MORTGAGE OIL CORPORATION

FINANCIAL STATEMENTS

DECEMBER 31, 2014, 2013 AND 2012

MORTGAGE OIL CORPORATION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Mortgage Oil Corporation
Los Angeles, California

Report on the Financial Statements

We have audited the accompanying statements of assets, liabilities and stockholders' equity, income tax basis, of Mortgage Oil Corporation as of December 31, 2014, 2013 and 2012, and the related statements of revenue, expenses, income tax basis and changes in retained earnings, income tax basis, and cash flows, income tax basis, for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the income tax basis of accounting described in Note 1; this includes determining that the income tax basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mortgage Oil Corporation as of December 31, 2014, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in accordance with the income tax basis of accounting as described in Note 1.

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Basis of Accounting

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. These financial statements are prepared on the income tax basis of accounting the Company uses for income tax purpose, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Rose, Snyder & Jacobs LLP

Encino, California
June 1, 2015

MORTGAGE OIL CORPORATION
STATEMENTS OF ASSETS, LIABILITIES AND STOCKHOLDERS' EQUITY, INCOME TAX BASIS
DECEMBER 31, 2014, 2013 AND 2012

ASSETS

	2014	2013	2012
CURRENT ASSETS			
Cash and cash equivalents, note 1	$ 151,623	$ 224,657	$ 357,823
Investments in marketable equity securities, at cost, note 3	116,801	116,801	116,801
Prepaid and income taxes receivable	20,297	134,554	3,896
TOTAL CURRENT ASSETS	288,721	476,012	478,520
OTHER ASSETS			
Investments in partnerships and limited liability companies, at income tax basis, note 5	430,693	447,285	684,075
Investment in a privately held corporation, at cost, note 4	51,979	51,979	51,979
Investment in a lease contract	-	6,475	13,375
Land in San Bernardino County, note 2	1	1	1
TOTAL OTHER ASSETS	482,673	505,740	749,430
TOTAL ASSETS	$ 771,394	$ 981,752	$ 1,227,950

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES			
State and federal income taxes payable	$ 1,101	$ 3,098	$ 9,345
Unclaimed dividends	767	767	767
TOTAL CURRENT LIABILITIES	1,868	3,865	10,112
STOCKHOLDERS' EQUITY			
Capital stock - par value $1.00 per share; 100,000 shares authorized, 40,915 shares issued and outstanding	40,915	40,915	40,915
Retained earnings	728,611	936,972	1,176,923
TOTAL STOCKHOLDERS' EQUITY	769,526	977,887	1,217,838
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 771,394	$ 981,752	$ 1,227,950

See independent auditors' report
and notes to financial statements.

MORTGAGE OIL CORPORATION
STATEMENTS OF REVENUE, EXPENSES AND RETAINED EARNINGS, INCOME TAX BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014, 2013 AND 2012

	2014	2013	2012
REVENUE			
Partnership income	$ 164,420	$ 89,711	$ 445,328
Interest	53	164	171
Dividends	11,782	8,651	6,948
Other	1,288	(100)	(75)
TOTAL REVENUE, net	177,543	98,426	452,372
EXPENSES			
Accounting	31,000	31,000	31,000
Directors' liability insurance	23,447	20,421	18,800
Director's fee	10,000	10,000	10,000
Legal fees	2,590	6,008	2,710
OTC Market dues	4,700	-	-
Office and administrative services, note 6	60,000	60,000	60,000
Other	639	611	610
Property taxes	250	219	219
TOTAL EXPENSES	132,626	128,259	123,339
EXCESS OF REVENUES OVER EXPENSES (EXCESS OF EXPENSES OVER REVENUES) BEFORE PROVISION FOR INCOME TAXES	44,917	(29,833)	329,033
PROVISION FOR INCOME TAXES	7,788	5,543	10,020
EXCESS OF REVENUES OVER EXPENSES (EXCESS OF EXPENSES OVER REVENUES)	37,129	(35,376)	319,013
RETAINED EARNINGS, beginning of the year	936,972	1,176,923	1,062,485
Less dividends paid	(245,490)	(204,575)	(204,575)
RETAINED EARNINGS, end of the year	$ 728,611	$ 936,972	$ 1,176,923
NET INCOME (LOSS) PER SHARE, INCOME TAX BASIS	$ 0.91	$ (0.86)	$ 7.80
DIVIDENDS PER SHARE PAID	$ 6.00	$ 5.00	$ 5.00
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	40,915	40,915	40,915

See independent auditors' report
and notes to financial statements.

