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, 2023

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

Commission file number **000-55323**

Mentor Capital, Inc.

(Exact name of registrant as specified in its charter)

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

5964 Campus Court, Plano, Texas 75093

(Address of principal executive offices) (Zip Code)

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

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

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

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

Common Stock

(Title of class)

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

Yes □ No ☒

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

Yes □ No ☒

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No □

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

Yes ☒ No □

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

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

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

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

Yes □ No ☒

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

Yes □ No ☒

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

Yes □ No ☒

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

Yes □ No ☒

At June 30, 2023, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of Common Shares held by non-affiliates of Mentor Capital, Inc. (based upon the closing sale price of such shares on OTCQB) was $571,080. Shares of Common Stock held by each officer and director and each person who owns more than 10% or more of the outstanding Common Stock have been excluded because these persons may be deemed to be affiliates. The determination of affiliate status for the purpose of this calculation is not necessarily a conclusive determination for other purposes.

At March 28, 2024, there were 24,686,105 shares of Mentor Capital, Inc.'s Common Stock outstanding and 11 shares of Series Q Preferred Stock outstanding.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report contains "forward-looking statements," as defined in the United States Private Securities Litigation Reform Act of 1995 and Section 21E of the Securities and Exchange Act 1934, as amended. All statements contained in this report other than statements of historical fact, including statements regarding our future results of operations and financial position, our business strategy and plans, and our objectives for future operations, are forward-looking statements. The words "believe," "may," "will," "estimate," "continue," "anticipate," "seek," "look," "hope," "intend," "expect," and similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, acquisition plans, and financial needs. These forward-looking statements are subject to a number of risks, uncertainties, and assumptions. For example, statements in this Form 10-K regarding the potential future impact of inflation, interest rate increases, tax increases, recession, climate regulation, the COVID-19 outbreak, economic sanctions, cybersecurity risks, evolving and sophisticated cyber-attacks and other attempts to gain unauthorized access to our information technology systems, increased risk to oil markets, potential banking crises, future weakness in the credit markets, increased rates of default and bankruptcy, political change, and the outbreak of war in Ukraine, and the Israel-Hamas war on the Company's business and results of operations are forward-looking statements. These risks and uncertainties include but are not limited to, those described in "Item 1A. Risk Factors" and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations:" Moreover, due to our past investments, or current involvement in oil, gas, coal, or uranium related industry or other industries, we may be subject to heightened scrutiny and, as a result, our portfolio companies may be subject to additional laws, rules, regulations, and statutes. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the future events and trends discussed in this Form 10-K may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

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

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

MENTOR CAPITAL, INC.

TABLE OF CONTENTS

PART I

Item 1. Business.

Corporate History and Background

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

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

On February 9, 2015, in accordance with Section 1145 of the United States Bankruptcy Code and the Company's Third Amended Plan of Reorganization ("Plan of Reorganization"), the Company announced a minimum 30 day partial redemption of up to 1% of the already outstanding Series D warrants to provide for the court specified redemption mechanism for warrants not exercised timely by the original holder or their estates. Company designees that applied during the 30 days paid 10 cents per warrant to redeem the warrant and then exercised the Series D warrant to purchase a share of the Company's Common Stock at the court-specified formula of not more than one-half of the closing bid price on the day preceding the 30 day exercise period. In successive months, the authorized partial warrant redemption amount was recalculated, and the redemption offer repeated according to the court formula. In the Company's October 7, 2016 press release, Mentor stated that the 1% redemptions which were formerly priced on a calendar month schedule would subsequently be initiated and priced on a random date schedule after the prior 1% redemption was completed to prevent potential third-party manipulation of share prices at month-end. The periodic partial redemptions could continue to be recalculated and repeated until such unexercised warrants are exhausted, or the partial redemption is otherwise paused or truncated by the Company. For the years ended December 31, 2023 and 2022, no warrants were redeemed.

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

Developments

Our general business operations are intended to provide management consultation and headquarters functions, especially with regard to funding, accounting, and audits, for our majority-owned subsidiaries, which 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.

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

In the public arena, the Company continues its diverse investment activities. These include the acquisition of oil and gas partnerships, New York Stock Exchange gas trading company mini-tender offers, ATM ownership, cancer immunotherapy investment, equipment financing, intellectual property investment, litigation financing, investment in a dispute resolution company, and discounted funding of annuity-like fund flows. Most recently, from its new Texas base, the Company has signaled a substantial return to its energy roots, starting with a tracking investment in five New York Stock Exchange energy companies in the oil and gas, coal, and uranium markets. These five energy company stock holdings had a current combined stock value that equaled approximately 40% of the Company's market capitalization at December 31, 2023.

Discontinued Operation – Facilities Operations Segment

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

Electrum Partners, LLC

Electrum Partners, LLC ("Electrum") is a Nevada-based consulting, investment, and management company. On November 18, 2022, Mentor received $459,990 from Electrum in a consolidated settlement of one equity, one recovery purchase, and two secured capital agreements. See Note 10 to the consolidated financial statements.

Mentor IP, LLC

On April 18, 2016, the Company formed Mentor IP, LLC ("MCIP"), a South Dakota limited liability company and wholly owned subsidiary of Mentor. MCIP held interests related to patent rights for an — 80% / 20% domestic and 50% / 50% foreign economic interest with R. L. Larson for vape pens under the provisions of United States patent law and the Patent Cooperation Treaty of 1970, as amended. Patent application and maintenance fees have been expensed when paid and there were no assets related to the MCIP patents represented on the condensed consolidated financial statements at December 31, 2023 and December 31, 2022. On October 24, 2023, the Company divested Mentor IP, LLC's intellectual property and licensing rights related to the United States and the Canadian patent associated with vape pens. The Company received no payment for its divestment. Patent application national phase maintenance fees were expensed when paid and there were no assets related to MCIP patents represented on the consolidated financial statements at December 31, 2023 and 2022. Activity had been limited to payment of patent application maintenance fees in Canada.

NeuCourt, Inc.

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

On July 15, 2022, the Company and NeuCourt entered into an Exchange Agreement whereby the Company's outstanding convertible promissory notes and accrued interest, in an aggregate net amount of $83,755.99, was exchanged for a Simple Agreement for Future Equity ("SAFE") in equal face value. On January 20, 2023, the Company and NeuCourt entered into a SAFE Purchase Agreement, increasing the Company's aggregate SAFE Purchase Amount to $93,756. At December 31, 2023 and 2022, the SAFE Purchase Amount was $93,756 and $83,756, respectively. See Note 7.

On December 21, 2018, the Company purchased 500,000 shares of NeuCourt Common Stock, approximately 6.13% of the issued and outstanding NeuCourt shares at December 31, 2023.

Mentor Partner I, LLC

Mentor Partner I, LLC ("Partner I") was reorganized under the laws of the State of Texas in February 2021. Partner I originally held the contractual rights to lease payments from G FarmaLabs Limited ("G Farma"), and now the related settlement and judgment. In 2018, Mentor contributed $996,000 of capital to Partner I to facilitate the purchase of manufacturing equipment to be leased from Partner I by G Farma and related entities (collectively, the "G Farma Entities"), under a Master Equipment Lease Agreement dated January 16, 2018, as amended. Partner I acquired and delivered manufacturing equipment as selected by G Farma Entities under sales-type finance leases. During the years ended December 31, 2023 and 2022, Mentor withdrew no capital from Partner I. Partner I did not have any sales revenue for the years ended December 31, 2023 or 2022. There was no interest income recognized from Partner I finance leases for the years ended December 31, 2023 and 2022. The finance leases resulting from this investment have been fully impaired as of December 31, 2023 and 2022, due to circumstances described in Note 9 to the consolidated financial statements.

Mentor Partner II, LLC

Mentor Partner II, LLC ("Partner II") was reorganized under the laws of the State of Texas in February 2021. Partner II originally held the contractual rights to lease payments from Pueblo West Organics, LLC ("Pueblo West") which was paid off on September 28, 2022. On February 8, 2018, Mentor contributed $400,000 to Partner II to facilitate the purchase of manufacturing equipment to be leased from Partner II by Pueblo West, under a Master Equipment Lease Agreement, dated February 11, 2018. On March 12, 2019, Mentor agreed to use Partner II earnings of $61,368 to facilitate the purchase of additional manufacturing equipment to Pueblo West under a Second Amendment to the lease. On September 27, 2022, Pueblo West exercised its lease prepayment option and purchased the manufacturing equipment for $245,369. On September 28, 2022 Partner II transferred full title to the equipment to Pueblo West. See Note 10 to the condensed consolidated financial statements. During the years ended December 31, 2023 and 2022, Mentor withdrew capital of $0 and $326,893, respectively, from Partner II. During the year ended December 31, 2023 and 2022, Partner II recognized finance revenue of $0 and $37,659, respectively. See Note 9.

TWG, LLC

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

Overview

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

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

Competition

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

Employees

Continuing Operation

Mentor and its subsidiaries combined have two full-time corporate office employees. After Mentor relocated its corporate office from San Diego, California, to Plano, Texas in September 2020 it began working with outside professional consultants as needed. The corporate office employees have relied heavily on outside CPA, payroll, tax, facilities, corporate counsel, and other professional support to provide administrative support for its discontinued operation, MCIP, Partner I, Partner II, and TWG operations, and the energy sector.

Discontinued Operation

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

Available Information About Registrant

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

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

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

Item 1A. Risk Factors.

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

As a result of the risk factors set forth below and elsewhere in this Form 10-K, and the risks discussed in our Rule 15c2-11, 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.

Variable financial conditions can be challenging.

Management has noted challenging financial conditions. During the years ended December 31, 2023 and 2022, we experienced significant cash flows challenges prior to our sale of our discontinued operation. Securing additional sources of financing to enable us to continue investing in our target markets will be difficult, and there is no assurance of our ability to secure such financing. A failure to obtain additional financing, or to continue to generate capital from the sale of operating businesses and assets, or to generate positive cash flow from operations could prevent us from continuing to seek out and invest in new companies.

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

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

We anticipate that current cash resources and opportunities will be sufficient for us to execute our business plan for five years after the date these financial statements are issued. We believe that securing substantial additional sources of financing is possible, but there is no assurance of our ability to secure such financing. A failure to obtain additional financing could prevent us from making necessary expenditures for advancement and growth to partner with businesses and 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.

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

Management operated Mentor Capital, Inc. as a non-reporting public company for over 26 years and eight years ago voluntarily transitioned to reporting company status subject to financial and other SEC-required disclosures. Prior to such voluntary transition, management had not been required to prepare and make such required disclosures. As a reporting company, we may be subject to the Securities and Exchange Act, as amended ("Exchange Act"), the Sarbanes-Oxley Act, the Dodd-Frank Act, and other securities rules and regulations. If we were listed on an Exchange, we would be subject to the rules of the Exchange on which we were listed. The Exchange Act requires, among other things, that we file annual, quarterly, and current reports with respect to our business and operating activities. Preparing and filing periodic reports imposes a significant expense, time, and reporting burden on management. This distraction can divert management from its operation of the business to the detriment of core operations.

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

As of December 31, 2023, the Company had 24,686,105 outstanding shares of its Common Stock trading at approximately $0.062. As of the same date, the Company also had 4,250,000 outstanding Series D warrants exercisable for shares of Common Stock at $0.02 per share. These Series D warrants do not have a cashless exercise feature. The Company anticipates that the warrants may be increasingly exercised anytime the per share price of the Company's Common Stock is greater than $0.24 per share. Exercise of these Series D warrants may result in immediate and potentially substantial dilution to current holders of the Company's Common Stock. In addition, the Company has 413,512 outstanding Series H warrants with a per share exercise price of $7.00 held by an investment bank and its affiliates. These $7.00 Series H warrants include a cashless exercise feature. Current and future shareholders may suffer dilution of their investment and equity ownership if any of the warrant holders elect to exercise their warrants.

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. 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. The 1% partial redemption may continue to be periodically repeated according to the court formula until such unexercised warrants are exhausted or the partial redemption is otherwise suspended or truncated by the Company. Existing shareholders may suffer dilution if any warrants are exercised as a result of the Company's partial redemption offering. There were no warrant redemptions in 2023 or 2022.

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

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

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

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

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

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

Founder and CEO Chet Billingsley, along with other members of the Company's Board of Directors, have considerable control over the company through their aggregate ownership of 14.23% of the outstanding shares of the Company's Common Stock on a fully diluted basis.

As of March 28, 2024, Mr. Billingsley owned approximately 7.51% of the outstanding shares of the Company's Common Stock on a fully diluted basis. Together with other members of the Company's Board of Directors, the management of the Company owns approximately 14.23% of the outstanding shares of the Company's Common Stock on a fully diluted basis. Mr. Billingsley holds 47,274 Series D warrants, exercisable at $0.02 per share. Robert Meyer, David Carlile, and Lori Stansfield, directors of the Company, hold an aggregate of 631,455 Series D warrants exercisable at $0.02 per share. Due to the large number of shares of Common Stock owned by Mr. Billingsley and the directors of the Company, management has considerable ability to exercise control over the Company and matters submitted for shareholder approval, including the election of directors and approval of any merger, consolidation or sale of substantially all of the assets of the Company. Additionally, due to his position as CEO and Chairman of the Board, Mr. Billingsley has the ability to control the management and affairs of the Company. The Company's directors and Mr. Billingsley owe a fiduciary duty to our shareholders and must act in good faith in a manner each reasonably believes to be in the best interests of our shareholders. As shareholders, Mr. Billingsley and the other directors are entitled to vote their shares in their own interests, which may not always be in the interests of our shareholders generally.

There is a limited market for our Common Stock.

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

- sales, sales cycle, and market acceptance or rejection of our affiliates' products;
- our ability to engage with partners who are successful in selling products;
- economic conditions within our markets;
- the timing of announcements by us or our competitors of significant products, contracts or acquisitions or publicity regarding actual or potential results or performance thereof;
- domestic and international economic, business, and political conditions;
- justified or unjustified adverse publicity; and
- proper or improper third-party short sales or other manipulation of our stock.

We have a long business and corporate existence.

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

General Risk Factors

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

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

If we are unable to protect our 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, and our affiliates' and partners', 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, and our affiliates' and partners', proprietary rights may not be adequate, and third parties may infringe or misappropriate our, and our affiliates' and partners', patents, copyrights, trademarks, and similar proprietary rights. If we, or our affiliates and partners, fail to protect intellectual property and proprietary rights, our business, financial condition, and results of operations would suffer. We believe that neither we nor our affiliates and partners 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 face rapid change.

The market for our partners' and subsidiaries' products and services is characterized by rapidly changing laws, technologies, and the introduction of new products and services. We believe that our future success will depend in part upon our ability to invest in companies that develop and enhance products and services offered in the energy and dispute resolution industries. There can be no assurance that our partners and subsidiaries will be able to develop and 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 accounting, 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 sensitive purposes. We may become the subject of litigation alleging that our partners' and affiliates' 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 we are found liable in connection with such an action, our business and operations may be severely and materially adversely affected.

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

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

We have indemnified our officers and directors.

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

The worldwide economy could impact the company in numerous ways.

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

Item 1B. Unresolved Staff Comments.

None.

Item 1C. Cybersecurity.

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

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

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

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

Item 2. Properties.

Continuing Operations

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

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

Discontinued Operation

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

Item 3. Legal Proceedings.

G FarmaLabs Limited

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

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

The Company has retained the reserve on the unpaid notes receivable balance and collections of the unpaid lease receivable balance due to the long history of uncertain payments from G Farma and the G Farma Settlors. Payments recovered will be reported as Other income in the consolidated income statements. The $2,539,597 judgment and interest receivable of $120,370 for the twelve months ended December 31, 2023, is fully reserved pending the outcome of the Company's collection process. See Notes 8, 9, and 18 to this Annual Report and Notes 8, 9, and 20 to the Company's Annual Report for the period ended December 31, 2022, on Form 10-K filed with the Securities and Exchange Commission on March 28, 2023. We will continue to pursue collection from the G Farma Settlors over time.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

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

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

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

	High	Low
Quarter Ended December 31, 2023	$ 0.081	$ 0.044
Quarter Ended September 30, 2023	$ 0.041	$ 0.041
Quarter Ended June 30, 2023	$ 0.032	$ 0.024
Quarter Ended March 31, 2023	$ 0.036	$ 0.031
Quarter Ended December 31, 2022	$ 0.060	$ 0.037
Quarter Ended September 30, 2022	$ 0.085	$ 0.030
Quarter Ended June 30, 2022	$ 0.060	$ 0.035
Quarter Ended March 31, 2022	$ 0.041	$ 0.064
Quarter Ended December 31, 2021	$ 0.105	$ 0.050

Holders

As of December 31, 2023, there were approximately 6,185 registered holders of record of our Common Stock. As of December 31, 2023, we had a total of 24,686,105 shares of Common Stock issued and outstanding, 11 shares of Series Q Preferred Stock issued and outstanding, 4,250,000 Series D warrants outstanding, which are exercisable for 4,250,000 shares of Common Stock, and 413,512 Series H warrants outstanding which are exercisable for 413,512 shares of Common Stock.

Dividend Policy

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

Issuer Purchases of Equity Securities

On August 8, 2014, the Company announced that it was initiating the repurchase of 300,000 shares of its Common Stock (approximately 2% of the Company's common shares outstanding at that time). A total of 44,748 shares were repurchased between August 8, 2014 and September 9, 2015. As of December 31, 2023, and 2022, 300,000 and 44,748 shares have been repurchased, respectively and a total of 300,000 shares have been retired. From January 1, 2023 to December 31, 2023, 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 January 31, 2023	0	N/A	44,748	255,252
February 1 through February 29, 2023	0	N/A	44,748	255,252
March	0	N/A	44,748	255,252
April 1 through April 30, 2023	0	N/A	44,748	255,252
May 1 through May 31, 2023	0	N/A	44,748	255,252
June 1 through June 30, 2023	22,400	$ 0.027	67,148	232,852
July 1 through July 31, 2023	232,852	0.029	300,000	0
August 1 through August 31, 2023	0	N/A	300,000	0
September 1 through September 30, 2023	0	N/A	300,000	0
October 1 through October 31, 2023	0	N/A	300,000	$ 200,000(1)
November 1 through November 30, 2023	0	N/A	300,000	$ 200,000(1)
December 1 through December 31, 2023	0	N/A	300,000	$ 200,000(1)
TOTAL	300,000	$ 0.029	300,000	$ 200,000(1)

(1) On October 14, 2023, the Board of Directors of the Company approved a stock repurchase plan for a total repurchase amount not to exceed $200,000.

On October 14, 2023, the Board of Directors of the Company approved a stock repurchase plan authorizing the Company to repurchase up to 3,000,000 shares of the Company's common stock at no more than 12.5 cents per share for a total repurchase amount not to exceed $200,000. As of December 31, 2023, no shares have been repurchased.

Equity Compensation Plan

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

Recent Sales of Unregistered Securities

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

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

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

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

Item 6. [Reserved]

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

The following discussion of our financial condition and results of operations for the years ended December 31, 2023, and 2022 should be read in conjunction with the financial statements and the notes to those statements that are included elsewhere in this Annual Report on Form 10-K.

We sold our majority ownership interest in Waste Consolidators, Inc. ("WCI") on October 4, 2023, resulting in the elimination of our facilities operations segment at that time. Following the sale, the Company received no new income from WCI and had no further involvement or continuing influence over its operations. Accordingly, the results of operations and assets and liabilities for this segment are excluded from the Company's continuing operations on December 31, 2023, and for all prior periods of comparison and are presented as a discontinued operation in this report.

Corporate Background

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

In 2009, the Company began focusing its investing activities on leading-edge cancer companies. In response to government limitations on reimbursement for highly technical and expensive cancer treatments and a resulting business decline in the cancer immunotherapy sector, the Company decided to exit that space. In the summer of 2013, the Company was asked to consider investing in a cancer-related project with a medical marijuana focus. On August 29, 2013, the Company decided to focus its next round of investments in the cannabis sector. In late 2019, the Company expanded its target industry focus which now prioritizes the oil, gas, coal, uranium, and related businesses. In September 2020, the Company moved its corporate office to Plano, Texas.

Acquisitions and investments

Discontinued Operation - Waste Consolidators, Inc.

In 2003, the Company purchased a 50% interest in Waste Consolidators, Inc., a facilities operation company that comprised our facilities operation segment ("WCI"), and increased its ownership stake in WCI by 1% in 2014. Since January 1, 2014, our controlling interest investment in WCI included a facilities operations segment, which provides waste management and disposal services to business park owners, governmental centers, and apartment complexes in Phoenix, Austin, San Antonio, Houston, and Dallas. We sold the entirety of our majority ownership interest in WCI on October 4, 2023. The sale proceeds support the Company's focus on investment opportunities in the classic energy space available in the state of Texas, increasing our liquidity and capitalizing on the long-standing experience of our Chief Executive Officer in this sector. Following the sale, the Company received no new income from WCI and had no further involvement or continuing influence over its operations. The sale of WCI resulted in the elimination of our facilities operations segment at that time. Accordingly, the results of operations and assets and liabilities for our facilities operations segment are excluded from the Company's continuing operations on December 31, 2023, and for all prior periods of comparison, and WCI is presented as a discontinued operation. See Note 3 to the consolidated financial statements.

Electrum Partners, LLC

Electrum Partners, LLC ("Electrum") is a Nevada-based consulting, investment, and management company. On November 18, 2022, Mentor received $459,990 from Electrum in a consolidated settlement of one equity, one recovery purchase, and two secured capital agreements. See Note 10 to the consolidated financial statements.

Mentor IP, LLC

On April 18, 2016, the Company formed Mentor IP, LLC ("MCIP"), a South Dakota limited liability company and wholly owned subsidiary of Mentor. MCIP held interests related to patent rights for an — 80% / 20% domestic and 50% / 50% foreign economic interest with R. L. Larson for vape pens under the provisions of United States patent law and the Patent Cooperation Treaty of 1970, as amended. Patent application and maintenance fees have been expensed when paid, and there were no assets related to the MCIP patents represented on the condensed consolidated financial statements at December 31, 2023 and December 31, 2022. On October 24, 2023, the Company divested MCIP's intellectual property and licensing rights related to the United States and the Canadian patent associated with vape pens. The Company received no payment for its divestment. Patent application national phase maintenance fees were expensed when paid, and there were no assets related to MCIP patents represented on the consolidated financial statements at December 31, 2023 and 2022. Activity had been limited to payment of patent application maintenance fees in Canada.

NeuCourt, Inc.

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

On July 15, 2022, the Company and NeuCourt entered into an Exchange Agreement whereby the Company's outstanding convertible promissory notes and accrued interest, in an aggregate amount of $86,030, was exchanged for a Simple Agreement for Future Equity ("SAFE") in equal face value. On July 22, 2022, the Company sold $989 of the SAFE Purchase Amount to a third party. On August 1, 2022, the Company sold an additional $1,285 of the SAFE Purchase Amount to a third party, thereby reducing the outstanding aggregate SAFE Purchase Amount to $83,756.

On January 20, 2023, the Company and NeuCourt entered into a SAFE Purchase Agreement, whereby the Company purchased an additional SAFE at face value of $10,000, increasing the Company's aggregate SAFE Purchase Amount to $93,756. At December 31, 2023 and 2022, the SAFE Purchase Amount was $93,756 and $83,756, respectively. See Note 8.

On December 21, 2018, the Company purchased 500,000 shares of NeuCourt Common Stock, approximately 6.13% of the issued and outstanding NeuCourt shares at December 31, 2023.

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

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

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

G FarmaLabs Limited

On March 17, 2017, the Company entered into a Notes Purchase Agreement with G FarmaLabs Limited, a Nevada corporation ("G Farma"). Under the Agreement, the Company purchased two secured promissory notes from G Farma in an aggregate principal face amount of $500,000. Since the initial investment, the Company made several additional investments in G Farma. Addenda II through VIII increased the aggregate investment amount to $1,110,000. G Farma has not made scheduled payments on the notes receivable since February 19, 2019. See Note 9 to the consolidated financial statements.

On September 6, 2018, the Company entered into an Equity Purchase and Issuance Agreement with G FarmaLabs Limited, G FarmaLabs DHS, LLC, GFBrands, Inc., Finka Distribution, Inc., and G FarmaLabs, WA, LLC under which Mentor was supposed to receive equity interests in the G Farma Equity Entities and their affiliates (together the "G Farma Equity Entities") equal to 3.75% of the G Farma Equity Entities interests. On March 4, 2019, Addendum VIII increased the G Farma Equity Entities' equity interest to which Mentor is immediately entitled to 3.843% and added Goya Ventures, LLC as a G Farma Equity Entity. We have fully impaired the equity investment with these entities, formerly valued at $41,600. See Note 9 to the consolidated financial statements.

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

This event severely impacted G Farma's ability to pay amounts due the Company in the future and led the Company, in the quarter ended March 31, 2019, to fully impair G Farma notes receivable of $1,045,051 and fully impair the Company's 3.843% equity interest in G Farma Equity Entities, formerly valued at $41,600. See Note 9 to the consolidated financial statements.

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

In February 2023, the Company and Mentor Partner I sought entry of a stipulated judgment against the G Farma Entities. On July 11, 2023, the Court entered judgment against the G Farma Entities and in favor of Mentor and Partner I in the amount of $2,539,597, which is comprised of $2,494,450 of principal (calculated as the aggregate settlement amount, less payments made by the G Farma Entities, plus an additional $2,000,000 in default principal) plus accrued and unpaid interest of $40,219, costs of $1,643, and attorneys' fees of $3,285 incurred by Mentor and Mentor Partner I in connection with obtaining the judgment. The judgment also accrues post-judgment interest at the rate of 10% from July 11, 2023 until such time as the judgment is paid in full.

The Company has retained the full reserve on the unpaid notes receivable balance and collections of the unpaid lease receivable balance due to the long history of uncertain payments from G Farma and the G Farma Settlors. Payments from G Farma and G Farma Settlors will be recognized in Other Income as they are received. Recovery payments of $0 and $3,550 were included in other income in the consolidated financial statements for the year ended December 31, 2023 and 2022, respectively. No payments have been received from the G Farma Entities since October 11, 2022. The $2,539,597 judgment and interest receivable of $120,370 at December 31, 2023 is fully reserved pending the outcome of the Company's collection process. See Notes 9, 10, and 21.

Mentor Partner I, LLC

Mentor Partner I, LLC ("Partner I") was reorganized as a limited liability company under the laws of the State of Texas as of February 17, 2021. Partner I was formed as a wholly owned subsidiary of Mentor for the purpose of acquisition and investment. In 2018, Mentor contributed $996,000 of capital to Partner I to facilitate the purchase of manufacturing equipment to be leased from Partner I by G FarmaLabs Limited ("G Farma") under a Master Equipment Lease Agreement dated January 16, 2018, as amended. During the years ended December 31, 2023 and 2022, Mentor withdrew no capital from Partner I. Partner I acquired and delivered manufacturing equipment as selected by G Farma and its related entities under sales-type finance leases. Partner I did not have any equipment sales revenue for the years ended December 31, 2023 or 2022.

