal was to pursue an alternative approach to assisting in the fight against cancer and the effects of the disease.

We have a residual cancer related private holding: $55,942 in Brighter Day Health ("BDH") which provides cost effective, HIPAA compliant video stations for high quality, face-to-face medical updates and monitoring between contracted doctors with cancer and other patients in nursing homes and hospice settings.

Electrum Partners, LLC (Electrum)

The Company invested $100,000 in Electrum Partners, LLC as a convertible note receivable on March 12, 2014. Mentor has the option to convert the note plus any accrued interest or fees into shares of equity in Electrum at any time prior to its maturity. Electrum is a Nevada based cannabis consulting, management and investment company.

Investor Webcast, LLC (CAST)

On April 20, 2015, the Company acquired 100% of a Georgia sole proprietorship, dba Investor Webcast ("CAST") valued at $469,611 in exchange for 4,696 to-be-created Series B convertible preferred shares of Mentor. On May 7, 2015, Mentor formed a Delaware limited liability company subsidiary, Investor Webcast, LLC, to hold the assets of CAST. CAST provides cannabis related private companies, investors and microcap issuers with investor information through webcasts, conferences, email and an evolving mix of media products, investment publications, industry financial research, and by other means. After one year, the to-be-created Series B convertible preferred shares could be converted, in steps or in whole, into shares of Mentor Common Stock. The to-be-created Series B convertible preferred shares were to convert to shares of Mentor's Common Stock based on the conversion formula applied to operating results for the preceding four calendar quarters, as defined in the agreement. Due to low revenue and a net loss experienced by CAST in 2015, as well as revised cash projections for the future 5 years, the fair value of the convertible security liability at December 31, 2015 was $0.

On March 1, 2016, the Company entered into a Mutual Termination Agreement and General Release in which that certain Investor Webcast – Mentor Capital Cannabis Owners Public Liquidity Agreement effective April 20, 2015 (the "Purchase Agreement") and the Convertible Security Agreement between Mentor and CAST were cancelled and terminated, resulting in a disposition of CAST assets and liabilities by the Company. Pursuant to Section 3 of the Purchase Agreement, the CAST owner was to receive Mentor shares according to Mentor's conversion formula specified in the Purchase Agreement. However, the CAST business did not evolve as quickly as CAST owners expected and the result of the conversion formula was a negative number less than zero at the time of the termination. Therefore, the parties by mutual consent dissolved their relationship. The CAST prior owner received assets valued at $7,408, assumed liabilities of $17,587 and received $500 in cash. Mentor forgave an intercompany note receivable from CAST of $23,225, direct intercompany charges of $10,284, and $17,043 of intercompany overhead receivable from CAST. Two former employees were also paid $50 each in cash.

Canyon Crest Holdings, LLC (CCH)

On June 25, 2015, the Company formed Canyon Crest Holdings, LLC ("CCH"), a Delaware limited liability company and a wholly owned subsidiary of Mentor. CCH was formed to provide management services to the rapidly evolving cannabis sector. Services to be provided may include but are not limited to: 1) Branding, marketing, administrative and consulting services; 2) Compliance and legal services; and 3) accounting and financial services. Operations of CCH are included in the consolidated financial statements from the date of inception (June 25, 2015) through December 31, 2015. There have been no operations in CCH during 2016.

On August 21, 2015, Mentor entered into an agreement with an individual known to CCH operating management by which the individual purchased to-be-created Mentor Series C convertible preferred shares for $120,000. After one year, the to-be-created Series C convertible preferred shares could have been converted, in steps or in whole, into Mentor common shares. At the time of the agreement, Mentor was awaiting state approval of its reincorporation under the laws of the State of Delaware and the Series C convertible preferred shares had not yet been created. Therefore, upon Mentor's receipt of the invested amount, a convertible security was issued to the purchaser which could be converted to Mentor Series C convertible preferred shares once the preferred shares were created. Mentor loaned the $120,000 to CCH to invest in a separate entity, however, due to internal disagreement between the entity's managers, the investment by CCH was never completed. In March 2016 the Company designated the individual investor as holder of 120,000 of Mentor's unexercised Series D warrants, exercisable at $1.60 plus the $0.10 warrant fee.

Mentor IP, LLC (MCIP)

On April 18, 2016, the Company formed Mentor IP, LLC ("MCIP"), a South Dakota limited liability company and wholly owned subsidiary of Mentor. MCIP was formed to hold interests related to patent rights obtained on April 4, 2016 when Mentor Capital, Inc. entered into that certain "Larson - Mentor Capital, Inc. Patent and License Fee Facility with Agreement Provisions for an -- 80% / 20% Domestic Economic Interest -- 50% / 50% Foreign Economic Interest" with R. L. Larson and Larson Capital, LLC ("MCIP Agreement"). Pursuant to the MCIP Agreement, MCIP obtained rights to an international patent application for foreign THC and CBD cannabis vape pens under the provisions of the Patent Cooperation Treaty of 1970, as amended. On approval of the United States patent application, MCIP intends to seek exclusive licensing rights in the United States for THC and CBD cannabis vape pens for various THC and CBD percentage ranges and concentrations.

Green Vision Systems, Corp.

On September 21, 2016, the Company received 500,000 unregistered shares of Green Vision Systems, Corp. ("GVS") in exchange for consulting services. The shares were recorded at cost based on the value of consulting services related to GVS's legal cultivation, manufacturing and transportation of medical cannabis products from GVS's planned state of the art facility in Puerto Rico, plus associated hemp farming in this tropical setting. Subsequent to year-end GVS indicated that it will put its Puerto Rico operations into an alternate entity and will register shares of that entity rather than GVS shares. The Company is uncertain whether it will receive benefit from its GVS shares or the alternate entity and has fully impaired the investment in GVS shares at December 31, 2016, (see Note 26).

NeuCourt, Inc.

On November 8, 2016, the Company invested $25,000 in NeuCourt, Inc. ("NeuCourt") as a convertible note receivable ("Note"). Principal and unpaid interest may be converted into shares of a to-be-created series of Preferred Stock of NeuCourt (i) on closing of a future financing round of at least $750,000, (ii) on the election of NeuCourt on maturity of the Note, or (iii) on election of Mentor following NeuCourt's election to prepay the Note. NeuCourt is a Delaware corporation that is developing a technology that is expected to be useful in the cannabis space.

G Farmalabs Limited

Subsequent to December 31, 2016, on March 17, 2017, the Company entered into a Notes Purchase Agreement with G Farmalabs Limited ("G Farma") under which the Company loaned G Farma an aggregate principal amount of $500,000 under two secured convertible promissory notes. In addition, G Farma purchased 222,223 restricted shares of the Company's Common Stock in a private placement at a price of $2.25 per share. See Note 26 in the consolidated financial statements.

Overview

Our goal is to focus future investments in the medical marijuana and social use cannabis sector. Mentor seeks to take significant positions in medical marijuana and cannabis companies to provide public market liquidity for founders, protection for investors, funding for cannabis companies, and to incubate private cannabis companies that have the potential to be spun off as stand-alone pubic companies. When Mentor takes a significant position in its investees it provides financial management when needed, but leaves operating control in the hands of the cannabis company founders. Retaining control, receiving greater liquidity and working with an experienced organization to efficiently develop disclosures and compliance to consider the public markets are three key advantages to cannabis founders working with Mentor Capital, Inc.

Because adult social use and medical marijuana opportunities often overlap, Mentor Capital participates in the legal recreational marijuana market. However, Mentor's preferred focus is medical, especially cancer related applications.

Currently the Company has the following cannabis-related and non-cannabis investments in place. The Company's aggregate investment in these companies currently totals $3,272,105:

- $1,500,000 receivable from Bhang Corporation (formerly known as Chocolate Company, Inc.), a nationally branded infused edibles company. The Company and Bhang had been involved in litigation concerning return of Mentor's investment. On December 29, 2016, the United States District Court for the Northern District of California entered a judgment against Bhang in the amount of $1,921,534.62. Mentor was also awarded post-judgment interest at the legal rate of 10% between December 29, 2016 and the date that the judgment is paid in full. [Please see the section entitled "Legal Proceedings" for additional information];

- $106,874 invested in Electrum Capital Partners, LLC including accrued interest under an interest bearing convertible promissory note receivable that is currently bearing interest at 10% per annum;

- $67,697 legacy investment in Waste Consolidators, Inc. ("WCI") (a 51% ownership which is eliminated in the consolidated financial statements). WCI is a $2.7 Million revenue generating private service business based in Phoenix, AZ which is expanding into Austin, TX. WCI works with business park owners, governmental centers, and apartment complexes to reduce their trash related costs. WCI works with the owners to analyze the dumpster usage and reduce the number of partially used dumpsters throughout the complexes. A fleet of trucks moves dumpsters from high volume to lower volume locations and picks up onetime items for disposal. The refuse related cost savings are generally split with Waste Consolidators who supplies services under long-term agreements;

- $547,353 investment in an account receivable with annual payments of $117,000 that expires in 10 years, purchased in April 2015 from a non-affiliated individual;

- $25,181 invested in NeuCourt, Inc. including accrued interest under a convertible promissory note receivable that bears interest at 5% per annum.

- $25,000 of expenses were paid for potential rights on a patent application for THC vape systems.

- $500,000 convertible promissory notes receivable from G Farma.

- $500,000 receivable from assigned interest in G Farma recovery in civil forfeiture or similar recoveries.

In an effort to analyze the viability of various cannabis companies in the market and help the Company focus on which related companies to approach as potential acquisition targets, the Company developed a cannabis index similar to that developed by the Company in the cancer industry. The Company's cannabis index reflects companies that appear to have higher book value and revenue per share which is characteristic of the goals of value investing. The Company updates its cannabis index regularly to track historical fluctuations in the cannabis market but it does not currently rely on the cannabis index to guide its acquisition decisions.

The Company continually works to identify cannabis related 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.

Currently there are 28 states and the District of Columbia that have laws and/or regulation that recognize, in one form or another, legitimate medical uses for cannabis and consumer use of cannabis in connection with medical treatment. Fifteen other states are considering legislation to similar effect. In addition, as of December 31, 2016, voters in eight states have approved ballot measures to legalize cannabis for adult use. The state laws are in conflict with the federal Controlled Substances Act, which classifies cannabis as a schedule-I controlled substance and makes marijuana use and possession illegal at the national level. The United States Supreme Court ruled that it is the Federal government that has the right to regulate and criminalize cannabis, even for medical purposes. Thus even in states where the use of cannabis has been legalized, its use remains a violation of Federal law. The Obama administration stated that it is not an efficient use of resources to direct Federal law enforcement agencies to prosecute those lawfully abiding by state-designated laws allowing the use and distribution of medical and recreational cannabis, however the Trump administration has indicated that it will reconsider such policy and practice, especially with respect to recreational cannabis. Even if the Trump administration initially affirms the same approach with respect to medical or recreational cannabis, there is no guarantee that such policy and practice will not change regarding the low-priority enforcement of Federal laws in states where cannabis has been legalized.

The Obama administration indicated that it was not an efficient use of resources to direct federal law enforcement agencies to prosecute those lawfully abiding by state laws allowing the use and distribution of medical marijuana. However, there is no guarantee that the current Trump administration will not change the stated policy regarding the low-priority enforcement of federal laws, or that any future administration would not change this policy.

Competition

There are many companies that are interested in investing in the medical marijuana and cannabis industry, many of which are well funded companies. Additionally, the operating companies in the cannabis sector are highly fragmented and compete against each other. Any acquisition by Mentor will be in competition with several other similar cannabis related operations in the sector.

Employees

Mentor Capital has 4 full time employees and 1 part time employee in its corporate office in Ramona, California. WCI has 33 employees in Tempe, Arizona and 3 employees in Austin, 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 public may read and copy any materials filed by the Registrant with the SEC at the SEC's Public Reference Room located at 100 F Street, NE., Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330 or directly at (202) 551-8300. The SEC maintains an Internet site containing reports, proxy and information statements, and other information regarding electronic filers at http://www.sec.gov.

We intend to make available our periodic reports and other required disclosures 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, 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.

Management has a lack of experience operating as a fully reporting company and meeting the associated reporting obligations.

Management has operated Mentor Capital, Inc. as a non-reporting public company for 20 years, and only two years ago voluntarily transitioned to reporting company status subject to financial and other SEC required disclosures. Prior to such voluntary transition, management has not been required to prepare and make such required disclosures. As a reporting company we will be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended ("Exchange Act"), the Sarbanes-Oxley Act, the Dodd-Frank Act, the listing requirements of a national securities exchange, and other applicable securities rules and regulations. The Exchange Act requires, among other things, that we file annual, quarterly, and current reports with respect to our business and operating activities. As management has never before been required to prepare and file these disclosure reports, doing so may impose a significant expense, time and reporting burden upon management. This distraction can divert management from its operation of the business to the detriment of core operations. Also, improper reporting due to inexperience can result in trading restrictions and other sanctions that may impair or even suspend trading in the company Common Stock.

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

As of December 31, 2016, the Company had 20,980,510 outstanding shares of its Common Stock trading at approximately $1.06. As of the same date the Company also had 8,206,390 outstanding Series D warrants exercisable for shares of Common Stock at $1.60 per share. These Series D warrants do not have a cashless exercise feature. The Company anticipates that the warrants will not be exercised until the per share price of the Company's Common Stock is greater than $1.60 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. The Company also has 689,159 outstanding Series H warrants with a per share exercise price of $7.00 held by an investment bank. These $7.00 Series H warrants include a cashless exercise feature. Current and future shareholders may suffer dilution of their investment and equity ownership if any of the warrant holders elect to exercise their warrants.

Beginning on February 9, 2015, in accordance with Section 1145 of the United States Bankruptcy Code and in accordance with the Company's court-approved Plan of Reorganization, the Company announced that it would allow for partial redemption of up to 1% per month of the outstanding Series D warrants to provide for the court specified redemption mechanism for warrants not exercised timely by the original holder or their estates. On October 7, 2016, the Company announced that the 1% redemptions which were formerly priced on a calendar month schedule would subsequently be initiated and priced on a random date schedule 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 will continue to be recalculated and repeated according to the court formula until such unexercised warrants are exhausted or the partial redemption is otherwise slowed or truncated by the Company.

We operate in a turbulent market populated by businesses that are highly volatile.

The US market for cannabis products is highly volatile. While we believe that it is an exciting and growing market, many companies involved in cannabis products and services used to be involved in illegal activities, some still are, and many of them operate in unconventional ways. Some of these differences which represent challenges to us include not keeping appropriate financial records, inexperience with business contracts, not having access to customary business banking relationships, not having quality manufacturing relationships, and not having customary distribution arrangements. Any one of these challenges, if not managed well, could materially adversely impact our business.

Many cannabis activities, products, and services still violate law.

The legal patchwork to which cannabis companies are subject is still evolving and frequently uncertain. While we believe that anti-cannabis laws are softening and that the trend is toward legalization of cannabis products, many states and the US government still view some or all cannabis activity as illegal. Notwithstanding this uncertainty we intend to do our best to engage in activities that are unambiguously legal and to use what influence we have with our affiliates for them to do the same. But we will not always have control over those companies with whom we do business and there is a risk that we could suffer a substantial and material loss due to routine legal prosecution. Similarly many jurisdictions have adopted so-called "zero tolerance" drug laws and laws prohibiting sale of what is considered drug paraphernalia. If our, or our affiliates' activities related to cannabis activities, products, and services are deemed to violate one or more federal or state laws, we may be subject to civil and criminal penalties, including fines, impounding of cannabis products, and seizure of our assets.

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

We do not manufacture or sell cannabis products or services. Rather we try to find cannabis businesses whose products, managers, technology or other factors we like and invest in or acquire those businesses. There is no certainty that we will find suitable partners or that we will be able to engage in transactions on advantageous terms with partners we identify. There is also no certainty that we will be able to consummate a transaction on favorable terms, or any transaction at all, with any potential cannabis related acquisitions or that our partners will be able to navigate the maze of cannabis laws that may affect them. To date several of our acquisitions/investments have not turned out well for us, and an effort to secure a $35 million loan has resulted in a $621,250 loss.

