Mentor Capital, Inc. and Subsidiaries

Consolidated Financial Statements

December 31, 2014 and 2013

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

MENTOR CAPITAL, INC.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have audited the accompanying consolidated balance sheets of Mentor Capital, Inc. ("the Company") as of December 31, 2014 and the related statement of operations, stockholders' equity (deficit) and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statement referred to above present fairly, in all material respects, the financial position of Mentor Capital, Inc., as of December 31, 2014, and the results of its operations and its cash flows for the year then ended, in conformity with generally accepted accounting principles in the United States of America.

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

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has suffered recurring losses from operations and has a significant accumulated deficit. In addition, the Company continues to experience negative cash flows from operations. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ B F Borgers CPA PC

B F Borgers CPA PC
Lakewood, CO
March 30, 2015

Report of Independent Registered Public Accounting Firm

To: The Board of Directors and Shareholders of
Mentor Capital Inc.

We have audited the accompanying balance sheets of Mentor Capital, Inc. (the "Company") as of December 31, 2013, and the related statements of operations, shareholders' deficit and cash flows for the year then ended. These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2013, and the results of its operations loss, shareholders' deficit, and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has suffered recurring losses from operations and has a significant accumulated deficit. In addition, the Company continues to experience negative cash flows from operations. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Albert Wong & Co., LLP.
Albert Wong & Co., LLP.
Certified Public Accountants
New York, New York
November 17, 2014

Mentor Capital, Inc.
Consolidated Balance Sheets (Continued)
December 31, 2014 and 2013

	2014	2013
ASSETS		
Current assets		
Cash and cash equivalents	$ 326,228	$ 40,184
Accounts receivable, net	300,947	-
Prepaid expenses and other current assets	55,655	342,408
Investment in account receivable, net of discount	114,750	-
Investments in securities, at fair value	5,832	21,320
Employee advances	2,500	-
Total current assets	805,912	403,912
Property and equipment		
Property and equipment	239,060	31,032
Accumulated depreciation and amortization	(157,484)	(26,732)
Property and equipment, net	81,576	4,300
Other assets		
Receivable - Bhang Corporation and shareholders	1,500,000	-
Subsidiary note receivable	-	1,080,000
Deposits	9,575	-
Convertible note receivable	104,942	-
Long term investments	66,203	65,943
Goodwill	1,426,182	-
Total other assets	3,106,902	1,145,943
Total assets	$ 3,994,390	$ 1,554,155

See accompanying Notes to Financial Statements

Mentor Capital, Inc.
Consolidated Balance Sheets (Continued)
December 31, 2014 and 2013

	2014	2013
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		
Current liabilities		
Accounts payable	$ 65,585	$ 20,892
Accrued expenses	166,423	6,474
Deferred fees - related party, current portion	-	32,000
Line of credit	60,000	-
Current portion of long term debt	18,911	-
Total current liabilities	310,919	59,366
Long-term liabilities		
Accrued salary, retirement and benefits - related party	272,982	1,195,325
Long term debt, net of current portion	31,249	-
Deferred fees - related party, net of current portion	-	593,333
Total long-term liabilities	304,232	1,788,658
Commitments and Contingencies	-	-
Shareholders' equity (deficit)		
Preferred stock, no par value, 100,000,000 shares authorized; no shares issued and outstanding	-	-
Common stock, no par value, 400,000,000 shares authorized; 14,483,215 and 6,688,503 shares issued and outstanding at December 31, 2014 and 2013	7,001,908	2,389,801
Additional paid in capital	234,731	495,509
Accumulated deficit	(3,652,101)	(3,179,179)
Non-controlling interest	(205,298)	-
Total shareholders' equity (deficit)	3,379,240	(293,869)
Total liabilities and shareholders' equity (deficit)	$ 3,994,390	$ 1,554,155

See accompanying Notes to Financial Statements

Mentor Capital, Inc.
Consolidated Statements of Operation
For The Years Ended December 31, 2014 and 2013

	2014	2013
Revenue		
Service fees	$ 2,144,336	$ -
Publication revenue	5,390	-
Other revenue	-	32,000
Total revenue	2,149,726	32,000
Cost of sales	1,376,565	-
Gross profit	773,161	32,000
Selling, general and administrative expenses	1,859,359	292,899
Operating income	(1,086,198)	(260,899)
Other income and (expense)		
Gain recognized on purchase of majority interest in WCI	1,250,000	-
Interest income	35,648	4,597
Interest expense	(20,836)	(1,852)
Loan costs	(635,851)	-
Gain (loss) on investments	(7,181)	170
Gain (loss) on equipment disposals	(873)	-
Other income (expense)	165	-
Total other income and (expense)	621,072	2,915
Income (loss) before provision for income taxes	(465,126)	(257,984)
Provision for income taxes	35,820	800
Net income (loss)	(500,945)	(258,784)
Loss attributable to non-controlling interest	(28,023)	-
Net income (loss) attributable to controlling interest	$ (472,922)	$ (258,784)
Basic and diluted net loss per common share:		
Basic	$ (0.042)	$ (0.045)
Diluted*	$ N/A	$ N/A
Weighted average number of shares of common stock outstanding:		
Basic	11,368,461	5,741,161
Diluted*	N/A	N/A

*The company recorded operating loss and so the diluted EPS will not be calculated for the diluted EPS effect is anti-dilutive.

