OTC Pink Basic Disclosure

1) Name of the issuer and its predecessors (if any)

In answering this item, please also provide any names used by predecessor entities in the past five years and the dates of the name changes.

Vestin Realty Mortgage I, Inc.

2) Address of the issuer's principal executive offices

Company Headquarters
Address 1: 8880 W. Sunset Road
Address 2: Suite 200
Address 3: Las Vegas, NV 89148
Phone: 702-227-0965
Email: mike@vetinmortgage.com
Website(s): www.vestinrealtymortgage1.com

IR Contact
Address 1: 8880 W. Sunset Road
Address 2: Suite 200
Address 3: Las Vegas, NV 89148
Phone: 702-227-0965
Email: joanne@mvpreits.com
Website(s): www.vestinrealtymortgage1.com

3) Security Information

Trading Symbol: VRTA
Exact title and class of securities outstanding: Common Stock
CUSIP: 925490203
Par or Stated Value: 0.0001
Total shares authorized: 25,000,000 as of: December 31, 2015
Total shares outstanding: 1,298,877 as of: December 31, 2015

Additional class of securities (if necessary):
Trading Symbol: VRTA
Exact title and class of securities outstanding: Preferred Stock
CUSIP: 0925490203
Par or Stated Value: 0.0001
Total shares authorized: 1,000,000 as of: December 31, 2015
Total shares outstanding: 0.00 as of: December 31, 2015

Transfer Agent
Name: Broadridge
Address 1: 51 Mercedes way
Address 2: Edgewood, NY 11717
Address 3: _____
Phone: 631-392-5794
Is the Transfer Agent registered under the Exchange Act?* Yes: ☒ No: ☐

*To be included in the OTC Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

List any restrictions on the transfer of security:

None

Describe any trading suspension orders issued by the SEC in the past 12 months.

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

4) Issuance History

List below any events, in chronological order, that resulted in changes in total shares outstanding by the issuer in the past two fiscal years and any interim period. The list shall include all offerings of equity securities, including debt convertible into equity securities, whether private or public, and all shares or any other securities or options to acquire such securities issued for services, describing (1) the securities, (2) the persons or entities to whom such securities were issued and (3) the services provided by such persons or entities. The list shall indicate:

A. The nature of each offering (e.g., Securities Act Rule 504, intrastate, etc.);

   N/A

B. Any jurisdictions where the offering was registered or qualified;

   N/A

C. The number of shares offered;

   N/A

D. The number of shares sold;

   N/A

E. The price at which the shares were offered, and the amount actually paid to the issuer;

   N/A

F. The trading status of the shares; and

   N/A

G. Whether the certificates or other documents that evidence the shares contain a legend (1) stating that the shares have not been registered under the Securities Act and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

   N/A

In December 2014, the Company effected a 1 for 4 reverse split of its common stock. All share and per share information in the Company's consolidated financial statements and its accompanying notes have been adjusted to retroactively reflect the 1 for 4 reverse stock split.

5) Financial Statements

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VESTIN REALTY MORTGAGE I, INC.
CONSOLIDATED BALANCE SHEETS
ASSETS
(Unaudited)

	March 31, 2106	December 31, 2015
Assets		
Cash and cash equivalents	$ 1,236,000	$ 1,380,000
Investment in marketable securities - related party	835,000	956,000
Investments in Delaware Statutory Trust	1,022,000	--
Investment in MVP Advisor & MVP Capital Partners II, net of impairment of $5,885,000 as of March 31, 2016 and $5,265,000 as of December 31, 2015	--	--
Investment in equity method investee held for sale	2,084,000	4,281,000
Interest and other receivables	55,000	29,000
Notes receivable, net of allowance of $612,000 at March 31, 2016 and $620,000 at December 31, 2015	--	--
Investments in real estate and fixed assets		
Land and improvements	1,741,000	1,741,000
Building and improvements	2,450,000	2,450,000
Furniture and fixtures	19,000	19,000
	4,210,000	4,210,000
Accumulated depreciation	(249,000)	(218,000)
Total investments in real estate and fixed assets, net	3,961,000	3,992,000
Investment in real estate loans	2,641,000	2,315,000
Due from related parties	8,000	--
Prepaid expenses – related party	81,000	81,000
Other assets	154,000	4,000
Total assets	$ 12,077,000	$ 13,038,000
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Accounts payable and accrued liabilities	$ 64,000	$ 93,000
Due to related parties	--	19,000
Notes payable, net of unamortized loan issuance costs of $49,000 and $53,000 at March 31, 2016 and December 31, 2015, respectively	2,134,000	2,144,000
Total liabilities	2,198,000	2,256,000
Commitments and contingencies	--	--
Stockholders' equity		
Preferred stock, $0.0001 par value; 1,000,000 shares authorized; none issued and outstanding	--	--
Treasury stock, at cost, no shares at March 31, 2016 and December 31, 2015	--	--
Common stock, $0.0001 par value; 25,000,000 shares authorized; 1,290,897 and 1,298,95shares issued and outstanding at March 31, 2016 and December 31,2015, respectively	1,000	1,000
Additional paid-in capital	59,341,000	59,357,000
Accumulated deficit	(49,331,000)	(48,576,000)
Accumulated other comprehensive income	(132,000)	--
Total stockholders’ equity	9,879,000	10,782,000
Total liabilities and stockholders' equity	$ 12,077,000	$ 13,038,000

The accompanying notes are an integral part of these unaudited consolidated financial statements

VESTIN REALTY MORTGAGE I, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For The Three Months Ended March 31,	
	2016	**2015**
Revenues		
Interest income from investment in real estate loans	$ 78,000	$ 125,000
Recovery of allowance for doubtful notes receivable	8,000	8,000
Rental revenue	190,000	183,000
Total revenues	276,000	316,000
Operating expenses		
Management fees - related party	68,000	69,000
Payroll	20,000	9,000
Impairment MVP Realty Advisors & MVP Capital Partners II	620,000	700,000
Operations and maintenance	57,000	44,000
Depreciation	31,000	34,000
Professional fees	58,000	116,000
Insurance	49,000	50,000
Consulting	23,000	23,000
Other	16,000	41,000
Total operating expenses	942,000	1,086,000
Loss from operations	(666,000)	(770,000)
Non-operating income (loss)		
Dividend income	11,000	10,000
Interest expense	(31,000)	(28,000)
Recovery from settlement with loan guarantor	21,000	--
Total non-operating income (loss)	1,000	(18,000)
Provision for income taxes	--	--
Loss from continuing operations	(665,000)	(788,000)
Discontinued operations, net of income taxes		
Income from investment in equity method investee	16,000	96,000
Loss from sale of investment in equity method investee	(103,000)	--
Expenses related to real estate held for sale	(3,000)	(9,000)
Total income (loss) from discontinued operations	(90,000)	87,000
Net loss	(755,000)	(701,000)
Basic and diluted income (loss) per weighted average common share		
Continuing operations	(0.48)	(0.57)
Discontinued operations	(0.07)	0.06
Total basic and diluted loss per weighted average common share	(0.55)	(0.51)
Weighted average common shares outstanding	1,376,619	1,380,278

The accompanying notes are an integral part of these unaudited consolidated financial statements

VESTIN REALTY MORTGAGE I, INC.
CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME (LOSS)

	For The Three Months Ended March 31,	
	2016	**2015**
Net loss	$ (755,000)	$ (701,000)
Unrealized holding loss on available-for-sale securities – related party	(132,000)	77,000
Comprehensive loss	$ (887,000)	$ (624,000)

The accompanying notes are an integral part of these unaudited consolidated financial statements