MORTGAGE OIL CORPORATION
STATEMENTS OF CASH FLOWS, INCOME TAX BASIS
FOR THE YEARS ENDED DECEMBER 31, 2014, 2013 AND 2012

	2014	2013	2012
CASH FLOWS - OPERATING ACTIVITIES			
Excess of revenues over expenses (expenses over revenues)	$ 37,129	$ (35,376)	$ 319,013
Adjustments to reconcile excess of revenues over expenses (expenses over revenues) to net cash used in operating activities:			
Net (gain) loss from partnership and limited liability company investments	(164,420)	(89,711)	(445,328)
Decrease (increase) in prepaid and income taxes receivable	114,257	(130,658)	800
Increase (decrease) in income taxes payable	(2,218)	(6,245)	7,459
NET CASH USED IN OPERATING ACTIVITIES	(15,252)	(261,990)	(118,056)
CASH FLOWS - INVESTING ACTIVITIES			
Investment in partnerships and limited liability companies	(288,851)	(265,462)	(218,000)
Distributions from partnerships and limited liability companies	470,084	591,961	698,766
Collection of notes receivables / lease contract	6,475	6,900	6,900
NET CASH PROVIDED BY INVESTING ACTIVITIES	187,708	333,399	487,666
CASH FLOWS - FINANCING ACTIVITIES			
Dividends paid to stockholders	(245,490)	(204,575)	(204,575)
NET CASH USED IN FINANCING ACTIVITIES	(245,490)	(204,575)	(204,575)
NET INCREASE (DECREASE) IN CASH	(73,034)	(133,166)	165,035
CASH AND CASH EQUIVALENTS, beginning of the year	224,657	357,823	192,788
CASH AND CASH EQUIVALENTS, end of the year	$ 151,623	$ 224,657	$ 357,823
SUPPLEMENTAL DISCLOSURES			
Income taxes paid (refunded) in cash	$ (110,668)	$ 131,362	$ 1,764

See independent auditors' report
and notes to financial statements.

1. THE COMPANY AND SIGNIFICANT ACCOUNTING POLICIES

Company history

The Company was incorporated under the laws of the State of California on May 3, 1948. Its sole stockholder was Mortgage Service Co., which itself was incorporated on July 2, 1946 to facilitate the liquidation of Mortgage Guarantee Company. Subsequently, Mortgage Service Co. sold, transferred and assigned all of its remaining assets, except cash and shares of stock in Mortgage Oil Corporation, to the latter, and Mortgage Oil Corporation assumed all of the liabilities and obligations of Mortgage Services Co., contingent or otherwise, as of the close of business on August 15, 1949. These assets included oil, gas and mineral rights retained by Mortgage Service Co.'s predecessors in interest (Mortgage Guarantee Co., Bond Investment Co., Inc. and Bond Insurance Co.) at the times they sold various foreclosed farmlands throughout the San Joaquin Valley of California during the 1920's and 30's. These oil, gas and mineral rights, not being readily saleable at a price commensurate with their possible speculative value or true worth, were transferred by Mortgage Service Co. to Mortgage Oil Corporation for a total nominal consideration of $2.00 with deeds recorded in the various California County Recorder's Offices. As of September 1, 1949, Mortgage Services Co. was liquidated distributing to its shareholders on a share-for-share basis, all of its shares of stock in Mortgage Oil Corporation. Since 1991, the Company has been investing capital in Real Estate Limited Partnerships and Limited Liability Companies. The properties consist of multi-family garden apartment complexes and industrial real estate. The oil, gas and mineral rights were distributed out as dividends in 2005.

Basis of accounting

The Company maintains its accounting records, and files its federal and state income tax returns, using the cash basis method of accounting. The Company prepares its financial statements using the basis it uses to file its income tax returns, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Cash and cash equivalents

For purposes of the statements of cash flows, the Company considers all instruments with an original maturity of three months or less to be cash equivalents, including redeemable certificates of deposits.

Use of estimates

The preparation of financial statements in conformity with a comprehensive basis of accounting other than generally accepted accounting principles requires management to make estimates and assumptions. Management estimates the fair market value of its marketable securities as disclosed in note 4 to the financial statements. Management uses quoted prices in active markets for identical assets or liabilities in making these estimates. Actual results could differ from these estimates.