See accompanying Notes to Financial Statements

Mentor Capital, Inc.
Consolidated Statements of Changes in Shareholders' Equity (Deficit)
For The Years Ended December 31, 2013 and 2012

	Common stock Shares	Common stock no par	Additional paid in capital	Accumulated deficit	Non-controlling deficit	Totals
Balance at December 31, 2012	4,149,021	$ 2,139,907	$ 495,509	$ (2,920,395)	$ -	$ (284,979)
Conversion of warrants to common stock, net of conversion costs	2,619,332	278,228	-	-	-	278,228
Shares retired	(79,850)	(28,334)	-	-	-	(28,334)
Net income (loss)	-	-	-	(258,784)	-	(258,784)
Balance at December 31, 2013	6,688,503	2,389,801	495,509	(3,179,179)	-	(293,869)
Effect of consolidating interest in WCI previously accounted for at cost, effective January 1, 2014	-	-	-	-	(47,216)	(47,216)
Conversion of warrants to common stock, net of conversion costs	2,516,103	3,426,243	-	-	-	3,426,243
Shareholder non-cash conversion of warrants through decrease in liability to shareholder	4,948,879	944,231	-	-	-	944,231
Cashless exercise of advisor warrants	354,410	260,778	(260,778)	-	-	-
Shares retired	(21,848)	(19,145)	-	-	-	(19,145)
Minority contributed capital	-	-	-	-	15,195	15,195
Minority shareholder distribution	-	-	-	-	(145,254)	(145,254)
Net income (loss)	-	-	-	(472,922)	(28,023)	(500,945)
Balance at December 31, 2014	14,486,047	$ 7,001,908	$ 234,731	$ (3,652,101)	$ (205,298)	$ 3,379,240

See accompanying Notes to Financial Statements

Mentor Capital, Inc.
Consolidated Statements of Cash Flows
For The Years Ended December 31, 2014 and 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ (472,922)	$ (258,784)
Adjustments to reconcile net loss to net		
cash provided by (used by) operating activities:		
Depreciation and amortization	35,524	2,231
Amortization of discount on investment in account receivable	(24,750)	-
Change in unrealized gain on securities	(1,303)	280
Accrued interest income on investments	(6,352)	-
Provision for bad debt	58,211	-
Gain recognized on purchase of majority interest in WCI	(1,250,000)	-
Decrease (increase) in operating assets		
Accounts receivable - trade	(96,222)	-
Prepaid expenses and other current assets	289,141	131,963
Increase (decrease) in operating liabilities		
Accounts payable	32,072	892
Accrued expenses	21,961	(9,173)
Deferred fees	-	(32,000)
Income tax payable	-	(51,265)
Accrued salary, retirement and benefits - related party	33,909	153,797
Net cash provided by (used by) operating activities	(1,380,732)	(62,059)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(32,110)	(2,432)
Proceeds from sale of property and equipment	10,198	-
Investment in securities	(18,846)	(20,923)
Proceeds from investment in securities	35,637	
Receivable - Bhang Chocolate Company shareholders	(1,500,000)	-
Investment in receivable	(90,000)	-
Investment in convertible note receivable	(100,000)	-
Proceeds from long term investment	1,150	-
Purchase of additional interest in WCI	(25,000)	-
Effect of consolidating WCI on January 1, 2014, net of cash	(45,921)	-
Purchase of long term investments	-	(3,553)
Shareholder loans	-	(136,000)
Net cash provided by (used by) investing activities	(1,764,892)	(162,908)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Warrants converted to common stock, net of costs	3,426,243	278,228
Borrowing on line of credit	60,000	-
Payments on long-term debt	(50,626)	-
Contribution by subsidiary minority interest	15,195	-
Shares retired	(19,145)	(28,334)
Net cash provided by (used by) financing activities	3,431,667	249,894
Net change in cash	286,044	24,927
Beginning cash	40,184	15,257
Ending cash	$ 326,228	$ 40,184

See accompanying Notes to Financial Statements

Mentor Capital, Inc.
Consolidated Statements of Cash Flows (Continued)
For The Years Ended December 31, 2014 and 2013

	2014	2013
SUPPLEMENTARY INFORMATION:		
Cash paid for interest	$ 18,815	$ 1,852
Cash paid for income taxes	$ 35,820	$ 52,065
NON-CASH INVESTING AND FINANCING TRANSACTION:		
Remove 30% investment in AGI via reduction in investment payable	$ -	$ (4,700,000)
Remove 48.04% investment in BDH via reduction in investment payable	$ -	$ (4,966,667)
CEO exercise of warrants via decrease in shareholder liability payable	$ 944,231	$ -
CEO assumption of warrant liability via increase in shareholder liability payable	$ (19,700)	$ -

See accompanying Notes to Financial Statements

Note 1 - Nature of operations

History (1985 – 2008)

Mentor Capital, Inc. ("Mentor" or "the Company") was founded as an investment partnership by the current CEO in 1985 and incorporated July 29, 1994, under the laws of the State of California. 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 voluntary reorganization with the bankruptcy court and, on January 11, 2000, the Company emerged from Chapter 11. The Company contracted to provide financial assistance and investment into small businesses following its reorganization.

Current Business (2008 - 2013)

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

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

Effective January 1, 2014, Mentor purchased an additional 1% interest in Waste Consolidators, Inc. ("WCI") for $25,000 which resulted in a 51% ownership in WCI. At December 31, 2013, Mentor's investment in WCI was recorded under the equity method. In accordance with Accounting Standard Codification 810-10, *Consolidation – Overall*, on January 1, 2014 Mentor remeasured its previously held equity interest at the acquisition-date fair value and recognized the resulting gain on investment in subsidiary, see Note 17. WCI was incorporated in Colorado in 1999 and operates in Arizona. It is a legacy investment which was acquired prior to the Company's current focus on the cannabis sector and is included in the consolidated financial statements for the year ended December 31, 2014 and reported as an investment under the equity method at December 31, 2013.