VESTIN REALTY MORTGAGE I, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For the Three Months Ended March 31,	
	2016	**2015**
Cash flows from operating activities:		
Net loss	$ (755,000)	$ (701,000)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	31,000	34,000
Gain related to recovery of allowance for doubtful notes receivable	(8,000)	(8,000)
Income from equity method investee held for sale	(16,000)	(96,000)
Loss from sale of investment in equity method investee	103,000	--
Dividend from MVP REIT (DRIP Shares)	(11,000)	(10,000)
Impairment on MVP Realty Advisors and MVP CP II	620,000	700,000
Change in operating assets and liabilities:		
Interest and other receivables	(26,000)	2,000
Due to/from related parties	(27,000)	(4,000)
Prepaid expense – related party	--	(135,000)
Other assets	(146,000)	16,000
Accounts payable and accrued liabilities	(29,000)	(50,000)
Net cash used in operating activities	(264,000)	(252,000)
Cash flows from investing activities:		
Investments in real estate loans	(1,441,000)	(1,263,000)
Proceeds from loan payoffs	--	4,593,000
Sale of investments in real estate loans		
VRM II	--	200,000
Third parties	1,115,000	433,000
Purchase of fixed assets	--	(8,000)
Investment in DST	(1,200,000)	--
Sale of investment in DST to related party	178,000	
Proceeds from sale of investment in equity method investee held for sale	2,110,000	--
Proceeds from distributions from investment in equity method investee	--	82,000
Investment in MVP Realty Advisors and MVP CP II	(620,000)	(700,000)
Proceeds from notes receivable	8,000	8,000
Net cash provided by investing activities	150,000	3,345,000
Cash flows from financing activities:		
Principal payments on notes payable	(14,000)	(29,000)
Purchase of treasury stock	(16,000)	--
Net cash used in financing activities	(30,000)	(29,000)
NET CHANGE IN CASH	(144,000)	3,064,000
Cash and cash equivalents, beginning of period	1,380,000	1,395,000
Cash and cash equivalents, end of period	$ 1,236,000	$ 4,459,000
Supplemental disclosures of cash flows information:		
Interest expense	$ 31,000	$ 28,000
Non-cash investing and financing activities:		
Unrealized loss on marketable securities - related party	$ (132,000)	$ (77,000)

VESTIN REALTY MORTGAGE I, INC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2016
(UNAUDITED)

NOTE A — ORGANIZATION

Vestin Realty Mortgage I, Inc. ("VRM I", the "Company", "we", "us", or "our"), formerly Vestin Fund I, LLC ("Fund I"), invests in loans secured by real estate through deeds of trust or mortgages (hereafter referred to collectively as "deeds of trust" and as defined in our management agreement ("Management Agreement") as "Mortgage Assets"). In addition we invest in, acquire, manage or sell real property and acquire entities involved in the ownership or management of real property. We commenced operations in December 1999. References in this report to the "Company," "we," "us," or "our" refer to Fund I with respect to the period prior to April 1, 2006 and to VRM I with respect to the period commencing on May 1, 2006.

We operated as a real estate investment trust ("REIT") through December 31, 2011. We are not a mutual fund or an investment company within the meaning of the Investment Company Act of 1940, nor are we subject to any regulation thereunder. As a REIT, we were required to have a December 31 fiscal year end. We announced on March 28, 2012 that we have terminated our election to be treated as a REIT under the Internal Revenue Code of 1986, as amended (the "Code"), effective for the tax year ending December 31, 2012. Under the Code, we will not be able to make a new election to be taxed as a REIT during the four years following December 31, 2012. Pursuant to our charter, upon the determination by the Board of Directors that we should no longer qualify as a REIT, the restrictions on transfer and ownership of shares set forth in Article VII of our charter ceased to be in effect and, accordingly, shares of the Company's stock will no longer be subject to such restrictions. In connection with the termination of our REIT status, we also amended our stockholders' rights plan to provide that a stockholder, other than Michael Shustek, may own up to 20% of outstanding shares of common stock, and that Michael Shustek may own up to 35% of outstanding shares of common stock.

On December 24, 2015, the Company announced it is in the process of voluntarily delisting the Company's common stock (the "Common Stock") from Nasdaq and voluntarily deregistering from the reporting requirements of the Securities Exchange Act of 1934, as amended. The Company and Nasdaq have agreed that December 30, 2015 will be the last day of trading of the Common Stock on Nasdaq. On December 31, 2015, the Company filed Form 25 and on January 12, 2016, filed Form 15.

Michael Shustek owns a significant majority of Vestin Mortgage, LLC, a Nevada limited liability company, which is our manager (the "manager" or "Vestin Mortgage"). The business of brokerage and placement of real estate loans have been performed by affiliated or non-affiliated mortgage brokers, including Advant Mortgage, LLC ("MVP Mortgage"), a licensed Nevada mortgage broker, which is indirectly wholly owned by Mr. Shustek.

Pursuant to a management agreement, our manager is responsible for managing our operations and implementing our business strategies on a day-to-day basis. Consequently, our operating results are dependent to a significant extent upon our manager's ability and performance in managing our operations and servicing our assets.

Vestin Mortgage is also the manager of Vestin Realty Mortgage II, Inc. ("VRM II"), as the successor by merger to Vestin Fund II, LLC ("Fund II") and Vestin Fund III, LLC ("Fund III"). VRM II has investment objectives similar to ours, and Fund III is in the process of an orderly liquidation of its assets.

In April 2009, we entered into an accounting services agreement with Strategix Solutions, LLC ("Strategix Solutions"), a Nevada limited liability company from which our CFO and other members of our accounting staff were employed. As of March 1, 2016, Ms. Gress and certain members of our accounting staff are no longer employed by Strategix Solutions and are now employed by MVP Realty Advisors. Ms. Gress and the accounting staff also provide accounting and financial reporting services to MVP REIT, MVP REIT II, VRM II, and VF III.

In December 2013, we acquired a 40% interest in MVP Realty Advisors, LLC ("MVP Advisor"), the manager of MVP REIT, Inc. ("MVP REIT"), pursuant to a membership interest transfer agreement, dated as of December 19, 2013, between MVP Capital Partners, LLC ("MVP Capital") and us. Pursuant to the transfer agreement, we did not pay any up-front consideration for the acquired interest but will be responsible for our proportionate share of future expenses of MVP Advisor. In recognition of MVP Capital's substantial investment in MVP Advisor for which MVP Capital received no up-front consideration, the transfer agreement further provides that once we and VRM II have been repaid in full for any capital contributions to MVP Advisor or for any expenses advanced on MVP Advisor's behalf ("Capital Investment"), and once we and VRM II have received an annualized return on our Capital Investment of 7.5%, then MVP Capital will receive one-third of the net profits of MVP Advisor. This acquisition was approved by the independent

members of our Board of Directors. MVP REIT is a SEC-registered, non-traded REIT that seeks to invest predominantly in parking facilities located throughout the United States and loans secured by real estate as its core assets.

During May 2015, our Board of Directors and the Board of Directors of VRM II agreed to form MVP Capital Partners II, LLC, a Nevada limited liability company ("MVP CP II"). We own 40% and VRM II owns 60%. The purpose of MVP CP II is to act as the sponsor of MVP REIT II, Inc., a Maryland corporation, which has been formed as a publicly registered non traded REIT ("MVP REIT II"). MVP REIT II has filed and declared effective on October 22, 2015. MVP REIT II is a proposed $550,000,000 offering with the proceeds raised from the offering being used primarily to acquire parking assets in the United States and Canada. MVP REIT II has engaged MVP Advisors as its advisor.

We and VRM II have agreed to fund certain costs and expenses of MVP REIT II through MVP CP II in proportion to our respective ownership interest. As consideration for the initial investment of $0.2 million MVP CP II received 8,000 shares of common stock in MVP REIT II. As part of the advisory agreement, MVP Advisors will receive a 1% annual asset management fee and 2.25% of purchase price on all acquisitions. MVP Advisors will also receive the lesser of 3% of contract sale price or 50% of the brokerage commission paid on dispositions of MVP REIT II assets which amount shall accrue until the MVP REIT II investors have a return of their net capital and a 6% annual cumulative non compounded return. In addition once the MVP REIT II investors have received a return of their net capital invested and a 6% annual cumulative, non-compounded return, then MVP Realty Advisors will be entitled to receive 15% of the remaining proceeds. This fee will be payable under only one of the following events: (i) if MVP REIT II shares are listed on a national securities exchange; (ii) if MVP REIT II assets are sold, other than single assets sold in the ordinary course, or liquidated; (iii) upon a merger, share exchange, reorganization or other transaction pursuant to which MVP REIT II investors receive cash or publicly traded securities in exchange for their shares; or (iv) upon termination of the advisory agreement. The operating agreement of the Advisor provides that once we and VRM II have been repaid in full for any capital contributions to the Advisor or for any expenses advanced on the Advisor's behalf, or capital investment, and once we and VRM II have received an annualized return on our capital investment of 7.5%, then Michael Shustek will receive 40% of the net profits of the Advisor.