In 2020, the Company repossessed leased equipment under G Farma's control with a cost of $622,670 and sold it to the highest offerors for net proceeds of $348,734 after shipping and delivery costs. Net sales proceeds were applied against the finance lease receivable.

On July 11, 2023, the Court entered judgment against the G Farma Entities in favor of Mentor and Partner I in the amount of $2,539,597. The judgment also accrues post-judgment interest at the rate of 10% from July 11, 2023 until such time as the judgment is paid in full. Collection is uncertain at this time. The remaining finance lease receivable balance is fully impaired at December 31, 2023 and 2022. See Note 9 and 18 to the consolidated financial statements.

Mentor Partner II, LLC

Mentor Partner II, LLC ("Partner II") was reorganized as a limited liability company under the laws of the State of Texas on February 17, 2021. The entity was originally organized as a limited liability company under the laws of the State of California on February 1, 2018. Partner II was formed as a wholly owned subsidiary of Mentor for the purpose of investing and acquisition. On February 8, 2018, Mentor contributed $400,000 to Partner II to facilitate the purchase of manufacturing equipment to be leased from Partner II by Pueblo West under a Master Equipment Lease Agreement dated February 11, 2018, as amended. On March 12, 2019, Mentor agreed to use Partner II earnings of $61,368 to facilitate the purchase of additional manufacturing equipment leased to Pueblo West under a Second Amendment to the lease. On September 27, 2022, Pueblo West exercised its lease prepayment option and purchased the manufacturing equipment for $245,369. On September 28, 2022 Partner II transferred full title to the equipment to Pueblo West See Note 9 to the consolidated financial statements. During the years ended December 31, 2023 and 2022, Mentor withdrew capital of $0 and $326,893, respectively, from Partner II.

TWG, LLC

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

Ally Waste Services, LLC

On October 4, 2023, in connection with the sale of the Company's 51% ownership interest in WCI, the Company received a one-year unsecured, subordinated, promissory note in initial principal face amount of $1,000,000 from Ally Waste Services, LLC ("Ally") at 6% per annum. The note is recorded at the principal face amount of $1,000,000 plus accrued interest of $15,000 and $0 at December 31, 2023 and 2022, respectively. The note is unsecured, subordinated, and junior in right of payment of the indebtedness of borrowed money and obligations of Ally owed to senior lenders. Subject to the terms of agreements with senior lenders, the note principal plus accrued interest is payable on October 4, 2024. Ally's failure to pay the principal and accrued interest on October 4, 2024, among other enumerated events of default, will result in the interest rate retroactively increasing to 12% per annum. The note may be set off against any indemnification obligations owed by the Company to Ally, which indemnification obligations are secondary to indemnification obligations owed by the other WCI selling shareholder to Ally. The Company has received assurances from Ally that the note will be paid, so management has not impaired the note receivable. If management is given any indication from Ally or the other WCI selling shareholder that collection is uncertain, the Company will impair the note receivable at such time. See Note 5.

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. The Company currently has enough cash to effectuate its business plans for the next five years. 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

Basis of presentation

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

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

As shown in the accompanying financial statements, the Company has a significant accumulated deficit of ($8,187,807) as of December 31, 2023.

Ongoing capital formation

The Company may seek to recover unused funds, sell one or more investments that management has determined have significantly appreciated, are at the end of their lifecycle or no longer fit within the Company's desired focus, or raise additional capital to fund its acquisitions. The Company may also be required to raise additional capital to fund its operations and will continue to attempt to raise capital resources from both related and unrelated parties until such time as the Company is able to generate revenues sufficient to adequately execute its business plan. Additionally, the Company has 4,250,000 Series D warrants outstanding in which the Company can effectively set the exercise price substantially below the current market price. Additionally, the Company could reverse split the stock to raise the stock price above the warrant exercise price. The warrants are specifically not affected and do not split with the shares in the event of a reverse split. These consolidated financial statements do not include any adjustments that might result from the effect of a reverse stock split on the outstanding warrants. Management's plans include increasing revenues through acquisition, investment, and organic growth. Management anticipates funding new activities by raising additional capital through the sale of equity securities and debt.

Segment reporting

Continuing Operations

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

Discontinued Operation

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

Use of estimates

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

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

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

Recent Accounting Standards

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

Simplifying the Accounting for Income Taxes – As of January 1, 2021, we adopted ASU No. 2019-12, *Simplifying the Accounting for Income Taxes*, which is designed to simplify the accounting for income taxes by removing certain exceptions to the general principles in Topic 740. ASU No. 2019-12 The adoption of this ASU did not have a material impact on the Company's consolidated financial statements.

Concentrations of cash

The Company maintains its cash and cash equivalents in bank deposit accounts, which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts, nor does the Company believe it is exposed to any significant credit risk on cash and cash equivalents.

Cash and cash equivalents

The Company considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents. The Company had no short-term debt securities as of December 31, 2023 and 2022.

Accounts receivable

Accounts receivable consist of trade accounts arising in the normal course of business and are classified as current assets and carried at original invoice amounts less an estimate for doubtful receivables based on historical losses as a percent of revenue in conjunction with a review of outstanding balances on a quarterly basis. The estimate of allowance for doubtful accounts is based on the Company's bad debt experience, market conditions, and aging of accounts receivable, among other factors. If the financial condition of the Company's customers deteriorates, resulting in the customer's inability to pay the Company's receivables as they come due, additional allowances for doubtful accounts will be required. At December 31, 2023 and 2022, the Company had $0 allowance for doubtful receivables.

Investments in securities at fair value

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

Note receivable

The Company has a one-year subordinated note receivable from Ally Waste Services, LLC that is recorded at the principal face amount of $1,000,000 plus accrued interest of $15,000 and $0 at December 31, 2023 and 2022, respectively. The note matures October 4, 2024, and bears interest at 6% per annum from October 4, 2023, to October 4, 2024, at which time the note is due and payable to Mentor.

Long term investments

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

Finance leases receivable

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

A finance receivable is considered impaired, based on current information and events, if it is probable that we will be unable to collect all amounts due according to contractual terms. Impaired finance receivables include finance receivables that have been restructured and are troubled debt restructures. See Note 10.

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

As our notes receivable and finance leases receivable are limited in number, our management is able to analyze estimated credit loss reserves based on a detailed analysis of each receivable as opposed to using portfolio-based metrics. Our management does not use a system of assigning internal risk ratings to each of our receivables. Rather, each note receivable and finance lease receivable are analyzed quarterly and categorized as either performing or non-performing based on certain factors including, but not limited to, financial results, satisfying scheduled payments and compliance with financial covenants. A note receivable or finance lease receivable will be categorized as non-performing when a borrower experiences financial difficulty and has failed to make scheduled payments. As part of the monitoring process we may physically inspect the collateral or a borrower's facility and meet with a borrower's management to better understand such borrower's financial performance and its future plans on an as-needed basis.

Property and equipment

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

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

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

Lessee Leases

We determine whether an arrangement is a lease at inception. Lessee leases are classified as either finance leases or operating leases. A lease is classified as a finance lease if any one of the following criteria are met: the lease transfers ownership of the asset by the end of the lease term, the lease contains an option to purchase the asset that is reasonably certain to be exercised, the lease term is for a major part of the remaining useful life of the asset or the present value of the lease payments equals or exceeds substantially all of the fair value of the asset. A lease is classified as an operating lease if it does not meet any one of these criteria. Our operating leases are comprised of office space leases, and office equipment. Fleet vehicle leases entered into prior to January 1, 2019, under ASC 840 guidelines, are classified as operating leases. Fleet vehicle leases entered into beginning January 1, 2019, under ASC 842 guidelines, are classified as finance leases. Our leases have remaining lease terms of 1 month to 48 months. Our fleet finance leases contain a residual value guarantee which, based on past lease experience, is unlikely to result in a liability at the end of the lease. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments.

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

Long-lived assets impairment assessment

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

Goodwill

Goodwill of $1,324,142 for our discontinued operation was derived from consolidating our discontinued operation effective January 1, 2014, and $102,040 of goodwill was derived from our initial acquisition of a 50% interest in such discontinued operation. In accordance with ASC 350, *"Intangibles-Goodwill and Other,"* goodwill and other intangible assets with indefinite lives were no longer subject to amortization but were tested for impairment annually or whenever events or changes in circumstances indicated that the asset might be impaired.

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

Effective October 4, 2023, the date of sale of our WCI interest, we met the criteria outlined in ASC Topic 205-20 *"Discontinued Operations*," for our $1,426,182 goodwill to be reduced to $0 and the results of operations and assets and liabilities for our facilities operations segment were excluded from our continuing operations and presented as a discontinued operation in our consolidated financial statements. As a result, goodwill in the aggregate amount of $ 1,426,182 was reduced to $0. No goodwill is reported in the Company's condensed consolidated balance sheets at December 31, 2023 and 2022.

Revenue recognition

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

Our discontinued operation worked with business park owners, governmental centers, and apartment complexes to reduce facilities-related costs. Our discontinued operation performed monthly services pursuant to agreements with customers. Customer monthly service fees were based on our discontinued operation's assessment of the amount and frequency of monthly services requested by a customer. Our discontinued operation also provided additional services, such as apartment cleanout services, large item removals, or similar services, on an as-needed basis at an agreed-upon rate as requested by customers. All services of our discontinued operation were invoiced and recognized as revenue in the month the agreed-on services were performed.

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

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

Basic and diluted income (loss) per common share

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

There were 4,250,000 potentially dilutive outstanding warrants as of December 31, 2023 that on a treasury stock basis had the dilutive effect of 2,887,821 common shares as of December 31, 2023. Outstanding warrants that had no effect on the computation of the dilutive weighted average number of shares outstanding as their effect would be anti-dilutive were approximately 7,000,000 as of December 31, 2022.

Assumed conversion of Series Q Preferred Stock into Common Stock would be anti-dilutive as of December 31, 2023 and 2022 and is not included in calculating the diluted weighted average number of shares outstanding.

Income taxes

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

The Company applies the provisions of ASC 740, "*Accounting for Uncertainty in Income Taxes*." The ASC prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The ASC provides guidance on de-recognition, classification, interest, and penalties, accounting in interim periods, disclosure, and transition. The Company utilizes a two-step approach to recognizing and measuring uncertain tax positions (tax contingencies). The first step evaluates the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that we will sustain the position on audit, including resolution of related appeals or litigation processes. The second step measures the tax benefit as the largest amount of more than 50% likely of being realized upon ultimate settlement. The Company did not identify any material uncertain tax positions on returns that have been filed or that will be filed. The Company did not recognize any interest or penalties for unrecognized tax provisions during the years ended December 31, 2023 and 2022, nor were any interest or penalties accrued as of December 31, 2023 and 2022. To the extent the Company may accrue interest and penalties, it elects to recognize accrued interest and penalties related to unrecognized tax provisions as a component of income tax expense.

Fair value measurements

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

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

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

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

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

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

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

Results of Operations for the year ended December 31, 2023 compared to the year ended December 31, 2022:

Segregation of Discontinued Operations

On October 4, 2023, the Company sold its majority ownership interest in WCI, resulting in the elimination of the Company's facilities operations segment at the time of such sale. Following the sale, the Company received no new income from WCI, and had no further involvement or continuing influence over the operations of WCI. Accordingly, the results of operations for this segment are excluded from the Company's continuing operations at December 31, 2023 year, and the prior period of comparison, and the financial results are presented as a discontinued operation in the Company's consolidated financial statements. See Note 3.

Revenues

We had revenue of $0 and gross profit of $0 for the year ended December 31, 2023, versus revenue of $35,074 and gross profit of $35,074 for the year ended December 31, 2022, a decrease in revenue of $35,074 and a decrease in gross profit of $35,074. We formed Partner I and Partner II for the purpose of specific equipment sales-type financing leases. Finance lease revenue was $0 in 2023 compared to $37,659 in 2022.

Selling, general, and administrative expenses

Our selling, general, and administrative expenses for the year ended December 31, 2023 was $1,775,210 compared to $495,400 for the year ended December 31, 2022, an increase of $1,279,810. The increase was due to an increase of $22,182 in professional service fees, an increase in board of directors fees of $19,250, an increase in officer salary and payroll tax expense of $46,346, an increase in employee salary and payroll tax expense of $42,355, a one-time revaluation for unpaid officer salary of $453,865 to adjust for our officer's rate, a one-time revaluation of officer unpaid sick leave of $97,027 to adjust for our officer's hourly rate, a one-time revaluation of officer vacation of $211,231 to adjust for our officer's hourly rate, a one-time revaluation of officer benefits of $331,658 to adjust for our officer's hourly rate, offset by a $26,360 decrease in costs to bill, a $2,479 decrease in payroll taxes, and a $1,047 decrease in administrative expenses.

Other income and expense

Other income and expenses, net, totaled $4,863,129 for the year ended December 31, 2023, compared to ($145,016) for the year ended December 31, 2022, an increase of $5,008,145. The increase was due to the sale of our discontinued operations on which we recognized a $4,805,389 gain, plus a $16,055 increase in interest income, a $22,006 reduction of interest expense, and a $170,418 decrease of loss on investments, offset by a $3,238 increase in other income expenses and a $2,484 increase in unrealized loss on investments.

Net results

The net result for the year ended December 31, 2023, was a net gain attributable to Mentor of $3,157,658 or $0.137 per Mentor common share compared to a loss attributable to Mentor of $471,386 or ($0.021) per Mentor common share for the year ended December 31, 2022. The Company will continue to look for acquisition opportunities to expand its portfolio, ideally with companies that are positive for operating revenue or have the potential to become positive for operating revenue.

Changes in cash flows

At December 31, 2023, we had cash of $2,431,299 and working capital of $4,007,358. Operating cash outflows during 2023 were ($2,426,244), inflows from investing activities were $5,585,595, and outflows from financing activities were ($1,984,763). We are evaluating various options to raise additional funds, including loans. See discussion of cash flow changes under the next section, Liquidity, and Capital Resources.

Liquidity and Capital Resources

Since our reorganization, we have raised capital through warrant holder exercise of warrants to purchase shares of Common Stock. At December 31, 2023, we had cash of $2,431,299 and working capital of $4,007,358. Operating cash outflows in the year ended December 31, 2023, were ($2,426,244), including $3,157,658 of net income loss, less net income for discontinued operations of ($77,899), plus depreciation and amortization of $1,706, plus bad debt expense of $10,198, less amortization of discount on investment receivable of ($41,741), less gain on the sale of our discontinued operation segment of ($4,805,389), plus loss on investments at fair value of $2,484, less accounts receivable trade of ($11,398), less other receivables of ($15,000), plus prepaid expenses and current assets of $2,867, less accounts payable of ($4,383), plus accrued expenses of $72,089, less accrued salary, retirement, and benefits of related party of ($717,436).

Net cash inflows in 2023 from investing activities were $5,585,595, including ($649,847) purchase of investment securities, plus $6,000,000 received from the sale of our discontinued facilities operation segment, plus $129,532 adjustment on sale of our discontinued operation, less ($10,000) increase in long term investments, less ($2,291) purchases of property and equipment, plus $118,201 proceeds from investment receivable.

Net outflows from financing activities in 2023 were ($1,984,763), including $40,000 received from the exercise of warrants, less ($1,000,000) increase in notes receivable, less ($1,016,879) warrant credit as a reduction to additional paid in capital, less ($7,884) payments on the repurchase of stock.

We believe our existing available resources and opportunities will be sufficient to satisfy our funding requirements for five years.

In addition, on February 9, 2015, in accordance with Section 1145 of the United States Bankruptcy Code and the Company's court-approved Plan of Reorganization, the Company announced a minimum 30-day partial redemption of up to 1% (approximately 90,000) of the already outstanding Series D warrants to provide for the court specified redemption mechanism for warrants not exercised timely by the original holder or their estates. Company designees that applied during the 30 days paid 10 cents per warrant to redeem the warrant and then exercised the Series D warrant to purchase a share. In the Company's October 7, 2016 press release, Mentor stated that the 1% redemptions, which were formerly on a calendar month schedule, would subsequently be initiated on a random date schedule after the prior 1% redemption is completed to prevent potential third-party manipulation of share prices at month-end. The periodic partial redemptions may continue, at the Company's discretion, to be recalculated and repeated until such unexercised warrants are exhausted or the partial redemption is otherwise truncated by the Company.

There were no warrant redemptions in 2023 or 2022.

Disclosure About Off-Balance Sheet Arrangements

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

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

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

Item 8. Financial Statements and Supplementary Data.

MENTOR CAPITAL, INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

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

Based on management's evaluation, our chief executive officer and principal financial officer concluded that, as of December 31, 2023, 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 consulting chief executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

(b) Changes in internal control over financial reporting.

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

Effective October 22, 2020, our former Chief Financial Officer agreed to provide services pursuant to a certain Contract Chief Financial Officer Agreement; her consulting services relating to internal control remained similar until our new arrangement with a new firm, and she retains her position as Treasurer of the Company's Board of Directors and she serves as a consultant CFO to the Company from time to time. Since January 1, 2023, the Company has also obtained Chief Financial Officer and Certified Public Accountant services from a primary consultant CPA who may consult with our former Chief Financial Officer and current Treasurer as needed; consulting services remained similar to that of our former consultant CFO. There have been no other changes in internal control over financial reporting in the years ended December 31, 2023 and 2022.

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

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

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

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

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

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

Management, with the participation of our chief executive officer and principal financial officer, conducted an evaluation of the effectiveness of the Company's internal control over financial reporting required by Section 404 of the Sarbanes-Oxley Act of 2002 based on the framework set forth in the *Internal Control–Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that our internal control over financial reporting was effective as of December 31, 2023.

Item 9B. Other Information.

None

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

Not applicable.

PART III

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

Our executive officers and directors, and their respective ages as of December 31, 2023, are as follows:

Name	Age	Position
Chet Billingsley	71	President and Chief Executive Officer, Principal Financial Officer, and Chairman of the Board of Directors
Lori Stansfield	64	Treasurer and Director
Robert B. Meyer	84	Secretary and Director
David G. Carlile	68	Director and Audit Committee Chair

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

Lori J. Stansfield, CPA, served as our Chief Financial Officer between May 27, 2014 and May 14, 2021. On April 9, 2015, Lori was appointed as a director and named our Treasurer. On October 22, 2020, in connection with the Company's relocation of its corporate headquarters to Plano, Texas, Ms. Stansfield agreed to temporarily continue providing chief financial officer services to the Company as an independent contractor and as our Chief Financial Officer. On May 17, 2021, Lori Stansfield's services as a contract chief financial officer with Mentor concluded. Ms. Stansfield's departure from serving as Mentor's chief financial officer was amicable, and there were no accounting disagreements. Additionally, from October 28, 2021 to November 15, 2022, Ms. Stansfield provided dedicated financial oversight and support to the chief financial officer to assist with the Company's financial preparation and reporting obligations. Since January 1, 2023, Ms. Stansfield's consulting role has been limited to providing transitional chief financial officer support to the successor chief financial officer and chief principal accounting firm supporting the Company. Ms. Stansfield remains the Company's Treasurer and director; she also continues to be a significant shareholder of the Company. Ms. Stansfield is also the Chief Financial Officer of NeuCourt, Inc., an entity in which the Company has purchased convertible promissory notes and shares of common stock. In addition to the services Ms. Stansfield provides to Mentor Capital, Inc., and her role as Chief Financial Officer of NeuCourt, Inc., Ms. Stansfield currently serves as a consultant to various private and public companies. For six years prior to joining Mentor, Ms. Stansfield was Director of Audit Services for Robert R. Redwitz & Co. in San Diego, California. She has taught, written about, managed, audited, and prepared financial statements during the past thirty years. She graduated magna cum laude in accounting from the University of Colorado in Denver and where she also received a master's degree in marketing. She is certified as a public accountant in both Colorado and California. Ms. Stanfield has no affiliated or conflicting outside business interests.

Robert B. Meyer was named Secretary of the Board of Directors on April 9, 2015. He previously held a director position between January 11, 2000, and August 27, 2003, and later returned to this role on April 29, 2012. As the largest outside shareholder, Mr. Meyer has been a senior professional voice in the Company's management for over 19 years. Mr. Meyer was the founder, publisher, and editor of a business magazine, *Barter News*, which went into print in 1979. In 2003, he began a monthly newsletter called *The Competitive Edge*. He was one of the first charter inductees of the International Reciprocal Trade Association's "Barter Hall of Fame," and he has twice addressed the American Countertrade Association, a prestigious organization of Major Fortune 500 companies that countertrades in billions of dollars annually. As a business founder, Mr. Meyer brings his 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.

David G. Carlile was appointed as a director on April 14, 2017, and on May 6, 2017, he was appointed as a member of Mentor's Audit Committee and named Audit Committee Chairman. He has served as a consultant and advisor to corporate and financial executives for over 35 years. From 1979 to 1996, Mr. Carlile served in several managerial roles at Atlantic Richfield Company, where he was involved in operations, financial analysis, and acquisitions. Between 1996 and 2000, Mr. Carlile was Executive VP, Director, and General Manager of a division of Savage Industries, Inc., where he was also involved with financial analysis and acquisitions. He has been the President of Carlile Enterprises, Inc. for over 20 years, and he served as the Vice President of Marketing and Sales with Lighthouse Resources from 2012 through May 2016. Mr. Carlile received his Bachelor of Science in Mining Geology from the Imperial College, University of London, in 1977. He also received a master's degree in Mining Engineering from the University of Arizona in 1979. Mr. Carlile 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 historical or current Mentor share ownership;
- Business founder and CEO experience;
- Broad training, experience, and a successful track record at senior policy-making levels in business, government, education, technology, accounting, law, consulting and/or administration;
- The highest personal and professional ethics, integrity, and values;
- Commitment to representing the long-term interests of the Company and all of its shareholders;

- An inquisitive and objective perspective, strength of character, and the mature judgment essential to effective decision-making;
- Expertise that is useful to the Company and complementary to the background and experience of other Board members; and
- Sufficient time to devote to Board activities and to enhance their knowledge of our business, operations, and industry.

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

Term of Office

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

Certain Legal Proceedings

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

Audit Committee

On May 6, 2017, a resolution was unanimously adopted by the Board to create an audit committee, and the following board members were appointed to serve on the committee: Stan Shaul, who was a former board member, David Carlile, and Chet Billingsley. It was further resolved that David Carlile serve as the chairman of the Company's Audit Committee. On May 15, 2021, due to his employer's acquisition by a prominent public company, Mr. Shaul tendered his resignation effective May 15, 2021. Due to the acquisition, Mr. Shaul was no longer able to serve as a board member or audit committee member of Mentor Capital or any other public company. Due to his non-independent status, effective with the filing date of Mentor's 2021 Annual Report on Form 10-K, April 15, 2021, Mr. Billingsley resigned as an Audit Committee member. On March 19, 2022, the Board approved the Company's Audit Committee Charter and reappointed David Carlile to serve as the Company's sole Audit Committee Member to be effective as of the filing date of Mentor's 2021 Form 10-K, April 15, 2021. Our Audit Committee Charter may be found on Mentor's website at https://ir.mentorcapital.com/corporate-governance.

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

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

The Audit Committee had one meeting in 2023 and one meeting in 2022. All members of the Audit Committee attended both meetings.

Membership of the Audit Committee

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

David Carlile, our sole audit committee member as of April 15, 2021, and Audit Committee Chair, is considered independent under the Audit Committee Charter. Mr. Carlile understands fundamental financial statements, including the Company's balance sheet, income statement, and cash flow statement. Mr. Carlile has a depth of experience advising private and public companies on mergers and acquisitions from a financial perspective. He is an "audit committee financial expert" as defined under applicable SEC rules. Each Audit Committee member shall continue to be a member as long as they remain directors and until their successors as committee members are elected and qualified or until their earlier death, incapacity, resignation, or removal. Any member may be removed by the Board, with or without cause, and for no cause, at any time. Vacancies on the Audit Committee may be filled by the Board.

The Audit Committee of Mentor Capital, Inc. has reviewed and discussed with management the Company's audited financial statements for the year ended December 31, 2023. In addition, it has discussed with BF Borgers CPA PC the matters required by the applicable requirements of the Public Company Accounting Oversight Board and the Commission. Also, the Audit Committee has received from BF Borgers CPA PC the written disclosures required by the Independence Standards Board Standard No. 1 and has discussed with BF Borgers CPA PC its independence from the Company. Based upon this information and these materials, the Audit Committee recommends to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission.

Compensation or Nominating Committees and Conflicts of Interest

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

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

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

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

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

Board Leadership and Role in Risk Oversight

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

Familial Relationships Amongst Directors and Executives

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

Meetings of the Board of Directors

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

Mentor held five meetings of the Board of Directors in 2023 and four meetings of the Board of Directors in 2022. All directors attended each of the meetings.

Code of Ethics

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

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

Environment

Continuing Operations

Management continually seeks to improve and make decisions that legitimately and scientifically eliminate negative impacts and promote our ethical goal of stewardship of society's assets for first, the greater good of our shareholders, and in a second and supporting way, our stakeholders, the public, and future generations. In part, we accomplish these goals by ensuring that we engage in environmentally and socially responsible decisions, including decisions aligned with energy efficiency, recycling, and waste avoidance. Before and during COVID-19, we continued to support our vendors, employees, investees, stakeholders, small businesses, and those affected by COVID-19, regardless of COVID-19-related service decreases and COVID-19-related delays. The principles of respect for others in the form of fair compensation and good faith business dealings irrespective of race, alienage, national origin, religion, or gender have been a management priority for over thirty-eight years. We will continue to treat others with fairness and respect, seek corporate opportunities that benefit shareholders, align with our ethical stewardship principles, and avoid conflicts of interest to ensure that our conduct remains consistent with our Code of Ethics.

Discontinued Operation

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

Item 11. Executive Compensation.