The federal government's attitude toward cannabis could materially harm our business

Changes to the Federal Government's administration and the manner in which the federal government regulates cannabis, including how it intends to enforce laws prohibiting medical marijuana and recreational cannabis use could materially negatively affect our business. If recreational use is limited that could represent 75% of the potential overall cannabis market revenues. Eliminating recreational cannabis use would be an existential threat to many cannabis entities. Being historically illegal, many cannabis contracts could not be enforced in the courts.

Many of the people and entities with whom we work in the cannabis industry are not used to engaging in other than normal course business transactions.

Many of the people and entities with whom we engage may not be used to operating in business transactions in the normal course. Entities and persons operating in the cannabis industry may be unaccustomed to entering into written agreements or keeping financial records according to GAAP. Additionally, entities and persons with whom we engage may not pay particular attention to the obligations with which they have agreed in written contracts. We have experienced these differences with several different entities in which we've invested or considered investing, including an entity which failed to comply with contractual obligations, some of which have led us into litigation or to rely on other legal remedies.

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.

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

We anticipate that current cash resources will be sufficient for us to execute our business plan for the next 20 to 24 months. It is possible that if future financing is not obtained we will not be able to execute our plans. 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 necessary expenditures for advancement and growth, to partner with more cannabis businesses, and to hire additional personnel. If we raise additional 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.

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

We, and our partners and subsidiaries, intend to rely on patent protection, trademark and copyright law, trade secret protection and confidentiality agreements with our employees and others to protect our intellectual property. Despite our precautions, unauthorized third parties may copy our products and services or reverse engineer or obtain and use information that we regard as proprietary. In addition, the laws of some foreign countries do not protect proprietary rights to the same extent as do the laws of the United States. Our means of protecting our proprietary rights may not be adequate and third parties may infringe or misappropriate our patents, copyrights, trademarks and similar proprietary rights. If we fail to protect our intellectual property and proprietary rights, our business, financial condition and results of operations would suffer. We believe that we do not infringe upon the proprietary rights of any third party, and no third party has asserted an infringement claim against us. It is possible, however, that such a claim might be asserted successfully against us in the future. We may be forced to suspend our operations 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 are engaged in litigation.

Since 2014 we have initiated and obtained judgments in two disputes; one against the owner of a bank account into which we wired $621,250 as part of an effort to secure a $35 million loan, and one against Bhang Corporation (formerly known as Bhang Chocolate Company, Inc.) to recover $1,500,000 invested in Bhang following rescission of the investment agreement between the parties. Additionally, relatives of the one-time corporate counsel of Bhang have initiated a lawsuit against Mentor and others seeking a refund of the approximate $150,000 purchase price for Mentor shares of Common Stock they bought from the Bhang CEO in a secondary sale. Mentor has filed a cross-complaint against Bhang's CEO and a relative of the plaintiffs. There is no surety that we will prevail in the ongoing lawsuit or that we will be able to recover funds where we have obtained judgments.

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

Our success will be dependent largely upon the personal efforts of our Chief Executive Officer, Chet Billingsley, and other senior managers. The loss of key staff could have a material adverse effect on our business and prospects. To execute our plans, we will have to retain current employees. 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 retaining such qualified personnel. Specifically, we may experience increased costs in order to retain skilled employees. If we are unable to retain experienced employees as needed, we would be unable to execute our business plan.

Founder and CEO Chet Billingsley, along with other members of the Company Board of Directors, have considerable control over the company through their aggregate ownership of 29.5% of the outstanding shares of the Company's Common Stock on a fully diluted basis.

As of March 22, 2017, Mr. Billingsley owned approximately 22.9% of the outstanding shares of the Company's Common Stock on a fully diluted basis. Together with other members of the Company's Board of Directors, management of the Company owns approximately 29.5% of the outstanding shares of the Company's Common Stock on a fully diluted basis. Mr. Billingsley also holds 2,137,684 Series D warrants and 4,500 Series B warrants which are exercisable at $1.60 and $0.11 per share, respectively. Additionally, Robert Meyer, Stan Shaul, Earl Kornbrekke and Lori Stansfield, directors of the Company, hold an aggregate of 1,047,966 Series D warrants exercisable at $1.60 per share. Due to the large number of shares of Common Stock owned by the management 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 director, Mr. Billingsley has the ability to control the management and affairs of the Company. As board members and officers, Mr. Billingsley and the other persons in management positions of the Company owe a fiduciary duty to our shareholders and must act in good faith in a manner each reasonably believes to be in the best interests of our shareholders. As shareholders, Mr. Billingsley and the other officers and directors are entitled to vote their shares in their own interests, which may not always be in the interests of our shareholders generally.

We face rapid change.

The market for our partners' and subsidiaries' products and services is characterized by rapidly changing law and technologies, marketing efforts, and extensive research and the introduction of new products and services. We believe that our future success will depend in part upon our ability to continue to develop and enhance products and services offered in the cannabis market. As a result, we expect to continue to make investments in engineering and research and development. There can be no assurance that we will be able to develop and introduce new products and services or enhance initial products in a timely manner to satisfy customer needs, achieve market acceptance or address technological changes in our target markets. Failure to 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 technical, marketing and sales personnel, we expect to 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 product development cycles and market penetration or otherwise have a material adverse effect on our financial condition and results of operations.

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

Our partners' and affiliates' products may be used for medical purposes. We may become the subject of litigation alleging that our products were 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 our products are found liable in connection with such an action, our business and operations may be severely and materially adversely affected.

There is a limited market for our Common Stock.

Our Common Stock is not listed on any exchange and trades on the OTC Markets OTCQB system. As such, the market for our Common Stock is limited and is not regulated by the rules and regulations of any exchange. Freely trading shares of even fully reporting cannabis companies receive careful scrutiny by brokers before deposit. 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 anticipate paying cash dividends on our Common Stock for the foreseeable future, stockholders will 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 our affiliates' products;
- our ability to engage with partners who are successful in selling products;
- economic conditions within the cannabis industry;
- development of law related to cannabis products and services;
- 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; and
- domestic and international economic, business and political conditions.

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 as Main Street Athletic Clubs, Inc. 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.

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 fragile state of the worldwide economy could impact the company in numerous ways.

The effects of negative worldwide economic events has caused disruptions and extreme volatility in global financial markets, increased rates of default and bankruptcy, has impacted levels of consumer spending, and may impact our business, operating results, or financial condition. The ongoing worldwide economic crisis, weakness in the credit markets and significant liquidity problems for the financial services industry may also impact our financial condition in a number of ways. For example, current or potential customers may delay or decrease spending with us or may not pay us or may delay paying us for previously purchased products and services. Also, we may have difficulties in securing additional financing.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

We lease office facilities used in our business. Mentor corporate offices are in Ramona, California in San Diego County and we lease approximately 2,000 square feet of office space. WCI is located in Tempe, Arizona and leases approximately 3,000 square feet of office and warehouse space for $2,211 per month under an operating lease expiring in January 2018. MCIP administrative support is provided by Mentor in its Ramona, California corporate offices.

Item 3. Legal Proceedings.

On December 29, 2016, Mentor obtained a judgment in the amount of $1,921,534.62 against Bhang Corporation and its predecessor in interest, Bhang Chocolate Company, Inc., in the United States District Court for the Northern District of California related to an action filed by Mentor on August 11, 2014 seeking rescission of the February 28, 2014 co-operative funding agreement with Bhang Corporation ("Bhang Agreement") and return of the $1,500,000 paid by the Company to Bhang. The judgment accrues interest at the rate of 10% from December 29, 2016 until such time as the judgment is satisfied. Mentor intends to enforce this judgment. As part of the judgment Bhang owners, Scott Van Rixel and Richard Sellers, who together purchased 117,000 shares pursuant to the Bhang Agreement have the option to return all or part of those shares in exchange for payment of the original purchase price of $1.95 per share plus a pro-rata amount of $58,568.92 in interest for such returned shares. Mentor will account for the return of shares as a capital transaction if and when the shares are remitted back to the Company. See Note 4 to consolidated financial statements.

In July 2015, Mentor was served with a complaint in an action in the United States District Court for the District of Utah initiated by the wife and daughter of Bhang's corporate counsel related to 75,000 shares of Mentor's Common Stock purchased from Bhang Corporation's CEO in a secondary sale. The shares purchased by plaintiffs are returnable to Mentor per the judgment awarded in the Bhang matter, above. Mentor was not a party to this transaction and intends to vigorously defend itself against all claims in this case. No trial date has currently been set in this action.

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 Qualified Business ("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 OTCQB. 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, 2016	$ 1.70	$ 0.57
Quarter Ended September 30, 2016	$ 0.89	$ 0.23
Quarter Ended June 30, 2016	$ 0.72	$ 0.30
Quarter Ended March 31, 2016	$ 0.76	$ 0.20
Quarter Ended December 31, 2015	$ 0.47	$ 0.21
Quarter Ended September 30, 2015	$ 0.79	$ 0.44
Quarter Ended June 30, 2015	$ 0.84	$ 0.69
Quarter Ended March 31, 2015	$ 1.55	$ 0.65
Quarter Ended December 31, 2014	$ 1.15	$ 0.60

Holders

As of December 31, 2016 there were approximately 7,575 registered holders of record of our Common Stock. As of December 31, 2016, we had a total of 20,980,510 shares of Common Stock issued and outstanding; 0 shares of Preferred Stock issued and outstanding; 4,500 Series B warrants outstanding which are exercisable for 4,500 shares of Common Stock, 8,206,390 Series D warrants outstanding which are exercisable for 8,206,390 shares of Common Stock, and 689,159 Series H warrants outstanding which are exercisable for 689,159 shares of Common Stock.

Dividend Policy

We have not declared or paid cash dividends or made distributions in the past, and do not anticipate that we will pay cash dividends or make distributions in the foreseeable future.

Issuer Purchases of Equity Securities

On August 8, 2014, Mentor announced a plan to repurchase 300,000 shares of its outstanding stock. This will be funded by approximately 5% of the Company's cash and cash provided by current assets and receivables. During the period October 1, 2014 through December 31, 2016, Mentor repurchased the following shares of Common Stock:

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
January 1 through March 31, 2015	0	N/A	21,448	278,552
April 1 through June 30, 2015	12,300	$0.75	33,748	266,252
July 1 through September 30, 2015	11,000	$0.59	44,748	255,252
October 1 through December 31, 2015	0	N/A	44,748	255,252
January 1 through December 31, 2016	0	N/A	44,748	255,252
TOTAL	23,300		44,748	255,252

Equity Compensation Plan

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

Recent Sales of Unregistered Securities

On October 31, 2016, Mentor sold 222,223 shares of its unregistered Common Stock in a private placement for $100,000. On March 17, 2017, Mentor sold 222,223 shares of its unregistered Common Stock in a private placement for $500,002. There have been no other unregistered securities sold within the past three years.

Item 6. Selected Financial Data.

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 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, 2016 and December 31, 2015 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.

Corporate Background

Since the August 2008, name change back to Mentor Capital, Inc., the Company's Common Stock has traded publicly under the trading symbol OTC Markets: MNTR.

In 2009 the Company began focusing its investing activities in 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 medical marijuana project with a cancer focus. On August 29, 2013, the Company made a decision to begin to divest of its cancer assets and focus future investments in the medical marijuana and cannabis sector.

Waste Consolidators, Inc. (WCI)

WCI is a legacy investment of which the Company owns a 51% interest. WCI is included in the consolidated financial statements for the years ended December 31, 2016 and 2015.

MicroCannaBiz (MCB)

On February 18, 2014, the Company signed an agreement to purchase 51% of MCB. MCB was formed in January 2014 and began operations in June 2014. MCB provides cannabis and marijuana related private companies, investors and microcap issuers with information resources including client company specific publications, directories, and continuing education courses. MCB did not provide financial information for the first quarter of 2015 and in April 2015, Mentor notified MCB that it was exercising its option to convert its equity in MCB to a ten year note receivable for $74,000 from the majority owner of MCB as provided in the funding agreement. The note receivable bears interest at 6% and is payable in monthly installments. However, the Company has been unable to collect on the note receivable and $2,010 of accrued interest, therefore, due to the uncertainty of collection we impaired the note receivable and accrued interest in its entirety at December 31, 2015. The effect of not including MCB operations for the first quarter of 2015 in the consolidated financial statements are considered insignificant. The 2015 conversion from equity to the note receivable resulted in a gain on conversion of $35,360. The investment loss recognized on the impairment of the note receivable plus accrued interest was $76,010, for a net loss on the MCB investment of $40,650 for the year ended December 31, 2015.

Bhang Corporation fka Bhang Chocolate Company, Inc.

On February 28, 2014, the Company entered into an agreement to purchase a 60% ownership in Bhang Corporation, formerly known as Bhang Chocolate Company, Inc., ("Bhang") which was subsequently rescinded, see Item 3 "Legal Proceedings". Following arbitration of the dispute, on December 29, 2016, Mentor obtained a judgment in the amount of $1,921,534.62 against Bhang Corporation and its predecessor in interest, Bhang Chocolate Company, Inc., in the United States District Court for the Northern District of California. The judgment accrues interest at the rate of 10% from December 29, 2016 until such time as the judgment is satisfied. Amounts paid to Bhang are reported as Receivable from Bhang Chocolate Company in the consolidated balance sheet at December 31, 2016 and December 31, 2015. The estimated accrued interest at December 31, 2016 and 2015 was fully reserved. The Company intends to vigorously pursue collection of the receivable plus interest.

Investor Webcast, LLC (CAST)

On April 20, 2015, the Company acquired 100% of a Georgia sole proprietorship, dba Investor Webcast ("CAST") valued at $469,611 in exchange for 4,696 to-be-created Series B convertible preferred shares of Mentor. On May 7, 2015, Mentor formed a Delaware limited liability company subsidiary, Investor Webcast, LLC, to hold the assets of CAST. CAST provides cannabis related private companies, investors and microcap issuers with investor information through webcasts, conferences, email and an evolving mix of media products, investment publications, industry financial research, and by other means. After one year, the to-be-created Series B convertible preferred shares could have been converted, in steps or in whole, into shares of Mentor Common Stock based on the conversion formula applied to operating results for the preceding four calendar quarters, as defined in the agreement. Due to low revenue and a net loss experienced by CAST in 2015, as well as revised cash projections for the future 5 years, the fair value of the convertible security at December 31, 2015 was $0.

On March 1, 2016, the Company entered into a Mutual Termination Agreement and General Release in which the certain Investor Webcast – Mentor Capital Cannabis Owners Public Liquidity Agreement effective April 20, 2015 (the "Purchase Agreement") and the Convertible Security Agreement between Mentor and the prior owner of CAST were cancelled and terminated, resulting in a disposition of CAST assets and liabilities by the Company. See Note 21 to the consolidated financial statements.

Electrum Partners, LLC (Electrum)

The Company invested $100,000 in Electrum as a convertible note receivable on March 12, 2014. Mentor has the option to convert the note plus any accrued interest or fees into shares of equity in Electrum at any time prior to its maturity. Electrum is a Nevada based cannabis consulting, management and investment company.

Canyon Crest Holdings, LLC (CCH)

On June 25, 2015, the Company formed Canyon Crest Holdings, LLC ("CCH"), a Delaware limited liability company and a wholly owned subsidiary of Mentor. CCH was formed to provide management services to the rapidly evolving cannabis sector. Services to be provided will include but are not limited to: 1) Branding, marketing, administrative and consulting services; 2) Compliance and legal services; and 3) accounting and financial services. Operations of CCH are included in the consolidated financial statements from the date of inception (June 25, 2015) through December 31, 2015. There have been no operations in CCH during 2016.