NOTE B — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The consolidated financial statements of the Company have been prepared in accordance with the accounting principles generally accepted in the United States of America ("GAAP"). In the opinion of management, all normal recurring adjustments considered necessary to give a fair presentation of operating results for the periods presented have been included**.** The information included in this Form 10-Q should be read in conjunction with information included in the 2015 annual report filed on Form 10-K.

Management Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Impairment of Long Lived Assets

When circumstances indicate the carrying value of a property may not be recoverable, the Company reviews the asset for impairment. This review is based on an estimate of the future undiscounted cash flows, excluding interest charges, expected to result from the property's use and eventual disposition. These estimates consider factors such as expected future operating income, market and other applicable trends and residual value, as well as the effects of leasing demand, competition and other factors. If impairment exists, due to the inability to recover the carrying value of a property, an impairment loss is recorded to the extent that the carrying value exceeds the estimated fair value of the property for properties to be held and used. For properties held for sale, the impairment loss is the adjustment to fair value less estimated cost to dispose of the asset. These assessments have a direct impact on net income because recording an impairment loss results in an immediate negative adjustment to net income.

Derivative Instruments

The Company may use derivative financial instruments to hedge all or a portion of the interest rate risk associated with its borrowings. Certain of the techniques used to hedge exposure to interest rate fluctuations may also be used to protect against declines in the market value of assets that result from general trends in debt markets. The principal objective of such agreements is to minimize the risks and/or costs associated with the Company's operating and financial structure as well as to hedge specific anticipated transactions.

The Company records all derivatives on the balance sheet at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether the Company has elected to designate a derivative in a hedging relationship and apply hedge accounting and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting. Derivatives designated and qualifying as a hedge of the exposure to changes in the fair value of an asset, liability, or firm commitment attributable to a particular risk, such as interest rate risk, are considered fair value hedges. Derivatives designated and qualifying as a hedge of the exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges. Derivatives may also be designated as hedges of the foreign currency exposure of a net investment in a foreign operation. Hedge accounting generally provides for the matching of the timing of gain or loss recognition on the hedging instrument with the recognition of the changes in the fair value of the hedged asset or liability that are attributable to the hedged risk in a fair value hedge or the earnings effect of the hedged forecasted transactions in a cash flow hedge. The Company may enter into derivative contracts that are intended to economically hedge certain of its risk, even though hedge accounting does not apply or the Company elects not to apply hedge accounting.

The accounting for subsequent changes in the fair value of these derivatives depends on whether each has been designed and qualifies for hedge accounting treatment. If the Company elects not to apply hedge accounting treatment, any changes in the fair value of these derivative instruments is recognized immediately in gains (losses) on derivative instruments in the consolidated statement of operations. If the derivative is designated and qualifies for hedge accounting treatment, the change in the estimated fair value of the derivative is recorded in other comprehensive income (loss) to the extent that it is effective. Any ineffective portion of a derivative's change in fair value will be immediately recognized in earnings.

Investments in Real Estate and Fixed Assets

Investments in real estate and fixed assets are stated at cost less accumulated depreciation. Depreciation is provided principally on the straight-line method over the estimated useful lives of the assets, which are primarily 3 to 40 years. The cost of repairs and maintenance is charged to expense as incurred. Expenditures for property betterments and renewals are capitalized. Upon sale or other disposition of a depreciable asset, cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in other income (expense).

The Company periodically evaluates whether events and circumstances have occurred that may warrant revision of the estimated useful lives of fixed assets or whether the remaining balance of fixed assets should be evaluated for possible impairment. The Company uses an estimate of the related undiscounted cash flows over the remaining life of the fixed assets in measuring their recoverability.

Cash and Cash Equivalents

Cash and cash equivalents include interest-bearing and non-interest-bearing bank deposits, money market accounts, short-term certificates of deposit with original maturities of three months or less, and short-term instruments with a liquidation provision of one month or less.

Revenue Recognition

Interest is recognized as revenue on performing loans when earned according to the terms of the loans, using the effective interest method. We do not accrue interest income on loans once they are determined to be non-performing. A loan is non-performing when, based on current information and events, it is probable that we will be unable to collect all amounts due according to the contractual terms of the loan agreement or when the payment of interest is 90 days past due. Cash receipts will be allocated to interest income, except when such payments are specifically designated by the terms of the loan as principal reduction. Interest is fully allowed for on impaired loans and is recognized on a cash basis method. The receipt of previous loan or note receivable allowances or impairments are recognized as revenue.

All leases are accounted for as non-cancelable operating leases. We recognize rental revenue on a straight-line basis over the term of the lease. Rental income related to the leases is recognized on an accrual basis in accordance with the terms of the leases. Advanced receipts of rental income are deferred and classified as liabilities until earned.

Reclassifications

In conjunction with the adoption of new accounting standards, certain debt or loan issuance costs for the three months ended March 31, 2015 as well as certain amounts as of December 31, 2015, have been reclassified to conform to the current year's presentation.

Investments in Real Estate Loans

We may, from time to time, acquire or sell investments in real estate loans from or to our manager or other related parties pursuant to the terms of our Management Agreement without a premium. The primary purpose is to either free up capital to provide liquidity for various reasons, such as loan diversification, or place excess capital in investments to maximize the use of our capital. Selling or buying loans allows us to diversify our loan portfolio within these parameters. Due to the short-term nature of the loans we make and the similarity of interest rates in loans we normally would invest in, the fair value of a loan typically approximates its carrying value. Accordingly, discounts or premiums typically do not apply upon sales of loans and therefore, generally no gain or loss is recorded on these transactions, regardless of whether to a related or unrelated party.

Investments in real estate loans are secured by deeds of trust or mortgages. Generally, our real estate loans require interest only payments with a balloon payment of the principal at maturity. We have both the intent and ability to hold real estate loans until maturity and therefore, real estate loans are classified and accounted for as held for investment and are carried at amortized cost. Loans sold to or purchased from affiliates are accounted for at the principal balance and no gain or loss is recognized by us or any affiliate. Loan-to-value ratios are initially based on appraisals obtained at the time of loan origination and are updated when new appraisals are received or when management's assessment of the value has changed, to reflect subsequent changes in value estimates. Original appraisals are generally dated within 12 months of the date of loan origination and may be commissioned by the borrower.

The Company considers a loan to be impaired when, based upon current information and events, it believes it is probable that the Company will be unable to collect all amounts due according to the contractual terms of the loan agreement. The Company's impaired loans include troubled debt restructuring, and performing and non-performing loans in which full payment of principal or interest is not expected. The Company calculates an allowance required for impaired loans based on the present value of expected future cash flows discounted at the loan's effective interest rate, or at the loan's observable market price or the fair value of its collateral.

Loans that have been modified from their original terms are evaluated to determine if the loan meets the definition of a Troubled Debt Restructuring ("TDR") as defined by Accounting Standards Codification ("ASC") 310-40. When the Company modifies the terms of an existing loan that is considered a TDR, it is considered performing as long as it is in compliance with the modified terms of the loan agreement. If the modification calls for deferred interest, it is recorded as interest income as cash is collected.

Allowance for Loan Losses

We maintain an allowance for loan losses on our investments in real estate loans for estimated credit impairment. Our manager's estimate of losses is based on a number of factors including the types and dollar amounts of loans in the portfolio, adverse situations that may affect the borrower's ability to repay, prevailing economic conditions and the underlying collateral securing the loan. Additions to the allowance are provided through a charge to earnings and are based on an assessment of certain factors, which may indicate estimated losses on the loans. Actual losses on loans are recorded as a charge-off or a reduction to the allowance for loan losses. Generally, subsequent recoveries of amounts previously charged off are added back to the allowance and included as income.