Revenue recognition

The Company recognizes revenue as income upon the receipt of cash or when the cash receipt is reasonably assured.

Income taxes

The Company's policy is to include interest and penalties in income tax expense. Interest and penalties totaled $0 for the years ended December 31, 2014, 2013 and 2012. The Company files income tax returns with the Internal Revenue Service ("IRS") and the states of Arizona, California, Colorado, Georgia, New Mexico and Utah. For jurisdictions in which tax filings are prepared, the Company is no longer subject to income tax examinations by the IRS for tax years through 2010 and by the states' tax authorities through years ranging from 2004 to 2009, depending on the state. The Company's net operating loss carryforwards are subject to IRS examination until they are fully utilized and such tax years are closed.

2. LAND

The Company owns 0.3 acres of land in San Bernardino County, which was recorded with the county in the 1950's. This land is recorded at a nominal amount of $1, which approximates its tax basis of $0.

3. INVESTMENTS IN MARKETABLE EQUITY SECURITIES

The Company's investments in marketable equity securities are in common stock of publicly traded companies held at Credit Suisse.

The cost and fair market value of these investments at December 31 are as follows:

	2014	2013	2012
Cost - income tax basis	$ 116,801	$ 116,801	$ 116,801
Fair market value	676,337	663,571	528,680
Unrealized holding gain	$ 559,536	$ 546,770	$ 411,879

The Company reports its assets on the income tax basis of accounting. The fair market value of its marketable securities is disclosed above, and inputs used in estimating this fair market value falls under Level 1 as defined in Accounting Standards Codification 820 *Fair Value Measurements and Disclosures* ("ASC 820").

Level inputs, as defined by ASC 820, are as follows:

Level 1	Quoted prices in active markets for identical assets or liabilities.
Level 2	Other significant observable inputs for the assets or liabilities through corroboration with market data at the measurement date.
Level 3	Significant unobservable inputs that reflect management's best estimate of what market participants would use to price the assets or liabilities at the measurement date.

The Company uses the specific identification method to calculate the gain or loss on sale of securities.

4. INVESTMENT IN PRIVATELY HELD CORPORATION

The Company has an investment in Debisys, Inc., a privately held corporation, through Morgan Adams, Inc., a related party (see note 6). This investment is presented at its cost of $51,979.

5. INVESTMENTS IN PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

The Corporation has invested in the following partnerships and limited liability companies at December 31, 2014:

	Limited Partnerships and Limited Liability Companies	Investment Dates	Original Investment	Distributions Received 2014	Taxable Income (loss) 2014	Tax Basis 12/31/2014
4.0%	Thorthhill Park (formally Springhill), Salt Lake City, UT	05/91	$ 52,000	$ 16,640	$ 15,426	$ (30,635)
2.0%	Riverwalk, Albuquerque, NM	01/92	34,400	12,248	10,198	(50,991)
5.0%	Sombra Del Oso, Albuquerque, NM	01/92	111,000	30,037	23,376	(145,128)
2.0%	Tierra Pointe, Albuquerque, NM	01/92	16,500	6,848	6,111	(12,364)
3.0%	La Paz, Albuquerque, NM	07/92	54,000	19,980	10,909	(78,553)
1.5%	Cobble Creek, Salt Lake City, UT	09/92	52,500	17,850	12,731	(34,187)
3.5%	Saddle Ridge, Tucson, AZ	01/93	59,500	16,957	10,587	(27,338)
1.5%	Sky Harbor, Salt Lake City, UT	07/93	51,000	14,535	7,653	(12,703)
2.5%	Del Rio, Albuquerque, NM	07/93	60,600	11,419	7,444	(35,923)
5.0%	Preston Oaks, Dallas, TX	05/94	229,125	-	(7,048)	(188,178)
2.2%	MacArthur Ridge, Irving, CA	10/95	52,000	11,970	3,547	(42,530)
4.0%	Woodcliffe, Seattle, WA	03/96	93,000	55,800	39,521	(34,064)
2.6%	Sonoran Terraces, Tucson, AZ	08/96	130,000	27,519	7,052	(10,962)
3.3%	Gardens, Atlanta, GA	08/97-7/08	264,500	32,030	7,230	(5,410)
2.6%	Glen Park, Atlanta, GA	08/99-7/01	109,000	17,338	3,135	(205,968)
2.3%	Oasis Vista, Laughlin, NV	09/99-2/07	96,650	9,067	1,713	(5,517)
1.0%	Remington, Killeen, TX	10/99	24,500	3,430	2,033	4,671
1.3%	881 Avenida Acaso, Camarillo, CA	09/00	32,000	1,323	2,694	24,597
1.5%	Towne Square, Chandler, AZ	10/00	120,000	19,200	(2,514)	(103,677)
3.2%	Eagle Ranch, Albuquerque, NM	8/01	33,498	38,640	34,252	(93,818)
5.0%	166 Aviador, Camarillo, CA	08/02	132,500	9,738	7,131	101,748
6.0%	100 Elevar, Oxnard, CA	04/03	167,000	5,218	7,267	132,715
2.0%	200 Elevar, Oxnard, CA	04/03	82,000	5,945	4,479	60,060
2.4%	300 Elevar, Oxnard, CA	04/03	82,200	-	(567)	62,325
3.3%	MA Capital Holdings, LLC, Los Angeles, CA	2/05-06/12	326,000	-	(11,175)	67,169
17.7%	RRC/FP-1, LLC, Los Angeles, CA	9/05-8/07	199,115	-	(566)	85,479
1.5%	Solis Investors, Newport Beach, CA	09/06	250,000	-	(795)	-
2.1%	Finisterra, Tucson, AZ	7/08	215,000	10,750	699	57,778
2.5%	Druid Hills, Atlanta, GA	10/08	287,500	14,375	(8,371)	50,355
1.8%	300 Camarillo Ranch, Camarillo, CA	12/08	120,000	7,806	6,911	104,995
1.3%	5566 Arrow Highway LLC, Montclair, CA	10/10	46,875	2,812	1,782	42,946
0.5%	Lambertson Farms, Denver, CO	10/10	75,000	10,125	345	18,748
1.5%	321 Todd Ct, Oxnard, CA	10/11	42,000	2,415	1,569	38,817
1.7%	16839 East Gale, City of Industry, CA	09/11	35,000	1,925	1,248	32,726