On August 21, 2015, Mentor entered into an agreement with an individual known to CCH operating management by which the individual purchased to-be-created Mentor Series C convertible preferred shares for $120,000 with the understanding it was to be invested by Mentor in a startup operation managed by CCH management. After one year, the to-be-created Series C convertible preferred shares could have been converted, in steps or in whole, into Mentor common shares based on results of operations for CCH. At the time of the investment, Mentor was awaiting state approval of its reincorporation documents in Delaware and the Series C convertible preferred shares had not yet been created. Mentor loaned the $120,000 to CCH for investment in the startup entity, however, due to internal disagreement between the startup entity's managers, the planned entity has failed. Due to the fact that the planned operation has been discontinued, the fair value of the convertible security is $0 at both December 31, 2016 and 2015. In March 2016 the Company designated the individual investor as holder of 120,000 of Mentor's unexercised Series D warrants, exercisable at $1.60 plus the $0.10 warrant fee. See discussion of Mentor warrants in footnote 9 of the attached consolidated financial statements.

Green Vision Systems, Corp.

On September 21, 2016, the Company received 500,000 unregistered shares of Green Vision Systems, Corp. ("GVS") in exchange for consulting services. The shares were recorded at cost based on the value of consulting services related to GVS's legal cultivation, manufacturing and transportation of medical cannabis products from GVS's planned state of the art facility in Puerto Rico, plus associated hemp farming in this tropical setting. Subsequent to year-end GVS indicated that it will put its Puerto Rico operations into an alternate entity and will register shares of that entity rather than GVS shares. The Company is uncertain whether it will receive benefit from its GVS shares or the alternate entity and has fully impaired the investment in GVS shares at December 31, 2016, (see Note 26).

NeuCourt, Inc.

On November 8, 2016, the Company invested $25,000 in NeuCourt, Inc. ("NeuCourt") as a convertible note receivable ("Note"). Principal and unpaid interest may be converted into shares of a to-be-created series of Preferred Stock of NeuCourt (i) on closing of a future financing round of at least $750,000, (ii) on the election of NeuCourt on maturity of the Note, or (iii) an election of Mentor following NeuCourt's election to prepay the Note. NeuCourt is a Delaware corporation that is developing a technology that is expected to be useful in the cannabis space.

Liquidity and Capital Resources

The Company's future success is dependent upon its ability to make a return on our investments to generate positive cash flow and to obtain sufficient capital from non-portfolio-related sources. Management believes they can raise the appropriate funds needed to support their business plan and develop an operating, cash flow positive company.

Critical Accounting Policies

<u>Basis of presentation</u>

The Company's consolidated financial statements include majority owned subsidiaries of 51% or more. The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. All material intercompany balances and transactions have been eliminated in consolidation.

<u>Concentrations of cash</u>

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.

<u>Cash and cash equivalents</u>

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, 2016 and 2015.

<u>Accounts receivable</u>

Customer accounts receivable are classified as current assets and are carried at original invoice amounts less an estimate for doubtful receivables based on a review of all outstanding amounts on a monthly basis. The estimate of allowance for doubtful accounts is based on the Company's bad debt experience, market conditions, collateral available, 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, 2016 and 2015, the Company has recorded an allowance in the amount of $33,837 and $15,310, respectively.

Other current receivables

CCH loaned the funds received from Mentor to Market Trend Analytics, LLC ("MTA"), in anticipation of investing in a cannabis related operation that was never consummated, see Note 22. CCH had recorded receivables for amounts advanced to two managing members of MTA which did not bear interest and had current maturities at December 31, 2015. The Company is uncertain whether it will be able to collect the receivables from the two managing members and fully impaired the receivables in the second quarter of 2016. The total other current receivable was $0 and $19,459 at December 31, 2016 and 2015, respectively.

Convertible notes receivable

The Company has a convertible note receivable from Electrum Capital Partners, LLC that is recorded at the principal face amount of $100,000 plus accrued interest of $6,874 and $7,772 at December 31, 2016 and 2015, respectively. The note matures March 12, 2022 and bore interest at 5% per annum from March 12, 2014 to September 12, 2015, at which time the interest increased to 10% annual interest. The note calls for monthly interest payments of $898 through March 12, 2017 after which monthly payments of principal and interest will be $2,290 until the note matures. The conversion price is the note balance plus any accrued interest at conversion date. The conversion percentage is (conversion price divided by (conversion price plus $1.9 million)).

The Company has a convertible note receivable from NeuCourt, Inc., which it entered into on November 8, 2016, that is recorded at the principal face amount of $25,000 plus accrued interest of $181 at December 31, 2016. The note bears 5% interest and matures on November 8, 2018. No payments are required prior to maturity. Principal and unpaid interest may be converted into a blend of shares of a to-be-created series of Preferred Stock, and Common Stock, of NeuCourt (defined as "Conversion Shares") (i) on closing of a future financing round of at least $750,000, (ii) on the election of NeuCourt on maturity of the Note, or (iii) an election of Mentor following NeuCourt's election to prepay the Note. The Conversion Price for the Note is 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 issued on conversion shall be 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 shall consist 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. Using the valuation cap of $3,000,000, the Note would today convert into 128,583 Conversion Shares. In the event of a Corporate Transaction prior to repayment or conversion of the Note, the Company shall receive back two times its investment, plus all accrued unpaid interest. NeuCourt is a Delaware corporation that is developing a technology that is expected to be useful in the cannabis space.

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.

Investment in account receivable, net of discount

The Company invested $90,000 for an account receivable and promissory note in the amount of $117,000 on July 8, 2014 which was due on or before January 15, 2015. The note was paid and extinguished in March 2015. On April 10, 2015, the Company entered into an exchange agreement whereby the Company received an investment in account receivable with installment payments of $117,000 per year through 2026 for an aggregate of $1,287,000 in exchange for 757,059 shares of Mentor Common Stock obtained through exercise of Series D warrants at $1.60 per share. At the election of the shareholder the shareholder can return 313,820 shares of Common Stock in exchange for each of the $117,000 payments due on or about January 2018, 2019, 2020, and 2021. The shareholder may make this election between June and December 2017.

The investments were recorded at face value with an offsetting discount at the time of purchase or exchange. The discount is amortized to interest income over the term of the notes.

Note receivable – MicroCannaBiz and member

Mentor converted all amounts previously invested in MCB to a note receivable on April 27, 2015, as provided in the funding agreement with MCB. At December 31, 2016 and 2015, the note has been entirely impaired.

Property, equipment and machinery

Property, equipment and machinery are recorded at cost. Depreciation is computed on the straight-line and declining balance methods over the estimated useful lives of various classes of property ranging from 3 to 7 years.

Database and website costs at December 31, 2015 related to development of CAST's website and webcast subscriber base and was being amortized over 2 years upon launch of the website.

Expenditures for renewals and betterments are capitalized and maintenance and repairs are charged to expense. Upon retirement or sale, the cost of assets disposed and the accumulated depreciation is removed from the accounts. The resulting gain or loss is credited or charged to income.

Goodwill

Goodwill of $1,324,142 was derived from consolidating WCI effective January 1, 2014, see Note 18, and $102,040 of goodwill related to the 1999 acquisition of a 50% interest in WCI. In addition, Goodwill of $466,765 was recorded on the April 20, 2015 acquisition of CAST, see Note 19. The Company accounts for its Goodwill in accordance with FASB Accounting Standards Codification 350, Intangibles – Goodwill and Other, which requires 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. Goodwill impairment tests consist of a comparison of each reporting unit's fair value with its carrying value. Impairment exists when the carrying amount of goodwill exceeds the implied fair value for each reporting unit. 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 require significant judgment and are subject to change as future events and circumstances change. Actual results may differ from assumed and estimated amounts. Management determined that no impairment write-downs were required as of December 31, 2016. Due to the fact that CAST operating results were less than anticipated from the acquisition date, April 20, 2015, through December 31, 2015, we evaluated the CAST goodwill for impairment. Based on 2015 operating results and our revised projection of discounted cash flow we impaired the CAST goodwill in its entirety at December 31, 2015, see Note 19. On March 1, 2016, the Company entered into a Mutual Termination Agreement and General Release in which that certain Purchase Agreement and the Convertible Security Agreement between Mentor and the prior owner of CAST were cancelled and terminated, resulting in a spinoff of CAST assets and liabilities to the prior CAST owner.

Revenue recognition

The Company recognizes revenue in accordance with ASC 605 "Revenue Recognition". The Company records revenue under each contract once persuasive evidence of an agreement exists, delivery has occurred or services have been rendered, the fee is fixed or determinable and collectability is reasonably assured. Service fees are generated by WCI for monthly services performed to reduce customer's trash related costs. Service fees are invoiced and recognized as revenue in the month services are performed. Revenue from consulting agreements is recognized at the time the related services are provided as specified in the related consulting agreements. Webcast revenue was generated by CAST in providing web-based presentations and was recognized at the time presentations were completed.

Basic and diluted income (loss) per common share

Basic net income (loss) per common share (EPS) is computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS adjusts basic net income (loss) per common share, computed using the treasury stock method, for the effects of potentially dilutive common shares, if the effect is not antidilutive. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock warrants. Diluted EPS excludes all dilutive potential shares if their effect is antidilutive. Outstanding warrants that had no effect on the computation of dilutive weighted average number of shares outstanding as their effect would be antidilutive were approximately 8,900,000 and 13,400,000 as of December 31, 2016 and 2015, respectively. There were 4,500 and 4,500 potentially dilutive shares outstanding at December 31, 2016 and 2015, respectively.

Income taxes

We utilize the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statement carrying amounts and tax basis of assets and liabilities using enacted tax rates in effect for years in which the temporary differences are expected to reverse. A valuation is provided when it is more likely than not that some portion or all of a deferred tax asset will not be realized.

Generally accepted accounting principles provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management considers the likelihood of changes by taxing authorities in its filed income tax returns and recognizes a liability for or discloses potential changes that management believes are more likely than not to occur upon examination by tax authorities.

Management has not identified any uncertain tax positions in filed income tax returns that require recognition or disclosure in the accompanying financial statements. The Company's income tax returns for the past three years are subject to examination by tax authorities, and may change upon examination. The Company recognizes interest and penalties, if any, related to unrecognized tax benefits in interest expense.

Advertising and promotion

The Company expenses advertising and promotion costs as incurred. Advertising and promotion costs were $17,534 and $56,097 for the years ended December 31, 2016 and 2015, respectively.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying disclosures. Although these estimates are based on management's best knowledge of current events and actions the Company may undertake in the future, actual results ultimately may differ from these estimates.

Fair value measurements

The Fair Value Measurements and Disclosure Topic defines fair value as the exchange price that would be received for 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 establish 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.

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 notes receivable is based on the net present value of calculated interest and principle 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 principle 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.

Recent Accounting Standards

The Company has implemented all new accounting pronouncements that are in effect. These pronouncements did not have any material impact on the financial statements and the Company does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

Results of Operations for the year ended December 31, 2016 compared to the year ended December 31, 2015:

Revenues

We had revenue of $2,761,245 and gross profit of 976,085 (35.4% gross profit) for the year ended December 31, 2016 versus revenue of $2,561,758 and gross profit of $996,347 (38.9% gross profit) for the year ended December 31, 2015, an increase in revenue of $199,487 and a decrease in gross profit of ($20,262). WCI service fee revenue in 2016 increased by $276,962 with an increase in gross profit of $49,716. Revenue from CAST in 2016 was $450 with gross loss of ($239) compared to $92,889 with gross profit of $84,703 in 2015. In addition we recognized consulting revenue of $20,000 in 2016 compared to $69,432 in 2015 and other revenue of $608 in 2016 compared to $0 in 2015.

Selling, general and administrative expenses

Our selling, general and administrative expenses for the year ended December 31, 2016 was $1,872,059 compared to $1,768,560 for the year ended December 31, 2015, an increase of $103,499. The increase was due to an increase in business and life insurance of $12,933, an increase in bad debt expense of $21,376, an increase in management fees of $45,000, an increase in shareholder services costs of $3,120, an increase in communication costs of $11,345, an increase in legal fees of $21,087, an increase in travel costs of $3,468, an increase in salary and related costs of $20,785, and an increase in other selling, general and administrative expenses of $20,836, which was partially offset by a decrease in dues and membership fees of ($3,905), a decrease in outside services of ($4,391), a decrease in advertising costs of ($38,562), and a decrease in depreciation and amortization expense of ($9,593).

Other income and expense

Other income and expense, net, totaled $52,633 for the year ended December 31, 2016 compared to $10,581 for the year ended December 31, 2015, an increase of $42,052. The increase was from an increase in interest income of $39,786, a goodwill impairment charge in 2015 of $466,765 with no corresponding charge in 2016, a loss on the write off of the MCB note in 2015 of $76,010 that had no corresponding charge in 2016, a $89,169 decrease in loss on investments in 2016, an increase in gain on equipment disposal of $11,568 and an increase in other income of $8,718. The increases were partially offset by an increase in interest expense of ($24,993), a decrease in gain on convertible security valuation in 2015 of ($589,611) with no corresponding gain in 2016, a decrease in 2015 gain on conversion of investment in MCB note receivable of ($35,360) with no corresponding gain in 2016.

Net results

The net result for the year ended December 31, 2016 was a loss of $858,113 or $0.048 per Mentor common share compared to a loss of $799,868 or $0.051 per Mentor common share for the year ended December 31, 2015. Management will continue to make an effort to lower operating expenses and increase revenue and gross margin. The Company will continue to look for acquisition opportunities to expand its portfolio in the cannabis industry in companies that are positive for operating revenue or have the potential to become positive for operating revenue.

Changes in cash flows

At December 31, 2016 we had cash of $1,311,338 and working capital of $1,520,930. Operating cash outflows during 2016 were ($370,176), inflows from investing activities were $91,471, and inflows from financing activities were $1,516,364. We are evaluating various options to raise additional funds, including loans.

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, 2016, we had cash of $1,311,338 and a working capital of $1,529,930. Operating cash outflows in the year ended December 31, 2016 were ($370,176), including ($855,141) of net loss less non-cash amortization of discount on investment in account receivable of ($103,414), less gain on equipment disposal of ($11,568), less accrued investment interest income of ($24,283), offset by depreciation and amortization of $25,761, bad debt expense of $37,986, loss on disposal of Investor Webcast assets and liabilities of $345, realized investment loss of 21,944, and changes in other operating assets of $538,194.

Net cash inflows in 2016 from investing activities were $91,471 including $22,913 proceeds from sale of property and equipment, $28,669 proceeds from securities sold, $26,000 proceeds from investment in receivable and $44,678 proceeds from note receivable, offset by ($30,239) purchase of property and equipment and ($550) cash paid at Investor Webcast, LLC disposition.

Net inflows from financing activities in 2016 of $1,516,364 of which $1,442,962 were the net proceeds received from exercise of warrants, $100,000 was proceeds from sale of restricted Common Stock, $25,000 was received from short-term loans from related parties, $139,143 were proceeds from long-term debt, less repayment on short-term loans from related parties of ($25,000), payment on line of credit of ($70,000), payments on long-term debt of ($72,104), and distributions to a non-controlling shareholder of ($23,637). We will be required to raise additional funds through financing, additional collaborative relationships or other arrangements until we are able to raise revenues to a point of positive cash flow. We believe our existing available resources will be sufficient to satisfy our funding requirements for 20 to 24 months.

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 120,000) 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 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 1% partial redemption authorization has been recalculated and repeated according to the court formula at an average exercise price of $0.32 thru December 31, 2016. In the Company's October 7, 2016 press release, Mentor stated that the 1% redemptions which were formerly priced on a calendar month schedule would subsequently be initiated and be priced on a random date schedule after the prior 1% redemption is completed to prevent potential third party manipulation of share prices at month-end. The periodic partial redemptions will continue to be recalculated and repeated until such unexercised warrants are exhausted or the partial redemption is otherwise truncated by the Company. During 2016 shareholders requested to participate in the partial redemption as designees and exercised 4,503,346 outstanding Series D warrants for an aggregate exercise price of $1,442,962 plus warrant redemption fees of $451,335. During 2015 shareholders requested to participate in the partial redemption as designees and exercised 1,037,971 outstanding Series D warrants for an aggregate exercise price of $322,249 plus warrant redemption fees of $103,797. We believe that if such redemptions and exercise continue, partial warrant redemptions will provide monthly cash in excess of what is required for monthly operations for an extending period of time while we are exploring other major sources of funding for further acquisitions.