On February 18, 2014, the Company signed an agreement to purchase a 51% interest in MicroCannaBiz, LLC ("MCB"), for $200,000, see Note 11. MCB is a Limited Liability Company organized in Florida in January 2014 which began operations in June 2014. MCB provides cannabis and marijuana related private companies, investors and microcap issuers with information resources including client company specific publications, directories, and continuing education courses. MCB operations are included in the consolidated financial statements for the year ended December 31, 2014.

On February 28, 2014, the Company acquired a 60% ownership in Bhang Chocolate Company, Inc. ("Bhang"), see Note 5 regarding the purchase and subsequent Mentor lawsuit seeking rescission of the agreement. Amounts invested in Bhang are reported as Receivable from Bhang Chocolate Company shareholders in the consolidated balance sheet at December 31, 2014.

Note 2 - Summary of significant accounting policies

Basis of presentation

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

Note 2 - Summary of significant accounting policies (continued)

Basis of presentation (continued)

As shown in the accompanying financial statements, the Company has a significant accumulated deficit of $3,652,101 as of December 31, 2014. The Company also continues to experience negative cash flows from operations. The Company will 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 maintain itself as a viable entity. These factors have raised substantial doubt about the Company's ability to continue as a going concern. There can be no assurances that the Company will be able to raise additional capital or achieve profitability. However, the Company has 14.5 million warrants outstanding in which the Company can reset the exercise price substantially below the current market price, see Note 9. These consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

From January 1, 2015 through the March 20, 2015, the Company raised approximately $91,673 from the exercise of warrants into common stock. In addition, the Company received payment of the face value of it is investment in receivable of $117,000 on March 6, 2015. The Company estimates it has adequate cash reserves to support six to eighteen months of operation. Management's plans include increasing revenues through acquisition, investment, and organic growth. This is to be funded by raising additional capital through the sale of equity securities and debt.

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, 2014 and 2013.

Accounts receivable

Customer accounts receivable are classified as current assets and are carried at original invoice amounts less an estimate for doubtful receivables based on a review of all outstanding amounts on a monthly basis. The estimate of allowance for doubtful accounts is based on the Company's bad debt experience, market conditions, collateral available, and aging of accounts receivable, among other factors. If the financial condition of the Company's customers deteriorates resulting in the customer's inability to pay the Company's receivables as they come due, additional allowances for doubtful accounts will be required. At December 31, 2014 and 2013, the Company has recorded an allowance in the amount of $8,700 and $0, respectively.

Investment in unconsolidated entity

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 at 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. Mentor ceased to recognize losses when our investment basis was zero. At December 31, 2013, the WCI investment was $0. On January 1, 2014, the Company purchased an additional 1% interest in WCI for a 51% interest, see Note 17.

Note 2 - Summary of significant accounting policies (continued)

Convertible note receivable

The 5% convertible note receivable from Electrum Capital Partners, LLC is recorded at the loan amount of $100,000 plus accrued interest of $4,942 at December 31, 2014.

Long term investments

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

Investment in account receivable, net of discount

The Company invested in an account receivable and promissory note on July 8, 2014 which is due on or before January 15, 2015. The note was paid and extinguished in March 2015. The investment was recorded at face value with an offsetting discount at the time purchased. The discount is being amortized to interest income over the term of the note.

Property, equipment and machinery

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

Software development costs relate to development of MCB's website and cannabis directory. Software research and development costs are expensed as incurred. Software development costs are subject to capitalization beginning when a product's technological feasibility has been established and ending when a product is available for general release. The Company capitalized website software costs incurred during period from inception (January 27, 2014) through October 31, 2014. Upon the launch of the website and directory in October 2014, MCB began amortizing these costs on a straight line basis over 2 years.

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

Goodwill

Goodwill of $1,324,143 was derived from consolidating WCI effective January 1, 2014, see Note 17. The remaining $102,040 of goodwill relates to the 1999 acquisition of a 50% interest in WCI. The Company accounts for its Goodwill in accordance with FASB Accounting Standards Codification 350, Intangibles – Goodwill and Other, which requires the Company to test goodwill for impairment annually or whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable, rather than amortize. Goodwill impairment tests consist of a comparison of each reporting unit's fair value with its carrying value. Impairment exists when the carrying amount of goodwill exceeds the implied fair value for each reporting unit. To estimate the fair value, management used valuation techniques which included the discounted value of estimated future cash flows. The evaluation of impairment requires the Company to make assumptions about future cash flows over the life of the asset being evaluated. These assumptions require significant judgment and are subject to change as future events and circumstances change. Actual results may differ from assumed and estimated amounts. Management determined that no impairment write-downs were required as of December 31, 2014 and 2013.

Note 2 - Summary of significant accounting policies (continued)

Revenue recognition

The Company recognizes revenue in accordance with ASC 605 "*Revenue Recognition*". The Company records revenue under each contract once persuasive evidence of an agreement exists, delivery has occurred or services have been rendered, the fee is fixed or determinable and collectability is reasonably assured.