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

Summary Executive Compensation Table

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Nonqualified Deferred Compensation ($)	All Other Compensation ($)	Total ($)
Chet Billingsley	2023	1,814,839(1)	0	0	0	0	349,039(3)	192,556(2)	2,356,434
Chairman, CEO, & Principal Financial Officer	2022	104,000(1)	0	0	0	0	13,033(3)	4,250(2)	121,283

(1) The annual base salary for our Chief Executive Officer was $124,000 gross, before payroll taxes, in 2023 and $104,000 in 2022. Prior to 2023, the base annual salary for our Chief Executive Officer had not changed from the amount set by the court in the 1998 Chapter 11 bankruptcy document. In 2021, Mr. Billingsley voluntarily deferred $16,000 of his annual base salary compensation, resulting in a 2021 annual salary of $88,000. The Chief Executive Officer's 2022 compensation consisted of $104,000 gross base salary per year plus accrued $12,000 vacation pay and accrued $4,000 sick pay plus $16,000 in deferred salary from 2021. On October 14, 2023, the Board of Directors approved a base salary increase to $208,000 gross, before payroll taxes, per year. Mr. Billingsley's unpaid accrued vacation and sick pay is reported as nonqualified deferred compensation. For twenty-eight and a half years, from July 1, 1985 to January 1, 2014, the majority of Mr. Billingsley's compensation, comprised of salary and benefits, was voluntarily deferred and accrued in lieu of payment and were approved as payable to Mr. Billingsley at any time of his choosing. Mr. Billingsley did not begin to receive his full base salary until 2014. Following the satisfactory October 4, 2023 sale of our discontinued operation for $6,000,000, at Mr. Billingsley's request, the Company paid Mr. Billingsley his deferred executive compensation of $1,497,731 gross, before payroll taxes. The deferred payment was comprised of (i) $907,731 of accrued and unpaid salary, (ii) $190,000 of accrued and unpaid sick pay, and (iii) $400,000 of accrued and unpaid vacation pay. Additionally, Mr. Billingsley was paid (i) $82,377 in officer relocation expenses accrued since 2020 and (ii) $110,731 gross, before payroll taxes, in officer auto benefits. With the exception of severance, vacation, and sick pay that continues to routinely accrue, all deferred and accrued amounts have been paid in full. Mr. Billingsley's benefit package was approved by the court in the 1998 Chapter 11 bankruptcy order, as approved by the Company's shareholders, to incentivize Mr. Billingsley to remain with the Company.

(2) Mr. Billingsley received $8,625 in compensation for his service as a member of Mentor's Board of Directors. Mr. Billingsley was paid $1,000 for his attendance at three regular quarterly Board meetings. On October 14, 2023, regular board meeting fees were increased to $2,500, and minor action fees were increased to $625. Mr. Billingsley was paid $2,500 for his attendance at one regular quarterly Board meeting and one special meeting. He was paid $125 for his attendance at the Company's annual Audit Committee meeting held in 2023, paid $250 for one unanimous written consent, and paid $250 for his certification regarding our discontinued operation in 2023. Mr. Billingsley received $46,565 interest for deferred and unpaid relocation expenses and $137,365 in previously accrued unpaid medical expenses. Because relocation expenses are now paid in full, no interest will accrue in future periods. Mr. Billingsley was paid $1,000 for his attendance at the four regular quarterly Board meetings and $250 for his attendance at the annual Audit Committee meeting held in 2022.

(3) In 2023, our accrual for estimated retirement and other benefits to Mr. Billingsley increased by $349,039. This consisted of $5,000 accrued sick pay, $15,000 accrued vacation pay, and $342,488 accrued officer severance pay, less a reduction of accrued relocation costs of $13,449 due to payment of the previously accrued costs. In 2022, our accrual for estimated retirement and other benefits to Mr. Billingsley increased by $13,033. This consisted of $3,589 accrued medical and life insurance, $4,077 accrued sick pay, $12,231 accrued vacation pay, $8,664 accrued officer severance pay, and $2,404 interest on unpaid officer relocation expense, less a reduction on accrued relocation costs of $17,932 due to payment of the previously accrued costs.

Director Compensation

The following table sets forth information concerning the compensation of directors of Mentor, other than Mr. Billingsley, for the year ended December 31, 2023.

Director Name	Fees Earned or Paid In Cash ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Nonqualified Deferred Compensation ($)	All Other Compensation ($)	Total ($)
Robert B. Meyer	8,500(1)	0	0	0	0	0	0	8,500
David G. Carlile	8,500(1)	0	0	0	0	0	0	8,500
Lori J. Stansfield	8,250(1)	0	0	0	0	0	0	8,250

(1) Each director was paid $1,000 for their attendance at three regular quarterly Board meetings. On October 14, 2023, regular board meeting fees were increased to $2,500, and minor action fees were increased to $625. Each director was paid $2,500 for their attendance at one regular quarterly Board meeting and one special meeting. Each director was paid $250 for one unanimous written consent. Mr. Carlile was paid $250 for his attendance at the Company's annual Audit Committee meeting held in 2023. Mr. Meyer was paid $250 for his certification regarding our discontinued operation in 2023.

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

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

Beneficial Ownership of Directors, Officers, and 5% Stockholders

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

The percent ownership information presented in the table below is based on the total number of shares of Mentor's Common Stock outstanding as of March 28, 2024, which was 24,686,105.

Title of Security	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage of Class
Common Stock	Chet Billingsley 5964 Campus Court Plano, TX 75093	2,173,570(1)	% 7.51(5)
Common Stock	Robert B. Meyer 21141 Canada Road, #7E Lake Forest, CA 92677	1,303,789(2)	% 4.51(5)
Common Stock	David G. Carlile 10901 Bullrush Drive Venice, FL 34293	361,607(3)	% 1.25(5)
Common Stock	Lori Stansfield 903 N Towner Street Santa Ana, CA 92703	277,418(4)	% .96(5)
Common Stock	Directors and Officers as a group	4,116,384	% 14.23(6)

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

(2) In addition to 864,834 shares of Common Stock, Mr. Meyer also holds 438,955 Series D warrants exercisable at $0.02 per share. As of the date of this Annual Report on Form 10-K, Mr. Meyer has not exercised any of these Series D warrants.

(3) In addition to 359,107 shares of Common Stock, Mr. Carlile holds 2,500 Series D warrants exercisable at $0.02 per share. As of the date of this Annual Report on Form 10-K, Mr. Carlile has not exercised any of these Series D warrants.

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

(5) The Percentage of Class ownership of Mr. Billingsley, Mr. Meyer, Mr. Carlile, and Ms. Stansfield is calculated based on the total number of outstanding shares of Common Stock (24,686,105) and Series D warrants (4,250,000).

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

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

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

Except as disclosed below, between January 1, 2022, and December 31, 2023, there were no transactions, and there are no proposed transactions in which we were or are to be a participant, involving an amount in excess of $120,000, and in which any related person had or will have a direct or indirect material interest.

Mr. Billingsley acts as both the Chief Executive Officer, Principal Financial Officer, and Chairman of the Board of Directors of the Company. Ms. Stansfield acts as Treasurer of the Board of Directors of the Company, and from time to time, she provides professional financial consulting services to the Company. Mr. Meyer 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. Mr. Carlile is the sole independent director on the Audit Committee.

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, 2023 and 2022.

Fee Category	2023	2022
Audit Fees [1]	$ 66,000	$ 54,300
Audit-Related Fees [2]	-	-
Tax Return Fees [3]	-	-
All Other Fees [4]	-	-

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

(2) Audit-related fees consist of assurance and related services by the independent auditors that are reasonably related to the performance of the audit or review of our financial statements and are reported above under "Audit Fees." The services for the fees disclosed under this category include consultation regarding our correspondence with the SEC and other accounting consulting. Mentor did not incur any audit-related fees in fiscal years 2023 or 2022.

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

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

Our Board has adopted a procedure for pre-approval of all fees charged by our independent auditors. Under the procedure, the Chairman of the Board approves the engagement letter with respect to audit, tax, and review services. Other fees are subject to pre-approval by the Board or, in the period between meetings, by a designated member of the Board. Any such approval by the designated member is disclosed to the entire Board at the next meeting. The audit and tax fees paid to the auditors with respect to 2023 and 2022 were pre-approved by the entire Board.

PART IV

Item 15. Exhibits, Financial Statement Schedules

Financial Statements

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

- Report of Independent Registered Public Accounting Firm
- Consolidated Balance Sheets as of December 31, 2023 and 2022
- Consolidated Income Statements for the years ended December 31, 2023 and 2022
- Consolidated Statements of Changes in Shareholders' Equity (Deficit) for the years ended December 31, 2023 and 2022
- Consolidated Statements of Cash Flows for the years ended December 31, 2023 and 2022
- Notes to the Financial Statements

Item 16. Form 10–K Summary.

None.

Exhibits

The following exhibits are filed as part of this report:

Exhibit Number	Description
3.1	Amended and Restated Certificate of Incorporation of the Company (Incorporated by reference to Mentor's Definitive Information Statement on Schedule 14C filed with the SEC on July 10, 2015).
3.2	Bylaws of the Company (Incorporated by reference to Mentor's Definitive Information Statement on Schedule 14C filed with the SEC on July 10, 2015).
4.1	Instrument Defining Rights of Security Holders. (A copy of our Bankruptcy Plan of Reorganization, including Mentor's Sixth Amended Disclosure Statement, incorporated by reference to Exhibit 4 of our Registration Statement on Form 10, filed with the SEC on November 19, 2014.)
4.2	Description of assumed warrants to purchase shares of Mentor's Common Stock (Incorporated by reference to Mentor's Definitive Information Statement on Schedule 14C filed with the SEC on July 10, 2015).
4.3	Certificate of Designations of Rights, Preferences, Privileges, and Restrictions of Series Q Preferred Stock (Incorporated by reference to Exhibit 4.3 to Mentor's Quarterly Report on Form 10-Q for the Period Ended September 30, 2017, filed with the SEC on November 9, 2017).
4.4	Description of Company's Securities.
10.1	Ally Waste Services, LLC Stock Purchase Agreement for Waste Consolidators, Inc. and Subordinated Promissory Notes with the non-controller holder and Mentor Capital, Inc. dated October 4, 2023
21.1	Subsidiaries of the Company.

31.1	Certification of the Chief Executive Officer required by Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of the Principal Financial Officer required by Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of the Principal Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	XBRL Exhibits
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Annual Report for the period ending December 31, 2023 on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized.

Mentor Capital, Inc.

Date: April 1, 2024

By: */s/ Chet Billingsley*
Chet Billingsley,
Director, Chairman, Chief Executive Officer, and Principal Financial Officer

Directors

Date: April 1, 2024

By: */s/ Lori Stansfield*
Lori Stansfield
Director and Treasurer

Date: April 1, 2024

By: _____
David Carlile
Director

Date: April 1, 2024

By: */s/ Robert Meyer*
Robert Meyer
Director and Secretary

Report of Independent Registered Public Accounting Firm

To the shareholders and the board of directors of Mentor Capital, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Mentor Capital, Inc. as of December 31, 2023 and 2022, the related statements of operations, stockholders' equity (deficit), and cash flows for the years then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States.

Basis for Opinion

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

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

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

/s/ BF Borgers CPA PC

BF Borgers CPA PC (PCAOB ID 5041)

We have served as the Company's auditor since 2014.
Lakewood, CO
April 1, 2024

Mentor Capital, Inc.
Consolidated Balance Sheets
December 31, 2023 and 2022

	2023	2022
ASSETS		
Current assets		
Cash and cash equivalents	$ 2,431,299	$ 283,431
Investment in securities at fair value	647,363	-
Accounts receivable, net	1,800	600
Other receivable	15,000	-
Note Receivable	1,000,000	-
Prepaid expenses and other current assets	6,508	9,375
Current assets of discontinued operations		1,426,624
Total current assets	4,101,970	1,720,030
Property and equipment		
Property and equipment	48,239	45,948
Accumulated depreciation and amortization	(46,648)	(44,942)
Property and equipment of discontinued operations	-	309,777
Accumulated depreciation of discontinued operations	-	(163,905)
Property and equipment, net	1,591	146,878
Other assets		
Investment in account receivable, net of discount and current portion	238,849	315,309
Long term investments	104,431	94,431
Other assets of discontinued operations	-	2,717,244
Total other assets	343,280	3,126,984
Total assets	$ 4,446,841	$ 4,993,892

Mentor Capital, Inc.
Consolidated Balance Sheets (Continued)
December 31, 2023 and 2022

	2023	2022
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 3,152	$ 7,535
Accrued expenses	91,460	19,371
Current liabilities of discontinued operations	-	991,050
Total current liabilities	94,612	1,017,956
Long-term liabilities		
Accrued salary, retirement, and incentive fee-related party	436,512	1,153,948
Long-term liabilities of discontinued operations	-	1,095,889
Total long-term liabilities	436,512	2,249,837
Total liabilities	531,124	3,267,793
Commitments and Contingencies (Note 20)		
Shareholders' equity		
Preferred stock, $0.0001 and $0.0001 par value, 5,000,000 and 5,000,000 shares authorized; 11 and 11 series Q preferred shares issued and outstanding at December 31, 2023 and 2022*	-	-
Common stock, $0.0001 and $0.0001 par value, 75,000,000 shares authorized; 24,686,105 and 22,941,357 shares issued and outstanding at December 31, 2023 and 2022	2,469	2,294
Additional paid in capital	12,101,055	13,085,993
Accumulated deficit	(8,187,807)	(11,345,465)
Non-controlling interest	-	(16,723)
Total shareholders' equity	3,915,717	1,726,099
Total liabilities and shareholders' equity	$ 4,446,841	$ 4,993,892

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

See accompanying Notes to Financial Statements

Mentor Capital, Inc.
Consolidated Income Statements
For The Years Ended December 31, 2023 and 2022

	2023	2022
Revenue		
Service fees	$ -	$ (2,585)
Finance lease revenue	-	37,659
Total revenue	-	35,074
Cost of revenue	-	-
Gross profit	-	35,074
Selling, general, and administrative expenses	1,775,210	495,400
Operating income (loss)	(1,775,210)	(460,326)
Other income and (expense)		
Gain on sale of discontinued operations	4,805,389	-
Gain (loss) on investments	-	(170,418)
Interest income	74,780	58,725
Unrealized gain (loss) on investments	(2,484)	-
Interest expense	(15,847)	(33,878)
Other income (expense)	1,291	555
Total other income and (expense)	4,863,129	(145,016)
Income (loss) before provision for income taxes	3,087,919	(605,342)
Provision for income taxes	(8,160)	(6,768)
Net income (loss) – from continued operations	3,079,759	(612,110)
Net Income (loss) from discontinued operations before tax	83,682	252,800
Provision for income taxes on discontinued operations	(5,783)	(7,615)
Net income (loss) - from discontinued operations	77,899	245,185
Net income (loss)	3,157,658	(366,925)
Gain (loss) attributable to non-controlling interest	-	(104,461)
Net income (loss) attributable to Mentor	$ 3,157,658	$ (471,386)
Basic and diluted net income (loss) per Mentor common share:		
Basic	$ 0.137	$ (0.021)
Diluted	$ 0.122	$ (0.021)
Weighted average number of shares of Mentor common stock outstanding:		
Basic	22,977,395	22,941,357
Diluted	25,865,216	22,941,357

See accompanying Notes to Financial Statements

Mentor Capital, Inc.
Consolidated Statements of Changes in Shareholders' Equity (Deficit)
For The Years Ended December 31, 2023 and 2022

	Controlling Interest								
	Preferred stock		Common stock						
	Shares	$0.0001 par*	Shares	$0.0001 par	Additional paid in capital	Accumulated equity (deficit)	Total	Non-controlling equity (deficit)	Totals
Balances at December 31, 2021	11	$ -	22,850,947	$ 2,285	$13,071,655	$ (10,874,079)	$ 2,199,861	$ (121,184)	$ 2,078,677
Conversion of Warrants to Common Stock			90,410	9	14,338		14,347	-	14,347
Net income (loss)	-	-	-	-	-	(471,386)	(471,386)	104,461	(366,925)
Balance at December 31, 2022	11	$ -	22,941,357	$ 2,294	$13,085,993	$ (11,345,465)	$ 1,742,822	$ (16,723)	$ 1,726,099
Treasury stock buybacks	-	-	(255,252)	(25)	(7,859)	-	(7,884)	-	(7,884)
Conversion of Warrants to Common Stock	-	-	2,000,000	200	39,800	-	40,000	-	40,000
Surrender of warrants in payment of note receivable	-	-	-	-	(1,016,879)	-	(1,016,879)	-	(1,016,879)
Equity adjustment on discontinued operations	-	-	-	-	-	-	-	16,723	16,723
Net income (loss)	-	-	-	-	-	3,157,658	3,157,658	-	3,157,658
Balance at December 31, 2023	11	$ -	24,686,105	$ 2,469	$12,101,055	$ (8,187,807)	$ 3,915,717	$ -	$ 3,915,717

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

See accompanying Notes to Financial Statements

Mentor Capital, Inc.
Consolidated Statements of Cash Flows
For The Years Ended December 31, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ 3,157,658	$ (366,925)
Less net income from discontinued operations	(77,899)	(245,185)
Adjustments to reconcile net income (loss) to net cash provided by (used by) operating activities:		
Depreciation and amortization	1,706	2,079
Bad debt expense	10,198	-
Amortization of discount on investment in account receivable	(41,741)	(56,806)
Change in accrued interest income	-	86,325
Gain on sale of discontinued operation	(4,805,389)	-
(Gain) loss on investment in securities at fair value	2,484	833
(Gain) loss on long-term investments	-	110,772
Decrease (increase) in operating assets		
Finance lease receivable	-	306,650
Accounts receivable - trade	(11,398)	-
Other receivables	(15,000)	-
Prepaid expenses and other current assets	2,867	-
Increase (decrease) in operating liabilities		
Accounts payable	(4,383)	1,481
Accrued expenses	72,089	(173,669)
Deferred revenue	-	(16,308)
Accrued salary, retirement, and benefits - related party	(717,436)	26,083
Net cash provided by (used by) operating activities	(2,426,244)	(324,670)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investment securities	(649,847)	-
Proceeds from securities sold	-	176
Sale of investment of discontinued operation	6,000,000	-
Adjustment on sale of discontinued operation	129,532	-
Increase in long-term investments	(10,000)	-
Purchase of contractual interest in legal recovery	-	396,666
Purchases of property and equipment	(2,291)	-
Proceeds from investment in receivable	118,201	42,930
Net cash provided by (used by) investing activities	5,585,595	439,772
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from warrants converted to common stock	40,000	14,347
Payments on repurchase of stock	(7,884)	-
Increase in notes receivable	(1,000,000)	-
Paid in capital adjustment - note receivable reduction	(1,016,879)	-
Net cash provided by (used by) financing activities	(1,984,763)	14,347
Net change in cash – continued operations	1,174,588	129,449
Operating cash flow - discontinued operations	408,928	497,086
Investing activities - discontinued operations	1,480,861	(83,284)
Financing activities - discontinued operations	(1,423,008)	(207,260)
Net change in cash	1,641,369	335,991
Cash beginning of period - continued operations	283,431	192,475
Cash beginning of period - discontinued operations	506,499	261,464
Beginning cash	789,930	453,939
Cash - end of period	2,431,299	789,930
Less cash of discontinued operations	-	(506,499)
Ending cash	$ 2,431,299	$ 283,431
SUPPLEMENTARY INFORMATION:		
Cash paid for interest – all operations	64,685	302,312
Less Cash paid for interest - discontinued operations	(29,992)	(42,483)
Cash paid for interest – continued operations	$ 34,693	$ 259,829
Cash paid for income taxes – all operations	15,304	15,663
Less Cash paid for income taxes – discontinued operations	(5,784)	(7,615)
Cash paid for income taxes – continued operations	$ 9,520	$ 8,048

Right of use assets acquired through operating lease liability - all operations	$ -	$ -
Right of use assets acquired through finance lease liability - all operations	-	431,762
Less right of use assets acquired through finance lease liability - discontinued operations	-	(431,762)
Right of use assets acquired through finance lease liability - continued operations	$ -	$ -
Property and equipment acquired via long-term debt - all operations	-	22,480
Less Property and equipment acquired via long-term debt - all operations	-	(22,480)
Property and equipment acquired via long-term debt - continued operations	$	$

See accompanying Notes to Consolidated Financial Statements

Note 1 - Nature of operations

Corporate Structure Overview

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

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

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

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

The following is a list of subsidiaries of Mentor Capital, Inc. as of December 31, 2023:

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

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

MCIP held intellectual property and licensing rights related to one United States and coincident Canadian patent associated with vape pens. On October 24, 2023, the Company divested MCIP's intellectual property and licensing rights related to the United States and the Canadian patent associated with vape pens. The Company received no payment for its divestment. Patent application national phase maintenance fees were expensed when paid, and there were no assets related to MCIP patents represented on the consolidated financial statements on December 31, 2023 and 2022. Activity had been limited to payment of patent application maintenance fees in Canada.

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

In August 2022, September 2022, and October 2022, the G Farma Settlors failed to make monthly payments, and failed to cure each default within 10 days' notice from Company pursuant to the Settlement Agreement. On July 11, 2023, the Court entered judgment against the G Farma Settlors and in favor of Mentor and Partner I in the amount of $2,539,597. The judgment also accrues post-judgment interest at the rate of 10% from July 11, 2023 until such time as the judgment is paid in full.

The Company has retained the reserve on collections of the unpaid lease receivable balance due to the long history of uncertain payments from G Farma. Payments from G Farma will be recognized in Other Income as they are received. We will continue to pursue collection from the G Farma Settlors over time. No recovery payments have been received since October 11, 2022. The $2,539,597 judgment and interest receivable of $120,370 for the twelve months ended December 31, 2023 is fully reserved pending the outcome of the Company's collection process. See Notes 8, 9, and 18.

On September 27, 2022, Pueblo West Organics, LLC, a Colorado limited liability company ("Pueblo West") exercised a lease prepayment option and purchased manufacturing equipment from Partner II for $245,369. On September 28, 2022 Partner II transferred full title to the equipment to Pueblo West. See Note 9.

On November 18, 2022, following the filing of a declaratory relief action, Mentor received $459,990 from Electrum Partners, LLC ("Electrum") pursuant to a certain November 14, 2022 Settlement Agreement and Mutual Release, following the Company's October 21, 2022 lawsuit against Electrum and the escrow agent in California Superior Court for the County of San Mateo. The Company applied $196,666 to a certain October 30, 2018, Recovery Purchase Agreement and $200,000 to October 31, 2018 and January 28, 2019 Capital Agreements. The Company applied the remaining $63,324 to its $194,028 equity interest in Electrum; this resulted in a $130,704 loss on the Company's investment in Electrum. See Note 10.

On December 21, 2018, Mentor paid $10,000 to purchase 500,000 shares of NeuCourt, Inc. ("NeuCourt") common stock, representing approximately 6.13% of NeuCourt's issued and outstanding common stock at December 31, 2023.

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

Note 2 - Summary of significant accounting policies

Basis of presentation

The accompanying consolidated financial statements and related notes include the activity of subsidiaries in which a controlling financial interest is owned. The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Significant intercompany balances and transactions have been eliminated in consolidation.

As shown in the accompanying financial statements, the Company has an accumulated deficit of ($8,187,807) as of December 31, 2023.

Ongoing Capital Formation

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

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

Impact Related to Endemic Factors

COVID-19 and the measures taken by many countries in response have adversely affected and could, in the future, materially adversely impact the Company's business, acquisition plans, results of operations, financial condition, and stock price. Although we have not yet been materially adversely affected as of December 31, 2023, our future financial condition may be materially and adversely impacted as a result of the ongoing worldwide economic situation, economic sanctions, the impact of inflation, interest rate increases, tax increases, tariff increases, recession, climate regulation, cybersecurity risks, evolving and sophisticated cyber-attacks and other attempts to gain access to our information technology systems, increased risk to oil markets, potential banking crises, the outbreak of war in Ukraine, the Israel-Hamas war, future weakness in the credit markets, increased rates of default and bankruptcy, political change, and significant liquidity problems for the financial services industry. For example, our current or potential customers, or the current or potential customers of our partners or affiliates, may delay or decrease spending with us, may not pay us, or may delay paying us for previously purchased products and services. Also, we, or our partners or affiliates, may have difficulties in securing additional financing. Additionally, the collectability of our investment in account receivable was impaired by $116,430 on February 15, 2022 due to a reduction in our estimated collection amount for the 2020 annual installment payment, which was affected by the COVID-19 pandemic, and the terms of the investment were modified, resulting in an additional loss of $41,930, see Note 4.

Supply chain disruptions, inflation, interest rate increases, tax increases, recession, high energy prices, and supply-demand imbalances are expected to continue in 2024.

We anticipate that current cash and associated resources will be sufficient for us to execute our business plan for five years after the date these financial statements are issued. The ultimate impact of COVID-19, the outbreak of war in Ukraine, the Israel-Hamas war, potential cyber-attacks, inflation, interest rate increases, tax increases, and a potential recession on our business, results of operations, cybersecurity, financial condition, and cash flows are dependent on future developments, which are uncertain and cannot be predicted at this time.

Segment reporting

Continuing operations

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

Discontinued operation

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

Use of estimates

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

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

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

Recent Accounting Standards

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

Simplifying the Accounting for Income Taxes – As of January 1, 2021, we adopted ASU No. 2019-12, *Simplifying the Accounting for Income Taxes*, which is designed to simplify the accounting for income taxes by removing certain exceptions to the general principles in Topic 740. ASU No. 2019-12 The adoption of this ASU did not have a material impact on the Company's consolidated financial statements.

Concentrations of cash

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

Cash and cash equivalents

The Company considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents. The Company had no short-term debt securities as of December 31, 2023 and 2022.

Accounts receivable

Accounts receivables consist of trade accounts arising in the normal course of business and are classified as current assets and carried at original invoice amounts less an estimate for doubtful receivables based on historical losses as a percent of revenue in conjunction with a review of outstanding balances on a quarterly basis. The estimate of allowance for doubtful accounts is based on the Company's bad debt experience, market conditions, and aging of accounts receivable, among other factors. If the financial condition of the Company's customers deteriorates, resulting in the customer's inability to pay the Company's receivables as they come due, additional allowances for doubtful accounts will be required. At December 31, 2023 and 2022, the Company had no allowance for doubtful receivables.

Investments in securities at fair value

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

Long term investments

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

Investments in debt securities

At December 31, 2023 and December 31, 2022, the Company held no investments in debt securities. The Company's former investment in debt securities consisted of two convertible notes receivable from NeuCourt, Inc. On July 15, 2022, all principal and accrued interest on the notes were converted into a Simple Agreement for Future Equity ("SAFE"). At December 31, 2023 and 2022, the SAFE Purchase Amount was $93,756 and $83,756, respectively. See Note 7.

Investment in account receivable, net of discount

The Company's investments in accounts receivable is stated at face value, net of unamortized purchase discount. The discount is amortized to interest income over the term of the exchange agreement. In the fourth quarter of 2020, we were notified that due to the effect of COVID-19 on the estimated receivable, we may not receive the 2020 installment payment or the full 2021 installment payment. Due to a reduction in expected collections, the collectability of our investment in account receivable was impaired by $116,430 on February 15, 2022 and the terms of the investment were modified, resulting in an additional loss of $41,930, see Note 4.

On January 10, 2023, the Company received the 2022 annual installment payment of $117,000. Three additional $117,000 annual installment payments are due for 2023, 2024, and 2025. The Company has retained its impairment reserves and recorded losses on investment due to a history of uncertain payments. See Notes 4 and 21.