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.

The full text of the Company’s audited consolidated financial statements for fiscal years ended December 31, 2016 and 2015, begins on page F-1 of this Annual Report.

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

There have been no changes in or disagreements with accountants on accounting and financial disclosure.

Item 9A. Controls and Procedures.

(a) Evaluation of disclosure controls and procedures

Management, with the participation of our chief executive officer and chief 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 resources 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 chief financial officer concluded that, as of December 31, 2016, 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 chief 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.

There have been no changes in internal control over financial reporting in the years ended December 31, 2016 and 2015.

(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 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 to 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 chief financial officer, conducted an evaluation of the effectiveness of the Company's internal control over financial reporting based on the framework in 1992 *Internal Control – Integrated Framework* 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, 2016.

Item 9B. Other Information.

None

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Our executive officers and directors, and their respective ages, as of December 31, 2016 are as follows:

Name	Age	Position
Chet Billingsley	64	President and Chief Executive Officer, and Chairman of the Board of Directors
Lori Stansfield	57	Chief Financial Officer, Treasurer and Director
Robert B. Meyer	77	Secretary and Director
Stan Shaul	52	Director
Earl Kornbrekke	74	Director

Chet Billingsley, has been our Chief Executive Officer since 1994 and founded the private company predecessor of the Company in 1985. 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 and briefly was 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, with concurrent study at Harvard Business School and at MIT. Mr. Billingsley worked at General Electric from January 1979 to June 1985. An avid business writer, Mr. Billingsley's most recent feature is "In Defense of Business Ethics" in Management Today.

Lori J. Stansfield, CPA, has been our Chief Financial Officer since May 27, 2014. On April 9, 2015 Lori was appointed as a director and named as Treasurer. For the six years prior to joining Mentor, Lori 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 Masters 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.

Stan Shaul, was our Treasurer from November 24, 1998 until April 9, 2015. Stan is the president of SportsClix, Inc. that he founded and incorporated on November 15, 1999. As a business founder and significant Company shareholder he brings business understanding, insight, and shareholder interest to his Board deliberations. He graduated with a Bachelor's degree in Mathematics and Computer Science from UCLA. Mr. Shaul has no affiliated or conflicting outside business interests.

Robert B. Meyer, Director, has been the founder, publisher and editor of Barter News since 1979, and of the monthly newsletter, The Competitive Edge, since 2003. More recently, he authored the 532-page Barter News FastStart Barter Program. As a business founder Mr. Meyer brings his vast knowledge and business understanding to Board discussions. Mr. Meyer is 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 has no affiliated or conflicting outside business interests.

Earl Kornbrekke, Director, has been a retired investor during the last five years. Earlier in his career he was a computer engineer for Tandem computers, now a division of Hewlett Packard, from 1982 to 1994 in charge of international installations of systems related to ATM networks, banks, stock exchanges, and similar commercial transaction processing applications. Mr. Kornbrekke founded and operated a regional vending business, called Main Street Vending which he sold in the 1990s. As a senior business founder and longtime Company shareholder he brings continuity and senior business understanding to Board discussions. He was the largest investor in the Company during its first decade. Mr. Kornbrekke has no affiliated or conflicting outside business interests.

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 historic 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 board of director 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, Compensation, or Nominating Committees and Conflicts of Interest

The Board does not have an audit committee or compensation committee comprised of independent directors, the functions that would have been performed by such committees are performed by our directors as a whole. The Board of Directors has not established an audit committee in accordance with section 3(a)(58)(A) of the Exchange Act but does have a financial expert on the Board. 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 in early stages of developing a portfolio of cannabis investments, 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, nominations, and audit issues that may affect management decisions. The Board intends to nominate an audit committee in the first half of 2017 as the Company prepares its application for OTCQX status.

We do not have a policy regarding the consideration of any director candidates which 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 never received a recommendation from any stockholder for any candidate to serve on our Board. 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 has responsibility 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 corporate objectives and strategies, and evaluates significant policies and proposed 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. As part of the financial statement audit, the auditors are required to communicate with the Board by written communication. The Board discusses the audited financial statements with management.

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. The CEO's compensation has not been changed by the Board since 2000. Prior to any future change in compensation for any officer of the Company that is also a Board member, a compensation committee that excludes such officer will be formed.

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 acts as the Company's Secretary and lead independent director. Mentor has determined that its leadership structure is appropriate as Mentor is still in the early stages of developing a cannabis portfolio and Mr. Billingsley is the most familiar with the cannabis industry. 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 to 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 consents of the Board. Such actions 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 and Lori Stansfield, all directors are independent directors under the adopted definition of independence from the NASDAQ Marketplace Rule 4200(a)(15). The directors are all shareholders of the Company.

Mentor held four meetings of the Board of Directors in 2016 and four meetings of the Board of Directors in 2015. All directors attended each of the meetings.

Section 16(A) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires our executive officers and directors, and persons who own more than ten percent of a registered class of our equity securities, file reports of ownership and changes in ownership with the SEC. Executive officers, directors and greater-than-ten percent stockholders are required by SEC regulations to furnish us with all Section 16(a) forms they file. All of our executive officers, directors, and greater-than-ten percent stockholders have complied with Section 16(a) filing requirements by timely filing Forms 4 during the last fiscal year.

Code of Ethics

The Company has published an ethics statement on its website for more than a decade. This long standing guidance for a formal Code of Ethics does not include all requirements of Section 406. The Company's CEO believes in a long-term guiding ethical principle to act in the best interest of the owners of the Company, its shareholders, by surrounding himself with Board members who are Mentor shareholders and who understand the concerns of both the shareholders and the Company. We also intend to be as transparent as possible in updating our shareholders as to what Mentor is doing and what it plans to do in the future. We intend to give a uniform flow of information, sufficient to judge the long-term value of the business, but won't overburden the business or shareholders with massive, but immaterial, disclosures.

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, each other executive officer serving as such whose annual compensation exceeded $100,000 and up to two additional individuals for whom disclosure would have been made in this table but for the fact that the individual was not serving as an executive officer of our company at December 31, 2016. The value attributable to any option awards, if any, is computed in accordance with FASB ASC 718 *Share-Based-Payment* ("ASC 718").

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 Chairman and Chief Executive Officer	2016	120,000[(1)]	0	0	0	0 [(3)]	0	4,250 [(2)]	124,250
	2015	120,000[(1)]	0	0	0	0 [(3)]	0	4,500 [(2)]	124,500
Lori Stansfield Chief Financial Officer and Treasurer[(4)]	2016	120,000	0	0	0	0	0	4,250[(5)]	124,250
	2015	120,000	0	0	0	0	0	3,000[(5)]	123,000

(1) Base annual salary for the Chief Executive Officer of $104,000 per year plus $12,000 vacation pay and $4,000 sick pay has not changed from the amount set by the court in the 1998 Chapter 11 bankruptcy document.

(2) Mr. Billingsley received compensation for his service as a member of Mentor's Board of Directors. Mr. Billingsley was paid $1,000 for each of four Board Meetings he attended in 2015 and $250 each for additional services provided to the Company related to written resolutions. Mr. Billingsley was paid $1,000 each for four Board Meetings he attended in 2016 and $250 for additional services provided to the Company related to written resolutions.

(3) The CEO will be paid an incentive fee and a bonus which are payable in cash upon merger, resignation or termination or 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 reorganization, which was approximately $260,000. The bonus is 0.5% of the increase in market capitalization for each $1.00 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 reorganization. This incentive was authorized in 1998 and confirmed in 2000 under the Company's Plan of Reorganization.

(4) Ms. Stansfield joined Mentor as its Chief Financial Officer on May 27, 2014. On April 9, 2015, Ms. Stansfield was appointed a Director of the Company and named the Company Treasurer.

Ms. Stansfield received $1,000 for each of three board meetings she attended in 2015. Ms. Stansfield received $1,000 for each of four board meetings she attended in 2016 and $250 for additional services provided to the Company related to written resolutions.

Director Compensation

The following table sets forth information concerning the compensation of directors of Mentor, other than Chet Billingsley and Lori Stansfield, for the year ended December 31, 2016.

Name and Principal Position	Fees Earned or Paid In Cash ($)(1)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Nonqualified Deferred Compensation ($)	All Other Compensation ($)	Total ($)
Stan Shaul	$5,000(1)	0	0	0	0	0	0	5,000
Robert B. Meyer	5,500(1)	0	0	0	0	0	0	5,500
Earl Kornbrekke	5,000(1)	0	0	0	0	0	0	5,000

(1) Each director is paid $1,000 for attendance at regular quarterly Board meetings. During 2016 Mentor Board of Directors were paid for four board meetings held in 2016 and one board meeting for 2015 which was paid in 2016. Mr. Meyer was also paid $500 for additional services provided to the Company as Secretary.

Mentor does not currently have any equity incentive plan in place for officers, directors, or employees.

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, as of March 15, 2016, 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 22, 2017 which was 22,350,152.

Title of Security	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage of Class
Common Stock	Chet Billingsley PO Box 1709 Ramona, CA 92065	6,737,170(1, 2)	22.90%(7)
Common Stock	Stan Shaul 2586 Claybourne Court Newbury Park, CA 91320	234,971(3)	0.80%(8)
Common Stock	Robert B. Meyer 24446 Caswell Court Laguna Niguel, CA 92677	1,313,784(4)	4.47%(8)
Common Stock	Earl Kornbrekke 81738 Avenida Estuco Indio, CA 92203	196,114(5)	0.67%(8)
Common Stock	Lori Stansfield PO Box 1709 Ramona, CA 92065	204,222(6)	0.69%(8)
Common Stock	Directors and Officers as a group	8,686,261	29.53%(9)

(1) 132,500 of Mr. Billingsley's shares of Common Stock are held in a 10b5-1 Plan under third party control to preclude any directed share sales by him when non-public information is known. Mr. Billingsley's set sales orders under the 10b5-1 Plan are less than 16,000 shares per week which is less than 1% of the weekly trade volume for the Company's shares. Sales under the 10b5-1 plan were initiated on August 15, 2016 at which time the closing share price for Mentor stock was $0.30 and sales have continued through the filing of this report. The closing share price for Mentor shares at March 22, 2017 was $2.40. His remaining shares are held in certificate form outside of a brokerage account and are not immediately available for sale.

(2) In addition to 4,594,986 shares of Common Stock, Mr. Billingsley also holds 2,137,684 Series D warrants exercisable at $1.60 per share and 4,500 Series B warrants exercisable at $0.11 per share. As of the date of this Annual Report on Form 10-K Mr. Billingsley has not exercised any of these Series B or D warrants.

(3) In addition to 12,074 shares of Common Stock, Mr. Shaul also holds 222,897 Series D warrants exercisable at $1.60 per share. As of the date of this Annual Report on Form 10-K Mr. Shaul has not exercised any Series D warrants.

(4) In addition to 874,829 shares of Common Stock, Mr. Meyer also holds 438,955 Series D warrants exercisable at $1.60 per share. As of the date of this Annual Report on Form 10-K Mr. Meyer has not exercised any Series D warrants.

(5) Mr. Kornbrekke holds 196,114 Series D warrants exercisable at $1.60 per share. As of the date of this Annual Report on Form 10-K Mr. Kornbrekke has not exercised any Series D warrants originally held or redeemed as a designee except as follows. In March 2015, Mr. Kornbrekke redeemed as a designee and then exercised 2,804 unexercised Series D warrants by paying the $0.10 per share redemption fee and $0.435 per share exercise price associated with the February 2015 partial warrant redemption described in Item 6.

(6) In addition to 14,222 shares of Common Stock, Ms. Stansfield holds 190,000 Series D warrants exercisable at $1.60 per share. In March 2017, Ms. Stansfield exercised 10,000 Series D warrants by paying the exercise price of $1.60 per share. In March 2015, Ms. Stansfield redeemed as a designee and then exercised 2,000 unexercised Series D warrants by paying the $0.10 per share redemption fee and $0.435 per share exercise price associated with the February 2015 partial warrant redemption, described in Item 6. On June 4, 2015, Ms. Stansfield redeemed as a designee and then exercised 2,222 Series D Warrants by paying the $0.10 per share redemption fee and $0.35 per share exercise price associated with the June 2015 partial redemption.

(7) The Percentage of Class ownership of Mr. Billingsley is calculated based on the total number of outstanding shares of Common Stock (22,350,152), Series B warrants (4,500) and Series D warrants (7,058,971).

(8) The Percentage of Class ownership of Mr. Shaul, Mr. Meyer, Mr. Kornbrekke, and Ms. Stansfield is calculated based on the total number of outstanding shares of Common Stock (22,350,152) and Series D warrants (7,058,971).

(9) Calculated based on the revised 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 D warrants.

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

Except as disclosed below, between January 1, 2015 and December 31, 2016, 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 and Chairman of the Board of Directors of the Company. Ms. Stansfield acts as both the Chief Financial Officer and Treasurer of the Board of Directors of the Company. Mr. Meyer acts as the Company's Secretary but is not paid for his role and is not a Company employee. With the exception of Mr. Billingsley and Ms. Stansfield, all directors are independent directors under the adopted definition of independence from the NASDAQ Marketplace Rule 4200(a)(15). The directors are all shareholders of the company.

Item 14. Principal Accounting Fees and Services.

The following table summarizes the fees, as applicable, of BF Borgers CPA PC, our independent auditor for the fiscal years ended December 31, 2016 and 2015. Income tax returns for both years was prepared by Poortinga Accountancy Corporation.

Fee Category		2016		2015
Audit Fees (1)	$	45,900	$	47,027
Audit-Related Fees (2)	$	-	$	-
Tax Return Fees (3)	$	3,455	$	2,110
All Other Fees (4)	$	-	$	-

(1) Audit fees includes 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 not 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 2016 or 2015.

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

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

Our Board has adopted a procedure for pre-approval of all fees charged by our independent auditors. Under the procedure, 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 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 2016 and 2015 were pre-approved by the entire Board.

PART IV

Item 15. Exhibits, Financial Statement Schedules

Exhibits

See Exhibit Index which follows Signatures and immediately precedes the exhibits filed with this report.

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, 2016 on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized.

Mentor Capital, Inc.

Date: March 23, 2017

By: *<u>/s/ Chet Billingsley</u>*
Chet Billingsley, Chairman and Chief Executive Officer

Date: March 23, 2017

By: *<u>/s/ Lori Stansfield</u>*
Lori Stansfield, Director and Chief Financial Officer

<u>Directors</u>

Date: March 23, 2017

By: *<u>/s/ Stan Shaul</u>*
Stan Shaul
Director

Date: March 23, 2017

By: *<u>/s/ Earl Kornbrekke</u>*
Earl Kornbrekke
Director

Date: March 23, 2017

By: *<u>/s/ Robert Meyer</u>*
Robert Meyer
Director

Item 15(a)(3). 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).
11.1	Statement regarding computation of earnings per share (Incorporated by reference to Exhibit 11 to our Registration Statement on Form 10 filed with the SEC on November 19, 2014.)
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 Chief 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 Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101	Interactive Data Files

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MENTOR CAPITAL, INC.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have audited the accompanying consolidated balance sheets of Mentor Capital, Inc. ("the Company") as of December 31, 2016 and 2015 and the related statements of operations, other comprehensive income, stockholders' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statement referred to above present fairly, in all material respects, the financial position of Mentor Capital, Inc., as of December 31, 2016 and 2015, and the results of its operations and its cash flows for the years then ended, in conformity with generally accepted accounting principles in the United States of America.

The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the Company's internal control over financial reporting. Accordingly, we express no such opinion.