Basic and diluted income (loss) per common share

Basic net income (loss) per common share (EPS) is computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS adjusts basic net income (loss) per common share, computed using the treasury stock method, for the effects of potentially dilutive common shares, if the effect is not antidilutive. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock warrants. Diluted EPS excludes all dilutive potential shares if their effect is antidilutive. Outstanding warrants that had no effect on the computation of dilutive weighted average number of shares outstanding as their effect would be antidilutive were approximately 15,200,000 and 23,220,000 as of December 31, 2014 and 2013, respectively. There were 4,500 and 6,650,070 potentially dilutive shares outstanding at December 31, 2014 and 2013, respectively.

Income taxes

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

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

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

Advertising and promotion

The Company expenses advertising and promotion costs as incurred. Advertising and promotion costs were $202,439 and $553 for the years ended December 31, 2014 and 2013, respectively.

Use of estimates

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

Note 2 - Summary of significant accounting policies (continued)

Fair value measurements

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

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

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

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

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

Recent Accounting Standards

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

Note 3 – Prepaid expenses and other assets

Prepaid expenses and other assets consist of the following:

	2014	2013
Prepaid advertising costs	$ 27,708	$ 140,610
Prepaid legal fees	9,145	8,387
Prepaid warrant liability	-	192,411
Other prepaid costs	18,802	1,000
	$ 55,655	$ 342,408

Note 4 - Acquisition of interest in Bhang Chocolate Company, Inc. and suit seeking rescission

On January 17, 2014, the Company transitioned out of its cancer related trading dormancy by announcing its first cannabis sector letter of intent amidst significantly increased share volume and price. The Company entered into a co-operative funding agreement with Bhang Chocolate Company, Inc. on February 28, 2014, that provided for the purchase from owners of a 60% ownership in Bhang. Mentor anticipated funding the co-operative funding agreement through unrelated debt funding. Bhang owners were to receive $9,000,000 in consideration in the first 90 days. During the first 90 days, $1,500,000 was provided to Bhang owners in cash from proceeds of warrant exercises. The lending equity group was unable to fund the loan they announced. Mentor tendered the remaining $7,500,000 to the Bhang owners in freely trading shares of Mentor Common Stock per the terms of the co-operative agreement. The Bhang owners refused Mentor's tender of stock.

On June 24, 2014, Bhang owners unilaterally announced that Bhang was no longer doing any business with Mentor. Bhang failed to provide Mentor with Bhang share certificates evidencing the Bhang shares purchased by Mentor or provide other promised consideration to Mentor, effectively repudiating the co-operative agreement by their actions. In addition, Bhang owners have declined to return any of the $1,500,000 invested by Mentor. On August 11, 2014, Mentor filed suit against Bhang and its owners, in the United States District Court for the Northern District of California for rescission seeking return of the $1,500,000 investment the Company made in Bhang. The parties have been ordered to undergo arbitration, which was initiated in January 2015. The suit in the District Court has been stayed pending the outcome of arbitration, see Note 19.

Note 5 – Investment in account receivable

The investment in account receivable is supported by a promissory note which matures January 15, 2015 and consists of the following at December 31, 2014:

Face value	$ 117,000
Unamortized discount	(2,250)
Net balance	$ 114,750

For the year ended December 31, 2014, $24,750 of discount amortization is included in interest income.

Note 6 - Property and equipment

Property and equipment is comprised of the following at December 31, 2014 and 2013:

	2014	2013
Computers	$ 15,187	$ 12,120
Furniture and fixtures	19,491	18,912
Machinery and vehicles	179,375	-
Capitalized software	25,007	-
	239,060	31,032
Accumulated depreciation and amortization	(157,484)	(26,732)
Net Property and equipment	$ 81,576	$ 4,300

Depreciation and amortization expense was $35,524 and $2,230 for the years ended December 31, 2014 and 2013, respectively.

Note 7 – Convertible note receivable

The Company advanced $100,000 to Electrum Partners, LLC (Electrum) as a convertible note receivable on March 12, 2014. Accrued interest of $4,942 is included in the convertible note receivable balance at December 31, 2014. The note bears interest at 5% per annum, compounded monthly for the period from March 12, 2014 to September 12, 2015, at which point the interest will increase to 10% annual interest, compounded monthly until maturity or until it is converted to shares of equity in Electrum. There are no payments required under the note for the period from March 12, 2014 to October 12, 2015; from October 12, 2015 to March 12, 2017 interest only payments are required; and from March 12, 2017 through March 12, 2022 payments of principal and interest in the amount of $2,289.83 are required. Mentor has the option to convert the note plus any accrued interest or fees into shares of equity in Electrum at any time prior to its maturity.

Note 8 – Long term investments and fair value

The Company's financial assets contained investments that have quoted market prices in active markets, the Company uses the quoted market prices as fair value and includes these prices in the amounts disclosed in Level 1 of the hierarchy. The Company receives the quoted market prices from a third party, nationally recognized pricing service ("pricing service"). When quoted market prices are unavailable, the Company utilizes a pricing service to determine a single estimate of fair value, which is mainly for its fixed maturity investments. The fair value estimates provided from this pricing service are included in the amount disclosed in Level 2 of the hierarchy. The Company bases all of its estimates of fair value for assets on the bid price as it represents what a third party market participant would be willing to pay in an arm's length transaction.