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

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

Property and equipment

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

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

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

Lessee Leases

We determine whether an arrangement is a lease at inception. Lessee leases are classified as either finance leases or operating leases. A lease is classified as a finance lease if any one of the following criteria is met: the lease transfers ownership of the asset by the end of the lease term, the lease contains an option to purchase the asset that is reasonably certain to be exercised, the lease term is for a major part of the remaining useful life of the asset or the present value of the lease payments equals or exceeds substantially all of the fair value of the asset. A lease is classified as an operating lease if it does not meet any one of these criteria. Our operating leases are comprised of office space leases and office equipment. Fleet vehicle leases entered into prior to January 1, 2019, are classified as operating leases based on an expected lease term of 4 years. Fleet vehicle leases entered into beginning January 1, 2019, for which the lease is expected to be extended to 5 years, are classified as finance leases. Our leases have remaining lease terms of 1 month to 48 months. Our fleet finance leases contain a residual value guarantee, which, based on past lease experience, is unlikely to result in a liability at the end of the lease. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at the commencement date to determine the present value of lease payments.

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

Goodwill

On October 4, 2023, the Company sold the entirety of its interest in Waste Consolidators, Inc. ("WCI") by entering into a Stock Purchase Agreement whereby the shareholders of WCI sold all of the outstanding shares of stock to Ally Waste Services, LLC. Following the sale, the Company received no new income from WCI and had no further involvement or continuing influence over its operations. Prior to the sale, goodwill of $1,324,142 was derived from consolidating WCI effective January 1, 2014, and $102,040 of goodwill was derived from the 2003 acquisition of a 50% interest in WCI. In accordance with ASC 350, *"Intangibles-Goodwill and Other,"* goodwill and other intangible assets with indefinite lives were no longer subject to amortization but were tested for impairment annually or whenever events or changes in circumstances indicate that the asset might be impaired prior to the sale. Effective October 4, 2023, on the date of the sale of our WCI shares, we met the criteria outlined in ASC Topic 205-20 *"Discontinued Operations*," for our $1,426,182 goodwill to be reduced to $0 and the results of operations and assets and liabilities for our facilities operations segment were excluded from our continuing operations and presented as a discontinued operation in our consolidated financial statements. As a result, goodwill in an aggregate amount of $1,426,182 was reduced to $0. No goodwill is reported in the Company's condensed consolidated balance sheets at December 31, 2023 and 2022.

Revenue recognition

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

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

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

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

Basic and diluted income (loss) per common share

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

There were 4,250,000 potentially dilutive outstanding warrants as of December 31, 2023 that on a treasury stock basis had the dilutive effect of 2,887,821 common shares as of December 31, 2023. Outstanding warrants that had no effect on the computation of the dilutive weighted average number of shares outstanding as their effect would be anti-dilutive were approximately 7,000,000 as of December 31, 2022.

Assumed conversion of Series Q Preferred Stock into Common Stock would be anti-dilutive as of December 31, 2023 and 2022 and is not included in calculating the diluted weighted average number of shares outstanding.

Income taxes

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

The Company applies the provisions of ASC 740, "*Accounting for Uncertainty in Income Taxes*." The ASC prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The ASC provides guidance on de-recognition, classification, interest, and penalties, accounting in interim periods, disclosure, and transition. The Company utilizes a two-step approach to recognizing and measuring uncertain tax positions (tax contingencies). The first step evaluates the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that we will sustain the position on audit, including resolution of related appeals or litigation processes. The second step measures the tax benefit as the largest amount of more than 50% likely of being realized upon ultimate settlement. The Company did not identify any material uncertain tax positions on returns that have been filed or that will be filed. The Company did not recognize any interest or penalties for unrecognized tax provisions during the years ended December 31, 2023 and 2022, nor were any interest or penalties accrued as of December 31, 2023 and 2022. To the extent the Company may accrue interest and penalties, it elects to recognize accrued interest and penalties related to unrecognized tax provisions as a component of income tax expense.

Fair value measurements

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

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

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

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

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

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

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

Note 3 – Discontinued operation

Acquisition

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

Prior to acquiring a controlling interest in WCI on January 1, 2014, Mentor accounted for the investment in WCI using the equity method based on the ownership interest and the Company's limited ability to exercise significant influence from December 31, 2003 to December 31, 2013. Accordingly, the investment was initially recorded at cost with adjustments to the carrying amount of the investment to recognize our share of the earnings or losses of the investee each reporting period. In accordance with ASC 810-10, "*Consolidation – Overall*," Mentor remeasured its previously held equity interest in WCI at the acquisition-date fair value, which was reported at December 31, 2014 as follows:

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

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

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

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

Goodwill of $1,324,143 was derived from consolidating WCI effective January 1, 2014. The remaining $102,040 of goodwill is related to our first acquisition of a 50% interest in WCI. The Company accounted for its goodwill in accordance with ASC 350*, "Intangibles – Goodwill and Other*," which required the Company to test goodwill for impairment annually or whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable, rather than amortize. Goodwill impairment tests consisted 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 required significant judgment and were subject to change if future events and circumstances changed. Management determined that no impairment write-downs were required as of December 31, 2021 and 2022.

Disposal

On October 4, 2023, the Company sold the entirety of its interest in WCI by entering into a Stock Purchase Agreement whereby the shareholders of WCI sold all of the outstanding shares of stock to Ally Waste Services, LLC. Prior to the sale, the Company did not have any assurances that a sale of WCI was likely to occur. The Company's policy is to not announce anything that is uncertain or unlikely to occur. Following the sale, the Company reported the results to the public in an October 5, 2023 press release and Current Report on Form 8-K filed with the Securities and Exchange Commission on October 10, 2023. In connection with the sale, the Company received net, after WCI debt payoff, $5,000,000 in cash and a one-year unsecured, subordinated, promissory note in the initial principal face amount of $1,000,000. The note accrues interest at 6% per annum. At December 31, 2023 we recognized a $4,805,389 gain on our sale of WCI as follows:

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

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

Consolidation and Deconsolidation

Consolidation

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

Deconsolidation

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

Discontinued Operation Financial Statement Presentation and Disclosures

Financial Statement Presentation

Due to the sale of our entire ownership interest in WCI on October 4, 2023, our facilities operation segment was eliminated. Following our sale of WCI, the Company received no new income from WCI and had no further involvement or continuing influence over its operations. Consequently, we determined that the results from operations and assets and liabilities associated with our facilities operation segment were to be excluded from our continuing operations and presented as a discontinued operation in our consolidated financial statements in accordance with ASC Topic 205-20-45, "*Discontinued Operations*." As a result, we classified the results from operations of our facilities accessories segment separately in captions titled "discontinued operations" on our consolidated income statements for the current and prior year periods. Additionally, assets and liabilities associated with our facilities operations segment as of December 31, 2022, were reclassified from certain amounts reported in prior periods to present separately in captions titled "current assets of discontinued operations," "property and equipment of discontinued operations," "accumulated depreciation of discontinued operations," "other assets of discontinued operations" and "current liabilities of discontinued operations," and "long term liabilities of discontinued operations," to conform to current year financial statement presentation.

Consolidated Balance Sheets

The following is a summary of the assets and liabilities that were sold effective October 4, 2023, and a reconciliation of the assets and liabilities disclosed in the notes to financial statements that are presented as a discontinued operation on the consolidated balance sheet as of December 31, 2022:

	October 4, 2023[1]	December 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	**$ 369,387**	$ 506,499
Accounts receivable	**786,617**	686,870
Other current assets	**19,027**	233,255
Total current assets sold - discontinued operation	**1,169,030**	1,426,625
Property and equipment	**179,673**	145,872
Goodwill[2]	**102,040**	102,040
Prepaid Admin Fee – Mentor	**-**	337,333
Security deposit	**22,477**	25,575
Right of use asset	**1,884,632**	1,265,486
Total noncurrent assets sold - discontinued operation	**2,009,149**	1,730,434
Total assets	**$ 3,357,852**	$ 3,302,931
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts -payable trade	**$ 38,530**	$ 24,557
Finance lease liability - current	**419,073**	232,058
Accrued expenses	**597,217**	639,373
Total current liabilities sold - discontinued operation	**1,054,820**	895,988
EIDL loan payable	**51,797**	161,060
Note payable - Mentor	**-**	1,081,323
Long term debt	**-**	83,876
Finance lease liability – long-term	**1,069,810**	575,852
Operating lease liability - long-term	**256,071**	370,164
Total noncurrent liabilities sold - discontinued operation	**1,377,677**	2,272,274
Total liabilities	**2,432,497**	3,168,262
Total net assets of discontinued operation	**$ 925,355**	$ 134,669

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

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

Net income (loss) from discontinued operations before tax

The following is a reconciliation of the major classes of financial statement line items constituting net income (loss) from discontinued operations before tax from WCI, our discontinued operation, that is disclosed in the notes to the financial statements and presented in the consolidated statements of net (loss) income for fiscal years December 31, 2023 and 2022:

	December 31, 2023	December 31, 2022
Revenue	**$ -**	$ 35,074
Cost of sales	**-**	-
Gross profit	**-**	35,074
Selling, general and administrative expenses	**1,775,210**	495,400
Operating income (loss)	**(1,775,210)**	(460,326)
Total other income and (expense)[1]	**4,863,129**	(145,016)
Income (loss) before provision for income taxes	**$ 3,087,919**	(605,342)
Provision for income taxes	**(8,160)**	(6,768)
Net income (loss) from continued operations	**3,079,759**	(612,110)
Net income (loss) from discontinued operations	**77,899**	245,185
Net income (loss)	**3,157,658**	(366,925)
Gain (loss) attributable to non-controlling interest	**-**	(104,461)
Net income (loss) attributable to Mentor	**3,157,658**	(471,386)

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

Cash Flow Disclosures

Prior to the October 4, 2023 sale date, on September 30, 2023 and on December 31, 2022, our discontinued operation had net cash used in operating activities totaling $333,207 and $506,499, accounts receivable of $728,657 and $633,178, other receivable of $20,374 and $230,322, prepaid expenses of $82,984 and $51,308, property and equipment of $392,838 and $309,777, operating lease assets of $323,875 and $370,164, finance lease assets of $1,560,757 and $895,323, accrued expenses of $523,178 and $639,373, finance lease liability of $1,488,883 and $807,910, an operating lease liability of $323,875 and $370,164, an EIDL loan liability of $58,031 and $161,060, and long term debt of $0 and $83,876, respectively.

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

Lease Commitment Disclosures

Our discontinued operation had entered into non-cancellable operating and finance leases for office and warehouse space, computers, furniture, fixtures, machinery, and vehicles. The following summarizes our discontinued operations' lease liability maturities for operating and finance leases on the date of sale:

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

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

Term Debt Disclosures

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

Economic Injury Disaster Loan Disclosures

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

Other Receivable Disclosures

Other receivable consisted of the following:

	October 4, 2023	December 31, 2022
Employee retention tax credits	$ -	$ -
Accrued sales tax receivable from customers*	20,374	237,243
Other	-	(6,921)
Total other receivable	$ 20,374	$ 230,322

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

In 2022, our discontinued operation received an Employee Retention Tax Credit ("ERTC") in the amount of $1,350,161, in conjunction with our discontinued operation's professional employer organization's receipt and application of the same to our discontinued operation's leased employees. The ERTC was initially established by Section 2301 of the Coronavirus Aid, Relief and Economic Security Act of 2020, as amended by Sections 206-207 of the Taxpayer Certainty and Disaster Relief Act and by Division EE of Consolidated Appropriation Act of 2021 and Section 9651 of American Rescue Plan Act of 2021; which is authorized by Section 3134 of the Internal Revenue Code. The Consolidated Appropriations Act of 2021 and American Rescue Plan Act of 2021 amendments to the ERTC program provided eligible employers with a tax credit in an amount equal to 70% of qualified wages (including certain health care expenses) that eligible employers pay their employees after January 1, 2021 through December 31, 2021, as amended by the Infrastructure Investment and Jobs Act of 2021, which retroactively ended the ERTC program as of September 30, 2021 for all businesses with the exception of recovery startups. The maximum amount of qualified wages taken into account with respect to each employee for each calendar quarter is $10,000, so the maximum credit that an eligible employer may claim for qualified wages paid to any employee is $7,000 per quarter. The credit is taken against an employer's share of social security tax reported by our discontinued operation's professional employer organization on Form 941-X for each applicable quarter. The receipt of the tax credit was expected to improve our discontinued operation's liquidity due to the effects of the credit. Although our discontinued operation's professional employer organization received credits for wages paid in 2020 and the first three quarters of 2021, there were no assurances that our discontinued operation or our discontinued operation's professional employer organization would continue to meet the requirements or that changes in the ERTC regulations including changes in guidance provided by the IRS with respect to the implementation and operation of the ERTC, will not be adopted that could reduce or eliminate the benefits that our discontinued operation and our discontinued operation's professional employer organization may qualify for.

ERTC income of $0 and $1,350,161 was reflected in our discontinued operation's other income for the nine months ended September 30, 2023, and the year ended December 31, 2022. Our discontinued operation received the ERTC based on qualitative information submitted. During the nine months ended September 30, 2023, and the year ended December 31, 2022, $0 and $1,350,161 were claimed against current payroll tax liabilities as they became due.

Property, Plan, and Equipment Disclosures

Property and equipment for our discontinued operation were comprised of the following on October 4, 2023, and December 31, 2022:

	October 4, 2023 [1]	December 31, 2022
Computers	$ -	$ -
Furniture and fixtures	12,761	12,761
Machinery and vehicles	380,077	297,016
	392,838	309,777
Accumulated depreciation and amortization	(213,165)	(163,905)
Net Property and equipment	$ 179,673	$ 145,872

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

Depreciation and amortization expenses were $49,260 and $47,974 for the years ended December 31, 2023 and 2022, respectively. Of these amounts, depreciation on our discontinued operation's vehicles used to service customer accounts included in the cost of goods sold and was $16,325 and $21,204 at October 4, 2023 and December 31, 2022, respectively. All other depreciation was associated with our discontinued operation's selling, general, and administrative expenses.

Lessee Leases Disclosures

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

Gross right of use assets recorded under finance leases related to our discontinued operation's vehicle fleet leases were $2,272,984 and $1,289,714 as of October 4, 2023 and December 31, 2022, respectively. Accumulated amortization associated with our discontinued operation's finance leases was $712,227 and $394,391 as of October 4, 2023 and 2022, respectively.

Our discontinued operation's lease costs no longer recognized in our consolidated income statements were as follows:

	October 4, 2023 [1]	December 31, 2022
Operating lease cost included in cost of goods	$ -	$ 13,054
Operating lease cost included in operating costs	60,256	54,571
Total operating lease cost [1]	60,256	67,625
Finance lease cost, included in cost of goods:		
Amortization of lease assets	269,470	278,006
Interest on lease liabilities	56,450	39,931
Total finance lease cost	325,920	317,937
Short-term lease cost	-	-
Total lease cost	$ 386,176	$ 385,562

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

Right of use asset amortization under our discontinued operations operating agreements were $46,289 and $223,151 at October 4, 2023 and December 31, 2022.

Lease amounts of our discontinued operations at October 4, 2023 were as follows:

	October 4, 2023 [1]	December 31, 2022
Weighted-average remaining lease term – operating leases	4.01 years	4.75 years
Weighted-average remaining lease term – finance leases	3.49 years	4.63 years
Weighted-average discount rate – operating leases	6.0%	6.0%
Weighted-average discount rate – finance leases	7.5%	5.5%

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

Finance lease liabilities were as follows:

	October 4, 2023 [1]	December 31, 2022
Gross finance lease liabilities	$ 1,696,301	$ 897,849
Less: imputed interest	(207,418)	(89,939)
Present value of finance lease liabilities	1,488,883	807,910
Less: current portion	(419,073)	(232,058)
Long-term finance lease liabilities	$ 1,069,810	$ 575,852

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

Operating lease liabilities were as follows:

	October 4, 2023 [1]	December 31, 2022
Gross operating lease liabilities	$ 366,918	$ 428,946
Less: imputed interest	(43,043)	(58,782)
Present value of operating lease liabilities	323,875	370,164
Less: current portion	(67,804)	(62,861)
Long-term operating lease liabilities	$ 256,071	$ 307,303

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

Lease maturities of our discontinued operation were follows:

Maturity of lease liabilities

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

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

Facilities Operations Segment Disclosures

We sold our entire ownership interest in WCI on October 4, 2023. Following the sale, the Company received no new income from WCI and had no further involvement or continuing influence over its operations. Consequently, our facilities operations segment was eliminated at the time of sale. Additionally, the results of operations associated with our facilities operations segment were excluded from our continuing operations and presented as a discontinued operation in our consolidated financial statements. WCI worked with business park owners, governmental centers, and apartment complexes to reduce their facility-related operating costs. The WCI segment is now reported as a discontinued operation. Following is our discontinued operations segment information before income taxes as of October 4, 2023 and December 31, 2022:

	Discontinued Operation
October 4, 2023 [1]	
Net sales	$ 6,432,907
Operating income (loss)	178,854
Interest income	1
Interest expense	62,770
Property additions	83,062
Fixed asset depreciation and amortization	49,260
Total Assets	3,357,852
December 31, 2022	
Net sales	$ 7,670,641
Operating income (loss)	(830,098)
Interest income	5
Interest expense	46,321
Property additions	63,089
Fixed asset depreciation and amortization	69,176
Total Assets	3,302,931

	October 4, 2023 [1]	**December 31, 2022**
Operating loss	$ 178,854	$ (830,098)
Employee retention tax credit (WCI)	6,921	1,350,161
Interest income	1	5
Interest expense	(62,770)	(46,321)
Gain (loss) on equipment disposals	-	56,455
Other income	13,139	57,473
Income before income taxes	$ 136,145	$ 587,675

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

Note 4 – Investment in account receivable

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

The Company valued the transaction based on the market value of Company common shares exchanged in the transaction, resulting in a 17.87% discount from the face value of the account receivable or net present value of $0.78 per share, the then current share price closing. The discount is being amortized monthly to interest over the 11-year term of the agreement. In the fourth quarter of 2020, we were notified that due to the effect of COVID-19, we might not receive the 2020 installment or the full 2021 installment. Based on management's collection estimates, we recorded an investment loss of ($139,148) on the investment in account receivable at December 31, 2020. The Company reevaluated estimated collections and recorded a loss on this investment of ($41,930) for the year ended December 31, 2022 and a gain of $22,718 in the year ended December 31, 2021 in other income on the consolidated income statement.

On January 10, 2023, the Company received the 2022 annual installment payment of $117,000. Three additional $117,000 annual installment payments are due for 2023, 2024, and 2025. The Company has retained its impairment reserves and recorded losses on investment due to a history of uncertain payments.

The April 10, 2015 account receivable is supported by an exchange agreement and consisted of the following at December 31, 2023 and 2022:

	2023	2022
Face value	$ 285,400	$ 403,600
Impairment	-	-
Unamortized discount	(46,551)	(88,291)
Net balance	238,849	315,309
Current portion	-	-
Long term portion	$ 238,849	$ 315,309

For the years ended December 31, 2023 and 2022, $41,741 and $56,806 of discount amortization are included in interest income.

Subsequent to year-end, the Company did not receive the 2023 annual installment payment of $117,000 that is due in or around January or February 2024. In March 2024, the Company retained counsel to begin the process of collecting the past due amounts and explore whether the Company should file suit. See Note 21.

Note 5 – Note receivable

On October 4, 2023, in connection with the sale of the Company's ownership interest in WCI, the Company received a one-year unsecured, subordinated, promissory note in an initial principal face amount of $1,000,000 from Ally Waste Services, LLC ("Ally") at 6% per annum. The note is recorded at the principal face amount of $1,000,000 plus accrued interest of $15,000 and $0 at December 31, 2023 and 2022, respectively. The note is unsecured, subordinated, and junior in right of payment of the indebtedness of borrowed money and obligations of Ally owed to senior lenders. Subject to the terms of agreements with senior lenders, the note principal plus accrued interest is payable on October 4, 2024. Ally's failure to pay the principal and accrued interest on October 4, 2024, among other enumerated events of default, will result in the interest rate retroactively increasing to 12% per annum. The note may be set off against any indemnification obligations owed by the Company to Ally, which indemnification obligations are secondary to indemnification obligations owed by the other WCI selling shareholder to Ally. The Company has received assurances from Ally that the note will be paid, so management has not impaired the note receivable. If management is given any indication from Ally or the other selling shareholder of WCI that collection is uncertain, the Company will impair the note receivable at such time. At December 31, 2023 and 2022, our note receivable consisted of the following:

	December 31, 2023	December 31, 2022
October 4, 2023 Ally Waste Services, LLC subordinated promissory note receivable, including accrued interest of $15,000 and $0, at December 31, 2023 and 2022, respectively. The note bore interest at 6% per annum. No payments are required under the note until the maturity date, October 4, 2024. Ally has the option to pay the note plus any accrued interest at any time prior to its maturity without penalty. Any prepayment shall be applied first to accrued but unpaid interest and then to the outstanding principal.	$ 1,015,000	$ -
Total note receivable	$ 1,015,000	$ -

Note 6 - Property and equipment

Property and equipment are comprised of the following at December 31, 2023 and 2022:

	2023	2022
Computers	$ 33,626	$ 31,335
Furniture and fixtures	14,613	14,613
Machinery and vehicles	-	-
	48,239	45,948
Accumulated depreciation and amortization	(46,648)	(44,942)
Property and equipment of discontinued operations	-	309,777
Accumulated depreciation of discontinued operations	-	(163,905)
Net Property and equipment	$ 1,591	$ 146,878

Continuing Operations

Depreciation and amortization expenses for our continuing operations was $1,706 and $2,078 for the years ended December 31, 2023 and 2022, respectively. All depreciation is included in selling, general and administrative expenses in the consolidated income statements.

Discontinued Operation

Depreciation and amortization expenses for our discontinued operations were $49,260 and $47,974 for the years ended December 31, 2023 and 2022, respectively. Of these amounts, depreciation on our discontinued operation's vehicles used to service customer accounts included in the cost of goods sold and was $16,325 and $21,204 at October 4, 2023 and December 31, 2022, respectively. All other depreciation was associated with our discontinued operation's selling, general, and administrative expenses.

Note 7 – Convertible notes receivable

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

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

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

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

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

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

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

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

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

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

On January 20, 2023, the Company and NeuCourt entered into a SAFE Purchase Agreement by which the Company invested an additional $10,000 in the form of a NeuCourt Simple Agreement for Future Equity under the same terms as the previous July 15, 2022 SAFE Purchase Agreement between NeuCourt and the Company, increasing the aggregate SAFE Purchase Amount to $93,756. At December 31, 2023 and 2022, the SAFE Purchase Amount was $93,756 and $83,756, respectively.

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

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

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

G Farma has not made scheduled payments on the notes receivable or the G Farma finance lease receivable since February 19, 2019. All arrangements with G Farma, were placed on non-accrual basis effective April 1, 2019. Accrual of interest on notes receivable and finance leases, as well as consulting revenue, was suspended April 1, 2019. The notes receivable balances of $1,039,501 and $1,039,501 at December 31, 2023 and 2022, respectively, are fully reserved and reflected in the consolidated balance sheet as $0 and $0 at December 31, 2023 and 2022, respectively.

On November 4, 2020, the Court granted Mentor Capital, Inc.'s and Mentor Partner I's motion for summary adjudication as to all four causes of action: both causes of action against G FarmaLabs Limited for breach of the two promissory notes totaling $1,166,570 and one cause of action against each of Mr. Gonzalez and Ms. Gonzalez related to their duties as guarantors of G FarmaLabs Limited's obligations under the promissory notes. See legal proceedings described in Note 18.

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

On October 12, 2021, the parties filed a Stipulation for Dismissal and Continued Jurisdiction with the Superior Court of California in the County of Marin. The Court ordered that it retain jurisdiction over the parties under Section 664.6 of the California Code of Civil Procedure to enforce the Settlement Agreement until the performance in full of its terms is met.

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

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

The Company has retained the full reserve on unpaid notes receivable balance and collections of the unpaid lease receivable balance due to the long history of uncertain payments from G Farma and the G Farma Settlors. Payments from G Farma Settlors will be recognized in Other Income as they are received. Recovery payments of $0 and $3,550 are included in other income in the consolidated financial statements for the year ended December 31, 2023 and 2022, respectively. The $2,539,597 judgment and interest receivable of $120,370 for the twelve months ended December 31, 2023 is fully reserved pending the Company's collection process. See Notes 1 and 18.

Note 9 – Finance leases receivable

Mentor Partner I

Partner I entered into a Master Equipment Lease Agreement with G FarmaLabs Limited and G FarmaLabs DHS, LLC (the "G Farma Lease Entities") with guarantees by GFBrands, Inc., formerly known as G FarmaBrands, Inc, Ata Gonzalez and Nicole Gonzalez (collectively, the "G Farma Lease Guarantors") dated January 16, 2018, and amended March 7, April 4, June 20, and September 7, 2018, and March 4, 2019. Partner I acquired and delivered manufacturing equipment as selected by G Farma Lease Entities under sales-type finance leases.

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

In 2020, the Company repossessed leased equipment under G Farma's control with a cost of $622,569 and sold it to the highest offerors for net proceeds of $348,734 after shipping and delivery costs. Net sales proceeds were applied against the finance lease receivable.

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

On October 12, 2021, the parties filed a Stipulation for Dismissal and Continued Jurisdiction with the Superior Court of California in the County of Marin. The Court ordered that it retain jurisdiction over the parties under Section 664.6 of the California Code of Civil Procedure to enforce the Settlement Agreement until the performance in full of its terms is met.

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

Net finance leases receivable from G Farma remain fully impaired at December 31, 2023 and 2022. Payment received under this settlement will first be applied against the notes receivable described in Note 8, and if any additional amounts are recovered, they will then be applied against the finance leases receivable. There was no finance lease revenue recognized on Partner I finance leases at December 31, 2023 and 2022, respectively. See Note 18.

Net finance leases receivable, non-performing, consist of the following at December 31, 2023 and 2022:

	2023	2022
Gross minimum lease payments receivable	$ 1,203,404	$ 1,203,404
Less: unearned interest	(400,005)	(400,005)
Less: reserve for bad debt	(803,399)	(803,399)
Finance leases receivable	$ -	$ -

Mentor Partner II

Partner II entered into a Master Equipment Lease Agreement with Pueblo West, dated February 11, 2018, amended on November 28, 2018 and March 12, 2019. Partner II acquired and delivered manufacturing equipment as selected by Pueblo West under sales-type finance leases.

On September 27, 2022, Pueblo West exercised its lease prepayment option and purchased the manufacturing equipment for $245,369. On September 28, 2022, Partner II transferred full title to the equipment to Pueblo West.

Finance lease revenue recognized on Partner II finance leases for the years ended December 31, 2023 and 2022 was $0 and $37,659, respectively.

Note 10 - Contractual interests in legal recovery

Electrum was the plaintiff in a certain legal action captioned *Electrum Partners, LLC, Plaintiff, and Aurora Inc., Defendant,* in the Supreme Court of British Columbia ("Litigation"). On October 23, 2018, Mentor entered into a Joint Prosecution Agreement among Mentor, Mentor's corporate legal counsel, Electrum, and Electrum's legal counsel.