/s/ B F Borgers CPA PC

B F Borgers CPA PC
Lakewood, CO
March 23, 2017

	2016	2015
ASSETS		
Current assets		
Cash and cash equivalents	$ 1,311,338	$ 73,679
Accounts receivable, net	381,404	360,841
Other receivables	-	19,459
Prepaid expenses and other current assets	42,863	21,120
Investments in securities, at fair value	-	37,500
Investment in accounts receivable, current portion, net of discount	-	92,542
Convertible notes receivable, current portion	12,951	-
Employee advances	700	3,677
Total current assets	1,749,256	608,818
Convertible notes receivable, net of current portion	119,104	107,772
Property and equipment		
Property and equipment	215,034	236,453
Accumulated depreciation and amortization	(178,482)	(189,713)
Property and equipment, net	36,552	46,740
Other assets		
Investment in account receivable, net of discount and current portion	481,987	520,031
Receivable - Bhang Corporation	1,500,000	1,500,000
Deposits	9,575	9,575
Long term investments	55,943	55,943
Goodwill	1,426,182	1,426,182
Total other assets	3,473,687	3,511,731
Total assets	$ 5,378,599	$ 4,275,061

See accompanying Notes to Financial Statements

	2016	2015
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 25,572	$ 118,922
Accrued expenses	165,528	195,566
Deferred revenue	-	866
Line of credit	-	70,000
Current portion of long term debt	28,226	10,841
Total current liabilities	219,326	396,195
Long-term liabilities		
Accrued salary, retirement and incentive fee - related party	1,038,378	484,372
Long term debt, net of current portion	69,266	19,612
Total long-term liabilities	1,107,644	503,984
Total liabilities	1,326,970	900,179
Commitments and Contingencies	-	-
Shareholders' equity		
Preferred stock, $0.0001 par value, 5,000,000 shares authorized; no shares issued and outstanding	-	-
Common stock, $0.0001 par value, 75,000,000 shares authorized; 20,980,510 and 16,254,941 shares issued and outstanding at December 31, 2016 and December 31, 2015	2,098	1,625
Additional paid in capital	9,565,695	8,023,206
Accumulated deficit	(5,310,082)	(4,451,969)
Accumulated other comprehensive income (loss), net of tax	-	(12,563)
Non-controlling interest	(206,082)	(185,417)
Total shareholders' equity	4,051,629	3,374,882
Total liabilities and shareholders' equity	$ 5,378,599	$ 4,275,061

See accompanying Notes to Financial Statements

Mentor Capital, Inc.
Consolidated Income Statements
For The Years Ended December 31, 2016 and 2015

	2016	2015
Revenue		
Service fees	$ 2,740,187	$ 2,463,225
Webcast revenue	450	23,457
Consulting revenue	20,000	69,432
Other revenue	608	5,644
Total revenue	2,761,245	2,561,758
Cost of sales	1,785,160	1,565,411
Gross profit	976,085	996,347
Selling, general and administrative expenses	1,872,059	1,768,560
Operating income (loss)	(895,974)	(772,213)
Other income and (expense)		
Interest income	114,836	75,050
Interest expense	(40,625)	(15,632)
Gain on convertible security valuation	-	589,611
Goodwill impairment	-	(466,765)
Gain on conversion of investment in MicroCannaBiz to note receivable	-	35,360
Loss on write off of MicroCannaBiz note receivable and accrued interest	-	(76,010)
Gain (loss) on investments	(42,289)	(131,458)
Gain (loss) on equipment disposal	11,568	-
Other income (expense)	9,143	425
Total other income and (expense)	52,633	10,581
Income (loss) before provision for income taxes	(843,341)	(761,632)
Provision for income taxes	11,800	3,163
Net income (loss)	(855,141)	(764,795)
Gain (loss) attributable to non-controlling interest	2,972	35,073
Net income (loss) attributable to Mentor	$ (858,113)	$ (799,868)
Basic and diluted net income (loss) per Mentor common share:		
Basic and diluted	$ (0.048)	$ (0.051)
Weighted average number of shares of Mentor common stock outstanding:		
Basic and diluted	17,695,152	15,537,163

See accompanying Notes to Financial Statements

Mentor Capital, Inc.
Consolidated Statements of Comprehensive Income
For The Years Ended December 31, 2016 and 2015

		2016		2015
Net loss	$	(855,141)	$	(764,795)
Other comprehensive income (loss):				
Net losses reclassified from AOCI to net income		12,563		(12,563)
Comprehensive income	$	(842,578)	$	(777,358)

See accompanying Notes to Financial Statements

Mentor Capital, Inc.
Consolidated Statements of Changes in Shareholders' Equity (Deficit)
For The Years Ended December 31, 2016 and 2015

	Controlling interest								
	Common stock					Accumulated			
	Shares	no par	$0.001 par	Additional paid in capital	Accumulated equity (deficit)	Other Comprehensive Income	Total	Non-controlling equity (deficit)	Totals
Balance at December 31, 2014	14,486,047	$ 7,001,908	$ -	$ 234,731	$ (3,652,101)	$ -	$ 3,584,538	$ (205,298)	$ 3,379,240
Conversion of warrants to common stock, net of conversion costs	1,038,987	313,406	23	18,820	-	-	332,249	-	332,249
Non-cash conversion of warrants for investment in accounts receivable	757,059	471,647	-	-	-	-	471,647	-	471,647
Shares retired	(27,152)	(15,704)	-	-	-	-	(15,704)	-	(15,704)
Non-controlling distribution	-	-	-	-	-	-	-	(33,970)	(33,970)
Effect on non-controlling deficit from disposition of MicroCannaBiz	-	-	-	-	-	-	-	18,778	18,778
Effect of re-incorporation in Delaware at $0.0001 par value on September 24, 2015	-	(7,771,257)	1,602	7,769,655	-	-	-	-	-
Other comprehensive (loss), net of tax	-	-	-	-	-	(12,563)	(12,563)	-	(12,563)
Net income (loss)	-	-	-	-	(799,868)	-	(799,868)	35,073	(764,795)
Balance at December 31, 2015	16,254,941	-	1,625	8,023,206	(4,451,969)	(12,563)	3,560,299	(185,417)	3,374,882
Conversion of warrants to common stock, net of conversion costs	4,503,346	-	451	1,442,511	-	-	1,442,962	-	1,442,962
Private placement of unregistered common stock, October 31, 2016	222,223	-	22	99,978	-	-	100,000	-	100,000
Non-controlling distribution	-	-	-	-	-	-	-	(23,637)	(23,637)
Other comprehensive income, net of tax	-	-	-	-	-	12,563	12,563	-	12,563
Net income (loss)	-	-	-	-	(858,113)	-	(858,113)	2,972	(855,141)
Balance at December 31, 2016	20,980,510	$ -	$ 2,098	$ 9,565,695	$ (5,310,082)	$ -	$ 4,257,711	$ (206,082)	$ 4,051,629

See accompanying Notes to Financial Statements

Mentor Capital, Inc.
Consolidated Statements of Cash Flows
For The Years Ended December 31, 2016 and 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ (855,141)	$ (764,795)
Adjustments to reconcile net income (loss) to net cash provided by (used by) operating activities:		
Depreciation and amortization	25,761	35,355
Amortization of discount on investment in account receivable	(103,414)	(67,470)
Bad debt expense	37,986	16,610
Loss on disposal of Investor Webcast, LLC assets & liabilities	345	-
Gain on equipment disposal	(11,568)	-
Change in accrued investment interest income	(24,283)	(2,830)
Investment loss	21,944	156,372
Gain on conversion of investment in MicroCannaBiz to note receivable	-	(35,360)
Impairment of MicroCannaBiz note receivable	-	74,000
Goodwill impairment	-	466,765
Gain on convertible security valuation	-	(589,611)
Decrease (increase) in operating assets		
Accounts receivable - trade	(39,280)	(69,470)
Prepaid expenses and other current assets	(24,628)	37,035
	1,965	(1,177)
Employee advances		
Other assets	-	1,000
Increase (decrease) in operating liabilities		
Accounts payable	75,399	53,337
Accrued expenses	(29,618)	(78,802)
Deferred revenue	(20,650)	866
Accrued salary, retirement and benefits - related party	554,006	135,683
Net cash provided by (used by) operating activities	(370,176)	(632,492)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(30,239)	(18,021)
Proceeds from sale of property and equipment	22,913	
Securities purchased	-	(1,060)
Proceeds from securities sold	28,669	8,014
Cash paid at Investor Webcast disposition	(550)	-
Receipt of investment in receivable	26,000	117,000
Proceeds from note receivable	44,678	-
Other receivable advance	-	(116,859)
Investment in MicroCannaBiz	-	(2,000)
Net cash provided by (used by) investing activities	91,471	12,926

See accompanying Notes to Financial Statements

		2016		2015
CASH FLOWS FROM FINANCING ACTIVITIES:				
Warrants converted to common stock, net of costs	$	1,442,962	$	332,250
Common stock repurchased and retired		-		(15,705)
Proceeds from private placement of unregistered common stock		100,000		-
Short term loan from related parties		25,000		-
Repayment on short term loan from related parties		(25,000)		-
Borrowing (payment) on line of credit		(70,000)		10,000
Proceeds from long-term debt		139,143		-
Payments on long-term debt		(72,104)		(19,707)
Proceeds from convertible security		-		120,000
Non-controlling interest distribution		(23,637)		(33,969)
Net cash provided by (used by) financing activities		1,516,364		392,869
Net change in cash		1,237,659		(252,549)
Beginning cash		73,679		326,228
Ending cash	$	1,311,338	$	73,679
SUPPLEMENTARY INFORMATION:				
Cash paid for interest	$	41,134	$	15,505
Cash paid for income taxes	$	3,000	$	800
NON-CASH INVESTING AND FINANCING TRANSACTION:				
Shareholder assumption of warrant liability resulting in increased liability to shareholder	$	(194,550)	$	(105,197)
Investment in account receivable, net of discount, via issuance of shares	$	-	$	471,647
Other non-cash settlement of account payable				
Assignment of current portion of investment in accounts receivable	$	117,000	$	-
Assignment of note receivable		46,322		-
	$	163,322	$	-

See accompanying Notes to Financial Statements

Note 1 - Nature of operations

Corporate Structure Overview Since 1985

Mentor Capital, Inc. ("Mentor" or "the Company"), which reincorporated under the laws of the State of Delaware in late 2015, was founded as an investment partnership in Silicon Valley, California by the current CEO in 1985 and was originally 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. 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. On June 30, 2015, a vote of the holders of a majority of outstanding shares entitled to vote approved an Agreement and Plan of Merger providing for the merger of Mentor with Mentor Delaware and in which Mentor Delaware was the surviving entity. The merger was approved by the California and Delaware Secretaries of State, and became effective September 24, 2015, thereby establishing Mentor as a Delaware corporation.

Current Business (2008 - 2016)

Since the August 2008, name change back to Mentor Capital, Inc., the Company's common stock has traded publicly under the trading symbol OTCQB: MNTR.

In 2009, the Company began focusing its investing activities in leading edge cancer companies. In 2012, in response to government limitations on reimbursement for highly technical and expensive cancer treatments and a resulting business decline in the cancer development sector, the Company decided to exit that space. In the summer of 2013 the Company was asked to consider investing in a medical marijuana related project with a cancer focus. On August 29, 2013, the Company made a decision to divest of its cancer assets and focus future investments in the cannabis and medical marijuana sector.

Mentor has a 51% interest in Waste Consolidators, Inc. ("WCI"). WCI was incorporated in Colorado in 1999 and operates in Arizona and Texas. It is a legacy investment which was acquired prior to the Company's current focus on the cannabis sector and is included in the consolidated financial statements presented.

On February 18, 2014, the Company signed an agreement to purchase a 51% interest in MicroCannaBiz, LLC ("MCB"), for \$200,000, see Note 11. MCB is a Limited Liability Company organized in Florida in January 2014 which began operations in June 2014. MCB provides cannabis and marijuana related private companies, investors and microcap issuers with information resources including client company specific publications, directories, and continuing education courses. On April 27, 2015, Mentor converted its equity contribution of \$74,000 to a ten year note receivable from MCB and MCB's remaining member as provided in the funding agreement, see Note 11. The Company was not successful in collecting on the note receivable and after consultation with collection attorneys, the note was impaired in its entirety in November 2015.

On February 28, 2014, the Company entered into an agreement to purchase 60% of the outstanding shares of Bhang Corporation, formerly known as Bhang Chocolate Company, Inc. ("Bhang"), which was ultimately rescinded. Following arbitration, on December 29, 2016, Mentor obtained a judgment against Bhang in the United States District Court for the Northern District of California. The judgment is comprised of \$1,500,000 invested by Mentor into Bhang plus pre-judgment interest in the amount of \$421,534.62. The judgment also accrues post-judgment interests at the rate of 10% from December 29, 2016 until such time as the judgment is paid in full. Amounts paid to Bhang is reported as Receivable from Bhang Chocolate Company in the consolidated balance sheets at December 31, 2016 and 2015. Interest receivable is fully reserved at December 31, 2016 and 2015 pending the outcome of the Company's collection process.

On April 20, 2015, the Company acquired 100% of a Georgia sole proprietorship, dba Investor Webcast ("CAST") valued at \$469,611 in exchange for 4,696 to-be-created Series B convertible preferred shares of Mentor. On May 7, 2015, Mentor formed

Note 1 - Nature of operations (continued)

a Delaware limited liability company subsidiary, Investor Webcast, LLC, to hold the assets of CAST. CAST provides cannabis related private companies, investors and microcap issuers with investor information through webcasts, conferences, email and an evolving mix of media products, investment publications, industry financial research, and by other means. After one year, the to-be-created Series B convertible preferred shares could be converted, in steps or in whole, into shares of Mentor common stock. The to-be-created Series B convertible preferred shares were to convert to shares of Mentor's common stock based on the conversion formula applied to operating results for the preceding four calendar quarters, as defined in the Purchase Agreement (as defined below). Due to low revenue and a net loss experienced by CAST in 2015, as well as revised cash projections for the future 5 years, the fair value of the convertible security liability at December 31, 2015 was $0.

On March 1, 2016, the Company entered into a Mutual Termination Agreement and General Release in which the certain Investor Webcast – Mentor Capital Cannabis Owners Public Liquidity Agreement effective April 20, 2015 (the "Purchase Agreement") and the Convertible Security Agreement between Mentor and the prior owner of CAST were cancelled and terminated, resulting in a disposition of CAST assets and liabilities by the Company. Pursuant to Section 3 of the Purchase Agreement, the CAST owner was to receive Mentor shares according to Mentor's conversion formula specified in the agreement. However, the CAST business did not evolve as quickly as CAST owners expected and the result of the conversion formula was a negative number less than zero at the time of the termination. Therefore, the parties by mutual consent dissolved their relationship. The CAST prior owner received assets valued at $7,408, assumed liabilities of $17,587 and received $500 in cash. Mentor forgave an intercompany note receivable from CAST of $23,225, direct intercompany charges of $10,284, and $17,043 of intercompany overhead receivable from CAST. Two prior employees were also paid $50 each.

On June 25, 2015, the Company formed Canyon Crest Holdings, LLC ("CCH), a Delaware limited liability company and a wholly owned subsidiary of Mentor. CCH was formed to provide management services to the rapidly evolving cannabis sector. Services to be provided may include but are not limited to: 1) Branding, marketing, administrative and consulting services; 2) Compliance and legal services; and 3) accounting and financial services. There have been no operations in CCH during 2016. Operations of CCH are included in consolidated financial statements from the date of inception (June 25, 2015) through December 31, 2015.

On August 21, 2015, Mentor entered into an agreement with an individual known to CCH operating management by which the individual purchased to-be-created Mentor Series C convertible preferred shares for $120,000. After one year, the to-be-created Series C convertible preferred shares could have been converted, in steps or in whole, into Mentor common shares. At the time of the agreement, Mentor was awaiting state approval of its reincorporation under the laws of the State of Delaware and the Series C convertible preferred shares had not yet been created. Therefore, upon Mentor's receipt of the invested amount, a convertible security was issued to the purchaser which could be converted to Mentor Series C convertible preferred shares once the preferred shares were created. Mentor loaned the $120,000 to CCH for investment into another entity, however, due to internal disagreement between the startup entity's managers, the planned startup operation has been discontinued. Due to the fact that the planned operation has been discontinued, the fair value of the convertible security liability is $0 at both December 31, 2016 and 2015. In March 2016 the Company designated the individual investor as holder of 120,000 of Mentor's unexercised Series D warrants, exercisable at $1.60 plus the $0.10 warrant fee.