The Company entered into a long-term equity funding agreement with AGI Biopharmaceutical (AGI) on November 25, 2011 to provide $4,700,000 in long term funding for up to 3,000,000 AGI shares of AGI common shares at $1.57 per common share, or 30% of AGI shares outstanding. The purchase price was to be paid from cash generated from the sale of Mentor warrants on a *pro rata* basis to AGI and other cancer companies where Mentor had taken an equity position under similar terms. At December 31, 2012 the long term investment in AGI was $4,700,000 and the corresponding investment payable was $4,700,000. AGI failed to provide shares for the escrow agent and on February 13, 2013, the Company gave notice to AGI that the agreement was being terminated based on non-performance.

The Company entered into a long-term equity funding agreement with Brighter Day Health ("BDH") on December 31, 2011, to provide $5,000,000 in long term funding for up to 50,000 shares of BDH common stock at $100 per common share, or 50% of BDH common shares outstanding. The BDH common shares were delivered to an escrow agent. The purchase price was to be paid from cash generated from the sale of Mentor warrants on a *pro rata* basis to BDH and other cancer companies where Mentor had taken an equity position under similar terms. At December 31, 2012, the long term investment in BDH was $5,022,610, representing the long-term investment of $5,000,000 plus the increase in fair value of amounts already invested of $22,500. The investment payable at 2012 was $4,966,667. In May 2013, the Company instructed the escrow agent to process the release of BDH shares from escrow and gave notice to BDH as provided under the agreement. In accordance with the funding agreement, Mentor received 1,000 shares of BDH common stock and the remaining stock was returned to BDH. Mentor retained a 1.96% equity investment in BDH at December 31, 2014 and 2013.

Note 8 – Long term investments and fair value (continued)

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

	Fair Value Measurements Using Unadjusted Quoted Market Prices (Level 1)	Fair Value Measurements Using Quoted Prices for Identical or Similar Assets in Active Markets (Level 2)	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)
	Equity Securities	Other investment	Long-Term Equity Funding Agreements
Balance at December 31, 2012	$ 567	$ 10,000	$ 9,722,500
Transfers from cash	20,831		
Total gains or losses			
Included in earnings (or changes in net assets)	(78)	-	110
Purchases, issuances, sales, and settlements			
Purchases	-	-	-
Issuances	-	-	-
Sales	-	-	-
Settlements	-	-	(9,666,667)
Balance at December 31, 2013	21,320	10,000	55,943
Total gains or losses			
Included in earnings (or changes in net assets)	1,303	1,410	-
Purchases, issuances, sales, and settlements			
Purchases	18,846	-	-
Issuances	-	-	-
Sales	(35,637)	(1,150)	-
Settlements	-	-	
Balance at December 31, 2014	$ 5,832	$ 10,260	$ 55,943

Note 9 - Common stock warrants

The Company's Plan of Reorganization provided for the creditors and claimants to receive new warrants in settlement of their claims. In 2008, the term of the warrants, initially sixteen months, was extended by the Company until May 11, 2038. Management believes that identification of a specific expiration date was merely a formality and that this was not a material change from the automatic extensions which were initially provided for by vote of the board of directors and which were being performed annually since issuance, and also because the shareholders and warrant holders were primarily the same. The Company recorded no accounting impact as a result of the extension.

Each warrant is callable by the Company if the share price exceeds the exercise price by the lesser of $1 or 100%. The warrant holders have a minimum of 30 to 90 calendar days during which to exercise their warrants once they are called. The Company may lower the exercise price of the warrants at any time. Similarly, the Company could, but does not anticipate, reverse splitting the stock to raise the stock price above the warrant exercise price. The warrants are specifically not affected and do not split with the shares in the event of a reverse split. If the 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 holder as discussed further in Note 10. All such changes in the exercise price of series A, B, C and D warrants were provided for by the court in the Plan of Reorganization in order to provide a mechanism for debtors to receive value. Therefore, Management believes that the act of lowering the exercise price is not a change from the original warrant grants and the Company has not recorded an accounting impact as the result of such change in exercise prices.

Exercise prices at December 31, 2012 and subsequent lower prices for the A, B, C and D warrants are as follow:

	Series A	Series B	Series C	Series D
December 31, 2012	$ 1.00	$ 3.00	$ 0.65	$ 7.00
March 21, 2012	$ 0.09	$ 3.00	$ 0.65	$ 7.00
August 21, 2012	$ 0.09	$ 0.11	$ 0.65	$ 7.00
April 1, 2013	$ 0.01	$ 0.11	$ 0.09	$ 7.00
June 18, 2014	$ -	$ 0.11	$ -	$ 1.60

At November 8, 2009, the Company entered into an Investment Banking agreement with Network One Securities, LLC and a related Strategic Advisory Agreement with Lenox Hill Partners, LP with regard to a potential merger with a cancer development company. In conjunction with those related agreements, the Company issued 81,699 Series E ($1) Warrants, 369,037 Series F ($3) Warrants, 85,579 Series G ($0.65) Warrants and 689,159 Series H ($7) Warrants, all with a 30 year life. The warrants are subject to cashless exercise based upon the ten day trailing closing bid price preceding the exercise as interpreted by the Company. The fair value of the warrants issued under the agreements was estimated on the date of the issuance using the Black-Scholes option pricing model. The use of a valuation model requires the Company to make certain assumptions with respect to selected model inputs. Expected volatility was calculated based on the historical volatility of the Company’s stock price. The average expected life is based on the contractual term of the warrant and expected exercise behavior. The risk-free interest rate is based on U.S. Treasury zero-coupon issues with a remaining term equal to the expected life assumed at the date of grant.

