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 II, 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@vestinmortgage.com
Website(s): www.vestinrealtymortgage2.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.vestinrealtymortgage2.com

3) Security Information

Trading Symbol: VRTBD
Exact title and class of securities outstanding: Common Stock
CUSIP: 92549X409
Par or Stated Value: 0.0001
Total shares authorized: 100,000,000 as of: March 31, 2017
Total shares outstanding: 1,740 as of: March 31, 2017

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:

On September 15, 2016, the Company filed a Schedule 13E-3 and related preliminary proxy statement with the Securities and Exchange Commission (the "SEC") in connection with a proposed transaction that was intended to result in the voluntary delisting of the Company's common stock from NASDAQ and the voluntary deregistration from the Company's public reporting obligations under the Securities and Exchange Act of 1934 (the "Exchange Act"). The proposed transaction, was approved by the stockholders on March 9, 2017. The foregoing is expected to permit the Company to forego many of the expenses associated with operating as a public reporting company, including the costs of preparing and filing periodic reports with the SEC, related accounting and legal fees and costs, and the ongoing expenses for compliance with the Sarbanes-Oxley Act of 2002 and other SEC requirements.

The suspension of reporting obligations was accomplished by a reverse 1:1,000 stock split of the Company's common stock. All stockholders owning fewer than 1,000 shares prior to the reverse stock split are being cashed out by the Company and will no longer be stockholders of the Company. The cash out price was $2.70 per share, which is the average per-share closing price of the Company's common stock on NASDAQ for the ten consecutive trading days ending on the last trading day prior to September 15, 2016, or the date of the first public disclosure of the reverse stock split proposal in the form of the initial filing of the preliminary proxy statement with the SEC (the "Cash-Out Price"). With the reverse split, the Company has fewer than 300 stockholders of record and as such on March 30, 2017 the Company delisted from NASDAQ by filing a Form 25 and suspended its reporting obligations under the Exchange Act by filing a Form 15 with the SEC. The Company's common stock is no longer listed on NASDAQ and the Company has been relieved of its requirements to file periodic reports with the SEC, including annual reports on Form 10-K and quarterly reports on Form 10-Q. The Company's common stock is quoted on the Pink Sheets, a centralized electronic quotation service for over-the-counter securities.

The Company amended the Company's Certificate of Incorporation to effect the reverse stock split at its annual meeting of stockholders.

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

5) Financial Statements

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VESTIN REALTY MORTGAGE II, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

ASSETS

	March 31, 2017	December 31, 2016
Assets		
Cash and cash equivalents	$ 2,120,000	$ 4,264,000
Prepaid expenses	327,000	254,000
Prepaid expense – related party	--	--
Investment in marketable securities - related party	357,000	417,000
Interest and other receivables	62,000	200,000
Investment in MVP REIT II	328,000	327,000
Investments in Delaware Statutory Trusts	1,478,000	2,301,000
Notes receivable, net of allowance of $1,086,000 at March 31, 2017 and December 31, 2016	--	--
Investment in real estate loans, net of allowance for loan losses of $2,450,000 at March 31, 2017 and December 31, 2016	5,365,000	5,990,000
Fixed assets, net of accumulated depreciation of $6,000 at March 31, 2017 and December 31, 2016	17,000	17,000
Due from related parties	2,268,000	519,000
Deposits	1,450,000	--
Total assets	$ 13,772,000	$ 14,289,000