Mentor IP, LLC (MCIP)

On April 18, 2016, the Company formed Mentor IP, LLC ("MCIP"), a South Dakota limited liability company and wholly owned subsidiary of Mentor. MCIP was formed to hold the patent rights obtained on April 4, 2016 when Mentor Capital, Inc. entered into that certain "Larson - Mentor Capital, Inc. Patent and License Fee Facility with Agreement Provisions for an -- 80% / 20% Domestic Economic Interest -- 50% / 50% Foreign Economic Interest" with R. L. Larson and Larson Capital, LLC ("MCIP Agreement"). Pursuant to the MCIP Agreement, MCIP obtained rights to an international patent application for foreign THC and CBD cannabis vape pens under the provisions of the Patent Cooperation Treaty of 1970, as amended. On approval of the United States patent application, MCIP intends to seek exclusive licensing rights in the United States for THC and CBD cannabis vape pens for various THC and CBD percentage ranges and concentrations.

Note 2 - Summary of significant accounting policies

Basis of presentation

The Company's consolidated financial statements include majority owned subsidiaries of 51% or more. The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. All material intercompany balances and transactions have been eliminated in consolidation.

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, 2016 and 2015.

Accounts receivable

Customer accounts receivable are classified as current assets and are carried at original invoice amounts less an estimate for doubtful receivables based on a review of all outstanding amounts on a monthly basis. The estimate of allowance for doubtful accounts is based on the Company's bad debt experience, market conditions, collateral available, 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, 2016 and 2015, the Company has recorded an allowance in the amount of $33,837 and $15,310, respectively.

Other current receivables

CCH loaned the funds received from Mentor to Market Trend Analytics, LLC ("MTA"), in anticipation of investing in a cannabis related operation that was never consummated, see Note 22. CCH had recorded receivables for amounts advanced to two managing members of MTA which did not bear interest and had current maturities at December 31, 2015. The Company is uncertain whether it will be able to collect the receivables from the two managing members and fully impaired the receivables in the second quarter of 2016. The total other current receivable was $0 and $19,459 at December 31, 2016 and 2015, respectively.

Convertible notes receivable

The Company has a convertible note receivable from Electrum Capital Partners, LLC that is recorded at the principal face amount of $100,000 plus accrued interest of $6,874 and $7,772 at December 31, 2016 and 2015, respectively. The note matures March 12, 2022 and bore interest at 5% per annum from March 12, 2014 to September 12, 2015, at which time the interest increased to 10% annual interest. The note calls for monthly interest payments of $898 through March 12, 2017 after which monthly payments of principal and interest will be $2,290 until the note matures. The conversion price is the note balance plus any accrued interest at conversion date. The conversion percentage is (conversion price divided by (conversion price plus $1.9 million)).

Note 2 - Summary of significant accounting policies (continued)

Convertible notes receivable (continued)

The Company has a convertible note receivable from NeuCourt, Inc., which it entered into on November 8, 2016, that is recorded at the principal face amount of $25,000 plus accrued interest of $181 at December 31, 2016. The note bears 5% interest and matures on November 8, 2018. No payments are required prior to maturity. Principal and unpaid interest may be converted into a blend of shares of a to-be-created series of Preferred Stock, and common stock, of NeuCourt (defined as "Conversion Shares") (i) on closing of a future financing round of at least $750,000, (ii) on the election of NeuCourt on maturity of the Note, or (iii) an election of Mentor following NeuCourt's election to prepay the Note. The Conversion Price for the Note is 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 issued on conversion shall be 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 shall consist 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. Using the valuation cap of $3,000,000, the Note would today convert into 128,583 Conversion Shares. In the event of a Corporate Transaction prior to repayment or conversion of the Note, the Company shall receive back two times its investment, plus all accrued unpaid interest. NeuCourt is a Delaware corporation that is developing a technology that is expected to be useful in the cannabis space.

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.

Investment in account receivable, net of discount

The Company invested $90,000 for an account receivable and promissory note in the amount of $117,000 on July 8, 2014 which was due on or before January 15, 2015. The note was paid and extinguished in March 2015. On April 10, 2015, the Company entered into an exchange agreement whereby the Company received an investment in account receivable with installment payments of $117,000 per year through 2026 for an aggregate of $1,287,000 in exchange for 757,059 shares of Mentor Common Stock obtained through exercise of Series D warrants at $1.60 per share.

The investments were recorded at face value with an offsetting discount at the time of purchase or exchange. The discount is amortized to interest income over the term of the notes.

Note receivable – MicroCannaBiz and member

Mentor converted all amounts previously invested in MCB to a note receivable on April 27, 2015, as provided in the funding agreement with MCB. At December 31, 2016 and 2015, the note has been entirely impaired.

Property, equipment and machinery

Property, equipment and machinery are recorded at cost. Depreciation is computed on the straight-line and declining balance methods over the estimated useful lives of various classes of property ranging from 3 to 7 years.

Database and website costs at December 31, 2015 related to development of CAST's website and webcast subscriber base and was being amortized over 2 years upon launch of the website.

Note 2 - Summary of significant accounting policies (continued)

Property, equipment and machinery (continued)

Expenditures for renewals and betterments are capitalized and maintenance and repairs are charged to expense. Upon retirement or sale, the cost of assets disposed and the accumulated depreciation is removed from the accounts. The resulting gain or loss is credited or charged to income.

Goodwill

Goodwill of $1,324,142 was derived from consolidating WCI effective January 1, 2014, see Note 18, and $102,040 of goodwill related to the 1999 acquisition of a 50% interest in WCI. In addition, Goodwill of $466,765 was recorded on the April 20, 2015 acquisition of CAST, see Note 19. The Company accounts for its Goodwill in accordance with FASB Accounting Standards Codification 350, Intangibles – Goodwill and Other, which requires 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. Goodwill impairment tests consist of a comparison of each reporting unit's fair value with its carrying value. Impairment exists when the carrying amount of goodwill exceeds the implied fair value for each reporting unit. 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 require significant judgment and are subject to change as future events and circumstances change. Actual results may differ from assumed and estimated amounts. Management determined that no impairment write-downs were required as of December 31, 2016. Due to the fact that CAST operating results were less than anticipated from the acquisition date, April 20, 2015, through December 31, 2015, we evaluated the CAST goodwill for impairment. Based on 2015 operating results and our revised projection of discounted cash flow we impaired the CAST goodwill in its entirety at December 31, 2015, see Note 19. On March 1, 2016, the Company entered into a Mutual Termination Agreement and General Release in which the certain Investor Webcast – Mentor Capital Cannabis Owners Public Liquidity Agreement effective April 20, 2015 (the "Purchase Agreement") and the Convertible Security Agreement between Mentor and the prior owner of CAST were cancelled and terminated, resulting in a spinoff of CAST assets and liabilities to the prior CAST owner.

Revenue recognition

The Company recognizes revenue in accordance with ASC 605 "Revenue Recognition". The Company records revenue under each contract once persuasive evidence of an agreement exists, delivery has occurred or services have been rendered, the fee is fixed or determinable and collectability is reasonably assured. Service fees are generated by WCI for monthly services performed to reduce customer's trash related costs. Service fees are invoiced and recognized as revenue in the month services are performed. Revenue from consulting agreements is recognized at the time the related services are provided as specified in the related consulting agreements. Webcast revenue was generated by CAST in providing web-based presentations and was recognized at the time presentations were completed.

Basic and diluted income (loss) per common share

Basic net income (loss) per common share (EPS) is computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS adjusts basic net income (loss) per common share, computed using the treasury stock method, for the effects of potentially dilutive common shares, if the effect is not antidilutive. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock warrants. Diluted EPS excludes all dilutive potential shares if their effect is antidilutive. Outstanding warrants that had no effect on the computation of dilutive weighted average number of shares outstanding as their effect would be antidilutive were approximately 8,900,000 and 13,400,000 as of December 31, 2016 and 2015, respectively. There were 4,500 and 4,500 potentially dilutive shares outstanding at December 31, 2016 and 2015, respectively.

Note 2 - Summary of significant accounting policies (continued)

Income taxes

We utilize the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statement carrying amounts and tax basis of assets and liabilities using enacted tax rates in effect for years in which the temporary differences are expected to reverse. A valuation is provided when it is more likely than not that some portion or all of a deferred tax asset will not be realized.

Generally accepted accounting principles provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management considers the likelihood of changes by taxing authorities in its filed income tax returns and recognizes a liability for or discloses potential changes that management believes are more likely than not to occur upon examination by tax authorities.

Management has not identified any uncertain tax positions in filed income tax returns that require recognition or disclosure in the accompanying financial statements. The Company's income tax returns for the past three years are subject to examination by tax authorities, and may change upon examination. The Company recognizes interest and penalties, if any, related to unrecognized tax benefits in interest expense.

Advertising and promotion

The Company expenses advertising and promotion costs as incurred. Advertising and promotion costs were $17,534 and $56,097 for the years ended December 31, 2016 and 2015, respectively.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying disclosures. Although these estimates are based on management's best knowledge of current events and actions the Company may undertake in the future, actual results ultimately may differ from these estimates.

Fair value measurements

The Fair Value Measurements and Disclosure Topic defines fair value as the exchange price that would be received for 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 establish 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.

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

Note 2 - Summary of significant accounting policies (continued)

Fair value measurements (continued)

The fair value of long-term notes payable is based on the net present value of calculated interest and principle 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.

Recent Accounting Standards

The Company has implemented all new accounting pronouncements that are in effect. These pronouncements did not have any material impact on the financial statements and the Company does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

Note 3 – Prepaid expenses and other assets

Prepaid expenses and other assets consist of the following at December 31, 2016 and 2015:

	2016	2015
Prepaid insurance	$ 3,784	$ 3,555
Other prepaid costs	39,079	17,565
	$ 42,863	$ 21,120

Note 4 – Bhang Corporation (formerly known as Bhang Chocolate Company, Inc.) and Judgment

On January 17, 2014, the Company transitioned out of its cancer related trading dormancy by announcing its first cannabis sector letter of intent amidst significantly increased share volume and price. The Company entered into an agreement with Bhang Chocolate Company, Inc., the predecessor in interest to Bhang Corporation (together "Bhang"), effective February 28, 2014. As part of that agreement, which was ultimately rescinded, Mentor delivered $1,500,000 to Bhang which Bhang refused to return following rescission of the agreement. Following arbitration of the dispute, on December 29, 2016, Mentor obtained a judgment in the amount of $1,921,534 against Bhang Corporation and its predecessor in interest, Bhang Chocolate Company, Inc., in the United States District Court for the Northern District of California. The judgment accrues interest at the rate of 10% from December 29, 2016 until such time as the judgment is satisfied. See Notes 20 and 23. Accrued interest receivable is fully reserved at December 31, 2016 and 2015 and the Company is analyzing its ability to collect the interest on this award and subsequent judgement. Mentor intends to vigorously pursue collection of the entire $1,500,000 plus all accrued interest. The receivable and accrued interest consists of the following at December 31, 2016 and 2015:

	2016	2015
Receivable from Bhang Chocolate Company	$ 1,500,000	$ 1,500,000
Accrued interest	422,588	263,890
Total	1,922,588	1,763,890
Reserve pending collection efforts	(422,588)	(263,890)
Receivable from Bhang Chocolate Company	$ 1,500,000	$ 1,500,000

As part of the judgment Bhang owners, Scott Van Rixel and Richard Sellers, who together purchased 117,000 shares pursuant to the Bhang Agreement have the option to return all or part of those shares in exchange for payment of the original purchase price of $1.95 per share plus a pro-rata amount of $58,568 in interest for such returned shares. Mentor will account for the return of the shares as a capital transaction if and when the shares are remitted back to the Company.

Note 5 – Investment in account receivable

On July 8, 2014, the Company invested $90,000 in an account receivable with a face value of $117,000 which was supported by a promissory note maturing January 15, 2015. The note was paid and extinguished in March 2015.

On April 10, 2015, the Company entered into an exchange agreement whereby the Company received an investment in an account receivable with installment payments of $117,000 per year for 11 years totaling $1,287,000 in exchange for 757,059 shares of Mentor Common Stock obtained through exercise of Series D warrants at $1.60 per share. The Counterparty to the exchange agreement may elect to partially rescind the exchange at any time after June 1, 2017 and ending on the earlier of (i) December 1, 2017, and (ii) two weeks following the date on which the Counterparty receives notice from Mentor that Mentor's warrant holders have been notified that they have approximately 30 days left to exercise Mentor warrants. The partial rescission election may be exercised for all or part of 313,820 of the Mentor shares exchanged for all or part of the installment payments due in or around January of each of 2018, 2019, 2020 and 2021. At this time management cannot determine the likelihood of a partial rescission. No adjustment has been made to the estimated present value or shares for this contingency.

The Company valued the transaction based on the market value of Company common shares exchanged in the transaction, resulting in a 17.87% discount from the face value of the account receivable. The discount is being amortized monthly to interest over the 11 year term of the agreement.

The April 10, 2015 investment in account receivable is supported by an exchange agreement and consisted of the following at December 31, 2016 and 2015:

		2016		2015
Face value	$	1,053,000	$	1,287,000
Unamortized discount		(571,013)		(674,427)
Net balance		481,987		612,573
Current portion *		-		(92,542)
Long term portion	$	481,987	$	520,031

* The 2016 installment receivable was exchanged with a third party as payment for service on December 13, 2016 and therefore there is no current balance due at December 31, 2016.

For the years ended December 31, 2016 and 2015, $103,413 and $67,470 of discount amortization is included in interest income.

Note 6 - Property and equipment

Property and equipment is comprised of the following at December 31, 2016 and 2015:

		2016		2015
Computers	$	22,251	$	21,813
Furniture and fixtures		23,043		21,139
Machinery and vehicles		169,740		189,335
Capitalized website costs		-		1,166
Capitalized database costs		-		3,000
		215,034		236,453
Accumulated depreciation and amortization		(178,482)		(189,713)
Net Property and equipment	$	36,552	$	46,740

Depreciation and amortization expense was $25,762 and $35,355 for the years ended December 31, 2016 and 2015, respectively.

Note 7 – Convertible notes receivable

Convertible notes receivable consists of the following at December 31, 2016 and 2015:

	2016	2015
March 12, 2014 Electrum Partners, LLC convertible note receivable including accrued interest of $6,874 and $7,772, respectively. The note bore interest at 5% per annum, compounded monthly for the period from March 12, 2014 to September 12, 2015, at which point the interest increased to 10% annual interest, compounded monthly until maturity or until it is converted to shares of equity in Electrum. There were no payments required under the note for the period from March 12, 2014 to October 12, 2015; from October 12, 2015 to March 12, 2017 interest only payments are required; and from March 12, 2017 through March 12, 2022 payments of principal and interest in the amount of $2,289.83 are required. Mentor has the option to convert the note plus any accrued interest or fees into shares of equity in Electrum at any time prior to its maturity. *	$ 106,874	$ 107,772
NeuCourt, Inc. convertible note receivable including accrued interest of $182 at December 31, 2016. The note bears interest at 5% per annum and matures November 8, 2018. Principal and accrued interest are due at maturity. Principal and unpaid interest may be converted into shares of a to-be-created series of Preferred Stock of NeuCourt (i) on closing of a future financing round of at least $750,000, (ii) on the election of NeuCourt on maturity of the Note, or (iii) on election of Mentor following NeuCourt's election to prepay the Note. **	25,181	-
Total convertible notes receivable	132,055	107,772
Less current portion	(12,951)	-
Long term portion	$ 119,104	$ 107,772

* The conversion price is the Electrum Partners, LLC note balance plus any accrued interest at conversion date. The conversion percentage is (conversion price divided by (conversion price plus $1.9 million)).