Note 9 - Common stock warrants (continued)

The following table provides the assumptions used to value the options granted and warrants issued using the Black-Scholes option pricing model:

	Series E and G	Series F and H
Stock price volatility	111.60%	111.60%
Risk-free rate of return	4.26%	4.26%
Annual dividend yield	0.00%	0.00%
Expected life (in years)	0.5	3.0

As of December 31, 2014 and 2013 the weighted average contractual life for all Mentor warrants was 23.4 years and 24.5 years, respectively, and the weighted average outstanding warrant exercise price was $1.84 and $4.92 per share, respectively.

During the years ended December 31, 2014 and 2013, a total of 8,018,978 and 2,619,332 warrants were exercised, respectively. There were no warrants issued during the years ended December 31, 2014 and 2013. The intrinsic value of outstanding warrants at December 31, 2014 and 2013 was $2,250 and $1,553,055, respectively.

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

	Series A	Series B	Series C	Series D	A,B,C,D Total Warrants
Outstanding at December 31, 2012	1,188,909	7,952,313	128,180	15,312,627	24,582,029
Issued	-	-	-	-	-
Exercised	-	(2,619,332)	-	-	(2,619,332)
Outstanding at December 31, 2013	1,188,909	5,332,981	128,180	15,312,627	21,962,697
Issued	-	-	-	-	-
Exercised	(1,188,909)	(5,328,481)	(128,180)	(807,861)	(7,453,431)
Outstanding at December 31, 2014	-	4,500	-	14,504,766	14,509,266

Note 9 - Common stock warrants (continued)

Series E, F, G and H warrants were issued for investment banking and advisory services during 2009. The following table summarizes E, F, G and H warrants as of each period:

	Series E exercise $1.00 price	Series F $3.00 exercise price	Series G $0.65 exercise price	Series H $7.00 exercise price	E,F,G,H Total Warrants
Outstanding at December 31, 2012 and 2013	107,931	369,037	88,579	689,159	1,254,706
Issued in 2014	-	-	-	-	-
Exercised in 2014	(107,931)	(369,037)	(88,579)	-	(565,547)
Outstanding at December 31, 2014	-	-	-	689,159	689,159
Shares issued as a result of cashless exercise	73,388	210,870	70,152	-	354,410

Note 10 - Warrant redemption liability

The Plan of Reorganization provides the right for the Company to call, and the Company or its designee to redeem warrants that are not exercised timely, as specified in the Plan, by transferring a $0.10 redemption fee to the former holders. Certain individuals desiring to become a Company designee to redeem warrants have deposited redemption fees with the Company that, when warrants are redeemed, will be forwarded to the former warrant holders at their last known address 30 days after the last warrant of a class is exercised, or earlier at the discretion of the Company. The Company has arranged for a service to process the redemption fees in offset to an equal amount of liability. Included in prepaid expenses at December 31, 2014 and 2013 was $0 and $192,411 of prepaid warrant redemption fees, respectively.

Note 11 - Funding agreement

The Company entered into a co-operative funding agreement with MCB that closed on February 18, 2014, to purchase up to a 51% interest in MCB, a development stage company. MCB provides cannabis and marijuana related private companies, investors and microcap issuers with information resources including client company specific publications, directories, and continuing education courses. MCB is to receive up to $200,000 in funding as Mentor receives proceeds from warrant exercise. Allocation of funding to MCB is discretionary and may be reduced to $100,000 with no change in Mentor's ownership if Mentor is dissatisfied with MCB performance. The Company has the right, in its sole discretion, to convert the paid portion of the $200,000 equity investment in MCB to a six percent (6%) ten-year note payable to Mentor by the majority owner of MCB in 120 equal payments of principal and interest at any time. If triggered, this provision would truncate further funding. Alternatively, if Mentor's allocation of funds to MCB is less than the *pro rata* share MCB would normally receive from warrant exercise under the agreement, then MCB may elect to convert the equity investment to a loan, under the same terms.

Note 12 - Stockholders' equity

Common Stock

The Company has a total of 400,000,000 shares of Common Stock, no par value, authorized at December 31, 2014 and 2013. The holders of Common Stock are entitled to one vote per share on all matters submitted to a vote of the stockholders and may accumulate their votes for the election of directors. During 2007, the Company effected a 1,000 to 1 reverse stock split on its outstanding common stock, under the authority of the Plan, and subsequent to receiving 84% shareholder approval and Board of Directors approval. During September 2008, the Company announced a stock repurchase plan which allowed for a total of 12.5% of the Company's shares outstanding at that time to be repurchased during future periods. All shares under the 2008 repurchase plan were repurchased as of January 2014.

On August 8, 2014, the Company announced that it was initiating the repurchase of approximately 2% of the Company's shares outstanding at that time. As of December 31, 2014, 21,848 shares have been repurchased and retired.

Note 13 - Income tax

The Company and its subsidiary, WCI, are taxed as C-Corporations for federal income tax purposes. MCB is a LLC which is a disregarded entity for income tax purposes, therefore, MCB's taxable income or loss is reported by its shareholders.

The provision (benefit) for income taxes for the years ended December 31, 2014 and 2013 consist of the following:

	2014	2013
Current:		
Federal	$ 35,020	$ -
State	800	800
	35,820	800
Deferred:		
Federal	359,106	68,700
State	157,851	17,800
Change in valuation	(516,957)	(86,500)
Total provision (benefit)	$ 35,820	$ 800

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

At December 31, 2014, the Company had approximately $3,600,000 of federal net operating loss carryforwards that begin expiring in 2032, $2,400,000 of California net operating loss carryforwards that begin expiring in 2022, $1,700,000 of Arizona net operating loss carryforwards that begin expiring in 2027 and $35,000 of Florida net operating loss carryforwards that begin expiring in 2034.