5. INVESTMENTS IN PARTNERSHIPS AND LIMITED LIABILITY COMPANIES (Continued)

The Corporation has invested in the following partnerships and limited liability companies at December 31, 2014:

	Limited Partnerships and Limited Liability Companies	Investment Dates	Original Investment	Distributions Received 2014	Taxable Income (loss) 2014	Tax Basis 12/31/2014
0.5%	Rolling Oaks, Fairfield, CA	11/11	81,000	5,265	(5,179)	31,902
1.0%	Country Downs, Denver, CO	04/12	128,000	13,440	(8,023)	65,354
1.0%	938 Radecki LLC, City of Industry, CA	04/12	80,000	3,900	2,629	76,671
1.0%	N-A Vinatge #92, Las Vegas, NV	04/13	130,000	7,150	(19,312)	93,287
50.0%	Adam Spirent Investors, Los Angeles, CA	1/13-12/14	110,313	-	(4,239)	95,846
5.3%	Moffit Adams Investments LLC, Torrance, CA	10/13	50,000	3,042	1,510	48,770
1.0%	NALS Centennial-94, L.P., Las Vegas, NV	07/14	137,000	2,055	(8,931)	126,014
1.3%	MA Camarillo, LLC, Camarillo, CA	08/14	76,000	1,292	113	74,821
0.5%	NALS Waterford-95, L.P., Phoenix, AZ	11/14	51,000	-	(155)	50,845
	TOTALS		$ 4,579,276	$ 470,084	$ 164,420	$ 430,693

See independent auditors' report.

5. INVESTMENTS IN PARTNERSHIPS AND LIMITED LIABILITY COMPANIES (Continued)

The Corporation has invested in the following partnerships and limited liability companies at December 31, 2013:

Limited Partnerships and Limited Liability Companies	Investment Dates	Original Investment	Distributions Received 2013	Taxable Income (loss) 2013	Tax Basis 12/31/2013
4.0% Thornhill Park, Salt Lake City, UT	05/91	$ 52,000	$ 15,340	$ 12,771	$ (29,421)
2.0% Riverwalk, Albuquerque, NM	01/92	34,400	11,730	9,841	(48,943)
5.0% Sombra Del Oso, Albuquerque, NM	01/92	111,000	30,594	26,160	(138,469)
2.0% Tierra Pointe, Albuquerque, NM	01/92	16,500	6,023	6,353	(11,629)
3.0% La Paz, Albuquerque, NM	07/92	54,000	18,360	13,323	(69,482)
1.5% Cobble Creek, Salt Lake City, UT	09/92	52,500	17,063	13,797	(29,068)
1.5% Foxfire, San Antonio, TX	10/92	30,000	-	(401)	-
3.5% Saddle Ridge, Tucson, AZ	01/93	59,500	11,007	5,101	(20,968)
1.5% Sky Harbor, Salt Lake City, UT	07/93	51,000	13,260	11,277	(5,821)
2.5% Del Rio, Albuquerque, NM	07/93	60,600	13,388	9,284	(31,948)
5.0% Preston Oaks, Dallas, TX	05/94	229,125	9,313	251	(181,130)
2.2% MacArthur Ridge, Irving, TX	10/95	52,000	11,083	5,250	(34,107)
4.0% Woodcliffe, Seattle, WA	03/96	93,000	36,270	26,693	(17,785)
2.6% Sonoran Terraces, Tucson, AZ	08/96	130,000	14,448	1,443	9,505
3.3% Gardens, Atlanta, GA	08/97-07/08	264,500	24,022	16,414	19,390
2.6% Glen Park, Atlanta, GA	08/99-07/01	109,000	9,457	(4,430)	(191,765)
2.3% Oasis Vista, Laughlin, NV	09/99-02/07	96,650	9,416	1,699	1,837
1.0% Remington, Killeen, TX	10/99	24,500	3,307	1,672	6,068
1.3% 881 Avenida Acaso, Camarillo, CA	09/00	32,000	2,390	2,535	23,226
1.5% Towne Square, Chandler, AZ	10/00	120,000	17,400	6,765	(81,963)
3.2% Eagle Ranch, Albuquerque, NM	8/01	33,498	36,800	32,205	(89,430)
5.0% 166 Aviador, Camarillo, CA	08/02	132,500	9,480	6,929	104,355
6.0% 100 Elevar, Oxnard, CA	04/03	167,000	10,438	6,106	130,666
2.0% 200 Elevar, Oxnard, CA	04/03	82,000	5,946	4,202	61,526
2.4% 300 Elevar, Oxnard, CA	04/03	82,200	-	(1,196)	62,892
1.0% Deerfield, Austin, TX	12/03	61,000	-	(360)	-
3.3% MA Capital Holdings, LLC, Los Angeles, CA	2/05-06/12	326,000	-	(8,506)	78,344
17.7% RRC/FP-1, LLC, Los Angeles, CA	9/05-08/07	199,115	-	(708)	86,045
1.5% Solis Investors, Newport Beach, CA	09/06	250,000	185,001	(65,346)	795
2.1% Finisterra, Tucson, AZ	7/08	215,000	13,975	(4,375)	67,829
2.5% Druid Hills, Atlanta, GA	10/08	287,500	8,625	(15,056)	73,101
1.8% 300 Camarillo Ranch, Camarillo, CA	12/08	120,000	10,501	7,892	105,890
1.3% 5566 Arrow Highway LLC, Montclair, CA	10/10	46,875	2,696	1,668	43,976
0.5% Lambertson Farms, Denver, CO	10/10	75,000	7,875	(2,343)	28,528
1.5% 321 Todd Ct, Oxnard, CA	10/11	42,000	2,394	1,557	39,663
1.7% 16839 East Gale, City of Industry, CA	09/11	35,000	1,925	1,263	33,403
0.5% Rolling Oaks, Fairfield, CA	11/11	81,000	4,860	(10,099)	42,346
1.0% Courtney Downs, Denver, CO	04/12	128,000	9,600	(16,192)	86,817
1.0% 938 Radecki LLC, City of Industry, CA	04/12	80,000	3,900	2,590	77,942
1.0% N-A Vintage #92, Las Vegas, NV	04/13	130,000	3,900	(6,351)	119,749
50.0% Adam Spirent Investors, Los Angeles, CA	01/13	85,462	-	(10,228)	75,234
5.3% Moffitt Adams Investments LLC, Torrance, CA	10/13	50,000	174	261	50,087
TOTALS		$ 4,381,425	$ 591,961	$ 89,711	$ 447,285

See independent auditors' report.