** The Conversion Price for the Note is 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 issued on conversion shall be 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 shall consist 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. Using the valuation cap of $3,000,000, the Note would today convert into 128,583 Conversion Shares. In the event of a Corporate Transaction prior to repayment or conversion of the Note, the Company shall receive back two times its investment, plus all accrued unpaid interest.

Note 8 – Investments and fair value

We account for our financial assets in accordance with ASC 820, *Fair Value Measurement*. This standard defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. The fair value measurement disclosures are grouped into three levels based on valuation factors: Level 1 represents assets valued at quoted prices in active markets using identical assets; Level 2 represents assets valued using significant other observable inputs, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other observable inputs; and, Level 3 represents assets valued using significant unobservable inputs.

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

	Fair Value Measurement Using			
	Unadjusted Quoted Market Prices (Level 1)	Quoted Prices for Identical or Similar Assets in Active Markets (Level 2)	Significant Unobservable Inputs (Level 3)	Significant Unobservable Inputs (Level 3)
	Equity Securities	Other investment	Equity Options	Equity Funding Agreements
Balance at December 31, 2014	$ 5,832	$ 10,260	$ -	$ 55,943
Total gains or losses				
Included in earnings (or changes in net assets)	(11,442)	(10,260)	(49,834)	-
Purchases, issuances, sales, and settlements				
Purchases	1,061	-	-	-
Issuances	50,063	-	49,834	-
Sales	(8,013)	-	-	-
Settlements	-	-	-	-
Balance at December 31, 2015	37,500	-	-	55,943
Total gains or losses				
Included in earnings (or changes in net assets)	(8,831)	-	-	(20,000)
Purchases, issuances, sales, and settlements				
Purchases	-	-	-	-
Issuances	-	-	-	50,000
Sales	(28,669)	-	-	-
Settlements	-	-	-	(30,000)
Balance at December 31, 2016	$ -	$ -	$ -	$ 55,943

Note 9 - Common stock warrants

The Company's Plan of Reorganization, which was approved by the United States Bankruptcy Court for the Northern District of California on January 11, 2000, provided for the creditors and claimants to receive new warrants in settlement of their claims. The warrants expire May 11, 2038.

Note 9 - Common stock warrants (continued)

Each warrant is callable by the Company if the share price exceeds the exercise price by the lesser of $1 or 100%. The warrant holders have a minimum of 30 calendar days during which to exercise their warrants once they are called. The Company may lower the exercise price of all or part of a warrant series at any time. Similarly, the Company could, but does not anticipate, reverse splitting 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 as discussed further in Note 10. All such changes in the exercise price of warrants were provided for by the court in the Plan of Reorganization in order to provide a mechanism for all debtors to receive value even if they could not or did not exercise their warrant. Therefore, management believes that the act of lowering the exercise price is not a change from the original warrant grants and the Company has not recorded an accounting impact as the result of such change in exercise prices.

All Series A and Series C warrants were exercised by December 31, 2014. Exercise prices in effect at January 1, 2015 through December 31, 2016 for Series B warrants were $0.11 and Series D warrants were $1.60.

In 2009, the Company entered into an Investment Banking agreement with Network One Securities, LLC and a related Strategic Advisory Agreement with Lenox Hill Partners, LP 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. 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, 2016 and 2015 the weighted average contractual life for all Mentor warrants was 21.5 and 22.4 years, respectively, and the weighted average outstanding warrant exercise price was $2.02 and $1.88 per share, respectively.

During the years ended December 31, 2016 and 2015, a total of 4,503,346 and 1,795,030 warrants were exercised, respectively. There were no warrants issued during the years ended December 31, 2016 and 2015. The intrinsic value of outstanding warrants at December 31, 2016 and 2015 was $4,275 and $720, respectively.

The following table summarizes Series B and Series D Common Stock warrants as of each period:

	Series B	Series D	B, D Total Warrants
Outstanding at December 31, 2014	4,500	14,504,766	14,509,266
Issued	-	-	-
Exercised	-	(1,795,030)	(1,795,030)
Outstanding at December 31, 2015	4,500	12,709,736	12,714,236
Issued	-	-	-
Exercised	-	(4,503,346)	(4,503,346)
Outstanding at December 31, 2016	4,500	8,206,390	8,210,890

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.

Note 9 - Common stock warrants (continued)

The following table summarizes H warrants as of each period:

	Series H $7.00 exercise price
Outstanding at December 31, 2014	689,159
Issued	-
Exercised	-
Outstanding at December 31, 2015	689,159
Issued	-
Exercised	-
Outstanding at December 31, 2016	689,159

On February 9, 2015, in accordance with Section 1145 of the United States Bankruptcy Court and the Company's Plan of Reorganization, the Company announced a minimum 30 day partial redemption of up to 1% (approximately 120,000) 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 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 1% partial redemption authorization has been recalculated and repeated according to the court formula at an average exercise price of $0.32 thru December 31, 2016. In the Company's October 7, 2016 press release, Mentor stated that the 1% redemptions which were formerly priced on a calendar month schedule would subsequently be initiated and be priced on a random date schedule after the prior 1% redemption is completed to prevent potential third party manipulation of share prices at month-end. The periodic partial redemptions will continue to be recalculated and repeated until such unexercised warrants are exhausted or the partial redemption is otherwise truncated by the Company.

Note 10 - 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 per warrant 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 at their last known address 30 days after the last warrant of a class is exercised, or earlier at the discretion of the Company. The Company has arranged for a service to process the redemption fees in offset to an equal amount of liability. In prior years the Series A and Series C redemption fees have been distributed through DTCC into holder's brokerage accounts or directly to the holders and are no longer outstanding. Once the Series B and D warrants have been fully redeemed the fees for each of these warrant series will likewise be distributed. The President and CEO, Chet Billingsley has agreed to assume personal liability for paying the 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 liability to former holders from amounts due him which are sufficient to cover the redemption fee at December 31, 2016 and 2015.

Note 11 - Stockholders' equity

Common Stock

The Company was incorporated in California in 1994 and had a total of 400,000,000 shares of Common Stock, no par value, authorized at December 31, 2014. Effective September 24, 2015, Mentor was redomiciled as a Delaware corporation. Prior to the effective date of the merger between Mentor and Mentor Delaware, Mentor Delaware reduced the number of its authorized shares of Common Stock from 400,000,000 to 75,000,000, at $0.0001 par value. There was no change to the number of outstanding shares or warrants from redomiciling in Delaware. The holders of Common Stock are entitled to one vote per share on all matters submitted to a vote of the stockholders.

At the time Mentor was redomiciled as a Delaware corporation, the Common Stock was adjusted to $0.0001 per share par value and $7,769,655 of the Common Stock previously reported at no par value was reclassified to additional paid in capital. Additional paid in capital is referred to as surplus under the Delaware General Corporation Law.

On August 8, 2014, the Company announced that it was initiating the repurchase of approximately 2% of the Company's common shares outstanding at that time. As of December 31, 2016 and 2015, 44,748 and 44,748 shares have been repurchased and retired, respectively.

Preferred Stock

The Company had 100,000,000, no par, preferred shares authorized at December 31, 2014. Following redomicile of Mentor as a corporation under the laws of the State of Delaware, Mentor has 5,000,000, $0.0001 par value, preferred shares authorized effective September 24, 2015. No preferred shared are issued or outstanding.

Note 12 - Funding agreement with MicroCannaBiz, LLC, conversion to note receivable and subsequent write-off

The Company entered into a co-operative funding agreement with MCB that closed on February 18, 2014, to purchase up to a 51% interest in MCB. MCB provides cannabis and marijuana related private companies, investors and microcap issuers with information resources including client company specific publications, directories, and continuing education courses. MCB was to receive up to $200,000 in funding as Mentor received proceeds from warrant exercises. Allocation of funding to MCB was discretionary and could be reduced to $100,000 with no change in Mentor's ownership if Mentor was dissatisfied with MCB performance. On April 13, 2015 Mentor notified MCB that the funding would be reduced to $100,000. The Company had the right, in its sole discretion, to convert the paid portion of the $100,000 equity investment in MCB to a six percent (6%) ten-year note payable to Mentor by the remaining owner of MCB in 120 equal payments of principal and interest at any time. On April 27, 2015, Mentor notified MCB that $74,000 of funding previously paid to MCB would be converted to a ten year note receivable and further funding was truncated. This conversion resulted in a gain of $35,360 in the 2nd quarter of 2015. Subsequently, the Company evaluated the inability to collect the note receivable and, as a result, the $74,000 note was impaired in its entirety in the 4th quarter of 2015 along with $2,010 of accrued and unpaid interest on the note.

Upon conversion of the funding agreement to a note receivable the assets and liabilities of MCB were deconsolidated from December 31, 2015 consolidated financial statements as follows:

Accounts receivable	$	2,966
Fixed assets, net of $3,126 accumulated depreciation		21,881
Total assets	$	24,847
Accrued expenses	$	6,984
Non-controlling equity		(18,778)
Mentor equity		36,641
Total liabilities and equity	$	24,847

Note 13 - Lease commitments

Operating Leases

Mentor currently rents approximately 2,000 square feet of office space under a one year lease in Ramona, California in San Diego County. Rent expense for the years ended December 31, 2016 and 2015 were $28,400 and $24,495, respectively.

WCI rents approximately 3,000 of office and warehouse space in Tempe, Arizona under an operating lease expiring in January 2018. Rent expense for the year ended December 31, 2016 and 2015 was $26,732 and $26,160, respectively.

WCI leases vehicles under a master fleet management agreement with initial terms of 4 years expiring through July 2020. Vehicle lease expense of $173,853 and $123,567 is included in cost of sales in the consolidated income statement for the years ended December 31, 2016 and 2015, respectively.

WCI has two small operating leases on office equipment entered into in 2015 with terms of 5 years expiring in 2020.

The approximate remaining annual minimum lease payments under the non-cancelable operating leases existing as of December 31, 2016 with original or remaining terms over one year were as follows:

Years ending December 31,		Rental expense
2017	$	161,019
2018		86,363
2019		58,260
2020		17,786
	$	323,428

Note 14 - Deferred revenue

Deferred revenue represents revenue for which the Company has not yet performed services for but has received payment. At December 31, 2016 and 2015, the Company had unearned revenue of $0 and $866, respectively.

Note 15 - Income tax

The Company and its subsidiary, WCI, are taxed as C-Corporations for federal income tax purposes. CAST, MCB and CCH were LLCs which were disregarded entities for income tax purposes, therefore, CAST's, MCB's and CCH's taxable income or loss is reported by their respective shareholders.

The provision (benefit) for income taxes for the years ended December 31, 2016 and 2015 consist of the following:

	2016	2015
Current:		
Federal	$ -	$ -
State	10,400	3,163
	10,400	3,163
Deferred:		
Federal	237,100	364,700
State	61,800	83,000
Change in valuation	(298,900)	(447,700)
Total provision (benefit)	$ 10,400	$ 3,163

The Company has net deferred tax assets resulting from a timing difference in recognition of deferred revenue and from net operating loss carryforwards.

At December 31, 2016, the Company had approximately $5,200,000 of federal net operating loss carryforwards that begin expiring in 2032, $3,900,000 of California net operating loss carryforwards that begin expiring in 2022, and $1,700,000 of Arizona net operating loss carryforwards that begin expiring in 2027.

The income tax provision (benefit) differs from the amount computed by applying the US federal income tax rate of 34% to net income (loss) before income taxes for the years ended December 31, 2016 and 2015 as a result of the following:

	2016	2015
Net income (loss) before taxes	$ (802,341)	$ (761,632)
US federal income tax rate	34%	34%
Computed expected tax provision (benefit)	(272,796)	(258,955)
Permanent differences and other	35,696	(105,745)
Change in valuation	237,100	364,700
Federal income tax provision	$ -	$ -

The significant components of deferred income tax assets as of December 31, 2016 and 2015 after applying enacted corporate income tax rates are as follows:

	2016	2015
Net Operating Losses carried forward	$ 2,249,800	$ 1,967,000
Deferred officer bonus and other	204,800	118,700
Valuation allowance	(2,454,600)	(2,155,700)
	$ -	$ -

Note 16 - Long term debt and revolving line of credit

Long term debt

Long term debt at December 31, 2016 and 2015 consists of the following:

		2016		2015
Commercial credit agreement with Bond Street Servicing, LLC at 11.6% interest per annum, semi-monthly payments of $1,648, maturing October 16, 2019. Net of $3,723 loan service fee.	$	91,488	$	-
Two auto loans through Compass bank, interest at 7.99% per annum, monthly principle and interest payments of $538, maturing February 2016.		-		1,069
Auto loan through Hyundai Motor Finance, interest at 2.99% per annum, monthly principle and interest payments of $878, maturing December 2018.		6,004		29,384
Total notes payable		97,492		30,453
Less: Current maturities		(28,226)		(10,841)
	$	69,226	$	19,612

Commercial credit agreement with Bond Street Servicing, LLC

WCI entered into a commercial credit agreement with Bond Street Servicing, LLC for proceeds of $100,000 which were used to pay off WCI's revolving line of credit with Bank of America. WCI was charged a $4,000 loan service fee which is being amortized as additional interest over the life of the loan on a straight line basis. The unamortized loan service fee balance was $3,723 at December 31, 2016.

Revolving line of credit

WCI had a $75,000 unsecured revolving line of credit with Bank of America, with interest at the bank's prime rate plus 3% due monthly. The line of credit matured on September 4, 2016 and was due November 4, 2016. At December 31, 2016 and 2015, the Company had $0 and $70,000, respectively, outstanding on the line of credit. The line was secured by a personal guarantee of WCI's president. Interest on the line of credit for the years ended December 31, 2016 and 2015 was $3,472 and $3,853, respectively. On October 14, 2016, WCI paid the revolving line of credit in full.

Note 17 - Accrued salary, accrued retirement and related party incentive fee

As of December 31, 2016 and 2015, the Company had an outstanding liability to its Chief Executive Officer ("CEO") as follows:

	2016	2015
Accrued salaries and benefits	$ 759,701	$ 737,878
Accrued incentive fee and bonus	190,581	190,581
Accrued retirement and other benefits	457,079	448,415
Offset by shareholder advance	(368,983)	(892,502)
	$ 1,038,378	$ 484,372

The Company agreed to advance the CEO $944,000 against the accrued liabilities due him, in January 2014, to exercise additional warrants into shares to be used as collateral for a potential loan to the Company. The warrant exercise was a cashless transaction made solely for the benefit of the Company in its efforts to obtain financing.

After the warrants were exercised, the CEO put 100% of his shares owned, 5,000,486 shares, in an escrow which was to guarantee the potential loan. The loan was mutually rescinded on June 12, 2014, and the shares remained in escrow until March 28, 2016, at which time the CEO’s shares were removed from escrow and 135,000 shares were placed under a 10b5-1 Plan under third party control to preclude any directed share sales by him when non-public information is known. The CEO’s remaining shares are held in certificate form and are not held in any brokerage account for resale.

As provided by Board of Director resolution in 1998, the CEO will be paid an incentive fee and a bonus which are payable in cash upon merger, resignation or termination or 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 $1.00 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. The accrued incentive fee has not changed from the 2014 accrual of $190,581.

Note 18 – Related Party Loans

The Company borrowed $15,000 from an employee in January of 2016 at 10% interest for three months. The loan balance and accrued interest of $1,500 was repaid in April 2016. In addition, the Company’s CEO, Chet Billingsley loaned the Company $10,000 for three months with no interest. The loan from the Company’s CEO was also repaid in April 2016.

Note 19 – Patent and License Fee Facility with Larson

Effective April 4, 2016 Mentor Capital, Inc. entered into a certain "Larson - Mentor Capital, Inc. Patent and License Fee Facility with Agreement Provisions for an -- 80% / 20% Domestic Economic Interest -- 50% / 50% Foreign Economic Interest" agreement with R. L. Larson and Larson Capital, LLC (“Larson”). Under this agreement, Mentor’s subsidiary Mentor Capital IP, LLC (“MCIP”) obtained rights in an international patent application for foreign THC and CBD cannabis vape pens under the provisions of the Patent Cooperation Treaty of 1970, as amended. On approval of the United States patent application, MCIP intends to seek exclusive licensing rights in the United States for THC and CBD cannabis vape pens for various THC and CBD percentage ranges and concentrations. Per the agreement Mentor paid $25,000 in exchange for 15.7% of the domestic licensing rights and 41.4% of international licensing rights for the vape pens.