On October 30, 2018, Mentor entered into a Recovery Purchase Agreement ("Recovery Agreement") with Electrum under which Mentor purchased a portion of Electrum's potential recovery in the Litigation. Mentor agreed to pay $100,000 of costs incurred in the Litigation, in consideration for ten percent (10%) of anything of value received by Electrum as a result of the Litigation ("Recovery") in addition to repayment of its initial investment. As of December 31, 2021, Mentor had invested an additional $96,666 of capital in Electrum for payment of legal retainers and fees in consideration for an additional nine percent (9%) of the Recovery. On November 18, 2022, Electrum repaid $196,666 to the Company pursuant to a certain November 14, 2022 Settlement Agreement and Mutual Release, following the Company's October 21, 2022 lawsuit against Electrum and the escrow agent in the County of San Mateo.

On October 31, 2018, Mentor also entered into a secured Capital Agreement with Electrum under which Mentor invested an additional $100,000 of capital in Electrum. In consideration for Mentor's investment, Electrum agreed to pay Mentor, on the payment date, the sum of (i) $100,000, (ii) ten percent (10%) of the Recovery, and (iii) 0.083334% of the Recovery for each full month from October 31, 2018 to the payment date for each full month that $833 is not paid to Mentor. Payment was secured by all assets of Electrum. The payment date under the October 31, 2018 Capital Agreement was the earlier of November 1, 2021, or the final resolution of the Litigation. Due to the coronavirus outbreak and the resulting delay in the trial date of the Litigation, on November 1, 2021 the parties amended the October 31, 2018 Capital Agreement for the purpose of extending the payment to the earlier of November 1, 2023, or the final resolution of the Litigation and increased the monthly payment payable by Electrum to $834. On November 18, 2022, Electrum repaid $100,000 to the Company pursuant to a certain November 14, 2022 Settlement Agreement and Mutual Release, following the Company's October 21, 2022 lawsuit against Electrum and the escrow agent in the County of San Mateo.

On January 28, 2019, Mentor entered into a second secured Capital Agreement with Electrum. Under the second Capital Agreement, Mentor invested an additional $100,000 of capital in Electrum. In consideration for Mentor's investment, Electrum agreed to pay Mentor on the payment date the sum of (i) $100,000, (ii) ten percent (10%) of the Recovery, and (iii) the greater of (A) 0.083334% of the Recovery for each full month from the date hereof until the payment date if the Recovery occurs prior to the payment date, and (B) $833 for each full month from the date hereof until the payment date. The payment date was the earlier of November 1, 2021, and the final resolution of the Litigation. On November 1, 2021, the parties amended the January 28, 2019 Capital Agreement to extend the payment date to the earlier of November 1, 2023, or the final resolution of the Litigation, and increased the monthly payment payable by Electrum to $834. On November 18, 2022, Electrum repaid $100,000 to the Company pursuant to a certain November 14, 2022 Settlement Agreement and Mutual Release, following the Company's October 21, 2022 lawsuit against Electrum and the escrow agent in the County of San Mateo.

In addition, the January 28, 2019 Capital Agreement provides that Mentor may, at any time up to and including 90 days following the payment date, elect to convert its 6,198 membership interests in Electrum into a cash payment of $194,028 plus an additional 19.4% of the Recovery. On November 18, 2022, Electrum repaid $63,324 to the Company pursuant to a certain November 14, 2022 Settlement Agreement and Mutual Release, following the Company's October 21, 2022 lawsuit against Electrum and the escrow agent in the County of San Mateo.

On or about September 14, 2022, Electrum and Aurora, Inc. settled the Litigation claims and Electrum received CAD $800,000, or approximately USD $584,000, in settlement funds from Aurora, Inc. ("Settlement Funds"), which had been placed in escrow. Pursuant to an escrow agreement entered into by and between Electrum, Mentor, and the escrow agent, Mentor was to be paid amounts due and owing to it under the Capital Agreements and Recovery Purchase Agreements from the Settlement Funds before any remaining amounts are to be distributed to Electrum. However, such payment was not received. On or about September 20, 2022, the escrow agent resigned, and Electrum refused to agree to a successor escrow agent in accordance with the terms of the escrow agreement. On October 21, 2022, the Company filed suit against the escrow agent, Electrum, and Does 1 through 10, seeking declaratory relief from the California Superior Court in the County of San Mateo that the escrow agent shall either distribute the Settlement Funds or transfer the Settlement Funds to the successor escrow agent, all in accordance with the escrow agreement.

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

Note 11 – Investments and fair value

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

			Fair Value Measurement Using		
	Unadjusted Quoted Market Prices (Level 1)	Quoted Prices for Identical or Similar Assets in Active Markets (Level 2)	Significant Unobservable Inputs (Level 3)	Significant Unobservable Inputs (Level 3)	Significant Unobservable Inputs (Level 3)
	Investment in Securities		Contractual interest Legal Recovery	Investment in Common Stock Warrants	Other Equity Investments
Balance at December 31, 2021	$ 1,009	$ -	$ 396,666	$ 1,175	$ 204,028
Total gains or losses Included in earnings (or changes in net assets)	(833)	-	-	(500)	-
Purchases, issuances, sales, and settlements					
Purchases	-	-	-	-	83,756
Issuances	-	-	-	-	-
Sales	(176)	-	-	-	-
Settlements	-	-	(396,666)	-	(194,028)
Balance at December 31, 2022	-	$ -	$ -	$ 675	$ 93,756
Total gains or losses Included in earnings (or changes in net assets)	(2,484)	-	-	-	-
Purchases, issuances, sales, and settlements					
Purchases	649,847	-	-	-	10,000
Issuances	-	-	-	-	-
Sales	-	-	-	-	-
Settlements	-	-	-	-	-
Balance at December 31, 2023	$ 647,363	-	-	675	103,756

The amortized costs, gross unrealized holding gains and losses, and fair values of the Company's investment securities classified as equity securities, at fair value, at December 31, 2023 consist of the following:

Type	Amortized Costs	Gross Unrealized Gains	Gross Unrealized Losses	Fair Values
NYSE-listed company stock	$ 649,847	$ -	$ (2,484)	$ 647,363

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

	Year Ended December 31,	
	2023	2022
Net gains and losses recognized during the period on equity securities	$ (2,484)	$ 833
Less: Net gains (losses) recognized during the period on equity securities sold during the period	-	833
Unrealized gains and losses recognized during the reporting period on equity securities still held at the reporting date	$ (2,484)	$ -

Note 12 – Common Stock warrants

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

All Series A, B, C, and D warrants have been called, and as of December 31, 2023, all Series A, B, and C warrants have been exercised. The Company intends to allow warrant holders or Company designees, in place of original holders, additional time as needed to exercise the remaining Series D warrants. The Company may lower the exercise price of all or part of a warrant series at any time. Similarly, the Company could reverse split the stock to raise the stock price above the warrant exercise price. The warrants are specifically not affected and do not split with the shares in the event of a reverse split. If the called warrants are not exercised, the Company has the right to designate the warrants to a new holder in return for a $0.10 per share redemption fee payable to the original warrant holders. All such changes in the exercise price of warrants were provided for by the court in the Plan of Reorganization to provide a mechanism for all debtors to receive value even if they could not or did not exercise their warrants. Therefore, management believes that the act of lowering the exercise price is not a change from the original warrant grants, and the Company did not record an accounting impact as the result of such a change in exercise prices.

All Series A and Series C warrants were exercised by December 31, 2014. All Series B warrants were exercised on January 11, 2022. Exercise prices in effect from January 1, 2015 through December 31, 2022 for Series D warrants were $1.60. On October 14, 2023, the Board of Directors of the Company authorized a reset of the Series D warrants strike price to $0.02 plus a $0.10 per warrant redemption fee, if applicable.

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

As of December 31, 2023, and 2022, the weighted average contractual life for all Mentor warrants was 14.5 years and 15.5 years, respectively, and the weighted average outstanding warrant exercise price was $0.64 and $1.94 per share, respectively.

During the years ended December 31, 2023 and 2022, 2,000,000 and 90,410 warrants were exercised, and no warrants were issued. The intrinsic value of outstanding warrants at December 31, 2023 and 2022 was $180,200 and $0, respectively.

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

	Series B	Series D	B and D Total
Outstanding at December 31, 2021	87,456	6,252,954	6,340,410
Issued	-	-	-
Exercised	87,456	2,954	90,410
Outstanding at December 31, 2022	-	6,250,000	6,250,000
Issued	-	-	-
Exercised	-	2,000,000	2,000,000
Outstanding at December 31, 2023	-	4,250,000	4,250,000

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

	Series H $7.00 exercise price
Outstanding at December 31, 2021	689,159
Issued	-
Canceled	275,647
Exercised	-
Outstanding at December 31, 2022	413,512
Issued	-
Canceled	-
Exercised	-
Outstanding at December 31, 2023	413,512

On February 9, 2015, in accordance with Section 1145 of the United States Bankruptcy Code and the Company's Third Amended Plan of Reorganization, the Company announced a minimum 30-day partial redemption of up to 1% of the already outstanding Series D warrants to provide for the court specified redemption mechanism for warrants not exercised timely by the original holder or their estates. Company designees that applied during the 30 days paid 10 cents per warrant to redeem the warrant and then exercised the Series D warrant to purchase a share of the Company's Common stock at the court-specified formula of not more than one-half of the closing bid price on the day preceding the 30-day exercise period. In successive months, the authorized partial warrant redemption amount was recalculated, and the redemption offer was repeated according to the court formula. In the Company's October 7, 2016 press release, Mentor stated that the 1% redemptions, which were formerly priced on a calendar month schedule, would subsequently be initiated and priced on a random date schedule after the prior 1% redemption was completed to prevent potential third-party manipulation of share prices at month-end. The periodic partial redemptions could continue to be recalculated and repeated until such unexercised warrants are exhausted or the partial redemption is otherwise paused or truncated by the Company. For the years ended December 31, 2023 and 2022, no warrants were redeemed.

Note 13 – Warrant redemption liability

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

In prior years, Series A, Series B, and Series C redemption fees were distributed through DTCC into holder's brokerage accounts or directly to the holders. All Series A, Series B, and Series C warrants have been exercised and are no longer outstanding. At December 31, 2021, there were 87,456 Series B warrants outstanding, which were held by Chet Billingsley, the Company's Chief Executive Officer. On January 11, 2022, Mr. Billingsley exercised his 87,456 Series B warrants in exchange for 87,456 shares of the Company's Common Stock.

Once the Series D warrants have been fully redeemed and exercised, the fees for the Series D warrant series will likewise be distributed. Mr. Billingsley has agreed to assume liability for paying these redemption fees and, therefore, warrant redemption fees received are retained by the Company for operating costs. Should Mr. Billingsley be incapacitated or otherwise become unable to pay the warrant redemption fees, the Company will remit the warrant redemption fees to former holders from amounts due to Mr. Billingsley from the Company, which are sufficient to cover the redemption fees at December 31, 2023 and 2022.

Note 14 – Stockholders' equity

Common Stock

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

Issuer Purchases of Equity Securities

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

Preferred Stock

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

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

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

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

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

At December 31, 2023 and 2022, the Series Q Preferred Stock could have been converted at the Conversion Price of $0.105 and $0.063 per Mentor common share, respectively, which would be anti-dilutive and therefore are not included in the weighted average share calculation for these periods.

Note 15 – Accrued salary, accrued retirement, and incentive fee – related party

The Company had an outstanding liability to its Chief Executive Officer ("CEO") as follows at December 31, 2023 and 2022:

	2023	2022
Accrued salaries and benefits	$ 30,517	$ 914,072
Accrued retirement and other benefits	667,648	501,529
Offset by shareholder advance	(261,653)	(261,653)
	$ 436,512	$ 1,153,948

As approved by resolution of the Board of Directors in 1998, the CEO will be paid an incentive fee and a bonus, which are payable in installments at the CEO's option. The incentive fee is 1% of the increase in market capitalization based on the bid price of the Company's stock beyond the book value at confirmation of the bankruptcy, which was approximately $260,000. The bonus is 0.5% of the increase in market capitalization for each $1 increase in stock price up to a maximum of $8 per share (4%) based on the bid price of the stock beyond the book value at confirmation of the bankruptcy. For the years ended December 31, 2023 and 2022, there was no incentive fee expense.

Note 16 – Related party transactions

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

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

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

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

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

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

Note 18 – Commitments and contingencies

On May 28, 2019, the Company and Mentor Partner I, LLC filed suit against the G Farma Entities and three guarantors to the G Farma agreements, described in Notes 1, 8, and 9, in the California Superior Court in and for the County of Marin. The Company primarily sought monetary damages for breach of the G Farma agreements, including promissory notes, leases, and other agreements, to recover collateral under a security agreement and to collect from guarantors on the agreements. The Company obtained, in January 2020, a writ of possession to recover leased equipment within G Farma's possession. On January 31, 2020, all remaining equipment leased to G Farma by Mentor Partner I was repossessed by the Company. In the quarter ended June 30, 2020, the Company sold all of the recovered equipment, with an original cost of $622,670, for net proceeds of $249,481, after deducting shipping and delivery costs. All proceeds from the sale of repossessed equipment have been applied to the G Farma lease receivable balance that is fully reserved at December 31, 2023 and 2022. Due to the uncertainty of collection, the Company has recorded reserves against the finance leases receivable described in Note 9 and has fully impaired all other notes receivables and investments in G Farma described in Note 8.

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

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

On October 12, 2021, the parties filed a Stipulation for Dismissal and Continued Jurisdiction with the Superior Court of California in the County of Marin. The Court ordered that it retain jurisdiction over the parties under Section 664.6 of the California Code of Civil Procedure to enforce the Settlement Agreement until the performance in full of its terms is met.

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

The Company has retained the full reserve on the unpaid notes receivable balance and collections of the unpaid lease receivable balance due to the long history of uncertain payments from G Farma and the G Farma Settlors. Payments from the G Farma Settlors will be recognized in Other Income as they are received. Recovery payments of $0 and $3,550 are included in other income in the consolidated financial statements for the year ended December 31, 2023 and 2022, respectively. The $2,539,597 judgment and interest receivable of $120,370 for the year ended December 31, 2023, is fully reserved pending the outcome of the Company's collection process. See Notes 1, 8, and 9.

Note 19 – Segment Information

Continuing Operations

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

	Energy Segment	***Historic Segment***	**Corporate, Other, and Eliminations**	**Consolidated**
2023				
Net sales	$ -	$ -	$ -	$ -
Operating income (loss)	-	(1,305)	(1,773,905)	(1,775,210)
Interest income	5,292	-	69,488	74,780
Interest expense	-	-	15,847	15,847
Property additions	-	-	2,291	2,291
Fixed asset depreciation and amortization	-	-	1,706	1,706
Total Assets	647,363	2,472	3,797,006	4,446,841
2022				
Net sales	$ -	$ 37,659	$ (2,585)	$ 35,074
Operating income (loss)	-	32,909	(493,235)	(460,326)
Interest income	-	-	58,726	58,726
Interest expense	-	-	33,878	33,878
Property additions	-	-	-	-
Fixed asset depreciation and amortization	-	-	2,079	2,079
Total Assets	-	1,000	4,992,892	4,993,892

The following table reconciles operating segments and corporate-unallocated operating income (loss) to consolidated income before income taxes for the years ended December 31, 2023 and 2022, as presented in the consolidated income statements:

	2023	**2022**
Operating loss	$ (1,775,210)	$ (460,326)
Realized gain (loss) on investments in securities	4,802,905	(170,418)
Interest income	74,780	58,726
Interest expense	(15,847)	(33,878)
Other income	1,291	555
Income before income taxes	$ 3,087,919	$ (605,342)

Discontinued Operation – Facilities Operations Segment

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

Note 20 – Income tax

The provision (benefit) for income taxes for the years ended December 31, 2023 and 2022 consist of the following:

	2023	2022
Current taxes from continuing operations:		
Federal	$ -	$ -
State	8,160	6,768
	8,160	6,768
Taxes from discontinued operations[(1)]:		
Federal	5,783	7,615
State	5,783	7,615
Tax provision from discontinued operations	13,943	14,838
Deferred tax asset:		
Federal	(273,400)	107,700
State	1,100	18,300
Change in valuation	(272,300)	(126,000)
Total provision (benefit)	$ 13,943	$ 14,383

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

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

At December 31, 2023, the Company had approximately $6,300,000 of federal net operating loss carryforwards, of which approximately $3,500,000 can be carried forward indefinitely, and the remaining $2,800,000 will begin to expire in 2034 and be fully expired by the year 2037. The Company has a California net operating loss carryforward of approximately $6,500,000 that begins expiring in 2024. Mentor relocated to Texas in September 2020, and the Company's ability to utilize the California net operating loss carryforwards is dependent on the future generation of California taxable income.

The income tax provision (benefit) differs from the amount computed by applying the U.S. federal statutory corporate income tax rate of 21% in 2023 and 2022, respectively, to net income (loss) before income taxes for the years ended December 31, 2023 and 2022 as a result of the following:

	2023	2022
Net income (loss) before income tax - continuing operations	$ 3,087,919	$ (605,342)
US federal income tax rate	21%	21%
Computed expected tax (benefit) - continuing operations	648,463	(127,122)
Net Income (loss) before income tax - discontinued operations [(1)]	83,682	252,800
US federal income tax rate	21%	21%
Computed expected tax (benefit) - discontinued operations	17,573	53,088
Total computed expected tax (benefit)	666,036	(74,034)
Permanent differences and other	(393,736)	200,034
Change in valuation	(272,300)	(126,000)
Federal income tax provision	$ -	$ -

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

The significant components of deferred income tax assets as of December 31, 2023 and 2022 after applying enacted corporate income tax rates are as follows:

	2023	2022
Net Operating Losses carried forward from continuing operations	$ 1,913,000	$ 1,851,100
Capital Losses carried forward	156,600	371,200
Deferred - Other	-	62,500
Valuation allowance	(2,069,600)	(2,284,800)
	$ -	$ -

	2023	2022
Net Operating Losses carried forward from discontinued operations [1]	$ -	$ 57,100
Capital Losses carried forward	-	-
Valuation allowance	-	(57,100)
	$ -	$ -

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

The Company files income tax returns in the U.S. federal jurisdiction and various state and local jurisdictions. All tax years from 2019 to 2022 are subject to examination.

Note 21 – Subsequent events

Subsequent to year end, the Company did not receive a 2023 annual installment payment of $117,000 annuity-like investment that is due in or around January or February. The Company has retained its impairment reserves and recorded losses on investment due to a history of uncertain payments. On March 13, 2024, the Company retained counsel to begin the process of collecting the past due amounts and explore whether the Company should file suit. Due to a reduction in expected collections, the collectability of our investment in account receivable was impaired by $116,430 on February 15, 2022 and the terms of the investment were modified, resulting in an additional loss of $41,930, see Note 4.

Exhibit 4.4

Description of the Company's Securities

As of March 28, 2024, Mentor Capital, Inc. has one class of securities registered under Section 12(g) of the Securities Exchange Act of 1934, as amended: our Common Stock.

The following description of our Common Stock is a summary and does not include all terms and conditions applicable to such shares. The description is subject to and qualified in its entirety by reference to our Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation") and our Bylaws, each of which is incorporated by reference as an exhibit to our Annual Report on Form 10-K for the period ended December 31, 2023, to which this description is attached, and the Delaware General Corporation Law. We encourage you to read the Certificate of Incorporation, Bylaws, and the applicable provisions of the Delaware General Corporation Law for additional information.

Authorized Capital Shares

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

Voting Rights

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

Dividend Rights

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

Liquidation Rights

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

Other Rights and Preferences

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

Trading

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

Certain information has been redacted from this Exhibit 10.1 because it is not material and it is the type of information that the issuer treats as private or confidential.

Execution Version

STOCK PURCHASE AGREEMENT

for

WASTE CONSOLIDATORS, INC.

by and among

[REDACT],

MENTOR CAPITAL, INC.,

and

ALLY WASTE SERVICES, LLC

dated as of

October 4, 2023

STOCK PURCHASE AGREEMENT

This Stock Purchase Agreement (this "**Agreement**"), dated as of October 4, 2023, is entered into by and among [REDACT], an individual resident of the State of Arizona ("**[REDACT]**"), Mentor Capital, Inc., a Delaware corporation ("**Mentor**" and together with [REDACT], the "**Sellers**" and each a "**Seller**"), and Ally Waste Services, LLC, a Delaware limited liability company ("**Buyer**" and together with the Sellers, the "**Parties**" and each a "**Party**"). Capitalized terms used in this Agreement have the meanings given to such terms herein.

RECITALS

WHEREAS, Sellers collectively own all of the issued and outstanding shares of common stock, no par value (the "**Shares**"), of WASTE CONSOLIDATORS, INC., a Colorado corporation (the "**Company**"); and

WHEREAS, Sellers wish to sell to Buyer, and Buyer wishes to purchase from Sellers, the Shares, subject to the terms and conditions set forth herein, including the Sellers' providing of adequate representations, warranties, and indemnifications regarding the Company's records and the ownership of Shares;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
PURCHASE AND SALE

Section 1.01 Purchase and Sale. Subject to the terms and conditions set forth herein, at the Closing, Sellers shall sell to Buyer, and Buyer shall purchase from Sellers, the Shares, free and clear of any mortgage, pledge, lien, charge, security interest, claim, community property interest, option, equitable interest, restriction of any kind (including any restriction on use, voting, transfer, receipt of income, or exercise of any other ownership attribute), or other encumbrance (each, an "**Encumbrance**"), other than those restrictions on transfer arising under applicable federal and state securities laws.

Section 1.02 Purchase Price. The aggregate initial purchase price for the Shares shall be Twelve Million Dollars (USD $12,000,000). The initial purchase price shall be subject to the Working Capital Adjustment, and the total sum of the initial purchase price and the Working Capital Adjustment shall constitute the "**Purchase Price**", as follows:

(a) **Cash Payment**: Ten Million Dollars (USD $10,000,000) of the Purchase Price shall be payable in cash (the "**Cash Payment**"). The Cash Payment shall be payable to the Sellers as follows: $5,000,000 to Mentor, and $5,000,000 to [REDACT] by wire transfer of immediately available funds at Closing.

(b) **Promissory Note**: Two Million Dollars (USD $2,000,000) of the Purchase Price (prior to any adjustments as set forth herein) shall be payable by way of two promissory notes, one such note being made to [REDACT] and the other such

note being made to Mentor (together, the "**Notes**") of One Million Dollars (USD $1,000,000) each, which shall bear six percent (6%) interest on a Payment-In-Kind basis. The terms and conditions of Notes shall be detailed in the separate promissory notes attached hereto as **Exhibit A**, to be executed by the Parties at Closing and shall include certain rights of offset by the Buyer, as set forth herein and therein.

(c) **Working Capital Adjustment**: The Purchase Price shall, as applicable, be adjusted to account for any discrepancy between the actual working capital of the Company as of the Closing Date and a net working capital peg of Seven Hundred and Sixty-Four Thousand Dollars (USD $764,000) (the "**Working Capital Peg**"), and the actual cash balance of the Company as of the Closing Date and One Hundred Thousand Dollars (USD $100,000) (the "**Cash Balance Peg**"), (collectively referred to as the "**Working Capital Adjustment**"), as follows:

(i) The net working capital of the Company as of the Closing Date ("**Final Working Capital**") will be determined in accordance with the methodology set forth on Section 1.02(c) of the Disclosure Schedules. The term "**Disclosure Schedules**" means the disclosure schedules, attached hereto and made a part hereof, delivered by Buyer and Sellers concurrently with the execution, closing, and delivery of this Agreement. This calculation will occur within thirty (30) days following the Closing Date by the parties.

(ii) The Working Capital Adjustment shall be calculated as the sum of (A) the difference between the Final Working Capital and the Working Capital Peg, and (B) the difference between the actual cash of the Company at Closing and the Cash Balance Peg.

(iii) If the Working Capital Adjustment results in a positive amount, Buyer shall increase the unpaid principal amount of [REDACT]'s Note by such amount, thereby increasing the Purchase Price dollar-for-dollar by such amount. Conversely, if the Working Capital Adjustment results in a negative amount, Buyer shall decrease the unpaid principal amount of [REDACT]'s Note by such amount, thereby decreasing the Purchase Price dollar-for-dollar by such amount.

(iv) Subject to the Working Capital Adjustment provisions of Section 1.04, any Working Capital Adjustment shall be settled within five (5) days after the determination of the Final Working Capital by wire transfer of immediately available funds or an amendment to [REDACT]'s Note, which method of payment or adjustment may be determined by Buyer in its sole discretion.

Section 1.03 Withholding Taxes. Buyer shall be entitled to deduct and withhold from the Purchase Price all Taxes that Buyer may be required to deduct and withhold under any provision of Tax Law. All such withheld amounts to the extent paid by Buyer to the appropriate Governmental Authority shall be treated as delivered to Sellers hereunder, as appropriate.

Section 1.04 Adjustment Dispute Resolution.

(a) **Notice of Dispute**: If a Party disputes any determination or calculation of any Working Capital Adjustment under Section 1.02, such Party shall notify the other Parties in writing ("**Dispute Notice**") within 30 days after receipt of the calculation or determination. The Dispute Notice shall set forth in reasonable detail the nature of the dispute.

(b) **Good Faith Resolution**: Upon receipt of a Dispute Notice, the Parties shall negotiate in good faith to resolve the dispute. If the Parties resolve the dispute, the resolved Working Capital Adjustment shall be deemed final and binding on the Parties.

(c) **Engagement of Independent Accountant**: If the Parties cannot resolve the dispute within 30 days following the receipt of the Dispute Notice, any Party may submit the dispute for resolution to an independent certified public accountant ("**Independent Accountant**") mutually agreed upon by the Parties.

(d) **Procedure**: The Independent Accountant shall act as an expert for the limited purpose of determining the specific disputed items but shall not assign a value greater than the highest or lower than the lowest value assigned by the Parties. Each Party shall submit its calculations and supporting documents to the Independent Accountant within 10 days of the engagement. The Independent Accountant shall make its determination within 30 days after receipt of the submitted materials.

(e) **Binding Effect**: The determination of the Independent Accountant shall be final and binding on the Parties, absent manifest error.

(f) **Costs**: Unless otherwise agreed, the costs for the Independent Accountant's engagement shall be borne equally by both Parties.

ARTICLE II
CLOSING

Section 2.01 Closing. The closing of the transactions contemplated by this Agreement (the "**Closing**") shall take place simultaneously with the execution of this Agreement on the date of this Agreement (the "**Closing Date**") remotely by exchange of documents and signatures (or their electronic counterparts). The consummation of the transactions contemplated by this Agreement shall be deemed to occur at 12:01 a.m. Mountain Standard Time on the Closing Date.

Section 2.02 Seller Closing Deliverables. At the Closing, Sellers shall deliver to Buyer the following:

(a) Stock powers or other instruments of transfer duly executed in blank.