Estimating allowances for loan losses requires significant judgment about the underlying collateral, including liquidation value, condition of the collateral, competency and cooperation of the related borrower and specific legal issues that affect loan collections or taking possession of the property. As a commercial real estate lender willing to invest in loans to borrowers who may not meet the credit standards of other financial institutional lenders, the default rate on our loans could be higher than those generally experienced in the real estate lending industry. We and our manager generally approve loans more quickly than other real estate lenders and, due to our expedited underwriting process; there is a risk that the credit inquiry we perform will not reveal all material facts pertaining to a borrower and the security.

Additional facts and circumstances may be discovered as we continue our efforts in the collection and foreclosure processes. This additional information often causes management to reassess its estimates. In recent years, we have revised estimates of our allowance for loan losses. Circumstances that have and may continue to cause significant changes in our estimated allowance include, but are not limited to:

- Declines in real estate market conditions, which can cause a decrease in expected market value;
- Discovery of undisclosed liens for community improvement bonds, easements and delinquent property taxes;
- Lack of progress on real estate developments after we advance funds. We customarily utilize disbursement agents to monitor the progress of real estate developments and approve loan advances. After further inspection of the related property, progress on construction occasionally does not substantiate an increase in value to support the related loan advances;
- Unanticipated legal or business issues that may arise subsequent to loan origination or upon the sale of foreclosed property; and

- Appraisals, which are only opinions of value at the time of the appraisal, may not accurately reflect the value of the property.

Discontinued Operations

We have reclassified for all periods presented in the accompanying consolidated statements of operations, the amounts related to discontinued operations and real estate held for sale, in accordance with the applicable accounting criteria. In addition, the assets and liabilities related to the discontinued operations are reported separately in the accompanying consolidated balance sheets as real estate held for sale, assets held for sale, and liabilities related to assets held for sale.

Real Estate Owned Held for Sale

Real estate held for sale ("REO") includes real estate acquired through foreclosure and will be carried at the lower of the recorded amount, inclusive of any senior indebtedness, or the property's estimated fair value, less estimated costs to sell, with fair value based on appraisals and knowledge of local market conditions. While pursuing foreclosure actions, we seek to identify potential purchasers of such property. We seek to sell properties acquired through foreclosure as quickly as circumstances permit, taking into account current economic conditions. The carrying values of REO are assessed on a regular basis from updated appraisals, comparable sales values or purchase offers.

Management classifies REO when the following criteria are met:

- Management commits to a plan to sell the properties;
- The property is available for immediate sale in its present condition subject only to terms that are usual and customary;
- An active program to locate a buyer and other actions required to complete a sale have been initiated;
- The sale of the property is probable;
- The property is being actively marketed for sale at a reasonable price; and
- Withdrawal or significant modification of the sale is not likely.

Classification of Operating Results from Real Estate Held for Sale

Generally, operating results and cash flows from long-lived assets held for sale are to be classified as discontinued operations as a separately stated component of net income. Our operations related to REO are separately identified in the accompanying consolidated statements of operations.

Secured Borrowings

Secured borrowings provide an additional source of capital for our lending activity. Secured borrowings allow us to increase the diversification of our loan portfolio and to invest in loans that we might not otherwise invest in. We do not receive any fees for entering into secured borrowing arrangements; however, we may receive revenue for any differential of the interest spread, if applicable. Loans in which unaffiliated investors have participated through inter-creditor agreements ("Inter-creditor Agreements") are accounted for as secured borrowings.

The Inter-creditor Agreements provide us additional funding sources for real estate loans whereby an unaffiliated investor (the "Investor") may participate on a non-pari-passu basis in certain real estate loans with us and/or VRM II (collectively, the "Lead Lenders"). In the event of borrower non-performance, the Inter-creditor Agreements generally provide that the Lead Lenders must repay the Investor's loan amount either by (i) continuing to remit to the Investor the interest due on the participated loan amount; (ii) substituting an alternative loan acceptable to the Investor; or (iii) repurchasing the participation from the Investor for the outstanding balance plus accrued interest.

Additionally, an Investor may participate in certain loans with the Lead Lenders through Participation Agreements. In the event of borrower non-performance, the Participation Agreement may allow the Investor to be repaid up to the amount of the Investor's investment prior to the Lead Lender being repaid. Real estate loan financing under the Participation Agreements are also accounted for as a secured borrowing. We do not receive any revenues for entering into secured borrowing arrangements.

Investment in Marketable Securities and Investment in Marketable Securities – Related Party

Investment in marketable securities and investment in marketable securities– related party consists of stock in VRM II and MVP REIT. The securities are stated at fair value as determined by the closing market price as of March 31, 2016 and December 31, 2015. All securities are classified as available-for-sale.

We are required to evaluate our available-for-sale investment for other-than-temporary impairment charges. We will determine when an investment is considered impaired (i.e., decline in fair value below its amortized cost), and evaluate whether the impairment is other-than-temporary (i.e., investment value will not be recovered over its remaining life). If the impairment is considered other-than-temporary, we will recognize an impairment loss equal to the difference between the investment's basis and its fair value.

According to the SEC Staff Accounting Bulletin, Topic 5: Miscellaneous Accounting, M - *Other Than Temporary Impairment of Certain Investments in Debt and Equity Securities*, there are numerous factors to be considered in such an evaluation and their relative significance will vary from case to case. The following are a few examples of the factors that, individually or in combination, indicate that a decline is other than temporary and that a write-down of the carrying value is required:

- The length of the time and the extent to which the market value has been less than cost;
- The financial condition and near-term prospects of the issuer, including any specific events which may influence the operations of the issuer such as changes in technology that may impair the earnings potential of the investment or the discontinuance of a segment of the business that may affect the future earnings potential; or
- The intent and ability of the holder to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in market value.

Basic and Diluted Earnings Per Common Share

Basic earnings per share ("EPS") is computed by dividing net income available to common stockholders by the weighted average number of common shares outstanding. Diluted EPS is similar to basic EPS except that the weighted average number of common shares outstanding is increased to include the number of additional common shares that would have been outstanding if the dilutive potential common shares had been exercised. We had no outstanding common share equivalents during the periods ended March 31, 2016 and December 31, 2015.

Common Stock Dividends

During June 2008, our Board of Directors decided to suspend the payment of dividends. Our Board of Directors will closely monitor our operating results in order to determine when dividends should be reinstated; however, we do not expect our Board or Directors to reinstate dividends in the foreseeable future.

Treasury Stock

On February 21, 2008, our Board of Directors authorized the repurchase of up to $5 million worth of our common stock. Depending upon market conditions, shares may be repurchased from time to time at prevailing market prices through open market or privately negotiated transactions. We are not obligated to purchase any shares. Subject to applicable securities laws, including SEC Rule 10b-18, repurchases may be made at such times and in such amounts, as our management deems appropriate. The repurchases will be funded from our available cash. Under the Maryland General Corporation Law, shares of its own stock acquired by a corporation constitute authorized but unissued shares.

Segments

We are currently authorized to operate two reportable segments, investments in real estate loans and investments in real property. As of March 31, 2016, the Company operates in both segments.

Our objective is to invest approximately 97% of our assets in real estate loans and real estate investments, while maintaining approximately 3% as a working capital cash reserve.

Advertising Costs

Advertising costs incurred in the normal course of operations are expensed as incurred. The Company had no advertising expense for the three months ended March 31, 2016 and 2015.

Principles of Consolidation

Our consolidated financial statements include the accounts of VRM I and VREO XXV, LLC, in which we have a controlling interest. All significant intercompany balances and transactions have been eliminated in consolidation.

Business Combinations

In December 2007, the Financial Accounting Standards Board (FASB) revised the authoritative guidance for business combinations, establishing principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired (including goodwill), the liabilities assumed, and any noncontrolling interest in the acquiree. Subsequently, on April 1, 2009, the FASB amended and clarified certain aspects of its authoritative guidance on initial recognition and measurement, subsequent measurement and accounting, and disclosure of assets and liabilities arising from contingencies in a business combination. We apply the FASB authoritative guidance to all business combinations for which the acquisition date is on or after January 1, 2009, and to certain future income tax effects related to our prior business combinations, should they arise.