Note 13 - Income tax (continued)

The income tax provision (benefit) differs from the amount computed by applying the US federal income tax rate of 34% to net income (loss) before income taxes for the years ended December 31, 2014 and 2013 as a result of the following:

	2014	2013
Net income (loss) before taxes	$ (465,126)	$ (258,784)
US federal income tax rate	34%	34%
Computed expected tax provision (benefit)	(158,143)	(87,987)
Permanent differences and other	(167,038)	1,487
WCI net operating losses at January 1, 2014 included in change in valuation allowance	(616,994)	-
Change in valuation	976,100	86,500
Federal income tax provision	$ 33,925	$ -

The significant components of deferred income tax assets as of December 31, 2014 and 2013 after applying enacted corporate income tax rates are as follows:

	2014	2013
Net Operating Losses carried forward	$ 1,639,800	$ 241,300
Deferred revenue and other	68,200	267,600
Valuation allowance	(1,708,000)	(508,900)
	$ -	$ -

Note 14 - Lease commitments

Operating Leases

Mentor currently rents approximately 2,000 square feet of office space on a month-to-month basis in Ramona, California in San Diego County. Rent expense for the years ended December 31, 2014 and 2013 were $24,495 and $22,435, respectively.

WCI rents approximately 3,000 of office and warehouse space in Tempte, Arizona under an operating lease expiring in January 2017. Rent expense for the year ended December 31, 2014 was $26,533. WCI expenses were not consolidated in the statement of operations for the year ended December 31, 2013.

WCI leases vehicles under a master fleet management agreement with initial terms of 4 years expiring through September 2018. Vehicle lease expense of $111,962 is included in cost of sales in the consolidated income statement for the year ended December 31, 2014.

Note 14 - Lease commitments (continued)

The approximate remaining annual minimum lease payments under the non-cancelable operating leases existing as of December 31, 2014 with original or remaining terms over one year were as follows:

Years ending December 31,	Rental expense
2015	$ 138,246
2016	120,204
2017	52,996
2018	15,360
	$ 326,806

Note 15 – Long term debt and revolving line of credit

Long term debt

	2014	2013
Two auto loans through Compass bank, interest at 7.99% per annum, monthly principle and interest payments of $538, maturing February 2016	$ 7,168	$ -
Auto loan through Ford Credit, interest at 6.64% per annum, monthly principle and interest payments of $467, maturing October 2015	4,088	-
Auto loan through Hyundai Motor Finance, interest at 2.99% per annum, monthly principle and interest payments of $878, maturing December 2018.	38,905	-
Total notes payable	50,160	-
Less: Current maturities	(18,911)	-
	$ 31,249	$ -

Revolving line of credit

The Company has a $75,000 unsecured revolving line of credit with Bank of America, with interest at the bank's prime rate plus 3% due monthly. The line of credit matures on September 4, 2015. At December 31, 2014 and 2013, the Company had $60,000 and $0 outstanding on the line of credit, respectively. The line is secured by a personal guarantee of WCI's president.

Note 16 - Accrued salary, accrued retirement and related party incentive fee

As of December 31, 2014 and 2013, the Company had an outstanding liability to its Chief Executive Officer ("CEO") as follows:

	2014	2013
Accrued salaries and benefits	$ 716,055	$ 900,238
Accrued incentive fee and bonus	190,581	-
Accrued retirement and other benefits	439,751	431,087
Offset by shareholder advance	(1,073,405)	(136,000)
	$ 272,982	$ 1,195,325

The Company agreed to advance the CEO $944,000 against the accrued liabilities due him, in January 2014, to exercise additional warrants into shares to be used as collateral for a potential loan to the Company. The warrant exercise was a cashless transaction made solely for the benefit of the Company in its efforts to obtain financing. After the warrants were exercised, the CEO put 100% of his shares owned, 5,000,486 shares, in an escrow which was to guarantee the potential loan. The loan was mutually rescinded on June 12, 2014, and the shares remain in escrow as of the audit date. The CEO must make a public press release and post a notice on the Mentor website before he removes the shares from escrow.

As provided by Board of Director resolution in 1998, the CEO will be paid an incentive fee and a bonus which are payable in cash upon merger, resignation or termination or in installments at the CEO's option. The incentive fee is 1% of the increase in market capitalization based on the bid price of the Company's stock beyond the book value at confirmation of the bankruptcy, which was approximately $250,000. The bonus is 0.5% of the increase in market capitalization for each $1.00 increase in stock price up to a maximum of $8 per share (4%) based on the bid price of the stock beyond the book value at confirmation of the bankruptcy. The Company recorded $190,581 and $0 of accrued incentive fee and bonus in 2014 and 2013, respectively.

Note 17 - Purchase of additional equity in WCI

Effective January 1, 2014, Mentor purchased an additional 1% interest in WCI for $25,000 which resulted in a 51% ownership in WCI. In 2013 and 2012 Mentor's investment in WCI was recorded under the equity method. In accordance with Accounting Standard Codification 810-10, *Consolidation – Overall*, Mentor remeasured its previously held equity interest at the acquisition-date fair value and recognized the resulting gain of $1,250,964 on investment in subsidiary which is included in other income and expense in the consolidated statement of operations.