(b) The Notes, duly executed by each respective Seller.

(c) A certificate:

(i) of each Seller certifying the authorization, execution, delivery, and performance of this Agreement and the other agreements, instruments, and documents required to be delivered in connection with this Agreement or at the Closing (collectively, the "**Transaction Documents**") to which either of them is a party, confirming that they are the true and legitimate owners of the Shares being sold and that such Shares are free and clear of all Encumbrances.

(ii) of the Secretary (or other officer) of Mentor certifying:

(A) that attached thereto are true and complete copies of all resolutions of the board of directors of Mentor authorizing the execution, delivery, and performance of this Agreement and the Transaction Documents to which Mentor is a party and the consummation of the transactions contemplated hereby and thereby, and that such resolutions are in full force and effect;

(B) the names, titles, and signatures of the officers of Mentor authorized to sign this Agreement and the other Transaction Documents; and

(C) that attached thereto are true and complete copies of the governing documents of Mentor, including any amendments or restatements thereof, and that such governing documents are in full force and effect.

(iii) of the Secretary (or other officer) of the Company certifying:

(A) that attached thereto are true and complete copies of all resolutions of the board of directors of the Company supporting the transactions contemplated under this Agreement and the Transaction Documents;

(B) that such resolutions are in full force and effect; and

(C) that attached thereto are true and complete copies of the governing documents of the Company, including any amendments or restatements thereof, and that such governing documents are in full force and effect.

(d) Resignations of the directors and officers of the Company, effective as of the Closing Date.

(e) A good standing certificate (or its equivalent) for the Company and for Mentor from the respective secretary of state or similar Governmental Authority of the jurisdiction in which the Company or Mentor, respectively, is organized and each jurisdiction where the Company is required to be qualified, registered, or authorized to do business. The term "**Governmental Authority**" means any federal, state, local, or

foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any arbitrator, court, or tribunal of competent jurisdiction.

(f) A certificate pursuant to Treasury Regulations Section 1.1445-2(b) that each Seller is not a foreign person within the meaning of Section 1445 of the Internal Revenue Code of 1986 (as amended, the "**Code**").

(g) An independent consultant agreement (the "**IC Agreement**"), duly executed by [REDACT] or his Affiliate.

Section 2.03 Buyer's Deliveries. At the Closing, Buyer shall deliver the following to Sellers:

(a) The Cash Purchase Price.

(b) The Notes, duly executed by the Buyer.

(c) A certificate of the Secretary (or other officer) of Buyer certifying:

(i) that attached thereto are true and complete copies of all resolutions of the board of directors of Buyer authorizing the execution, delivery, and performance of this Agreement and the Transaction Documents to which it is a party and the consummation of the transactions contemplated hereby and thereby, and that such resolutions are in full force and effect; and

(ii) the names, titles, and signatures of the officers of Buyer authorized to sign this Agreement and the other Transaction Documents to which it is a party.

(d) The IC Agreement, duly executed by Buyer.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF EACH SELLER

Each Seller severally, and not jointly, represents and warrants to Buyer that the statements contained in this ARTICLE III are true and correct as of the date hereof. For purposes of this ARTICLE III, "Sellers' knowledge," "knowledge of Sellers," and any similar phrases shall mean the actual or constructive knowledge of any Seller, after due inquiry.

Section 3.01 Authority of Seller. Each Seller is an individual or corporation with full legal capacity to enter into this Agreement and the other Transaction Documents to which such Seller is a party, to carry out its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby and thereby. This Agreement and each Transaction Document to which each such Seller is a party constitute legal, valid, and binding obligations of such Seller, enforceable against such Seller in accordance with their respective terms, except as such

enforcement may be limited by application of equitable principals or by bankruptcy, insolvency, moratorium, or similar laws.

Section 3.02 Organization, Authority, and Qualification of the Company. As of the date hereof, the Company is a corporation duly organized, validly existing, and in good standing under the Laws of the state of Colorado. The Company has full corporate power and authority to own, operate, or lease the properties and assets now owned, operated, or leased by it and to carry on its business as it has been and is currently conducted. Section 3.02 of the Disclosure Schedules sets forth each jurisdiction in which the Company is licensed or qualified to do business, and the Company is duly licensed or qualified to do business and is in good standing in each jurisdiction where the properties owned or leased by it or the operation of its business as currently conducted makes such licensing or qualification necessary.

Section 3.03 Capitalization.

(a) The authorized shares of the Company consist of 1,000,000 shares of common stock, no par value, of which 1,000,000 shares are issued and outstanding and constitute the Shares. A true and complete list of the shareholders and their respective numbers of shares is set forth in Section 3.03(a) of the Disclosure Schedules. All of the Shares have been duly authorized, are validly issued, fully paid, and non-assessable, and are owned of record and beneficially by Sellers, free and clear of all Encumbrances. Upon the transfer, assignment, and delivery of the Shares and payment therefor in accordance with the terms of this Agreement, Buyer shall own all of the Shares, free and clear of all Encumbrances.

(b) All of the Shares were issued in compliance with applicable Laws. None of the Shares were issued in violation of any agreement or commitment to which Sellers or the Company is a party or is subject to or in violation of any preemptive or similar rights of any Person. "**Person**" shall mean any individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association, or other entity.

(c) Except as set out in Section 3.03(c) of the Disclosure Schedules, there are no outstanding or authorized options, warrants, convertible securities, stock appreciation, phantom stock, profit participation, or other rights, agreements, or commitments relating to the shares of the Company or obligating Sellers or the Company to issue or sell any shares of, or any other interest in, the Company. No voting trusts, stockholder agreements, proxies, or other agreements are in effect with respect to the voting or transfer of any of the Shares, and any such previous agreements have been duly terminated and are of no further force or effect.

Section 3.04 No Subsidiaries. The Company does not have, or have the right to acquire, an ownership interest in any other Person. Furthermore, no subsidiary or other Affiliate of the Company has been created or dissolved in a manner that could impact the Company's liability, assets, or operations.

Section 3.05 No Conflicts or Consents. Except as set forth in Section 3.05 of the Disclosure Schedules, the execution, delivery, and performance by Sellers of this Agreement and the other Transaction Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) violate or conflict with any provision of the certificate of incorporation, by-laws, or other governing documents of the Company; (b) violate or conflict with any provision of any applicable statute, law, ordinance, regulation, rule, code, treaty, or other requirement of any Governmental Authority (collectively, "**Law**") or any order, writ, judgment, injunction, decree, determination, penalty, or award entered by or with any Governmental Authority ("**Governmental Order**") applicable to Sellers or the Company; (c) require the consent, notice, or filing with or other action by any Person or require any Permit, license, or Governmental Order; (d) violate or conflict with, result in the acceleration of, or create in any party the right to accelerate, terminate, or modify any contract, lease, deed, mortgage, license, instrument, note, indenture, joint venture, or any other agreement, commitment, or legally binding arrangement, whether written or oral (collectively, "**Contracts**"), to which Sellers or the Company is a party or by which Sellers or the Company is bound or to which any of their respective properties and assets are subject; or (e) result in the creation or imposition of any Encumbrance on any properties or assets of the Company.

Section 3.06 Financial Statements. Complete copies of the Company's audited annual financial statements consisting of the balance sheet of the Company as at December 31 in each of the years 2020, 2021, and 2022, and the related statements of income and retained earnings, stockholders' equity, and cash flow for the years then ended (the "**Annual Financial Statements**"), as well as the Company's unaudited quarterly financial statements for the quarter ended March 31, 2023 and the quarter ended June 30, 2023 (the "**Quarterly Financial Statements**") are included on Section 3.06 of the Disclosure Schedules. Both the Annual Financial Statements and the Quarterly Financial Statements have been prepared in accordance with generally accepted accounting principles in effect in the United States ("**GAAP**"), applied on a consistent basis throughout the periods involved. These Financial Statements are based on the books and records of the Company and fairly present, in all material respects, the financial condition of the Company as of the respective dates they were prepared and the results of the operations of the Company for the periods indicated. The balance sheet of the Company as of December 31, 2022 is referred to herein as the "**Balance Sheet**" and the date thereof as the "**Balance Sheet Date**". The Company maintains a standard system of accounting established and administered in accordance with GAAP.

Section 3.07 Undisclosed Liabilities. The Company has no liabilities, obligations, or commitments of any nature whatsoever, whether asserted, known, absolute, accrued, matured, or otherwise (collectively, "**Liabilities**"), except: (a) those which are adequately reflected or reserved against in the Balance Sheet as of the Balance Sheet Date; and (b) those which have been incurred in the ordinary course of business consistent with past practice since the Balance Sheet Date and which are not, individually or in the aggregate, material in amount.

Section 3.08 Absence of Certain Changes, Events, and Conditions. Since the Balance Sheet Date, the Company has conducted its operations in the ordinary course of business consistent with past practice. Except as set forth on Section 3.08 of the Disclosure Schedules, since the Balance Sheet Date, there has not been, with respect to the Company:

(a) any change, event, condition, or development that is, or could reasonably be expected to be, individually or in the aggregate, materially adverse to the business, results of operations, condition (financial or otherwise), assets, or liabilities of the Company;

(b) any changes in the ownership, governance, or corporate structure of the Company that could impact transactions contemplated hereby; or

(c) any Liabilities incurred or any actions taken by the Sellers that could adversely impact the transaction or the Company's value or ongoing operations.

Section 3.09 Material Contracts.

(a) Section 3.09(a) of the Disclosure Schedules lists each Contract that is material to the Company (such Contracts, together with all Contracts concerning the occupancy, management, or operation of any Real Property (as defined in Section 3.10(a)), being "**Material Contracts**"), including the following:

(i) each Contract of the Company involving aggregate consideration in excess of $50,000 and which, in each case, cannot be cancelled by the Company without penalty or without more than 90 days' notice;

(ii) all Contracts that provide for the indemnification by the Company of any Person or the assumption of any Tax (as defined in Section 3.19(a)), environmental, or other Liability of any Person;

(iii) all Contracts relating to Intellectual Property (as defined in Section 3.11(a)), including all licenses, sublicenses, settlements, coexistence agreements, covenants not to sue, and permissions;

(iv) except for Contracts relating to trade payables, all Contracts relating to indebtedness (including, without limitation, guarantees) of the Company; and

(v) all Contracts that limit or purport to limit the ability of the Company to compete in any line of business or with any Person or in any geographic area or during any period of time.

(b) To the knowledge of Sellers, each Material Contract is valid and binding on the Company in accordance with its terms and is in full force and effect. None of the Company or, to Sellers' knowledge, any other party thereto is in breach of or default under (or is alleged to be in breach of or default under) or has provided or received any notice of any intention to terminate, any Material Contract. Complete and correct copies of each Material Contract (including all modifications, amendments, and supplements thereto and waivers thereunder) have been made available to Buyer. Notwithstanding any filings made for any dissolution or termination of the Company with any Governmental Authority, to the knowledge of Sellers, all Material Contracts are validly existing or have

been validly reinstated and do not violate any past or current corporate governance or legal standing of the Company.

Section 3.10 Real Property; Title to Assets.

(a) Section 3.10(a) of the Disclosure Schedules lists all real property in which the Company has an ownership or leasehold (or subleasehold) interest (together with all buildings, structures, and improvements located thereon, the "**Real Property**"), including: (i) the street address of each parcel of Real Property; (ii) for Real Property that is leased or subleased by the Company, the landlord under the lease, the rental amount currently being paid, and the expiration of the term of such lease or sublease, and any termination or renewal rights of any party to the lease; and (iii) the current use of each parcel of Real Property. Sellers have delivered or made available to Buyer true, correct, and complete copies of all leases relating to the Real Property.

(b) Notwithstanding any filings made for any dissolution or termination of the Company with any Governmental Authority, the Company has good and valid (and, in the case of owned Real Property, good and indefeasible fee simple) title to, or a valid leasehold interest in, all Real Property and personal property and other assets reflected in the Financial Statements or acquired after the Balance Sheet Date except as otherwise disclosed on Section 3.10(b) of the Disclosure Schedules. All Real Property, personal property and other assets owned by the Company are free and clear of Encumbrances except for those items set forth in Section 3.10(b) of the Disclosure Schedules.

(c) The Company is not a sublessor or grantor under any sublease or other instrument granting to any other Person any right to possess, lease, occupy, or use any leased Real Property. To the knowledge of Sellers, the use of the Real Property in the conduct of the Company's business does not violate in any material respect any Law, covenant, condition, restriction, easement, license, permit, or Contract.

Section 3.11 Intellectual Property.

(a) The term "**Intellectual Property**" means any and all of the following in any jurisdiction throughout the world: (i) issued patents and patent applications; (ii) trademarks, service marks, trade names, and other similar indicia of source or origin, together with the goodwill connected with the use of and symbolized by, and all registrations, applications for registration, and renewals of, any of the foregoing; (iii) copyrights, including all applications and registrations; (iv) trade secrets, know-how, inventions (whether or not patentable), technology, and other confidential and proprietary information and all rights therein; and (v) internet domain names and social media accounts and pages.

(b) Section 3.11(b) of the Disclosure Schedules lists all issued patents, registered trademarks, domain names and copyrights, and pending applications for any of the foregoing and all material unregistered Intellectual Property that are owned by the Company (the "**Company IP Registrations**"). The Company owns or has the valid and enforceable right to use all Intellectual Property used in or necessary for the conduct of

the Company's business as currently conducted and as proposed to be conducted (the "**Company Intellectual Property**"), free and clear of all Encumbrances, except for those specifically disclosed in Section 3.11(b) of the Disclosure Schedules. All of the Company Intellectual Property is valid, subsisting, and enforceable, and all Company IP Registrations are in full force and effect. The Company has taken all reasonable and necessary steps to maintain and enforce the Company Intellectual Property and to preserve the confidentiality of all trade secrets included in the Company Intellectual Property.

(c) The conduct of the Company's business as currently and formerly conducted, and as proposed to be conducted, has not infringed, misappropriated, or otherwise violated, and will not infringe, misappropriate, or otherwise violate the Intellectual Property rights of any Person. No Person has infringed, misappropriated, or otherwise violated any Company Intellectual Property.

Section 3.12 Material Customers and Suppliers.

(a) Section 3.12(a) of the Disclosure Schedules sets forth each customer who has paid aggregate consideration to the Company for goods or services rendered in an amount greater than or equal to $50,000 for each of the two most recent fiscal years (collectively, the "**Material Customers**"). To the knowledge of Sellers, the Company has not received any notice, and has no reason to believe, that any of its Material Customers has ceased, or intends to cease after the Closing, to purchase or use its goods or services or to otherwise terminate or materially reduce its relationship with the Company.

(b) Section 3.12(b) of the Disclosure Schedules sets forth each supplier to whom the Company has paid consideration for goods or services rendered in an amount greater than or equal to $50,000 for each of the two most recent fiscal years (collectively, the "**Material Suppliers**"). To the knowledge of Sellers, the Company has not received any notice, and has no reason to believe, that any of its Material Suppliers has ceased, or intends to cease, to supply goods or services to the Company or to otherwise terminate or materially reduce its relationship with the Company.

Section 3.13 Insurance. Section 3.13 of the Disclosure Schedules sets forth a true and complete list of all current policies or binders of insurance maintained by Sellers or their Affiliates (including the Company) and relating to the assets, business, operations, employees, officers, and directors of the Company (collectively, the "**Insurance Policies**"). Such Insurance Policies: (a) are in full force and effect; (b) are valid and binding in accordance with their terms; and (c) have not been subject to any lapse in coverage, regardless of any filings made for any dissolution or termination of the Company with any Governmental Authority. No Seller or any of their Affiliates (including the Company) has received any written notice of cancellation of, premium increase with respect to, or alteration of coverage under, any of such Insurance Policies. All premiums due on such Insurance Policies have been paid. No Seller or any of their Affiliates (including the Company) is in default under, or has otherwise failed to comply with, in any material respect, any provision contained in any Insurance Policy. The Insurance Policies are of the type and in the amounts customarily carried by Persons conducting a business similar to the Company and are sufficient for compliance with all applicable Laws and Contracts to which

the Company is a party or by which it is bound. For purposes of this Agreement: (x) "**Affiliate**" of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person; and (y) the term "**control**" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities or other ownership interests, by contract, or otherwise.

Section 3.14 Legal Proceedings; Governmental Orders.

(a) There are no claims, actions, causes of action, demands, lawsuits, arbitrations, inquiries, audits, notices of violation, proceedings, litigation, citations, summons, subpoenas, or investigations of any nature, whether at law or in equity (collectively, "**Actions**") pending or, to Sellers' knowledge, threatened against or by the Company, the Sellers, or any Affiliate of Sellers: (i) relating to or affecting the Company or any of the Company's properties or assets; or (ii) that challenge or seek to prevent, enjoin, or otherwise delay the transactions contemplated by this Agreement. To Sellers' knowledge, no event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such Action.

(b) There are no outstanding, and the Company is in compliance with all, Governmental Orders against, relating to, or affecting the Company or any of its properties or assets. All such Governmental Orders are listed in Schedule 3.14(b).

Section 3.15 Compliance with Laws; Permits.

(a) The Company has complied, and is now complying, with all Laws applicable to it or its business, properties, or assets.

(b) All permits, licenses, franchises, approvals, registrations, certificates, variances, and similar rights obtained, or required to be obtained, from Governmental Authorities (collectively, "**Permits**") in order for the Company to conduct its business, including, without limitation, owning or operating any of the Real Property, have been obtained and are valid and in full force and effect. Section 3.15(b) of the Disclosure Schedules lists all current Permits issued to the Company and, to Sellers' knowledge, no event has occurred that would reasonably be expected to result in the revocation or lapse of any such Permit.

Section 3.16 Environmental Matters.

(a) The terms: (i) "**Environmental Laws**" means all Laws, now or hereafter in effect, in each case as amended or supplemented from time to time, relating to the regulation and protection of human health, safety, the environment, and natural resources, including any federal, state, or local transfer of ownership notification or approval statutes; and (ii) "**Hazardous Substances**" means: (A) "hazardous materials," "hazardous wastes," "hazardous substances," "industrial wastes," or "toxic pollutants," as such terms are defined under any Environmental Laws; (B) any other hazardous or

radioactive substance, contaminant, or waste; and (C) any other substance with respect to which any Environmental Law or Governmental Authority requires environmental investigation, regulation, monitoring, or remediation.

(b) The Company has complied, and is now complying, with all Environmental Laws. The Company and the Sellers have not received notice from any Person that the Company, its business or assets, or any real property currently or formerly owned, leased, or used by the Company is or may be in violation of any Environmental Law or any applicable Law regarding Hazardous Substances.

(c) There has not been any spill, leak, discharge, injection, escape, leaching, dumping, disposal, or release of any kind of any Hazardous Substances in violation of any Environmental Law: (i) with respect to the business or assets of the Company; or (ii) at, from, in, adjacent to, or on any real property currently or formerly owned, leased, or used by the Company. There are no Hazardous Substances in, on, about, or migrating to any real property currently or formerly owned, leased, or used by the Company, and such real property is not affected in any way by any Hazardous Substances.

Section 3.17 Employee Benefit Matters.

(a) Section 3.17(a) of the Disclosure Schedules contains a true and complete list of each "employee benefit plan" as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974 (as amended, and including the regulations thereunder, "**ERISA**"), whether or not written and whether or not subject to ERISA, and each supplemental retirement, compensation, employment, consulting, profit-sharing, deferred compensation, incentive, bonus, equity, change in control, retention, severance, salary continuation, and other similar agreement, plan, policy, program, practice, or arrangement which is or has been established, maintained, sponsored, or contributed to by the Company or under which the Company has or may have any Liability (each, a "**Benefit Plan**").

(b) For each Benefit Plan, Sellers have made available to Buyer accurate, current, and complete copies of each of the following: (i) the plan document with all amendments, or if not reduced to writing, a written summary of all material plan terms; (ii) any written contracts and arrangements related to such Benefit Plan, including trust agreements or other funding arrangements, and insurance policies, certificates, and contracts; (iii) in the case of a Benefit Plan intended to be qualified under Section 401(a) of the Code, the most recent favorable determination or national office approval letter issued by the Internal Revenue Service and any legal opinions issued thereafter with respect to the Benefit Plan's continued qualification; (iv) the most recent Form 5500 filed with respect to such Benefit Plan; and (v) any material notices, audits, inquiries, or other correspondence from, or filings with, any Governmental Authority relating to the Benefit Plan.

(c) Each Benefit Plan and related trust has been established, administered, and maintained in accordance with its terms and in compliance with all applicable Laws (including ERISA and the Code). Nothing has occurred with respect to any Benefit Plan

that has subjected or could subject the Company or, with respect to any period on or after the Closing Date, Buyer or any of its Affiliates, to a civil action, penalty, surcharge, or Tax under applicable Law or which would jeopardize the previously-determined qualified status of any Benefit Plan. All benefits, contributions, and premiums relating to each Benefit Plan have been timely paid in accordance with the terms of such Benefit Plan and all applicable Laws and accounting principles. Benefits accrued under any unfunded Benefit Plan have been paid, accrued, or adequately reserved for to the extent required by GAAP.

(d) The Company has not incurred and does not reasonably expect to incur: (i) any Liability under Title I or Title IV of ERISA, any related provisions of the Code, or applicable Law relating to any Benefit Plan; or (ii) any Liability to the Pension Benefit Guaranty Corporation. No complete or partial termination of any Benefit Plan has occurred or is expected to occur.

(e) The Company has not now or at any time within the previous six years contributed to, sponsored, or maintained: (i) any "multiemployer plan" as defined in Section 3(37) of ERISA; (ii) any "single-employer plan" as defined in Section 4001(a)(15) of ERISA; (iii) any "multiple employer plan" as defined in Section 413(c) of the Code; (iv) any "multiple employer welfare arrangement" as defined in Section 3(40) of ERISA; (v) a leveraged employee stock ownership plan described in Section 4975(e)(7) of the Code; or (vi) any other Benefit Plan subject to required minimum funding requirements.

(f) Other than as required under Sections 601 to 608 of ERISA or other applicable Law, no Benefit Plan provides post-termination or retiree welfare benefits to any individual for any reason.

(g) Neither the execution of this Agreement nor any of the transactions contemplated by this Agreement will, either alone or in combination with any other event: (i) entitle any current or former director, officer, employee, independent contractor, or consultant of the Company to any severance pay, increase in severance pay, or other payment; (ii) accelerate the time of payment, funding, or vesting, or increase the amount of compensation (including stock-based compensation) due to any such individual; (iii) limit or restrict the right of the Company to amend or terminate any Benefit Plan; (iv) increase the amount payable under any Benefit Plan; (v) result in any "excess parachute payments" within the meaning of Section 280G(b) of the Code; or (vi) require a "gross-up" or other payment to any "disqualified individual" within the meaning of Section 280G(c) of the Code.

Section 3.18 Employment Matters.

(a) Section 3.18(a) of the Disclosure Schedules lists: (i) all employees, independent contractors, and consultants of the Company; and (ii) for each individual described in clause (i), (A) the individual's title or position, hire date, and compensation, (B) any written Contracts entered into between the Company and such individual, and (C) the fringe benefits provided to each such individual.

(b) The Company is not, and has not been, a party to or bound by any collective bargaining agreement or other Contract with a union or similar labor organization (collectively, "**Union**"), and no Union has represented or purported to represent any employee of the Company. There has never been, nor has there been any threat of, any strike, work stoppage, slowdown, picketing, or other similar labor disruption or dispute affecting the Company or any of its employees, and that no such events are pending or, to Sellers' knowledge, threatened.

(c) The Company is and has been in compliance with: all applicable employment Laws and agreements regarding hiring, employment, termination of employment, mass layoffs, employment discrimination, harassment, retaliation, and reasonable accommodation, leaves of absence, terms and conditions of employment, wages and hours of work, employee classification, employee health and safety, engagement and classification of independent contractors, payroll taxes, and immigration with respect to all employees, independent contractors, and contingent workers.

Section 3.19 Taxes.

(a) All returns, declarations, reports, information returns and statements, and other documents relating to Taxes (including amended returns and claims for refund) (collectively, "**Tax Returns**") required to be filed by the Company on or before the Closing Date (taking into account any extensions timely and correctly filed) have been timely filed. Such Tax Returns are true, correct, and complete in all respects. All Taxes due and owing by the Company (whether or not shown on any Tax Return and including any Taxes related to any filings made for any dissolution or termination of the Company with any Governmental Authority) have been timely paid. No extensions or waivers of statutes of limitations have been given or requested with respect to any Taxes of the Company. Sellers have delivered to Buyer copies of all Tax Returns and examination reports of the Company and statements of deficiencies assessed against, or agreed to by, the Company, for all Tax periods ending after December 31, 2019. The term "**Taxes**" means all federal, state, local, foreign, and other income, gross receipts, sales, use, production, ad valorem, transfer, franchise, registration, profits, license, lease, service, service use, withholding, payroll, employment, unemployment, estimated, excise, severance, environmental, stamp, occupation, premium, property (real or personal), real property gains, windfall profits, customs, duties, or other taxes, fees, assessments, or charges of any kind whatsoever, together with any interest, additions, or penalties with respect thereto.

(b) The Company has not been a member of an affiliated, combined, consolidated, or unitary Tax group for Tax purposes. The Company has no Liability for Taxes of any Person (other than the Company) under Treasury Regulations Section 1.1502-6 (or any corresponding provision of state, local, or foreign Law), as transferee or successor, by contract, or otherwise.

(c) There are no liens for Taxes (other than for current Taxes not yet due and payable) upon the assets of the Company.

(d) Each Seller is not a "foreign person" as that term is used in Treasury Regulations Section 1.1445-2. The Company is not, nor has it been, a United States real property holding corporation (as defined in Section 897(c)(2) of the Code) during the applicable period in Section 897(c)(1)(a) of the Code.

(e) At all times in the last six (6) years, the Company has been properly classified as a C-corporation for U.S. federal and applicable state income tax purposes.

Section 3.20 Books and Records. To the knowledge of Sellers, the minute books and share record and transfer books of the Company, all of which are in the possession of the Company and have been made available to Buyer, are complete and correct.

Section 3.21 Brokers. No broker, finder, or investment banker is entitled to any brokerage, finder's, or other fee or commission in connection with the transactions contemplated by this Agreement or any other Transaction Document based upon arrangements made by or on behalf of Sellers.

Section 3.22 Full Disclosure. No representation or warranty by Sellers in this Agreement and no statement contained in the Disclosure Schedules to this Agreement or any certificate or other document furnished or to be furnished to Buyer pursuant to this Agreement intentionally contains any untrue statement of a material fact, or intentionally omits to state a material fact necessary to make the statements contained therein, in light of the circumstances in which they are made, not misleading.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Sellers that the statements contained in this Article IV are true and correct as of the date hereof. For purposes of this Article IV, "**Buyer's knowledge**," "**knowledge of Buyer**," and any similar phrases shall mean the actual or constructive knowledge of any director or officer of Buyer, after due inquiry.