Non-controlling Interests

The FASB issued authoritative guidance for non-controlling interests in December 2007, which establishes accounting and reporting standards for the non-controlling interest in a subsidiary and for the deconsolidation of a subsidiary. The guidance clarifies that a non-controlling interest in a subsidiary, which is sometimes referred to as an unconsolidated investment, is an ownership interest in the consolidated entity that should be reported as a component of equity in the consolidated financial statements. Among other requirements, the guidance requires consolidated net income to be reported at amounts attributable to both the parent and the non-controlling interest. It also requires disclosure, on the face of the consolidated income statement, of the amounts of consolidated net income attributable to the parent and to the non-controlling interest.

Income Taxes

The Company accounts for its income taxes under the assets and liabilities method, which requires recognition of deferred tax assets and liabilities for future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

The Company records net deferred tax assets to the extent the Company believes these assets will more likely than not be realized. In making such determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies and recent financial operations. A valuation allowance is established against deferred tax assets that do not meet the criteria for recognition. In the event the Company were to determine that it would be able to realize deferred income tax assets in the future in excess of their net recorded amount, they would make an adjustment to the valuation allowance which would reduce the provision for income taxes.

The Company follows the accounting guidance which provides that a tax benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. Income tax positions must meet a more-likely-than-not recognition threshold at the effective date to be recognized initially and in subsequent periods. Also included is guidance on measurement, derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

NOTE C — FINANCIAL INSTRUMENTS AND CONCENTRATIONS OF CREDIT RISK

Financial instruments consist of cash, interest and other receivables, notes receivable, accounts payable and accrued liabilities, due to/from related parties and notes payable. The carrying values of these instruments approximate their fair values due to their short-term nature. Marketable securities and marketable securities – related party and investment in real estate loans are further described in Note I – *Fair Value.*

Financial instruments with concentration of credit and market risk include cash, interest and other receivables, marketable securities and marketable securities-related party, notes receivable, accounts payable and accrued liabilities, due to/from related parties, notes payable, and loans secured by deeds of trust.

We maintain cash deposit accounts and certificates of deposit which, at times, may exceed federally-insured limits. To date, we have not experienced any losses. As of March 31, 2016 and December 31, 2015 we had approximately $0.7 and $1.0 million, respectively, in funds in excess of the federally-insured limits.

As of March 31, 2016, 67% of our loans were in Nevada, compared to 100% of our loans were in Nevada as of December 31, 2015.

As of March 31, 2016, three of our four loans were loans in which we participated with other lenders, most of whom are our affiliates. As of December 31, 2015, two of our three loans were loans in which we participated with other lenders, most of whom are our affiliates.

The success of a borrower's ability to repay its real estate loan obligation in a large lump-sum payment may be dependent upon the borrower's ability to refinance the obligation or otherwise raise a substantial amount of cash. With the weakened economy, credit continues to be difficult to obtain and as such, many of our borrowers who develop and sell commercial real estate projects have been unable to complete their projects, obtain takeout financing or have been otherwise adversely impacted. In addition, an increase in interest rates over the loan rate applicable at origination of the loan may have an adverse effect on our borrower's ability to refinance.

Common Guarantors

As of March 31, 2016 and December 31, 2015, two loans totaling approximately $1.4 and $2.0 million, respectively, representing approximately 54.1% and 86%, respectively of our portfolio's total value, have a common guarantor.

For additional information regarding the above loans, see Note D – *Investments In Real Estate Loans*.

NOTE D — INVESTMENTS IN REAL ESTATE LOANS

For the periods ended March 31, 2016 and December 31, 2015, all of our loans provided for interest only payments with a "balloon" payment of principal payable and any accrued interest payable in full at the end of the term.

In addition, we may invest in real estate loans that require borrowers to maintain interest reserves funded from the principal amount of the loan for a period of time. For the periods ended March 31, 2016 and December 31, 2015, we had two investments in real estate loans that had interest reserves.

Loan Portfolio

As of March 31, 2016, we had five available real estate loan products consisting of commercial, construction, acquisition and development, land and residential. The effective interest rates on all product categories ranged between 8.0% and 9.0% which includes performing loans that are being fully or partially accrued and will be payable at maturity. Revenue by product will fluctuate based upon relative balances during the period.

Investments in real estate loans as of March 31, 2016, were as follows:

Loan Type	Number of Loans	Balance *	Weighted Average Interest Rate	Portfolio Percentage	Current Weighted Average Loan-To-Value, Net of Allowance for Loan Losses
Commercial	2	$ 1,429,000	34.13%	54.13%	74.68%
Construction	1	335,000	8.00%	12.69%	5.55%
Acquisition and Development	1	876,000	23.53%	33.18%	12.42%
Total	4	$ 2,640,000	8.33%	100.00%	50.16%

Investments in real estate loans as of December 31, 2015, were as follows:

Loan Type	Number of Loans	Balance *	Weighted Average Interest Rate	Portfolio Percentage	Current Weighted Average Loan-To-Value, Net of Allowance for Loan Losses
Commercial	2	$ 1,980,000	47.27%	85.52%	67.50%
Construction	1	335,000	8.00%	14.48%	1.83%
Total	3	$ 2,315,000	8.00%	100.00%	59.29%

* Please see *Balance Sheet Reconciliation* below.

The "Weighted Average Interest Rate" as shown above is based on the contractual terms of the loans for the entire portfolio including non-performing loans. The weighted average interest rate on performing loans only, as of March 31, 2016 and December 31, 2015 was 8.33 % and 8.00%, respectively. Please see "Asset Quality and Loan Reserves" below for further information regarding performing and non-performing loans.

Loan-to-value ratios are generally based on the most recent appraisals and may not reflect subsequent changes in value and include allowances for loan losses. Recognition of allowance for loan losses will result in a maximum loan-to-value ratio of 100% per loan.

The following is a schedule of priority of real estate loans as of March 31, 2016 and December 31, 2015.

Loan Type	Number of Loans	March 31, 2016 Balance *	Portfolio Percentage	Number of Loans	December 31, 2015 Balance *	Portfolio Percentage
First deeds of trust	4	$ 2,640,000	100.00%	3	$ 2,315,000	100.00%
Second deeds of trust	--	--	--	--	--	--
Total	4	$ 2,640,000	100.00%	3	$ 2,315,000	100.00%

* Please see *Balance Sheet Reconciliation* below.

The following is a schedule of contractual maturities of investments in real estate loans as of March 31, 2016:

Non-performing	$ --
April 2016 – June 2016	--
July 2016 – September 2016	--
October 2016 – December 2016	--
January 2017 – March 2017	--
Thereafter	2,640,000
Total	$ 2,640,000

The following is a schedule by geographic location of investments in real estate loans as of March 31, 2016 and December 31, 2015:

	March 31, 2016 Balance *	Portfolio Percentage	December 31, 2015 Balance *	Portfolio Percentage
California	$ 876,000	33.14%	$ --	--
Nevada	1,765,000	66.86%	2,315,000	100.00%
Total	$ 2,640,000	100.00%	$ 2,315,000	100.00%

* Please see *Balance Sheet Reconciliation* below.

Balance Sheet Reconciliation

The following table reconciles the balance of the loan portfolio to the amount shown on the accompanying Consolidated Balance Sheets.

	March 31, 2016	December 31, 2015
Balance per loan portfolio	$ 2,640,000	$ 2,315,000
Less:		
Allowance for loan losses	--	--
Balance per consolidated balance sheets	$ 2,640,000	$ 2,315,000

Non-Performing Loans

For the periods ended March 31, 2016 and December 31, 2015, we had no loans considered non-performing (i.e., based on current information and events, it is probable that we will be unable to collect all amounts due according to the contractual terms of the loan agreement or when the payment of interest is 90 days past due).

Asset Quality and Loan Reserves

Losses may occur from investing in real estate loans. The amount of losses will vary as the loan portfolio is affected by changing economic conditions and the financial condition of borrowers.