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

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

Note 17 - Purchase of additional equity in WCI (continued)

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

Note 18 – Pro forma financial information

The following unaudited pro forma consolidated results of operations assume that the WCI majority interest was acquired as of January 1, 2013:

	Year ended December 31, 2013
Net operating revenues	$ 433,300
Net loss attributable to controlling interest	$ (63,431)
Basic loss per common share	$ (0.001)

Note 19 – Commitments and contingencies

During the normal course of business, the Company may be exposed to litigation. When the Company becomes aware of potential litigation, it evaluates the merits of the case in accordance with FASB ASC 450-20-50, Contingencies. The Company evaluates its exposure to the matter, possible legal or settlement strategies and the likelihood of an unfavorable outcome. If the Company determines than an unfavorable outcome is probable and can be reasonably estimated, it establishes the necessary accruals. As of December 31, 2014, the Company is not aware of any contingent liabilities that should be reflected in the accompanying financial statements.

Note 19 – Commitments and contingencies (continued)

Mentor lawsuit seeking rescission of co-operative funding agreement with Bhang

On August 11, 2014, Mentor filed suit against Bhang and its owners, in the United States District Court for the Northern District of California for rescission of the February 28, 2014 co-operative funding agreement with Bhang, seeking return of the $1,500,000 investment the Company made in Bhang. This was in response to the June 24, 2014, unilateral announcement by Bhang that they were terminating all details of their relationship with Mentor, leaving Mentor with nothing, but declining to return any of the $1,500,000 paid to Bhang and owners by Mentor during the preceding and only four months of interaction. As directed by the court, arbitration has been initiated with the American Arbitration Association and the first administrative conference occurred in March 2015. The Company intends to continue to vigorously pursuing return of its $1,500,000. See Note 4.

Loans commitment fee receivable

In March 2014, the Company paid $621,250, which represented 1.75% of a prospective loan amount, in refundable fees paid for credit default insurance to a third party as required by the lender on an international loan facility. The lender was unable to fund the loan and a cooperative exit from the loan commitment was agreed to by the parties on June 12, 2014. The lender has released the requirement for credit default insurance and the insurance company has agreed to return the fee, however the refund has not yet been received. On September 5, 2014, the Company filed suit in San Mateo County Superior Court against Wm. E. Fielding and Associates, Inc., the name of the account holder to whom the $621,250 was wired, for conversion and fraud seeking return of the $621,250 in credit insurance premiums that had been paid, had been promised to be returned, and which were not returned. The defendant defaulted and the Company intends to prove its damages, take a judgment, and pursue collecting its damages from the defendant. The Company plans to continue to vigorously pursue return of its $621,250. The $621,250 in fees was expensed as loan costs in the consolidated statement of operations for the year ended December 31, 2014, pending the outcome of the suit.

Note 20 – Segment Information

The Company is operating an acquisition and investment business. Majority owned subsidiaries of 51% or more are consolidated. The Company has determined that beginning in January 2014 there are two reportable segments, which are 1) the cannabis and medical marijuana segment which includes the receivable from Bhang of $1,500,000, the convertible note receivable from Electrum Partners and the operation of MCB, a subsidiary in the Cannabis and medical marijuana sector, and 2) the Company's legacy investment in WCI which works with business park owners, governmental centers, and apartment complexes to reduce their trash related operating costs. The Company also has certain small cancer related legacy investments and an $117,000 investment in note receivable from a non-affiliated party that is included in Corporate below. In 2013 the Company was not required to consolidate any of its subsidiaries.

	Cannabis and Medical Marijuana Segment	Legacy Investments	Corporate and Eliminations	Consolidated
2014				
Sales to unaffiliated customers	$ 5,390	$ 2,144,176	$ -	$ 2,149,566
Intersegment sales	-	-	-	-
Net sales	5,390	2,144,176	-	2,149,566

Note 20 – Segment Information (continued)

	Cannabis and Medical Marijuana Segment	Legacy Investments	Corporate and Eliminations	Consolidated
Income before taxes	(69,332)	76,067	(413,837)	(407,102)
Total assets	$ 1,626,566	$ 1,106,498	$ 1,261,326	$ 3,994,390
Property additions	44,978	25,007	7,103	77,088
Interest expense		21,387	772	22,159
Depreciation and amortization	3,126	29,948	2,450	35,524

Note 21 - Subsequent events

On February 9, 2015, in accordance with the authorizing section 1145 reorganization court order, the Company announced a 30 day partial redemption of up to 1% (approximately 140,000) 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 apply during the 30 days must pay 10 cents to redeem the warrant and then exercise the series D warrant to purchase a share at $0.435, which follows the court specified formula of one-half of the closing bid price on the day preceding the 30 days, plus the 10 cent fee. In successive months, the 1% partial redemption authorization will be recalculated and repeated according to the court formula until such unexercised warrants are exhausted or the partial redemption is otherwise truncated by the Company. Proceeds from warrant exercise through March 18, 2015 received by the Company were approximately $91,673.

On March 6, 2015 the Company received payment for the face amount, $117,000, of the investment in account receivable.

In March 2015, the Company was notified that Bhang and its owners intended to file a counterclaim against Mentor in the arbitration action, see Note 19. Bhang contends it has suffered losses and should be able to keep the $1,500,000 they received from Mentor. The final outcome of the arbitration is not known at this time. The Company believes the counterclaim is without merit and plans to vigorously defend itself against all claims.