LIABILITIES AND EQUITY

	March 31, 2017	December 31, 2016
Liabilities		
Accounts payable and accrued liabilities	$ 264,000	$ 295,000
Note payable	--	21,000
Due to related parties	8,553,000	8,329,000
Deferred gain on sale of assets held for sale	620,000	620,000
Total liabilities	9,437,000	9,265,000
Commitments and contingencies		
Equity		
Vestin Realty Mortgage II, Inc. stockholders' equity:		
Treasury stock, at cost, 0 shares at March 31, 2017 and December 31, 2016	--	--
Common stock, $0.0001 par value; 100,000,000 shares authorized; 1,740 and 1,749 shares issued and outstanding at March 31, 2017 and December 31, 2016	--	--
Additional paid-in capital	265,645,000	266,229,000
Accumulated deficit	(258,324,000)	(258,280,000)
Accumulated other comprehensive income	219,000	280,000
Total Vestin Realty Mortgage II, Inc. stockholders' equity	7,540,000	8,229,000
Non-controlling interest	(3,205,000)	(3,205,000)
Total equity	4,335,000	5,024,000
Total liabilities and equity	$ 13,772,000	$ 14,289,000

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

VESTIN REALTY MORTGAGE II, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	For The Three Months Ended March 31, 2017	2016
Revenues		
Interest income from investment in real estate loans	$ 161,000	$ 230,000
Gain related to pay off of notes receivable, including recovery of allowance for notes receivable	--	13,000
Acquisition fee income	1,448,000	938,000
Advisor fee	546,000	235,000
Total revenues	2,155,000	1,416,000
Operating expenses		
Management fees - related party	274,000	274,000
Wages and benefits	671,000	570,000
Depreciation	1,000	1,000
Professional fees	150,000	257,000
Seminars	57,000	316,000
Consulting fees	39,000	52,000
Insurance	64,000	64,000
Commissions	359,000	904,000
Travel	7,000	9,000
Other	301,000	980,000
Total operating expenses	1,923,000	3,427,000
Income (loss) from operations	232,000	(2,011,000)
Non-operating income		
Other income	2,000	2,000
Recovery from settlement with loan guarantor	--	149,000
Dividend income	1,000	1,000
Settlement expense	(229,000)	--
Total other non-operating income (loss)	(226,000)	152,000
Provision for income taxes	--	--
Income (loss) from continuing operations	6,000	(1,859,000)
Discontinued operations, net of income taxes		
Expenses related to real estate owned held for sale	(50,000)	(37,000)
Income (loss) from assets held for sale, net of income taxes	--	56,000
Total income (loss) from discontinued operations	(50,000)	19,000
Net loss	(44,000)	(1,840,000)
Net loss attributable to non-controlling interest – related party	--	(555,000)
Net loss attributable to Vestin Realty Mortgage II, Inc. common stockholders	$ (44,000)	$ (1,285,000)
Basic and diluted income (loss) per weighted average common share		
Income (loss) from continuing operations attributable to Vestin Realty Mortgage II, Inc. common stockholders	$ 3.45	$ (754.47)
Income (loss) from discontinued operations	(28.69)	7.72
Net loss attributable to Vestin Realty Mortgage II, Inc. common stockholders - basic and diluted loss per weighted average common share	$ (25.24)	$ (746.75)
Weighted average common shares outstanding, basic and diluted	1,743	2,464

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

VESTIN REALTY MORTGAGE II, INC.
CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE LOSS

	For The Three Months Ended March 31, 2017	2016
Net loss	$ (44,000)	$ (1,840,000)
Unrealized holding gain on available-for-sale securities – related party	(61,000)	233,000
Comprehensive loss	(105,000)	(1,607,000)
Less: net loss attributable to noncontrolling interest	--	(555,000)
Comprehensive loss attributable to Vestin Realty Mortgage II, Inc.	$ (105,000)	$ (1,052,000)