The conclusion that a real estate loan is uncollectible or that collectability is doubtful is a matter of judgment. On a quarterly basis, our manager evaluates our real estate loan portfolio for impairment. The fact that a loan is temporarily past due does not necessarily mean that the loan is non-performing. Rather, all relevant circumstances are considered by our manager to determine impairment and the need for specific reserves. Such evaluation, which includes a review of all loans on which full collectability may not be reasonably assured, considers among other matters:

- Prevailing economic conditions;
- Historical experience;
- The nature and volume of the loan portfolio;
- The borrowers' financial condition and adverse situations that may affect the borrowers' ability to pay;
- Evaluation of industry trends; and
- Estimated net realizable value of any underlying collateral in relation to the loan amount.

Based upon this evaluation, a determination is made as to whether the allowance for loan losses is adequate to cover any potential losses on an individual loan basis; we do not have a general allowance for loan losses. Additions to the allowance for loan losses are made by charges to the provision for loan loss.

As of March 31, 2016 and December 31, 2015, our ratio of total allowance for loan losses to total loans with an allowance for loan loss is 0%.

Our manager evaluated our loans and, based on current estimates with respect to the value of the underlying collateral, believes that such collateral is sufficient to protect us against further losses of principal. However, such estimates could change or the value of the underlying real estate could decline. Our manager will continue to evaluate our loans in order to determine if any other allowance for loan losses should be recorded.

Specific Reserve Allowances

As of March 31, 2016 and December 31, 2015, we had no specific reserve allowance.

Extensions

Our manager generally grants extensions when a borrower is in compliance with the material terms of the loan, including, but not limited to the borrower's obligation to make interest payments on the loan. In addition, if circumstances warrant, our manager may extend a loan that is in default as part of a work out plan to collect interest and/or principal. As of March 31, 2016 and December 31, 2015, our manager has not granted extensions on any outstanding loans.

NOTE E — INVESTMENT IN EQUITY METHOD INVESTEE AND NOTE RECEIVABLE FROM MVP REALTY ADVISORS AND CAPITAL PARTNERS II

MVP Realty Advisors

As of March 31, 2016 and December 31, 2015, we owned a 40% interest in MVP Advisor, the advisor of MVP REIT and MVP REIT II, Inc.

As of March 31, 2016 we have made loans of approximately $4.5 million to MVP Advisor, the manager of MVP REIT. We believe MVP Advisor has the opportunity to generate fees for the services it will render to MVP REIT. We may not realize interest income from the loan to MVP Advisor until it is able to generate sufficient fees to service the interest on our loan. We have not forgiven the balance due from MVP Advisor; however the decision by MVP Advisor to forgive certain amounts creates uncertainty as to when we will be repaid the amounts loaned to MVP Advisor. Based on this uncertainty, we have determined to fully impair the balance of this investment and note receivable.

MVP Capital Partners II

As of March 31, 2016 and December 31, 2015, we owned a 40% interest in MVP CP II, the Sponsor of MVP REIT II, Inc.

As of March 31, 2016 we have made loans of approximately $1.3 million to MVP CP II. Similar to our investments in MVP Advisor in connection with MVP REIT, the return on our investment in MVP CP II in connection with MVP REIT II, including the ability of MVP CP II to repay its loans, will likely depend upon the success of the pending public offering of MVP REIT II and the ability of MVP CP II and MVP Advisor to successfully deploy the offering proceeds. As with our investment in MVP REIT, while we expect any such investments to ultimately generate a return through management fees payable by MVP REIT II to MVP CP II and MVP Advisor, no such fees will be generated unless and until MVP REIT II has raised sufficient proceeds to commence operations, and even then, the amount of fees may not be significant during the near term as MVP REIT II begins its operations. If MVP REIT II is unable to raise sufficient capital in its publicly registered offering or deploy the capital and operate its business successfully, then our return on our investment in MVP CP II and the ability of MVP CP II to repay our loans could be adversely impacted. Based on this uncertainty, we have determined to fully impair the balance of our approximately $1.3 loan to MVP CP II as of March 31, 2016.

NOTE F — INVESTMENT IN MARKETABLE SECURITIES – RELATED PARTY

As of March 31, 2016 and December 31, 2015, we owned 134,270 shares of VRM II's common stock, representing approximately 5.4% of the total outstanding shares. The closing price of VRM II's common stock on March 31, 2016, was $1.48 per share.

During the three months ended March 31, 2016, the trading price for VRM II's common stock ranged from $0.96 to $2.32 per share. At December 31, 2015, our manager evaluated the near-term prospects of VRM II in relation to the severity and duration of the unrealized loss. Based on that evaluation and current market conditions, we determined there was an other-than-temporary impairment on our investment in VRM II as of December 31, 2015. We realized a loss on our investment to its fair value of $2.46 and $4.04 per share as of December 31, 2015, totaling approximately $0.3 million and recognizing an impairment of approximately $0.2 million.

As of March 31, 2016 and December 31, 2015, we owned 72,347 and 71,112 shares of common stock, respectively, of MVP REIT. The shares are recorded on our balance sheet valued at $612,000 and $620,000, respectively. Such amount was determined based upon the offer price for such shares in MVP REIT's initial public offering. During the three months ended March 31, 2016 we received 1.235 shares through MVP REIT's distribution reinvestment program which resulted in distribution income of approximately $11,000.

NOTE G — RELATED PARTY TRANSACTIONS

From time to time, we may acquire or sell investments in real estate loans from/to our manager or other related parties. Pursuant to the terms of our Management Agreement, such acquisitions and sales are made without any mark up or mark down. No gain or loss is recorded on these transactions, as it is not our intent to make a profit on the purchase or sale of such investments. The purpose is generally to diversify our portfolio by syndicating loans and real estate investments, thereby providing us with additional capital to make additional loans and investments in real estate.

Transactions with the Manager

Our manager is entitled to receive from us an annual management fee of up to 0.25% of our aggregate capital contributions received by us and Fund I from the sale of shares or membership units, paid monthly. The amount of management fees earned by our manager for the three months ended March 31, 2016 and 2015 was $68,000 and $69,000, respectively.

As of March 31, 2016 and December 31, 2015, our manager owned 25,000 of our common shares, representing approximately 1.9% of our total outstanding common stock. For the three months ended March 31, 2016 and 2015, we declared no dividends payable to our manager.

Accounting services

During the three months ended March 31, 2016 and 2015, Strategix Solutions, an entity previously owned by Ms. Gress, the Company's Chief Financial Officer, earned fees of approximately $21,000 and $27,000, respectively, for accounting services.

Transactions with Other Related Parties

As of March 31, 2016 and December 31, 2015, we owned 134,270 common shares of VRM II, representing approximately 5.4% of their total outstanding common stock. For the three months ended March 31, 2016 and 2015 we recognized no dividend income from VRM II.

As of March 31, 2016 and December 31, 2015, VRM II owned 134,545 of our common shares, approximately 10.33% of our total outstanding common stock. For the three months ended March 31, 2016 and 2015, we declared no dividends payable to VRM II.

As of March 31, 2016 and December 31, 2015 we owned 72,347 and 71,112, respectively, of MVP REIT common stock. During the year ended December 31, 2015 we received 4,733 MVP REIT common shares through MVP REIT's distribution reinvestment program. For the three months ended March 31, 2016 and 2015 we recognized $11,000 and $10,000, respectively, in dividend income.

As of March 31, 2016 and December 31, 2015, we owned a 40% interest in MVP Advisor, the advisor of MVP REIT and MVP REIT II, Inc.

As of March 31, 2016 we have made loans of approximately $4.5 million to MVP Advisor, the manager of MVP REIT. We believe MVP Advisor has the opportunity to generate fees for the services it will render to MVP REIT. However, such fees may not be significant in the near term as MVP REIT only recently commenced operations in December 2012, and over the next 12 months, there may be a diminution of our liquid assets. If MVP REIT is unable to deploy the capital and operate its business successfully, then our return on our investment in MVP Advisor and the ability of MVP Advisor to repay our loans could be adversely impacted. We have not forgiven the balance due from MVP Advisor; however the decision by MVP Advisor to forgive certain amounts creates additional uncertainty as to when we will be repaid the amounts loaned to MVP Advisor. Based on these uncertainties, we have determined to fully impair the balance of this investment and note receivable.