5. INVESTMENTS IN PARTNERSHIPS AND LIMITED LIABILITY COMPANIES (Continued)

The Corporation has invested in the following partnerships and limited liability companies at December 31, 2012:

	Limited Partnerships and Limited Liability Companies	Investment Dates	Original Investment	Distributions Received 2012	Taxable Income (loss) 2012	Tax Basis 12/31/2012
4.0%	Thorthhill Park (formally Springhill), Salt Lake City, UT	05/91	$ 52,000	$ 19,240	$ 16,967	$ (26,852)
2.0%	Riverwalk, Albuquerque, NM	01/92	34,400	11,557	7,605	(47,052)
5.0%	Sombra Del Oso, Albuquerque, NM	01/92	111,000	40,606	31,642	(134,033)
2.0%	Tierra Pointe, Albuquerque, NM	01/92	16,500	6,187	5,394	(11,957)
3.0%	La Paz, Albuquerque, NM	07/92	54,000	11,880	7,761	(64,443)
1.5%	Cobble Creek, Salt Lake City, UT	09/92	52,500	16,275	13,161	(25,802)
1.5%	Foxfire, San Antonio, TX	10/92	30,000	66,600	123,246	400
3.5%	Saddle Ridge, Tucson, AZ	01/93	59,500	9,817	10,378	(15,063)
1.5%	Sky Harbor, Salt Lake City, UT	07/93	51,000	10,710	9,420	(3,838)
2.5%	Del Rio, Albuquerque, NM	07/93	60,600	13,782	11,180	(27,845)
5.0%	Preston Oaks, Dallas, TX	05/94	229,125	14,900	1,115	(172,068)
2.2%	MacArthur Ridge, Irving, TX	10/95	52,000	8,866	1,584	(28,273)
4.0%	Woodcliffe, Seattle, WA	03/96	93,000	31,155	27,860	(8,208)
2.6%	Sonoran Terraces, Tucson, AZ	08/96	130,000	11,696	11,238	22,510
3.3%	Gardens, Atlanta, GA	08/97-07/08	264,500	21,353	9,406	26,998
2.6%	Glen Park, Atlanta, GA	08/99-07/01	109,000	11,033	(4,257)	(177,878)
2.3%	Oasis Vista, Laughlin, NV	09/99-02/07	96,650	15,345	7,410	9,554
1.0%	Remington, Killeen, TX	10/99	24,500	4,533	2,968	7,704
1.3%	881 Avenida Acaso, Camarillo, CA	09/00	32,000	2,671	2,183	23,081
1.5%	Towne Square, Chandler, AZ	10/00	120,000	15,600	5,436	(71,328)
3.2%	Eagle Ranch, Albuquerque, NM	8/01	33,498	36,800	22,426	(84,836)
5.0%	166 Aviador, Camarillo, CA	08/02	132,500	9,280	6,616	106,906
6.0%	100 Elevar, Oxnard, CA	04/03	167,000	10,020	6,968	134,998
2.0%	200 Elevar, Oxnard, CA	04/03	82,000	5,824	4,159	63,270
2.4%	300 Elevar, Oxnard, CA	04/03	82,200	-	(4,277)	64,085
1.0%	Deerfield, Austin, TX	12/03	61,000	150,060	147,100	360
3.3%	MA Capital Holdings, LLC, Los Angeles,CA	2/05-06/12	326,000	-	(10,501)	86,850
17.7%	RRC/FP-1, LLC, Los Angeles, CA	9/05-08/07	199,115	83,186	28,649	86,753
1.5%	Solis Investors, Newport Beach, CA	09/06	250,000	-	(1,304)	251,142
2.1%	Finisterra, Tucson, AZ	7/08	215,000	19,350	(6,431)	86,179
2.5%	Druid Hills, Atlanta, GA	10/08	287,500	5,750	(27,583)	96,782
1.8%	300 Camarillo Ranch, Camarillo, CA	12/08	120,000	10,332	7,839	108,499
1.3%	5566 Arrow Highway LLC, Montclair, CA	10/10	46,875	2,020	1,287	45,004
0.5%	Lambertson Farms, Denver, CO	10/10	75,000	5,625	(8,466)	38,746
1.5%	321 Todd Ct, Oxnard, CA	10/11	42,000	2,336	1,332	40,500
1.7%	16839 East Gale, City of Industry, CA	09/11	35,000	1,877	1,261	34,064
0.5%	Rolling Oaks, Fairfield, CA	11/11	81,000	4,455	(17,350)	57,305
1.0%	Courtney Downs, Denver, CO	04/12	128,000	5,120	(10,271)	112,609
1.0%	938 Radecki LLC, City of Industry, CA	04/12	80,000	2,925	2,177	79,252
	TOTALS		$ 4,115,963	$ 698,766	$ 445,328	$ 684,075

See independent auditors' report.