Note 20 – Consulting Agreement with Green Vision Systems, Corp.

On September 15, 2016, the Company entered into a consulting agreement with GVS, a Puerto Rico corporation. The Company received 500,000 to-be-registered shares of GVS Common Stock. The shares were recorded as an investment at cost based on the value of consulting services provided by the Company of $50,000. For the year ended December 31, 2016, the Company recognized $20,000 of consulting fees from this investment and deferred the remaining value against future consulting services. Mentor provided consulting services with regard to GVS's legal cultivation, manufacturing and transportation of medical cannabis products from GVS's planned state of the art facility in Puerto Rico, as well as associated hemp farming in this tropical setting. However, subsequent to year-end GVS management stated that they have another entity from which they will operate the Puerto Rico operations rather than GVS and they intend to register the shares from that entity rather than registering the GVS shares as agreed to in the Company's consulting agreement with GVS (See Note 26). The Company is uncertain whether it will receive benefit from its GVS shares and, due to this uncertainty, the GVS shares and related deferred revenue have been impaired in their entirety at December 31, 2016.

Note 21 – Liquidity Agreement for Purchase of Investor Webcast and Subsequent Termination

On April 20, 2015, the Company entered into an agreement to acquire 100% of CAST valued at $469,611 in exchange for 4,696 to-be-created Series B convertible preferred shares of Mentor. The purchase price was based on projected future earnings of CAST and discounted at 17.87% (the discount rate used for the 2015 investment in installment receivable described in Note 5).

After one year, the to-be-created Series B convertible preferred shares could be converted, in steps or in whole, into Mentor common shares. Due to Mentor's recent reincorporation in Delaware, the series B convertible preferred shares had not yet been created and therefore, a convertible security was issued to the prior owner of CAST which could be converted to Mentor Series B convertible preferred shares once they were created.

Purchase price allocation of CAST assets and liabilities:

CAST assets and liabilities:		
Current assets	$	106,305
Property and equipment		4,378
Current liabilities		(107,837)
Net equity		2,846
Goodwill		466,765
Purchase valuation based on projected future earnings using 17.87% discount rate	$	469,611

Actual operating results of CAST in future periods and the share price of Mentor common shares at the date of conversion would determine the number of common shares issued upon conversion of the Series B convertible preferred shares, in whole or in part. The conversion formula was to be evaluated in subsequent periods to determine if actual CAST operations result in a contingent asset or liability relating to the Series B convertible preferred shares. The Company evaluated CAST revenue and income for the period from the purchase date, April 20, 2015, to December 31, 2015 along with revised projections. The revenue and net loss realized in 2015 and the lower revised projections resulted in a fair value of $0 for the convertible security at December 31, 2015.

On March 1, 2016, the Company entered into a Mutual Termination Agreement and General Release in which the certain Investor Webcast – Mentor Capital Cannabis Owners Public Liquidity Agreement effective April 20, 2015 (the "Purchase Agreement") and the Convertible Security Agreement between Mentor and the prior owner of CAST were cancelled and terminated, resulting in a disposition of CAST assets and liabilities by the Company. Pursuant to Section 3 of the Purchase Agreement, the CAST owner was to receive Mentor shares according to Mentor's conversion formula specified in the Purchase Agreement. However, the CAST business has not evolved as quickly as CAST owners expected and the result of the conversion formula was a negative number less than zero at the time of the termination. Therefore, the parties by mutual consent dissolved their relationship.

Note 21 – Liquidity Agreement for Purchase of Investor Webcast, LLC and Subsequent Termination (continued)

The CAST prior owner received assets valued at $7,408, assumed liabilities of $7,063 as follows:

CAST assets and liabilities disposed:		
Liabilities:		
Accounts payable	$	5,427
Accrued expenses		420
Deferred revenue		1,216
Total liabilities transferred		7,063
Assets:		
Prepaid expenses		2,885
Accounts receivable, net of $10,000 allowance		190
Employee advance		1,013
Fixed assets, net of accumulated depreciation		3,320
Total assets disposed		7,408
Loss on disposition of assets and liabilities	$	(345)

Mentor forgave an intercompany note receivable from CAST of $23,225, direct intercompany charges of $10,284, and $17,043 of intercompany overhead receivable from CAST. In addition, Mentor paid $500 to the prior owner and $50 each to two prior employees.

Note 22 – Purchase Agreement for Preferred Security associated with Canyon Crest Holdings, LLC

On August 21, 2015, the Company entered into an agreement where it received $120,000 in exchange for 1,200 to-be-created Series C convertible preferred shares of Mentor. The proceeds were used in association with CCH.

After one year, the to-be-created Series C convertible preferred shares could have been converted, in steps or in whole, into Mentor common shares. The to-be-created Series C convertible preferred shares would have converted to common shares based on a formula related to recurring revenue and after tax profits. Due to Mentor's recent reincorporation in Delaware, the series C convertible preferred shares had not yet been created, therefore, a convertible security was issued to the investors which would have been converted to Mentor Series C convertible preferred shares once they were created.

Actual operating results of CCH in future periods and the share price of Mentor common shares at the date of conversion would determine the number of common shares issued upon conversion of the Series C convertible preferred shares, in whole or in part. The conversion formula was to be evaluated in subsequent periods to determine if actual CCH operations result in a contingent asset or liability relating to the Series C convertible preferred shares. CCH invested the funds received from Mentor in a startup entity that ultimately failed and there was $0 value to the convertible security at both December 31, 2016 and 2015.

The Company recorded a $120,000 gain on the decrease in the fair value of the convertible securities liability and a loss in investment of $97,400 in the fourth quarter of 2015.

In March 2016, the investor was designated as the holder of 120,000 already outstanding unexercised Series D warrants. Under the Plan of Reorganization referred to in Note 10, the Company or its designee may redeem warrants that are not exercised timely. These warrants may be exercised at the $1.60 per warrant exercise price plus a $0.10 warrant redemption fee.

Note 23 – Commitments and contingencies

On December 29, 2016, Mentor obtained a judgment in the amount of $1,921,534.62 against Bhang Corporation and its predecessor in interest, Bhang Chocolate Company, Inc., in the United States District Court for the Northern District of California related to an action filed by Mentor on August 11, 2014 seeking rescission of the February 28, 2014 co-operative funding agreement with Bhang Corporation ("Bhang Agreement") and return of the $1,500,000 paid by the Company to Bhang. The judgment accrues interest at the rate of 10% from December 29, 2016 until such time as the judgment is satisfied. Mentor intends to enforce this judgment. As part of the judgment Bhang owners, Scott Van Rixel and Richard Sellers, who together purchased 117,000 shares pursuant to the Bhang Agreement have the option to return all or part of those shares in exchange for payment of the original purchase price of $1.95 per share plus a pro-rata amount of $58,568.92 in interest for such returned shares. Mentor will account for the return of the shares as a capital transaction if and when the shares are remitted back to the Company. See Note 4 to consolidated financial statements.

In July 2015, Mentor was served with a complaint in an action in the United States District Court for the District of Utah initiated by the wife and daughter of Bhang's corporate counsel related to 75,000 shares of Mentor's Common Stock purchased from Bhang Corporation's CEO in a secondary sale. The shares purchased by plaintiffs are returnable to Mentor per the judgement awarded in the Bhang matter, above. Mentor was not a party to this transaction and intends to vigorously defend itself against all claims in this case. No trial date has currently been set in this action.

Mentor lawsuit seeking return of loan commitment fee

In March 2014, the Company paid $621,250, which represented 1.75% of a prospective loan amount, in refundable fees paid for credit default insurance to a third party as required by the lender on an international loan facility. The lender was unable to fund the loan and a cooperative exit from the loan commitment was agreed to by the parties on June 12, 2014. The lender released the requirement for credit default insurance and the insurance company and agreed to return the fee, however the refund was never received. On September 5, 2014, the Company filed suit in San Mateo County Superior Court against Wm. E. Fielding and Associates, Inc., the name of the account holder to whom the $621,250 was wired, for conversion and fraud seeking return of the $621,250 in credit insurance premiums that had been paid, had been promised to be returned, and which were not returned. Mentor obtained a judgment against Wm. E. Fielding and Associates, Inc. in the amount of $746,500 on March 1, 2016. The Company is assessing its ability to collect on the judgement and due to uncertainty surrounding collection, the Company has not reported a receivable on the balance sheets at December 31, 2016 and 2015. The $621,250 was expensed as loan costs in 2014.

Note 24 – Segment Information

The Company is operating an acquisition and investment business. Majority owned subsidiaries of 51% or more are consolidated. The Company has determined that there are two reportable segments; 1) the cannabis and medical marijuana segment which includes the receivable from Bhang of $1,500,000, the convertible notes receivable and accrued interest from Electrum and NeuCourt, and the operation of subsidiaries in the Cannabis and medical marijuana sector, and 2) the Company's legacy investment in WCI which works with business park owners, governmental centers, and apartment complexes to reduce their trash related operating costs. The Company also has certain small cancer related legacy investments and an investment in note receivable from a non-affiliated party that is included in the Corporate and Eliminations section below:

	Cannabis and Medical Marijuana Segment	Trash Management	Corporate and Eliminations	Consolidated
2016				
Net sales	$ -	$ 2,740,187	$ 21,058	$ 2,761,245
Operating income (loss)	(50,043)	34,485	(880,416)	(895,974)
Interest income	10,958	1	103,877	114,836
Interest expense	-	17,275	23,350	40,625
Total assets	1,632,055	1,119,407	2,627,137	5,378,599
Property additions	-	29,210	1,029	30,239
Depreciation and amortization	295	21,752	3,715	25,762
2015				
Net sales	$ 98,533	$ 2,463,225	$ -	$ 2,561,758
Operating income (loss)	(5,373)	122,488	(889,328)	(772,213)
Interest income	9,318	-	65,732	75,050
Interest expense	-	18,910	(3,278)	15,632
Total assets	1,673,616	1,131,481	1,469,964	4,275,061
Property additions	2,026	9,959	6,036	18,021
Depreciation and amortization	1,568	30,004	3,783	35,355

The following table reconciles operating segments and corporate-unallocated operating income (loss) to consolidated income before income taxes for the years ended December 31, 2016 and 2015, as presented in the consolidated income statements:

	2016	2015
Operating loss	$ (895,974)	$ (772,213)
Interest income	114,836	75,050
Interest expense	(40,625)	(15,632)
Decrease in fair value of convertible securities liability	-	589,611
Goodwill impairment	-	(466,765)
Gain on conversion of investment in MicroCannaBiz to note receivable	-	35,360
Loss on impairment of MicroCannaBiz note receivable and accrued interest	-	(76,010)
Realized gain (loss) on investments	(42,289)	(131,458)
Gain (loss) on equipment disposals	11,568	-
Other income	9,143	425
Income before income taxes	$ (843,341)	$ (761,632)

Note 25 – Accumulated other comprehensive income (loss)

The changes in the balances for accumulated other comprehensive income (loss) (“AOCI”) for the years ended December 31 were as follows:

	2016	2015
Marketable securities		
Beginning balance	$ (12,563)	$ -
Gains (losses) on available for sale securities	-	(12,563)
Less: Tax (tax benefit)	-	-
Net gains (losses) on available for sale securities	-	(12,563)
(Gains) Losses reclassified from AOCI to net income	12,563	-
Less: Tax (tax benefit)	-	-
Net gains (losses) reclassified from AOCI to net income	12,563	-
Other comprehensive income (loss), net of tax	12,563	(12,563)
Ending balance	$ -	$ (12,563)

Note 26 - Subsequent events

From January 1, 2017 through the March 22, 2017, the Company raised $1,765,733 from the exercise of warrants into Common Stock and $56,490 from warrant redemption fees at $0.10 per warrant from designees redeeming unexercised warrants that have been called but were not exercised timely.

In February 2017, the management of GVS stated that they have another entity from which they plan to operate their Puerto Rico operations and they intend to register shares from that entity rather than register the GVS shares they agreed to per the Company’s consulting agreement with GVS. The Company holds 500,000 shares in GVS, originally valued at $50,000, which have been fully impaired at December 31, 2016.

In March 2017, the Company invested $1,049,086 in GW Pharmaceuticals PLC Common Stock.

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 loaned G Farma an aggregate principal amount of $500,000 under two secured promissory notes, both of which bear interest at 7.42% per annum, with monthly payments beginning on April 15, 2017, and mature on April 15, 2022. The first promissory note in the amount of $120,000 is for the purchase of real estate, which is secured by a deed of trust on real property, and requires monthly payments of $1,107 beginning April 15, 2017 with a balloon payment of approximately $93,585 at maturity. The second promissory note in the amount of $380,000 is a working capital loan secured by all assets of G Farma and guaranteed by two owners of G Farma, which requires monthly payments of $3,505 with a balloon payment of approximately $296,352 at maturity.

Note 26 - Subsequent events (continued)

Associated with the Notes Purchase Agreement, on March 17, 2017, the Company and G Farma entered into a Rights Agreement which provides that G Farma will not register its stock in a public offering unless it obtains either (i) the written consent of the Company, or (ii) without written consent if G Farma issues to the Company shares of each class or series of G Farma stock then outstanding equal to 1.5% of each such number of shares, calculated on a full dilution full conversion basis.

In addition, on March 17, 1017, the Company entered into a Consulting Agreement with G Farma whereby the Company will receive a monthly consulting fee in arears of $1,400 per month beginning April 15, 2017 and continuing until the later of (i) 12 months, and (ii) the date on which G Farma has paid in full all obligations under the Notes Purchase Agreement.

On March 17, 2017, G Farma purchased 222,223 restricted shares of the Company's Common Stock in a private placement at a price of $2.25 per share, for an aggregate purchase price of $500,002 to be paid as follows: (i) Assignment to the Company of an interest, equal to the amount of the purchase price, in any and all civil forfeiture or similar recoveries received by, or due to, G Farma, or (ii) at any time before payment of the full purchase price from recovery, the Company may elect to have G Farma pay all or some of the purchase price on the date of the maturity of the promissory notes, described above under the Notes Purchase Agreement, or (iii) The Company may elect to have G Farma pay all or some of the purchase price by issuance to the Company of G Farma securities in aggregate amount equal to the purchase price as are offered to any other person (other than stock options offered to employees).

EXHIBIT 21

Mentor Capital, Inc. Subsidiaries

The companies listed below are the majority-owned subsidiaries of the registrant as of December 31, 2017.

Name of Subsidiary	% of ownership	State in which Incorporated
Waste Consolidators, Inc.	51%	Colorado
Canyon Crest Holdings, LLC	100%	Delaware
Mentor IP, LLC	100%	South Dakota

Exhibit 31.1

CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Chester Billingsley, certify that:

1. I have reviewed this annual report on Form 10-K 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)) 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) 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

   c) 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 23, 2017

/s/ CHET BILLINGSLEY
Chet Billingsley
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Lori Stansfield, certify that:

1. I have reviewed this annual report on Form 10-K 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)) 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) 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

   c) 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 23, 2017

/s/ LORI STANSFIELD
Lori Stansfield
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

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

I, Chester Billingsley, Chief Executive Officer of Mentor Capital, Inc. (Company), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- the Annual Report on Form 10-K of the Company for the year ended December 31, 2016 (Report) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date: March 23, 2017

/s/ CHET BILLINGSLEY
Chet Billingsley
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

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

I, Lori Stansfield, Chief Financial Officer of Mentor Capital, Inc. (Company), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- the Annual Report on Form 10-K of the Company for the year ended December 31, 2016 (Report) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date: March 23, 2017

/s/ LORI STANSFIELD
Lori Stansfield
Chief Financial Officer
(Principal Financial Officer)