As of March 31, 2016 we have made loans of approximately $0.6 million to MVP CP II, the advisor to MVP REIT II. Based on uncertainties regarding repayment, during the year ended December 31, 2015, we have determined to fully impair the entire balance of this loan. See Note F above for more information.

During the three months ended March 31, 2016, we sold approximately $0.2 million of our DST investment to VRM II.

NOTE H — NOTES PAYABLE

During July 2014, VREO XXV issued a promissory note to Mohave State Bank for $2.3 million. This note bears an annual interest rate of 5.0%, is secured by property and is payable in monthly principal and interest payments of approximately $13,000, with a lump sum payment of approximately $2.0 million due at maturity in July of 2019.

In April 2015, we financed a 12-month insurance policy for Directors and Officers liability, with an annual interest rate of 2.9%. The agreement required a down payment of approximately $30,000 and nine monthly payments of approximately $19,000 beginning on May 27, 2015. As of March 31, 2016, the loan was paid in full.

Interest expense for the three months ended March 31, 2016 amounted to approximately $31,000. Total loan amortization cost for the three months ended March 31, 2016 and 2015 is $4,000.

As of December 31, 2015, future principal payments on the notes payable are as follows:

2016	$	38,000
2017		53,000
2018		56,000
2019		2,036,000
2020		--
Thereafter		--
Total	$	2,183,000

NOTE I — FAIR VALUE

As of March 31, 2016 and December 31, 2015, financial assets and liabilities utilizing Level 1 inputs included investment in marketable securities and marketable securities - related party. We had no assets or liabilities utilizing Level 2 inputs, and assets and liabilities utilizing Level 3 inputs included investments in real estate loans and investments in equity method investees held for sale.

To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, our degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an asset or liability will be classified in its entirety based on the lowest level of input that is significant to the measurement of fair value.

Fair value is a market-based measure considered from the perspective of a market participant who holds the asset or owes the liability rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, our own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. We use prices and inputs

that are current as of the measurement date, including during periods of market dislocation, such as the recent illiquidity in the auction rate securities market. In periods of market dislocation, the observability of prices and inputs may be reduced for many instruments. This condition may cause our financial instruments to be reclassified from Level 1 to Level 2 or Level 3 and/or vice versa.

Our valuation techniques will be consistent with at least one of the three possible approaches: the market approach, income approach and/or cost approach. Our Level 1 inputs are based on the market approach and consist primarily of quoted prices for identical items on active securities exchanges. Our Level 2 inputs are primarily based on the market approach of quoted prices in active markets or current transactions in inactive markets for the same or similar collateral that do not require significant adjustment based on unobservable inputs. Our Level 3 inputs are primarily based on the income and cost approaches, specifically, discounted cash flow analyses, which utilize significant inputs based on our estimates and assumptions.

The following tables present the valuation of our financial assets as of March 31, 2016 and December 31, 2015, measured at fair value on a recurring basis by input levels:

	Fair Value Measurements at Reporting Date Using				
	Quoted Prices in Active Markets For Identical Assets (Level 1)	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Balance at 03/31/16**	**Carrying Value on Balance Sheet at 03/31/16**
Assets					
Investment in equity method investee held for sale	$ --	$ --	$ 2,084,000	$ 2,084,000	$ 2,084,000
Investment in marketable securities - related party	$ 835,000	$ --	$ --	$ 835,000	$ 835,000
Investment in real estate loans	$ --	$ --	$ 2,636,000	$ 2,636,000	$ 2,641,000

	Fair Value Measurements at Reporting Date Using				
	Quoted Prices in Active Markets For Identical Assets (Level 1)	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Balance at 12/31/15**	**Carrying Value on Balance Sheet at 12/31/15**
Assets					
Investment in equity method investee held for sale	$ --	$ --	$ 4,281,000	$ 4,281,000	$ 4,281,000
Investment in marketable securities - related party	$ 956,000	$ --	$ --	$ 956,000	$ 956,000
Investment in real estate loans	$ --	$ --	$ 2,301,000	$ 2,301,000	$ 2,315,000

The following table presents the changes in our financial assets and liabilities that are measured at fair value on a recurring basis using significant unobservable inputs (Level 3) from January 1, 2016 to March 31, 2016. There were no liabilities measured at fair value on a recurring basis using significant unobservable inputs as of January 1, 2016 to March 31, 2016.

	Investment in real estate loans
Balance on January 1, 2016	$ 2,301,000
Purchase and additions of assets	
New mortgage loans and mortgage loans bought	1,441,000
Sales, pay downs and reduction of assets	
Sale of assets to affiliate	(1,115,000)
Temporary change in estimated fair value based on future cash flows	9,000
Balance on March 31, 2016, net of temporary valuation adjustment	$ 2,636,000

	Investment in equity method investee – held for sale

Balance on January 1, 2016	$	4,281,000
Sale of investments in equity method investee - held for sale		(2,213,000)
Gain from investment in equity method investee held for sale		16,000
Balance on March 31, 2016, net of temporary valuation adjustment	$	2,084,000

The following table presents the changes in our financial assets and liabilities that are measured at fair value on a recurring basis using significant unobservable inputs (Level 3) from January 1, 2015 to December 31, 2015. There were no liabilities measured at fair value on a recurring basis using significant unobservable inputs as of January 1, 2015 to December 31, 2015.

		Investment in real estate loans
Balance on January 1, 2015	$	7,063,000
Purchase and additions of assets		
New mortgage loans and mortgage loans bought		5,185,000
Sales, pay downs and reduction of assets		
Collections of principal and sales of investment in real estate loans		(4,708,000)
Sale of assets to affiliate		(200,000)
Sale of assets to third parties		(5,025,000
Temporary change in estimated fair value based on future cash flows		(14,000)
Balance on December 31, 2015, net of temporary valuation adjustment	$	2,301,000

		Investment in equity method investee – held for sale
Balance on January 1, 2015	$	6,932,000
Distributions from investment in equity method investee held for sale		(82,000)
Loss from investment in equity method investee held for sale		(2,569,000)
Balance on December 31, 2015, net of temporary valuation adjustment	$	4,281,000

NOTE J — SEGMENT INFORMATION

Company management reviews financial and operating performance in the following separate operating segments: (1) investment in real estate loans and (2) investments in real property. Selling, general and administrative expenses, primarily consisting of compensation of employees, seminar expense, professional fees and overhead costs not directly related to a specific operating segment, are reflected in the table below as corporate activities.

The following are certain financial data for the Company's operating segments for the periods:

	For The three months Ended March 31,	
	2016	**2015**
Revenues		
Investment in real estate loans	$ 86,000	$ 133,000
Investment in real property	190,000	183,000
Total revenues	$ 276,000	$ 316,000
Operating expenses		
Investment in real estate loans	$ 68,000	$ 69,000
Investment in real property	88,000	78,000
Corporate activities	786,000	939,000
Total expenses	$ 942,000	$ 1,086,000

Total Assets	**March 31, 2016**	**December 31, 2015**
Investment in real estate loans	$ 3,718,000	$ 2,344,000

Investment in real property	6,045,000	8,273,000
Corporate assets	2,314,000	2,421,000
Total assets	$ 12,077,000	$ 13,038,000

NOTE K — RECENT ACCOUNTING PRONOUNCEMENTS

In February 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2015-02, Consolidation (Topic 810): Amendments to the Consolidation Analysis, which provides guidance on the consolidation evaluation for reporting organizations that are required to evaluate whether they should consolidate certain legal entities. In accordance with the guidance, all legal entities are subject to reevaluation under the revised consolidation model. The guidance is effective in the first quarter of 2016, and early adoption is permitted. We are currently evaluating the potential impact of the adoption of ASU 2015-02 on our consolidated financial statements.

On April 17, 2015, the FASB issued ASU No. 2015-03, *Simplifying the Presentation of Debt Issuance Costs*, which requires debt issuance costs to be presented in the balance sheet as a direct deduction from the associated debt liability. Currently, debt issuance costs are recorded as an asset and amortization of these deferred financing costs is recorded in interest expense. Under the new standard, debt issuance costs will continue to be amortized over the life of the debt instrument and amortization will continue to be recorded in interest expense. The new standard is effective for the Company on January 1, 2016 and will be applied on a retrospective basis. The Company is currently evaluating ASU 2015-03, and anticipates a change in our presentation only since the standard does not alter the accounting for debt issuance costs.