6. RELATED PARTY TRANSACTIONS

Office and administrative services

The Company pays Morgan Adams, Inc. (a California Corporation), an affiliated service corporation, for business management services provided. The total expenses incurred for such services during each of the years 2014, 2013, and 2012 were $60,000. The Company also paid Morgan Adams, Inc. $13,000 for tax preparation services in each of the years 2014, 2013 and 2012.

Investments in partnerships and limited liability companies

As outlined on the President's Annual Shareholders Report beginning in 1991, Mortgage Oil Corporation has invested in several Limited Partnerships with Nevins•Adams•Lewbel•Shell Properties www.nals.com ("Nevins Adams") from 1991 to present. Mortgage Oil Corporation currently owns interest in twenty-five Nevins Limited Partnerships that own twenty-four large apartment complexes outside of California and one in California.

David V. Adams, who served as President of Mortgage Oil Corporation until 2004, is one of the General Partners in each of the twenty-five partnerships. The four general partners, Mr. Nevins, Mr. Adams, Mr. Lewbel and Mr. Schell, share in the distributions and profits of the Partnerships once Limited Partners receive a 6% accrued annual return on the original investment.

The Company has also invested with Marcus Adams Industrial Investment www.marcusadams.com ("Marcus Adams") in eleven Limited Liability Companies owning eight industrial buildings in Ventura County, California, two industrial buildings in Los Angeles County, California and one industrial building in Columbus, Ohio. David V. Adams is a managing partner in these Limited Liability Companies.

The Company also invested with Rivenrock Capital LLC in one Limited Liability Company – RRC-FP, LLC owning a private equity investment. David V. Adams Jr., President of Mortgage Oil Corporation and John Nelson, a Board Member of Mortgage Oil Corporation are the managing members of Rivenrock Capital LLC.

During 2014, Mortgage Oil Corporation invested $137,000 in NALS Centennial – 94, L.P., which is managed by Nevin Adams.

During 2014, Mortgage Oil Corporation invested $51,000 in NALS Waterford – 95, L.P., which is managed by Nevin Adams.

During 2014, Mortgage Oil Corporation invested $76,000 in MA Camarillo LLC, which is managed by Marcus Adams.

During 2014, Mortgage Oil Corporation invested an additional $24,851 in Adams Spirent Investors LLC. The original investment occurred in 2013 and is managed by Rivenrock Capital LLC.

During 2013, Mortgage Oil Corporation invested $130,000 in N-A Vintage #92 which is managed by Nevins Adams.

During 2013, Mortgage Oil Corporation invested $85,462 in Adam Spirent Investors, LLC which is managed by Rivenrock Capital LLC.

During 2013, Mortgage Oil Corporation invested $50,000 in Moffitt Adams Investments LLC, which is managed by David V. Adams Jr.

During 2013, Mortgage Oil Corporation approved an investment of $56,000 in Marcus Adams Ventura Eastman LLC. The Investment did not materialize, and the $56,000 was returned to the Company.

During 2012, Mortgage Oil Corporation invested $128,000 in Courtney Downs - 89 L.P which is managed by Nevins Adams.

6. RELATED PARTY TRANSACTIONS (Continued)

During 2012, Mortgage Oil Corporation invested $10,000 in MA Capital Holdings LLC, which is managed by Marcus Adams.

During 2012, Mortgage Oil Corporation invested $80,000 in 938 Radecki LLC, which is managed by Marcus Adams.

Advance

During 2012, Mortgage Oil Corporation obtained an advance of $30,000 from Mortgage Oil Mineral Rights LLC, an entity managed by a director of the Company. The Company fully returned the advance from Mortgage Oil Mineral Rights LLC during 2012.

7. CONCENTRATIONS

Concentrations of Credit Risk

The Company maintains its cash at a financial institution which may, at times, exceed federally insured limits. Historically, the Company has not experienced any losses in such account and believes it is not exposed to any significant credit risk on cash and cash equivalents.

8. SUBSEQUENT EVENT

The Company has evaluated events occurring after the date of the accompanying statements of assets, liabilities, and stockholder's equity through June 1, 2015 the date the financial statements are available for issuance. The Company did not identify any material subsequent events requiring adjustment to the accompanying financial statements.