Section 4.01 Organization and Authority of Buyer. Buyer is a limited liability company duly organized, validly existing, and in good standing under the Laws of the state of Delaware. Buyer has full company power and authority to enter into this Agreement and the other Transaction Documents to which Buyer is a party, to carry out its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby and thereby. The execution and delivery by Buyer of this Agreement and any other Transaction Document to which Buyer is a party, the performance by Buyer of its obligations hereunder and thereunder, and the consummation by Buyer of the transactions contemplated hereby and thereby have been duly authorized by all requisite company action on the part of Buyer. This Agreement and each Transaction Document constitute legal, valid, and binding obligations of Buyer enforceable against Buyer in accordance with their respective terms.

Section 4.02 No Conflicts; Consents. The execution, delivery, and performance by Buyer of this Agreement, the Notes and the other Transaction Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not:

(a) violate or conflict with any provision of the certificate of organization, operating agreement, or other governing documents of Buyer; (b) violate or conflict with any provision of any Law or Governmental Order applicable to Buyer; or (c) require the consent, notice, declaration, or filing with or other action by any Person or require any Permit, license, or Governmental Order, except for closing conditions set forth herein and under the other Transaction Documents.

Section 4.03 Investment Purpose. Buyer is acquiring the Shares solely for its own account for investment purposes and not with a view to, or for offer or sale in connection with, any distribution thereof or any other security related thereto within the meaning of the Securities Act of 1933, as amended (the "**Securities Act**"). Buyer acknowledges that Sellers have not registered the offer and sale of the Shares under the Securities Act or any state securities laws, and that the Shares may not be pledged, transferred, sold, offered for sale, hypothecated, or otherwise disposed of except pursuant to the registration provisions of the Securities Act or pursuant to an applicable exemption therefrom and subject to state securities laws and regulations, as applicable.

Section 4.04 Brokers. No broker, finder, or investment banker is entitled to any brokerage, finder's, or other fee or commission in connection with the transactions contemplated by this Agreement or any other Transaction Document based upon arrangements made by or on behalf of Buyer.

Section 4.05 Sufficiency of Funds. Buyer has sufficient cash available to enable it to pay the full Purchase Price, including the Cash Payment and the Notes, and to make all other necessary payments by it in connection with the transactions contemplated hereby. Immediately following Closing, the Buyer will be solvent and will (a) be able to pay the Buyer's debts as they become due, (b) own assets that have a fair saleable value greater than the amounts required to pay the Buyer's liabilities (including a reasonable estimate of the amount of all of the Buyer's contingent liabilities), and (c) have adequate capital to carry on the Buyer's business. In connection with the Transaction, the Buyer has not incurred, nor does it plan to incur, liabilities beyond its ability to pay as they become absolute and matured.

Section 4.06 Legal Proceedings. There are no actions, suits, claims, investigations or other legal proceedings pending or, to Buyer's knowledge, threatened against or by Buyer or any affiliate of Buyer that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement.

Section 4.07 Independent Investigation and Reliance. Buyer has conducted its own independent investigation, review, and analysis of the business, assets, liabilities, operations, and condition (financial or otherwise) of the Company. Buyer acknowledges that Buyer has been provided with adequate access to the personnel, properties, premises, books and records, and other documents and data of Sellers and the Company for such purpose. Buyer acknowledges that it has relied solely upon its own investigation and the express representations and warranties of Sellers set forth in Article III of this Agreement (including related portions of the Disclosure Schedules) in making its decision to enter into this Agreement and to consummate the transactions contemplated hereby. Notwithstanding the foregoing, nothing in this Section 4.07 shall limit or otherwise affect the representations and warranties made by Sellers in Article III or the right of the Buyer to rely thereon.

ARTICLE V
COVENANTS

Section 5.01 Confidentiality. From and after the Closing, Sellers shall, and shall cause their Affiliates and their respective directors, officers, employees, consultants, counsel, accountants, and other agents (collectively, "Representatives") to, hold in strict confidence any and all information, in any form or medium, concerning the Company (the "Confidential Information"), except to the extent that such Confidential Information:

(a) is generally available to and known by the public through no fault of Sellers, any of their Affiliates, or their respective Representatives;

(b) is lawfully acquired by Sellers, any of their Affiliates, or their respective Representatives from and after the Closing from third-party sources which are not, to Sellers' knowledge, bound by a duty of confidentiality to the Company or Buyer;

(c) was known to Sellers prior to the date of this Agreement.

If Sellers or any of their Affiliates or their respective Representatives are compelled by Governmental Order or other judicial or administrative process or requirement of law to disclose any Confidential Information, Sellers shall promptly notify Buyer in writing prior to making any such disclosure, to allow Buyer to seek a protective order or other appropriate remedy or to waive compliance with the provisions of this Section 5.01. If such protective order or other remedy is not obtained, or if Buyer waives compliance with the provisions of this Section, Sellers shall furnish only that portion of the Confidential Information that is legally required and shall exercise reasonable best efforts to obtain reasonable assurance that confidential treatment will be accorded such disclosed Confidential Information.

Section 5.02 Non-Competition; Non-Solicitation.

(a) For a period of four (4) years commencing on the Closing Date (the "**Restricted Period**"), Sellers shall not, and shall not permit any of their Affiliates to, directly or indirectly: (i) engage in or assist others in engaging in (x) the business of bulk removal services for apartment complexes or homeowners' associations ("**HOAs**"); (y) the provision of load balancing services for apartment complexes or HOAs; or (z) the offering of any other waste-related removal or clearing services, including but not limited to, waste management, recycling services, junk hauling, debris removal, or similar services targeted towards apartment complexes or HOAs (collectively, the "**Restricted Business**") in the states of Arizona and Texas (the "**Territory**"); (ii) have an interest in any Person that engages, directly or indirectly, in the Restricted Business in the Territory in any capacity, including as a partner, stockholder, director, officer, member, manager, employee, contractor, principal, agent, volunteer, intern, advisor, or consultant; or (iii) intentionally interfere in any material respect with the business relationships (whether formed prior to or after the date of this Agreement) between the Company and customers or suppliers of the Company. Notwithstanding the foregoing, Sellers each may own, directly or indirectly, solely as an investment, securities of any Person traded on any national securities exchange if Sellers are not a controlling Person of, or a member of a

group which controls, such Person and does not, directly or indirectly, own 2% or more of any class of securities of such Person.

(b) During the Restricted Period, Sellers shall not, and shall not permit any of its Affiliates to, directly or indirectly, hire or solicit any current or former employee of the Company or encourage any employee to leave the Company's employment, except pursuant to a general solicitation which is not directed specifically to any such employees; *provided, however*, nothing in this Section 5.02(b) shall prevent Sellers or any of their Affiliates from hiring: (i) any employee terminated by the Company; or (ii) after one hundred eighty (180) days from the date of resignation, any employee that has resigned from the Company.

(c) Sellers acknowledge that a breach or threatened breach of this Section 5.02 would give rise to irreparable harm to Buyer, for which monetary damages would not be an adequate remedy, and hereby agrees that in the event of a breach or a threatened breach by Sellers of any such obligations, Buyer shall, in addition to any and all other rights and remedies that may be available to it in respect of such breach, be entitled to equitable relief, including a temporary restraining order, an injunction, or specific performance (without any requirement to post bond).

(d) Sellers acknowledge that the restrictions contained in this Section 5.02 are reasonable and necessary to protect the legitimate interests of Buyer and constitute a material inducement to Buyer to enter into this Agreement and consummate the transactions contemplated by this Agreement. In the event that any covenant contained in this Section 5.02 should ever be adjudicated to exceed the time, geographic, product or service, or other limitations permitted by applicable Law in any jurisdiction or any Governmental Order, then any court is expressly empowered to reform such covenant, and such covenant shall be deemed reformed, in such jurisdiction to the maximum time, geographic, product or service, or other limitations permitted by applicable Law or such Governmental Order. The covenants contained in this Section 5.02 and each provision hereof are severable and distinct covenants and provisions. The invalidity or unenforceability of any such covenant or provision as written shall not invalidate or render unenforceable the remaining covenants or provisions hereof, and any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such covenant or provision in any other jurisdiction.

Section 5.03 Further Assurances. Following the Closing, each of the parties hereto shall, and shall cause their respective Affiliates to, execute and deliver such additional documents and instruments and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement and the other Transaction Documents.

ARTICLE VI
TAX MATTERS

Section 6.01 Tax Covenants.

(a) Unless otherwise required by applicable Law, without the prior written consent of Buyer, not to be unreasonably withheld, conditioned or delayed, Sellers shall not, to the extent it may affect or relate to the Company: (i) make, change, or rescind any Tax election; (ii) amend any Tax Return; (iii) take any position on any Tax Return; or (iv) take any action, omit to take any action, or enter into any other transaction that would have the effect of increasing the Tax liability or reducing any Tax asset of Buyer or the Company, in respect of any taxable period that begins after the Closing Date or, in respect of any taxable period that begins before and ends after the Closing Date (each such period, a "**Straddle Period**"), the portion of any Straddle Period beginning after the Closing Date.

(b) Unless otherwise required by applicable Law, without the prior written consent of Sellers, not to be unreasonably withheld, conditioned or delayed, none of Buyer, the Company, or their Affiliates shall (and shall not cause or permit any other Person to) (i) except as set forth in Section 6.01(d) file, or otherwise amend, re-file or otherwise modify any Tax Return relating in whole or in part to the Company with respect to any Pre-Closing Tax Period ending on or before the Closing Date; (ii) make any material Tax election for the Company that has retroactive effect to any Pre-Closing Tax Period ending on or before the Closing Date (iii) file any ruling or request with any Governmental Authority that relates to Taxes or Tax Returns of the Company for a Pre-Closing Tax Period ending on or before the Closing Date; or (iv) enter into, or initiate, any voluntary disclosure agreement with any Governmental Authority regarding any Tax or Tax Returns of the Company for a Pre-Closing Tax Period ending on or before the Closing Date.

(c) All transfer, documentary, sales, use, stamp, registration, value added, and other such Taxes and fees (including any penalties and interest) incurred in connection with this Agreement and the other Transaction Documents shall be borne and paid one-half by Buyer and one-half by Sellers when due. The Party responsible for doing so unless applicable Law shall, at its own expense, timely file any Tax Return or other document with respect to such Taxes or fees (and the other Party shall cooperate with respect thereto as necessary).

(d) Buyer shall prepare, or cause to be prepared, all Tax Returns the due date of which (taking into account any applicable extensions) is after the Closing Date with respect to any taxable period or portion thereof ending on or before the Closing Date and all Straddle Period Tax Returns (a "**Pre-Closing Tax Return**"). Any such Pre-Closing Tax Return shall be prepared in a manner consistent with past practice (unless otherwise required by Law) and without a change of any election or any accounting method. Buyer shall cause the Company to furnish a draft copy of any such Pre-Closing Tax Returns to Sellers for review and comment not later than thirty (30) days before the due date for filing such Pre-Closing Tax Returns (including extensions thereof). Seller shall provide any comments no later than fifteen (15) days prior to such due date. Buyer shall consider in good faith and incorporate any reasonable comments provided by Sellers with respect to such Pre-Closing Tax Returns prior to filing such Pre-Closing Tax Returns.

Section 6.02 Straddle Period. In the case of Taxes that are payable with respect to a Straddle Period, the portion of any such Taxes that are allocated to Pre-Closing Tax Periods (as defined in Section 6.04) for purposes of this Agreement shall be: (a) in the case of Taxes: (i) based upon, or related to, income, receipts, profits, wages, capital, or net worth; (ii) imposed in connection with the sale, transfer, or assignment of property; or (iii) required to be withheld, the amount of Taxes which would be payable if the taxable year ended with the Closing Date; and (b) in the case of other Taxes, the amount of such Taxes for the entire period multiplied by a fraction, the numerator of which is the number of days in the period ending on the Closing Date and the denominator of which is the number of days in the entire period.

Section 6.03 Termination of Existing Tax Sharing Agreements. Any and all existing Tax sharing agreements (whether written or not) binding upon the Company shall be terminated as of the Closing Date. After such date none of the Company, Sellers, or any of Sellers' Affiliates and their respective Representatives shall have any further rights or liabilities thereunder.

Section 6.04 Tax Indemnification. Sellers shall severally indemnify the Company, Buyer, and each Buyer Indemnitee (as defined in Section 7.01) and hold them harmless from and against (a) any loss, damage, liability, deficiency, Action, judgment, interest, award, penalty, fine, cost or expense of whatever kind (collectively, including reasonable attorneys' fees and the cost of enforcing any right to indemnification under this Agreement, "**Losses**") attributable to any breach of or inaccuracy in any representation or warranty made in Section 3.19; (b) any Loss attributable to any breach or violation of, or failure to fully perform, any covenant, agreement, undertaking, or obligation in ARTICLE VI; (c) all Taxes of the Company or relating to the business of the Company for all Pre-Closing Tax Periods (as defined below); (d) all Taxes of any member of an affiliated, consolidated, combined, or unitary group of which the Company (or any predecessor of the Company) is or was a member on or prior to the Closing Date by reason of a liability under Treasury Regulation Section 1.1502-6 or any comparable provisions of foreign, state, or local Law; and (e) any and all Taxes of any Person imposed on the Company arising under the principles of transferee or successor liability or by contract, relating to an event or transaction occurring before the Closing Date. In each of the above cases, together with any reasonable out-of-pocket fees and expenses (including reasonable attorneys' and accountants' fees) incurred in connection therewith, Sellers shall reimburse Buyer for any Taxes of the Company that are the responsibility of Sellers pursuant to this Section 6.04 within ten business days after payment of such Taxes by Buyer or the Company. The term "**Pre-Closing Tax Period**" means any taxable period ending on or before the Closing Date and, with respect to any taxable period beginning before and ending after the Closing Date, the portion of such taxable period ending on and including the Closing Date.

Section 6.05 No Section 336(e) Election. Sellers shall not make an election under Section 336(e) of the Code with respect to the transactions contemplated by this Agreement.

Section 6.06 Cooperation and Exchange of Information. Sellers and Buyer shall provide each other with such cooperation and information as either of them reasonably may request of the other in filing any Tax Return pursuant to this ARTICLE VI or in connection with any proceeding in respect of Taxes of the Company, including providing copies of relevant Tax Returns and accompanying documents. Sellers and Buyer shall retain all Tax Returns and other

documents in its possession relating to Tax matters of the Company for any Pre-Closing Tax Period (collectively, "**Tax Records**") until the expiration of the statute of limitations of the taxable periods to which such Tax Records relate.

Section 6.07 Tax Contests.

(a) If a written notice of deficiency, audit, examination claim, litigation, or other administrative or court proceeding, suit or dispute with respect to a Tax Return of the Company for a Pre-Closing Tax Period is received by Buyer, the Company or any of their respective Affiliates or for which the Sellers would be expected to be liable pursuant to Section 6.04 (a "**Tax Claim**"), Buyer shall give Sellers prompt written notice of such Tax Claim. The failure to give such reasonable notice shall not release, waive or otherwise affect the Sellers' obligations with respect thereto except to the extent that the Sellers are actually and materially prejudiced as a result of such failure.

(b) With respect to any Tax Claims relating to any Pre-Closing Tax Periods that end on or before the Closing Date, to the extent any such Tax Claim relates to any Taxes that reasonably may be the responsibility of the Sellers under Section 6.04, Sellers shall have the right to represent the interests of the Company in any Tax Claim at the Sellers' expense; provided, that (A) Sellers shall keep Buyer reasonably informed and consult with Buyer with respect to any issue relating to such Tax Claim, (B) Sellers shall provide Buyer copies of all correspondence, notices and other written material received from any Governmental Authority with respect to such Tax Claim, (C) Sellers shall provide Buyer with a copy of, and an opportunity to review and comment on, all material submissions made to a Governmental Authority in connection with such Tax Claim, and (D) neither Sellers nor the Company shall agree to a settlement or compromise thereof without the prior written consent of Buyer, which consent shall not be unreasonably withheld, conditioned or delayed. Buyer shall have the right to represent the interests of the Company in any Tax Claim relating to any Straddle Periods; provided, to the extent any such Tax Claim with respect to any Straddle Period relates to any Taxes that that reasonably may be the responsibility of the Sellers under Section 6.04, (w) Buyer shall keep Sellers reasonably informed and consult with Sellers with respect to any issue relating to such Tax Claim, (x) Buyer shall provide Sellers copies of all correspondence, notices and other written material received from any Governmental Authority with respect to such Tax Claim, (y) Buyer shall provide Sellers with a copy of, and an opportunity to review and comment on, all material submissions made to a Governmental Authority in connection with such Tax Claim, and (z) neither Buyer nor the Company shall agree to a settlement or compromise thereof without the prior written consent of Sellers, which consent shall not be unreasonably conditioned, withheld or delayed.

Section 6.08 Tax Refunds. Any Tax Refund of the Company that is attributable to any Pre-Closing Tax Period shall be for the account of the Sellers. If, after the Closing, Buyer or the Company receives a Tax Refund attributable to a Pre-Closing Tax Period, Buyer shall pay (or cause the Company to pay) to Sellers within ten (10) days after such receipt an amount equal to such Tax Refund received, net of any out-of-pocket costs or Taxes imposed or incurred in connection with obtaining such Tax Refunds. Upon a reasonable request from Sellers, Buyer shall, and shall cause the Company to, at the cost and expenses of the Sellers, use commercially

reasonable efforts to obtain a Tax Refund attributable to a Pre-Closing Tax Period. For purposes hereof, "Tax Refund" means any Tax refund (whether received in cash, or applied against the Company's subsequent period Taxes on a "last-in-first-out" basis, and including any interest paid or credited with respect thereto).

Section 6.09 Survival. Notwithstanding anything in this Agreement to the contrary, the provisions of Section 3.19 and this ARTICLE VI shall survive for the full period of all applicable statutes of limitations (giving effect to any waiver, mitigation, or extension thereof) plus 90 days.

ARTICLE VII
INDEMNIFICATION

Section 7.01 Indemnification by Sellers. Subject to the other terms and conditions of this ARTICLE VII, Sellers shall severally indemnify and defend each of Buyer and its Affiliates (including the Company) and their respective Representatives (collectively, the "**Buyer Indemnitees**") against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses incurred or sustained by, or imposed upon, the Buyer Indemnitees based upon, arising out of, with respect to, or by reason of:

(a) any inaccuracy in or breach of any of the representations or warranties of Sellers contained in this Agreement or the other Transaction Documents; or

(b) any breach or non-fulfillment of any covenant, agreement, or obligation to be performed by Sellers pursuant to this Agreement or the other Transaction Documents.

Section 7.02 Indemnification by Buyer. Subject to the other terms and conditions of this ARTICLE VII, Buyer shall indemnify and defend each Seller and their Affiliates and their respective Representatives (collectively, the "**Seller Indemnitees**") against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses incurred or sustained by, or imposed upon, the Seller Indemnitees based upon, arising out of, with respect to, or by reason of:

(a) any inaccuracy in or breach of any of the representations or warranties of Buyer contained in this Agreement or the other Transaction Documents; or

(b) any breach or non-fulfillment of any covenant, agreement, or obligation to be performed by Buyer pursuant to this Agreement.

Effective as of the Closing Date, Buyer and Sellers, for themselves and on behalf of their respective members, managers, officers, employees, representatives, agents, successors, assigns, and Affiliates (collectively, the "**Releasing Parties**"), do hereby irrevocably release, remise, and forever discharge each other and each of their respective members, managers, officers, employees, representatives, agents, successors, assigns, and Affiliates (collectively, the "**Released Parties**") of and from any and all Losses of every nature and description, whether known or unknown, suspected or unsuspected, foreseen or unforeseen, actual or potential, arising out of, relating to, or in any way connected to any matter arising from the beginning of time to

the Closing Date, including, without limitation, any claims or obligations arising out of Sellers' ownership, management and operation of the assets and the Company, and except for any Losses related to the Agreement, any agreements executed in connection therewith, or any transactions contemplated under the Agreement.

In addition, Sellers do hereby irrevocably release, remise, and forever discharge Buyer and its Affiliates of and from any and all Losses arising out of or relating to any disputes among Sellers related to any claims, rights, or obligations concerning Sellers' ownership, management, and operation of the Company and the Shares prior to Closing.

Both Buyer and Sellers represent and warrant to each other that none of their respective Releasing Parties have made any assignment of any such Losses being released by this Section. Each party agrees to defend, indemnify, and hold harmless the Released Parties of the other party for, from, and against any and all such Losses (including, without limitation, any investigation, action, or other proceeding, whether instituted by a third party or by a Released Party for the purpose of enforcing its rights hereunder) made, brought, or threatened that constitute, arise out of, result from, or are in any way connected with or related to any such assignment or purported assignment.

Section 7.03 Indemnification Procedures. Whenever any claim shall arise for indemnification hereunder, the party entitled to indemnification (the "**Indemnified Party**") shall promptly provide written notice of such claim to the party required to indemnify (the "**Indemnifying Party**"). In connection with any claim giving rise to indemnity hereunder resulting from or arising out of any Action by a Person who is not a party to this Agreement, the Indemnifying Party, at its sole cost and expense and upon written notice to the Indemnified Party, may assume the defense of any such Action with counsel reasonably satisfactory to the Indemnified Party. The Indemnified Party shall be entitled to participate in the defense of any such Action, with its counsel and at its own cost and expense. If the Indemnifying Party does not assume the defense of any such Action, the Indemnified Party may, but shall not be obligated to, defend against such Action in such manner as it may deem appropriate, including settling such Action, after giving at least ten days' notice of it to the Indemnifying Party, on such terms as the Indemnified Party may deem appropriate and no action taken by the Indemnified Party in accordance with such defense and settlement shall relieve the Indemnifying Party of its indemnification obligations herein provided with respect to any damages resulting therefrom. The Indemnifying Party shall not settle any Action without the Indemnified Party's prior written consent (which consent shall not be unreasonably withheld, conditioned, or delayed).

Section 7.04 Survival. Subject to the limitations and other provisions of this Agreement, the representations and warranties contained herein (other than any representations or warranties contained in Section 3.19 which are subject to ARTICLE VI) and all related rights to indemnification shall survive the Closing and shall remain in full force and effect until the date that is twelve (12) months from the Closing Date; *provided, however,* the representations and warranties in Section 3.01, Section 3.02, Section 3.03, Section 3.04, Section 3.05, Section 3.21, Section 4.01, Section 4.02, Section 4.04, and Section 4.07 shall survive indefinitely (the "**Fundamental Representations**"). Subject to ARTICLE VI, all covenants and agreements of the parties contained herein shall survive the Closing indefinitely unless another period is explicitly specified herein. Notwithstanding the foregoing, any claims which are timely asserted

in writing by notice from the non-breaching party to the breaching party prior to the expiration date of the applicable survival period shall not thereafter be barred by the expiration of the relevant representation or warranty and such claims shall survive until finally resolved.

Section 7.05 Tax Claims. Notwithstanding any other provision of this Agreement, the control of any claim, assertion, event, or proceeding in respect of Taxes of the Company (including, but not limited to, any such claim in respect of a breach of the representations and warranties in Section 3.19 hereof or any breach or violation of or failure to fully perform any covenant, agreement, undertaking, or obligation in ARTICLE VI) shall be governed exclusively by Article VI hereof.

Section 7.06 Limitations on Indemnification.

(a) Notwithstanding anything to the contrary contained herein, the aggregate liability of the Sellers under Section 7.01(a) shall not exceed an amount equal to One Million Two Hundred Thousand Dollars (USD $1,200,000) (the "**Cap**"), except in cases of (i) Fraud, (ii) intentional misrepresentation, or (iii) breach of Fundamental Representations, which shall be limited to one hundred percent (100%) of the Purchase Price. Notwithstanding anything to the contrary elsewhere in this Agreement, in no event will Sellers be liable to Buyer for any consequential, incidental, indirect, special, punitive, or remote damages, including any loss of revenue, income or profits, diminution of value or loss of business reputation or opportunity arising out of or relating to the breach or alleged breach of this Agreement, except in the case of Fraud.

(b) The Buyer Indemnitees shall not be entitled to indemnification under Section 7.01(a) until the total amount of all Losses in respect of indemnification under Section 7.01(a) exceeds One Hundred Thousand Dollars (USD $100,000) (the "**Threshold Amount**"), at which point the Sellers shall only be liable for Losses in excess of the Threshold Amount, subject to the other terms and conditions of this ARTICLE VII; provided, however, that the Threshold Amount shall not apply in cases of (i) Fraud, (ii) intentional misrepresentation, or (iii) breach of Fundamental Representations.

(c) Notwithstanding anything to the contrary contained herein, any inaccuracy in or breach of any representation or warranty and any Losses pursuant thereto shall be determined without regard to any materiality, material adverse effect or other similar qualification contained in or otherwise applicable to such representation or warranty.

(d) For the purpose of this Agreement, "**Fraud**" shall mean an actual and intentional misrepresentation of a material fact, made with knowledge of the falsehood of such representation, with the intent to deceive the other party, upon which the other party justifiably relied, and which caused damage or injury to the relying party.

Section 7.07 Adjustment of Promissory Notes Principal Amount. Notwithstanding any provision to the contrary contained herein, in the event that any Buyer Indemnitees are entitled to any indemnification payments pursuant to this ARTICLE VII, Buyer shall have the right for a period of twelve (12) months following the Closing, in its sole discretion, to reduce

the unpaid principal amount of the Notes by any amount which is calculated in good faith as potential Losses for which Sellers are liable under this Section 7. Such reduced amount shall be held back and may not be released until such Losses are agreed to by the parties or finally determined to be payable pursuant hereto; provided further that in the event it is determined that any such reduced amount should not have in fact been reduced and held back, then Buyer shall pay [REDACT] interest on such reduced amounts at the rate of 1.0% per month or the highest rate permissible under applicable law, calculated daily and compounded monthly. Buyer shall provide written notice to Sellers of its intention to reduce the unpaid principal amount of the Notes pursuant to this Section 7.08, which notice shall include a detailed calculation of the indemnification payments due and the corresponding adjustment to the unpaid principal amount of the Notes. Any reduction of the unpaid principal amount of the Notes pursuant to this Section 7.08 shall be affected by an amendment to each respective Note executed by Buyer and the respective Seller which is a signatory thereto and shall be binding upon Buyer and such Sellers in accordance with the terms thereof. Provided, however, that all adjustments other than adjustments due to Mentor's breach of the Fundamental Representations shall first be made to [REDACT]'s Note until [REDACT]'s Note reaches $0, and then shall be made to Mentor's Note.

ARTICLE VIII
MISCELLANEOUS

Section 8.01 Expenses. All costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses.