NOTE L — LEGAL MATTERS INVOLVING THE MANAGER

The United States Securities and Exchange Commission (the "Commission"), conducted an investigation of certain matters related to us, our manager, Vestin Capital, VRM II, and Fund III. We fully cooperated during the course of the investigation. On September 27, 2006, the investigation was resolved through the entry of an Administrative Order by the Commission (the "Order"). Our manager, Vestin Mortgage and its Chief Executive Officer, Michael Shustek, as well as Vestin Capital (collectively, the "Respondents"), consented to the entry of the Order without admitting or denying the findings therein.

In the Order, the Commission found that the Respondents violated Sections 17(a)(2) and 17(a)(3) of the Securities Act of 1933 through the use of certain slide presentations in connection with the sale of units in Fund III and in our predecessor, Vestin Fund II, LLC. The Respondents consented to the entry of a cease and desist order, the payment by Mr. Shustek of a fine of $100,000 and Mr. Shustek's suspension from association with any broker or dealer for a period of six months, which expired in March 2007. In addition, the Respondents agreed to implement certain undertakings with respect to future sales of securities. We are not a party to the Order.

Other than the matters described in Note M – *Legal Matters Involving The Company* below, our manager believes that it is not a party to any pending legal or arbitration proceedings that would have a material adverse effect on our manager's financial condition or results of operations or cash flows, although it is possible that the outcome of any such proceedings could have a material impact on the manager's net income in any particular period.

NOTE M — LEGAL MATTERS INVOLVING THE COMPANY

On February 7, 2012, we, VRM II and Fund III entered into a Deed in Lieu Agreement with a borrower in lieu of the foreclosure of our subordinated secured loan which had matured on December 31, 2011, with a principal balance, net of allowance for loan loss, of approximately $9.9 million, of which our portion was approximately $0.1 million. Pursuant to the Deed in Lieu Agreement, our subsidiary 1701 Commerce, LLC ("1701 Commerce") received a deed to the secured property operated as the Sheraton Hotel and Spa Fort Worth, Texas (the "Hotel"). On March 26, 2012, 1701 Commerce filed for Chapter 11 bankruptcy protection in the United States Bankruptcy Court for the Northern District of Texas, Ft. Worth Division, to seek relief from a pending foreclosure of the Hotel by the senior mortgage lien holder and to preserve and protect 1701 Commerce's equity and the interests of other Hotel creditors. Due to the uncertainty and disputes involving the Hotel, we recorded this investment as Other Real Estate Owned on our balance sheet until August 23, 2012. On July 17, 2013, the Hotel was sold to a third party for the sum of $49.3 million. The net proceeds of the sale and the cash on hand as of the date of the sale were used to pay all 1701 Commerce creditors 100% of their claim plus interest, with the balance distributed to us and our two partners, VRM II and Fund III. On February 4, 2015, the court entered its final decree closing the case.

We hold an interest of approximately 8%, VRM II holds an interest of approximately 90% and Fund III holds an interest of approximately 2% in 1701 Commerce.

In addition to the matters described above, we are involved in a number of other legal proceedings concerning matters arising in the ordinary course of our business activities. We believe we have meritorious defenses to each of these actions and intend to defend them

vigorously. Other than the matters described above, we believe that we are not a party to any pending legal or arbitration proceedings that would have a material adverse effect on our financial condition or results of operations or cash flows, although it is possible that the outcome of any such proceedings could have a material impact on our operations in any particular period.

NOTE N — SUBSEQUENT EVENTS

The following subsequent events have been evaluated through the date of this filing with the SEC.

On April 5, 2016, we closed on the sale of our interest in two office buildings that we owned with VRM II through various subsidiaries. The first building was owned by Wolfpack Properties, LLC and is located at 8860 West Sunset Road, Las Vegas, Nevada (the "8860 Building"). The second building was owned by Devonshire, LLC and is located at 8925 West Post Road, Las Vegas, Nevada (the "8925 Building").

The sales price for the 8860 Building is $5.5 million and the sales price for the 8925 Building is $5.4 million less the combined current debt on the properties, which was assumed by the purchaser for a net of approximately $7.6 million of which our share was approximately $2.1 million.

We and VRM II, through its subsidiaries, have the right, for a period of one year from the Closing Date, to repurchase one or more of the buildings at a price equal to (i) the sales price for each building, plus (ii) $30,000 for the 8860 Building and $30,000 for the 8925 Building, plus (iii) twelve percent less any profit realized by the purchaser of the building being repurchased. Stable Development, LLC, a limited liability company is the manager of and owns a 15% interest in each of the purchasers. Due to this repurchase right, we have recorded the gain on sale as deferred revenue, to be recognized when the repurchase right is exercised or expires. Lance Bradford, the former President of MVP REIT is the owner of Stable Development, LLC.

Information contained in a Financial Report is considered current until the due date for the subsequent Financial Report. To remain in the OTC Pink Current Information tier, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of its fiscal quarter-end date.

6) Describe the Issuer's Business, Products and Services

Describe the issuer's business so a potential investor can clearly understand the company. In answering this item, please include the following:

A. a description of the issuer's business operations;

The Company invests in loans secured by commercial real estate and also invests in, acquires, manages or sells commercial real property and may acquire entities involved in the ownership or management of commercial real property.

B. Date and State (or Jurisdiction) of Incorporation:

May 24, 2005
Maryland

C. the issuer's primary and secondary SIC Codes;

Primary 6798

D. the issuer's fiscal year end date;

December 31,

E. principal products or services, and their markets;

See A. above. Throughout the United States, but primarily the western region.

7) Describe the Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

N/A

8) Officers, Directors, and Control Persons

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant shareholders.

A. Names of Officers, Directors, and Control Persons. In responding to this item, please provide the names of each of the issuer's executive officers, directors, general partners and control persons (control persons are beneficial owners of more than five percent (5%) of any class of the issuer's equity securities), as of the date of this information statement.

Michael Shustek – CEO, President and Sole Director
Tracee Gress – CFO

B. Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

   No

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

   No

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

   No

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred suspended or otherwise limited such person's involvement in any type of business or securities activities.

   No

C. Beneficial Shareholders. Provide a list of the name, address and shareholdings or the percentage of shares owned by all persons beneficially owning more than ten percent (10%) of any class of the issuer's equity securities. If any of the beneficial shareholders are corporate shareholders, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders.

Michael Shustek	11.2%	154,680
Vestin Realty Mortgage II, Inc.	9.7%	134,545
Zhergxu, He	9.2%	126,579

9) Third Party Providers

Please provide the name, address, telephone number, and email address of each of the following outside providers that advise your company on matters relating to operations, business development and disclosure:

Legal Counsel
Name: Hillel Cohn
Firm: Morrison Forester
Address 1: 707 Wilshire Blvd
Address 2: Los Angeles, CA 90017
Phone: 213-892-5251
Email: hcohn@mofo.com

Accountant or Auditor
Name: Mei Siu
Firm: RBSM LLP
Address 1: 805 Third Avenue 14th Floor, Suite 1430
Address 2: New York, NY 10022
Phone: 917-229-4650
Email: msiu@rbsmllp.com

Investor Relations Consultant
Name: N/A
Firm:
Address 1:
Address 2:
Phone:
Email:

Other Advisor: Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement.
Name: Vestin Mortgage, LLC
Firm:
Address 1: 8880 W. Sunset Road, Suite 200
Address 2: Las Vegas, NV 89148
Phone: 702-227-0965
Email: mike@vestinmortgage.com

10) Issuer Certification

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles, but having the same responsibilities).

The certifications shall follow the format below:

I, Michael Shustek certify that:

1. I have reviewed this annual financial statement of Vestin Realty Mortgage I, Inc.;

2. Based on my knowledge, this disclosure statement 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 disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

May 20, 2016

/s/ Michael Shustek

CEO