Section 8.02 Notices. All notices, claims, demands, and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by email of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid, if sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 8.02):

If to [REDACT]:	[REDACT] [REDACT] [REDACT] Email: [REDACT]
with a copy (which shall not constitute notice) to:	[REDACT] [REDACT] [REDACT] Email: [REDACT]

If to Mentor:	Mentor Capital, Inc. 5964 Campus Court Plano, Texas 75093
with a copy (which shall not constitute notice) to:	The Corporate Law Group 1342 Rollins Road Burlingame, CA 94010 paul@tclg.com megan@tclg.com
If to Buyer:	Ally Waste Services, LLC [REDACT] [REDACT] [REDACT] Email: [REDACT]
with a copy (which shall not constitute notice) to:	[REDACT] [REDACT] [REDACT] Email: [REDACT]

Section 8.03 Interpretation; Headings. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

Section 8.04 Severability. If any term or provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Agreement.

Section 8.05 Entire Agreement. This Agreement and the other Transaction Documents constitute the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein and therein, and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements in the body of this Agreement and those in the other Transaction Documents, any exhibits, and the Disclosure Schedules (other than an exception expressly set forth as such in the Disclosure Schedules), the statements in the body of this Agreement will control.

Section 8.06 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed. No assignment shall relieve the assigning party of any of its obligations hereunder.

Section 8.07 Amendment and Modification; Waiver. This Agreement may only be amended, modified, or supplemented by an agreement in writing signed by each party hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No failure to exercise, or delay in exercising, any right or remedy arising from this Agreement shall operate or be construed as a waiver thereof. No single or partial exercise of any right or remedy hereunder shall preclude any other or further exercise thereof or the exercise of any other right or remedy.

Section 8.08 Governing Law; Submission to Jurisdiction; Waiver of Jury Trial].

(a) All matters arising out of or relating to this Agreement shall be governed by and construed in accordance with the internal laws of the State of Arizona without giving effect to any choice or conflict of law provision or rule (whether of the State of Arizona or any other jurisdiction). Any legal suit, action, proceeding, or dispute arising out of or related to this Agreement, the other Transaction Documents, or the transactions contemplated hereby or thereby may be instituted in the federal courts of the United States of America or the courts of the State of Arizona in each case located in the city of Phoenix and county of Maricopa, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, proceeding, or dispute.

(b) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT OR THE OTHER TRANSACTION DOCUMENTS IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL ACTION, PROCEEDING, CAUSE OF ACTION, OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, INCLUDING ANY EXHIBITS AND SCHEDULES ATTACHED TO THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT: (I) NO REPRESENTATIVE OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION; (II) EACH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER; (III) EACH PARTY MAKES THIS WAIVER KNOWINGLY AND VOLUNTARILY; AND (IV) EACH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 8.09 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by email or other means of

electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

Section 8.10 Legal Counsel. Following Closing, Sellers' legal counsel may continue to serve as legal counsel to Sellers in connection with any litigation, claim or obligation arising out of or relating to this Agreement or the transactions contemplated by this Agreement, notwithstanding that counsel's prior representation of the Company. Each party hereby waives any actual or potential conflict of interest or any objection that may arise from any representation by Sellers' legal counsel specified in this Section.

[*SIGNATURE PAGE FOLLOWS*]

[REDACT]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above.

ALLY WASTE SERVICES, LLC, a Delaware limited liability company

By: [REDACT]
Name: [REDACT]
Title: Chief Executive Officer

/[REDACT]
[REDACT]

MENTOR CAPITAL, INC., a Delaware corporation

By: DocuSigned by: Chet Billingsley
Name: Chet Billingsley
Title: Chief Executive Officer

Exhibit A

Promissory Notes

SUBORDINATED PROMISSORY NOTE

THE SECURITY REPRESENTED HEREBY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS, AND MAY NOT BE OFFERED OR SOLD IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH FEDERAL AND STATE SECURITIES LAWS OR AN EXEMPTION FROM REGISTRATION THEREUNDER.

THIS NOTE AND THE INDEBTEDNESS EVIDENCED HEREBY ARE SUBORDINATED TO THE PRIOR PAYMENT IN FULL OF THE "SENIOR DEBT" AND THE TERMINATION OF ALL COMMITMENTS UNDER THE "SENIOR DEBT DOCUMENTS" (AS SUCH TERMS ARE DEFINED IN THE SUBORDINATION AGREEMENT HEREINAFTER REFERRED TO) PURSUANT TO, AND TO THE EXTENT PROVIDED IN, THE SUBORDINATION AGREEMENT, DATED AS OF THE DATE HEREOF, BY AND AMONG RF INVESTMENT PARTNERS SBIC, LP, PAYEE AND MAKER (THE "SUBORDINATION AGREEMENT").

SUBORDINATED PROMISSORY NOTE

OF

ALLY WASTE SERVICES, LLC

$1,000,000.00 October 4, 2023

FOR VALUE RECEIVED, ALLY WASTE SERVICES, LLC, a Delaware limited liability company (including any permitted successor or assign thereof, including, without limitation, a receiver, trustee or debtor-in-possession, "Maker") hereby promises to pay to [REDACT] ("Payee"), the aggregate principal sum of One Million Dollars and Zero Cents ($1,000,000.00) on the dates and in the amounts set forth in this Subordinated Promissory Note (this "Note"), and to pay to Payee interest on the unpaid principal balance hereof at the rate and times set forth herein.

1. Reference to Purchase Agreement and Senior Credit Documents. This Note is being issued and delivered by Maker to Payee pursuant to Section 1.02(b) of that certain Stock Purchase Agreement, dated as of the date hereof, by and between Maker, Payee, and Mentor Capital, Inc., a Delaware corporation ("Purchase Agreement"). Capitalized terms used and not otherwise defined in this Note have the meanings assigned to such terms in the Purchase Agreement. This Note and the obligations of Maker hereunder are subject to the terms of all senior secured credit facilities and related documents of the Maker and certain other affiliate parties (collectively, the "Credit Parties") (as such agreements may have been or may be amended, supplemented, restated or otherwise modified from time to time in accordance with the terms hereof, the "Senior Credit Documents") including (i) that certain Securities Purchase Agreement among the Maker, the other Credit Parties, the several banks and other financial institutions or entities from time to time party thereto (the "Senior Lenders" which term shall include certain

affiliates thereof as described in the Subordination Agreement) and (ii) the Subordination Agreement (as defined in the legend hereto, together with each amendment, restatement, supplement, addition or other modification thereto).

2. Payment of Principal. Subject to the terms of the Senior Credit Documents, including any restrictions on the ability of Maker to pay principal hereunder, Maker shall pay the outstanding principal amount of this Note to Payee in a single payment on the 12 month anniversary of the date hereof (the "Maturity Date").

3. Payment of Interest. The unpaid principal balance of this Note bears interest at an annual rate equal to six percent (6%), calculated on the basis of a year consisting of 365 days. Subject to the terms of the Senior Credit Documents, including any restrictions on the ability of Maker to pay interest hereunder, the interest on this Note is to be paid in kind, and Maker shall pay interest on this Note to Payee in a single payment on the Maturity Date. Notwithstanding the above, in the event of a Default hereof, the interest rate on this Note shall be twelve percent (12%) per annum, calculated on the basis of a year consisting of 365 days, and calculated from the date first set forth above.

4. Prepayment. Subject to the terms of the Senior Credit Documents, including any restrictions on the ability of Maker to pay principal and interest hereunder, at any time and from time to time after the date hereof, Maker may prepay in whole or in part, without premium or penalty, the outstanding principal amount of this Note, together with all accrued but unpaid interest on such principal amount up to the date of prepayment. Any prepayment shall be applied first to accrued but unpaid interest, and then to outstanding principal.

5. Subordination. All principal, interest, premiums and other amounts payable by Maker to Payee under this Note and any security therefor are subordinated and junior in right of payment to the indebtedness for borrowed money and other obligations of the Credit Parties owed to the Senior Lenders under the Senior Credit Documents (collectively, the "Senior Indebtedness"). Until the prior payment in full of all of the Senior Indebtedness, Payee may not, without the prior written consent of the Senior Lenders, take any of the following actions with respect to any amounts owed to Payee under this Note: (a) initiate any suit, action or proceeding against Maker to enforce payment of, or to collect the whole or any part of any amounts owed under, this Note; (b) commence judicial enforcement of any of the rights and remedies under this Note; or (c) accelerate this Note. In the event of any default under this Note, upon written demand by Payee, Maker will identify such Senior Lenders from whom any such consent must be obtained within three days of the request therefore. Maker will promptly provide Payee with notice upon (i) Maker's default, and (ii) Maker's receipt of notice of default from the Senior Lenders, under the Senior Debt Documents or any amended, restated, amended and restated, or replacement Senior Debt Documents, as the case may be, and will provide notice to Payee of Maker's cure of any such default. Payee hereby agrees to negotiate in commercial good faith with respect to any requirement by any Senior Lenders to enter into an amendment, restatement, supplement, addition or other modification or replacement of the Subordination Agreement and will use commercially reasonable efforts to take any other commercially reasonable actions reasonably requested by any such Senior Lenders with respect to indebtedness evidenced by this Note and any security therefor.

6. Defaults. Maker shall be deemed in default hereunder upon the occurrence of any of the following: (a) Maker fails to make when due any principal or interest payment required to be made hereunder; (b) an involuntary case against Maker under any applicable bankruptcy or insolvency law commences and is not dismissed on or before the date 60 days after its commencement; (c) a court with proper jurisdiction enters a decree or order for relief against Maker in an involuntary case under any applicable bankruptcy or insolvency law; (d) a court with proper jurisdiction appoints a receiver, liquidator, custodian or trustee for Maker or for any substantial part of Maker's property with respect to the winding up or liquidation of Maker's affairs; or (e) Maker commences a voluntary case under any applicable bankruptcy or insolvency law, makes a general assignment for the benefit of Maker's creditors, consents to the appointment of a receiver, liquidator, custodian or trustee for Maker or for any substantial part of Maker's property, or consents to the entry of an order for relief against Maker in an involuntary case under any applicable bankruptcy or insolvency law.

7. Consequences of Default and Remedies. Upon the occurrence of a default under Section 6 of this Note, subject to the Senior Credit Documents and Section 5 of this Note, the entire outstanding principal balance of this Note, together with all accrued and unpaid interest and all other sums payable hereunder shall, at the option of Payee, become immediately due and payable.

8. Payments. Principal and interest due and payable under this Note to be made to Payee shall be paid in lawful money of the United States of America at the address for notices to Payee as set forth on Payee's signature page hereto, or at such other address as may be specified in a written notice to Maker by Payee. If any payment on this Note is due on a Saturday, Sunday or a bank or legal holiday, such payment shall be made on the next succeeding business day.

9. Set-Off. The principal amount of this Note plus any accrued and unpaid interest thereon may be reduced or increased by (a) the amount of any indemnification obligation of Payee to Maker pursuant to Article VII of the Purchase Agreement or (b) any Working Capital Adjustments pursuant to Section 1.02(c) of the Purchase Agreement, both as determined to be owed pursuant to the provisions thereof. For clarity, any indemnification obligation or Working Capital Adjustment of Payee to Maker shall be determined in accordance with the Purchase Agreement and subject to the limitations set forth therein.

10. No Security. The obligations under this Note are unsecured.

11. Surrender. Upon payment in full of the principal amount and all interest due under this Note, Payee will surrender this Note to Maker for cancellation.

12. No Assignment. Maker may not assign this Note nor delegate its duties hereunder without the prior written consent of Payee. This Note may not be assigned or sold by Payee without the prior written consent of Maker.

13. Lawful Interest Rate. If interest payable under this Note is in excess of the maximum permitted by law, the interest chargeable hereunder shall be reduced to the maximum amount permitted by law.

14. Amendments; Waivers. This Note may be amended, or any provision of this Note may be waived upon the approval, in a writing, executed by Maker and Payee. No course of dealing between or among Maker and Payee shall be deemed effective to modify, amend or discharge any part of this Note or any rights or obligations of any such party under or by reason of this Note. A waiver by Maker or Payee of any term or condition of this Note in any one instance shall not be deemed or construed to be a waiver of such term or condition for any other instance in the future (whether similar or dissimilar) or of any subsequent breach hereof.

15. No Third Party Beneficiaries. This Note is for the sole benefit of Maker and Payee and their permitted successors and assigns and nothing herein expressed or implied shall give or be construed to give any person any legal or equitable rights hereunder, other than the Maker and Payee.

16. Governing Law; Jurisdiction; WAIVER OF JURY TRIAL. This Note shall be governed and construed in accordance with the laws of the State of Delaware. Each of Maker and Payee, by its execution hereof, (a) hereby irrevocably submits and agrees to the exclusive jurisdiction of the state court or federal court of Maricopa County, State of Arizona for the purpose of any action, claim, cause of action or suit (in contract, tort or otherwise), inquiry proceeding or investigation arising out of or based upon this Note or relating to the subject matter hereof, (b) hereby waives, to the extent not prohibited by applicable law, and agrees not to assert, by way of motion, as a defense or otherwise, in any such action, any claim that it is not subject personally to the jurisdiction of the above named courts, that its property is exempt or immune from attachment or execution, that any such proceeding brought in one of the above named courts is improper, or that this Note or the subject matter hereof may not be enforced in or by such court and (c) hereby agrees not to commence any action, claim, cause of action or suit (in contract, tort or otherwise), inquiry, proceeding or investigation arising out of or based upon this Note or relating to the subject matter hereof other than before one of the above named courts nor to make any motion or take any other action seeking or intending to cause the transfer of any such action, claim, cause of action or suit (in contract, tort or otherwise), inquiry, proceeding or investigation to any court other than one of the above named court whether on the grounds of inconvenient forum or otherwise. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW WHICH CANNOT BE WAIVED, EACH OF MAKER AND PAYEE HEREBY WAIVES AND COVENANTS THAT IT WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE) ANY RIGHT TO TRIAL BY JURY IN ANY FORUM IN RESPECT OF ANY ISSUE, ACTION, CLAIM, CAUSE OF ACTION, SUIT (IN CONTRACT, TORT OR OTHERWISE), INQUIRY, PROCEEDING OR INVESTIGATION ARISING OUT OF OR BASED UPON THIS NOTE OR THE SUBJECT MATTER HEREOF, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING.

[*The remainder of this page is intentionally blank*]

IN WITNESS WHEREOF, the Maker has executed and delivered this Subordinated Promissory Note as of the date first written above.

ALLY WASTE SERVICES, LLC, a Delaware limited liability company

By: [REDACT]
Name: [REDACT]
Its: Chief Executive Officer

Acknowledged by:

[REDACT]
Name: [REDACT]

Address:

[REDACT]

4880-1650-2914.v1

SUBORDINATED PROMISSORY NOTE

THE SECURITY REPRESENTED HEREBY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS, AND MAY NOT BE OFFERED OR SOLD IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH FEDERAL AND STATE SECURITIES LAWS OR AN EXEMPTION FROM REGISTRATION THEREUNDER.

THIS NOTE AND THE INDEBTEDNESS EVIDENCED HEREBY ARE SUBORDINATED TO THE PRIOR PAYMENT IN FULL OF THE "SENIOR DEBT" AND THE TERMINATION OF ALL COMMITMENTS UNDER THE "SENIOR DEBT DOCUMENTS" (AS SUCH TERMS ARE DEFINED IN THE SUBORDINATION AGREEMENT HEREINAFTER REFERRED TO) PURSUANT TO, AND TO THE EXTENT PROVIDED IN, THE SUBORDINATION AGREEMENT, DATED AS OF THE DATE HEREOF, BY AND AMONG RF INVESTMENT PARTNERS SBIC, LP, PAYEE AND MAKER (THE "SUBORDINATION AGREEMENT").

SUBORDINATED PROMISSORY NOTE

OF

ALLY WASTE SERVICES, LLC

$1,000,000.00 October 4, 2023

FOR VALUE RECEIVED, ALLY WASTE SERVICES, LLC, a Delaware limited liability company (including any permitted successor or assign thereof, including, without limitation, a receiver, trustee or debtor-in-possession, "Maker") hereby promises to pay to MENTOR CAPITAL, INC., a Delaware corporation ("Payee"), the aggregate principal sum of One Million Dollars and Zero Cents ($1,000,000.00) on the dates and in the amounts set forth in this Subordinated Promissory Note (this "Note"), and to pay to Payee interest on the unpaid principal balance hereof at the rate and times set forth herein.

1. Reference to Purchase Agreement and Senior Credit Documents. This Note is being issued and delivered by Maker to Payee pursuant to Section 1.02(b) of that certain Stock Purchase Agreement, dated as of the date hereof, by and between Maker, Payee, and [REDACT] ("Purchase Agreement"). Capitalized terms used and not otherwise defined in this Note have the meanings assigned to such terms in the Purchase Agreement. This Note and the obligations of Maker hereunder are subject to the terms of all senior secured credit facilities and related documents of the Maker and certain other affiliate parties (collectively, the "Credit Parties") (as such agreements may have been or may be amended, supplemented, restated or otherwise modified from time to time in accordance with the terms hereof, the "Senior Credit Documents") including (i) that certain Securities Purchase Agreement among the Maker, the other Credit Parties, the several banks and other financial institutions or entities from time to time party

thereto (the "Senior Lenders" which term shall include certain affiliates thereof as described in the Subordination Agreement) and (ii) the Subordination Agreement (as defined in the legend hereto, together with each amendment, restatement, supplement, addition or other modification thereto).

2. Payment of Principal. Subject to the terms of the Senior Credit Documents, including any restrictions on the ability of Maker to pay principal hereunder, Maker shall pay the outstanding principal amount of this Note to Payee in a single payment on the 12 month anniversary of the date hereof (the "Maturity Date").

3. Payment of Interest. The unpaid principal balance of this Note bears interest at an annual rate equal to six percent (6%), calculated on the basis of a year consisting of 365 days. Subject to the terms of the Senior Credit Documents, including any restrictions on the ability of Maker to pay interest hereunder, the interest on this Note is to be paid in kind, and Maker shall pay interest on this Note to Payee in a single payment on the Maturity Date. Notwithstanding the above, in the event of a Default hereof, the interest rate on this Note shall be twelve percent (12%) per annum, calculated on the basis of a year consisting of 365 days, and calculated from the date first set forth above.

4. Prepayment. Subject to the terms of the Senior Credit Documents, including any restrictions on the ability of Maker to pay principal and interest hereunder, at any time and from time to time after the date hereof, Maker may prepay in whole or in part, without premium or penalty, the outstanding principal amount of this Note, together with all accrued but unpaid interest on such principal amount up to the date of prepayment. Any prepayment shall be applied first to accrued but unpaid interest, and then to outstanding principal.

5. Subordination. All principal, interest, premiums and other amounts payable by Maker to Payee under this Note and any security therefor are subordinated and junior in right of payment to the indebtedness for borrowed money and other obligations of the Credit Parties owed to the Senior Lenders under the Senior Credit Documents (collectively, the "Senior Indebtedness"). Until the prior payment in full of all of the Senior Indebtedness, Payee may not, without the prior written consent of the Senior Lenders, take any of the following actions with respect to any amounts owed to Payee under this Note: (a) initiate any suit, action or proceeding against Maker to enforce payment of, or to collect the whole or any part of any amounts owed under, this Note; (b) commence judicial enforcement of any of the rights and remedies under this Note; or (c) accelerate this Note. In the event of any default under this Note, upon written demand by Payee, Maker will identify such Senior Lenders from whom any such consent must be obtained within three days of the request therefore. Maker will promptly provide Payee with notice upon (i) Maker's default, and (ii) Maker's receipt of notice of default from the Senior Lenders, under the Senior Debt Documents or any amended, restated, amended and restated, or replacement Senior Debt Documents, as the case may be, and will provide notice to Payee of Maker's cure of any such default. Payee hereby agrees to negotiate in commercial good faith with respect to any requirement by any Senior Lenders to enter into an amendment, restatement, supplement, addition or other modification or replacement of the Subordination Agreement and will use commercially reasonable efforts to take any other commercially reasonable actions reasonably requested by any such Senior Lenders with respect to indebtedness evidenced by this Note and any security therefor.

6. Defaults. Maker shall be deemed in default hereunder upon the occurrence of any of the following: (a) Maker fails to make when due any principal or interest payment required to be made hereunder; (b) an involuntary case against Maker under any applicable bankruptcy or insolvency law commences and is not dismissed on or before the date 60 days after its commencement; (c) a court with proper jurisdiction enters a decree or order for relief against Maker in an involuntary case under any applicable bankruptcy or insolvency law; (d) a court with proper jurisdiction appoints a receiver, liquidator, custodian or trustee for Maker or for any substantial part of Maker's property with respect to the winding up or liquidation of Maker's affairs; or (e) Maker commences a voluntary case under any applicable bankruptcy or insolvency law, makes a general assignment for the benefit of Maker's creditors, consents to the appointment of a receiver, liquidator, custodian or trustee for Maker or for any substantial part of Maker's property, or consents to the entry of an order for relief against Maker in an involuntary case under any applicable bankruptcy or insolvency law.

7. Consequences of Default and Remedies. Upon the occurrence of a default under Section 6 of this Note, subject to the Senior Credit Documents and Section 5 of this Note, the entire outstanding principal balance of this Note, together with all accrued and unpaid interest and all other sums payable hereunder shall, at the option of Payee, become immediately due and payable.

8. Payments. Principal and interest due and payable under this Note to be made to Payee shall be paid in lawful money of the United States of America at the address for notices to Payee as set forth on Payee's signature page hereto, or at such other address as may be specified in a written notice to Maker by Payee. If any payment on this Note is due on a Saturday, Sunday or a bank or legal holiday, such payment shall be made on the next succeeding business day.

9. Set-Off. The principal amount of this Note plus any accrued and unpaid interest thereon may be reduced by the amount of any indemnification obligation of Payee to Maker pursuant to Article VII of the Purchase Agreement, as determined to be owed pursuant to the provisions thereof. For clarity, any indemnification obligation of Payee to Maker shall be determined in accordance with the Purchase Agreement and subject to the limitations set forth therein.

10. No Security. The obligations under this Note are unsecured.

11. Surrender. Upon payment in full of the principal amount and all interest due under this Note, Payee will surrender this Note to Maker for cancellation.

12. No Assignment. Maker may not assign this Note nor delegate its duties hereunder without the prior written consent of Payee. This Note may not be assigned or sold by Payee without the prior written consent of Maker.

13. Lawful Interest Rate. If interest payable under this Note is in excess of the maximum permitted by law, the interest chargeable hereunder shall be reduced to the maximum amount permitted by law.

14. Amendments; Waivers. This Note may be amended, or any provision of this Note may be waived upon the approval, in a writing, executed by Maker and Payee. No course of dealing between or among Maker and Payee shall be deemed effective to modify, amend or discharge any part of this Note or any rights or obligations of any such party under or by reason of this Note. A waiver by Maker or Payee of any term or condition of this Note in any one instance shall not be deemed or construed to be a waiver of such term or condition for any other instance in the future (whether similar or dissimilar) or of any subsequent breach hereof.

15. No Third Party Beneficiaries. This Note is for the sole benefit of Maker and Payee and their permitted successors and assigns and nothing herein expressed or implied shall give or be construed to give any person any legal or equitable rights hereunder, other than the Maker and Payee.

16. Governing Law; Jurisdiction; WAIVER OF JURY TRIAL. This Note shall be governed and construed in accordance with the laws of the State of Delaware. Each of Maker and Payee, by its execution hereof, (a) hereby irrevocably submits and agrees to the exclusive jurisdiction of the state court or federal court of Maricopa County, State of Arizona for the purpose of any action, claim, cause of action or suit (in contract, tort or otherwise), inquiry proceeding or investigation arising out of or based upon this Note or relating to the subject matter hereof, (b) hereby waives, to the extent not prohibited by applicable law, and agrees not to assert, by way of motion, as a defense or otherwise, in any such action, any claim that it is not subject personally to the jurisdiction of the above named courts, that its property is exempt or immune from attachment or execution, that any such proceeding brought in one of the above named courts is improper, or that this Note or the subject matter hereof may not be enforced in or by such court and (c) hereby agrees not to commence any action, claim, cause of action or suit (in contract, tort or otherwise), inquiry, proceeding or investigation arising out of or based upon this Note or relating to the subject matter hereof other than before one of the above named courts nor to make any motion or take any other action seeking or intending to cause the transfer of any such action, claim, cause of action or suit (in contract, tort or otherwise), inquiry, proceeding or investigation to any court other than one of the above named court whether on the grounds of inconvenient forum or otherwise. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW WHICH CANNOT BE WAIVED, EACH OF MAKER AND PAYEE HEREBY WAIVES AND COVENANTS THAT IT WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE) ANY RIGHT TO TRIAL BY JURY IN ANY FORUM IN RESPECT OF ANY ISSUE, ACTION, CLAIM, CAUSE OF ACTION, SUIT (IN CONTRACT, TORT OR OTHERWISE), INQUIRY, PROCEEDING OR INVESTIGATION ARISING OUT OF OR BASED UPON THIS NOTE OR THE SUBJECT MATTER HEREOF, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING.

[*The remainder of this page is intentionally blank*]

[REDACT]

IN WITNESS WHEREOF, the Maker has executed and delivered this Subordinated Promissory Note as of the date first written above.

ALLY WASTE SERVICES, LLC, a Delaware limited liability company

By: [REDACT]
Name: [REDACT]
Its: Chief Executive Officer

Acknowledged by:

MENTOR CAPITAL, INC., a Delaware corporation

By: DocuSigned by: Chet Billingsley
Name: Chet Billingsley
Its: CEO

Address:

Mentor Capital, Inc. 5964 Campus Court, Plano, TX 75093

[*Signature Page to Seller Note – Mentor Capital*]

4885-7369-0754.v1

Exhibit 21.1

Mentor Capital, Inc. Subsidiaries

The following is a list of subsidiaries of Mentor Capital, Inc., omitting subsidiaries that, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary as of December 31, 2023:

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

Exhibit 31.1

Year ended December 31, 2023

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

I, Chet Billingsley, certify that:

1. I have reviewed this annual report on Form 10-K for the year ended December 31, 2023 of Mentor Capital, Inc.

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 1, 2024

/s/ CHET BILLINGSLEY
Chet Billingsley
Chief Executive Officer

Exhibit 31.2

Year ended December 31, 2023

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

I, Chet Billingsley, certify that:

1. I have reviewed this annual report on Form 10-K for the year ended December 31, 2023 of Mentor Capital, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 1, 2024

/s/ CHET BILLINGSLEY
Chet Billingsley
Principal Financial Officer

Exhibit 32.1

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

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

1. The Company's Annual Report on Form 10-K for the period ended December 31, 2023, to which this statement is furnished as an exhibit (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 1, 2024

/s/ CHET BILLINGSLEY
Chet Billingsley
Chief Executive Officer

Exhibit 32.2

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

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

1. The Company's Annual Report on Form 10-K for the period ended December 31, 2023, to which this statement is furnished as an exhibit (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 1, 2024

/s/ CHET BILLINGSLEY
Chet Billingsley
Principal Financial Officer