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

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

	For the Three Months Ended March 31, 2017	2016
Cash flows from operating activities:		
Net loss	$ (44,000)	$ (1,840,000)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	1,000	1,000
Recovery of allowance for doubtful notes receivable	--	(13,000)
Distribution from MVP REIT	(1,000)	--
Change in operating assets and liabilities:		
Interest and other receivables	138,000	(175,000)
Assets held for sale, net of liabilities	--	(109,000)
Due to/from related parties, net	(1,525,000)	645,000
Prepaid expenses – related party	(73,000)	18,000
Accounts receivable	--	(315,000)
Accounts payable and accrued liabilities	(33,000)	(23,000)
Net cash provided by (used in) operating activities	(1,537,000)	1,811,000
Cash flows from investing activities:		
Investments in real estate loans	(1,753,000)	(1,785,000)
Proceeds from loan payoffs	913,000	1,000
Sale of investments in real estate loans to third parties	1,465,000	740,000
Investment in Delaware Statutory Trust	--	(1,478,000)
Payment on Delaware Statutory Trust	823,000	--
Proceeds from notes receivable	--	13,000
Proceeds related to real estate held for sale	--	8,025,000
Proceeds from distribution income – related party	--	(1,000)
Deposit on future sale	(1,450,000)	--
Asset purchase – assets held for sale	--	(172,000)
Net cash provided by (used in) investing activities	(2,000)	5,343,000
Cash flows from financing activities:		
Principal payments on notes payable	(21,000)	--
Fractional share purchase due to reverse split	(584,000)	--
Purchase of treasury stock	--	(25,000)
Distribution to noncontrolling interest entity held for sale	--	(2,176,000)
Payments on note payable on assets held for sale	--	(92,000)
Net cash used in financing activities	$ (605,000)	$ (2,293,000)
NET CHANGE IN CASH	(2,144,000)	1,239,000
Cash, beginning of period	4,264,000	4,228,000
Cash, end of period	$ 2,120,000	$ 5,467,000
Supplemental disclosures of cash flows information:		
Interest paid	$	
Non-cash investing and financing activities:		
Unrealized gain (loss) on marketable securities - related party	$ (61,000)	$ 233,000

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

NOTE A — ORGANIZATION

Vestin Realty Mortgage II, Inc. ("VRM II", the "Company", "we", "us" or "our"), formerly Vestin Fund II, LLC ("Fund II"), 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 ("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 June 2001. References in this report to the "Company," "we," "us," or "our" refer to Fund II with respect to the period prior to April 1, 2006 and to VRM II with respect to the period commencing on April 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.

Michael Shustek wholly owns 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 loans.

Vestin Mortgage is also the manager of Vestin Realty Mortgage I, Inc. ("VRM I"), as the successor by merger to Vestin Fund I, LLC ("Fund I"). VRM I has investment objectives similar to ours.

In April 2009, we entered into an accounting services agreement with Strategix Solutions, LLC ("Strategix Solutions"), a Nevada limited liability company from which our former CFO and other members of our accounting staff were employed. As of March 1, 2016, our CFO and certain members of our accounting staff were no longer employed by Strategix Solutions and became employed by MVP Realty Advisors. On June 1, 2016, Tracee Gress resigned as the Chief Financial Officer of the Company which resignation became effective as of June 14, 2016. Also on June 1, 2016, the Board of Directors of the Company appointed Edwin H. Bentzen IV as the new Chief Financial Officer of the Company effective as of June 14, 2016. Mr. Bentzen and the accounting staff also provide accounting and financial reporting services to MVP REIT, Inc. ("MVP REIT"), MVP REIT II, Inc. ("MVP REIT II") and VRM I.

In December 2013, we entered into a membership interest transfer agreement with MVP Capital Partners, LLC ("MVP Capital") pursuant to which we increased our ownership interest from 40% to 60% in MVP Realty Advisors, LLC ("MVP Advisors"), the advisor of MVP REIT. At the same time, VRM I acquired from MVP Capital the remaining 40% interest in MVP Advisors. We and VRM I have agreed to fund certain costs and expenses of MVP REIT through MVP Advisors in proportion to our respective ownership interest.

During May 2015, our Board of Directors and the Board of Directors of VRM I agreed to form MVP CP II. We own 60% and VRM I owns 40%. The purpose of MVP CP II is to act as the sponsor of MVP REIT II, a Maryland corporation, which was formed as a publicly registered non traded REIT ("MVP REIT II"). MVP REIT II's registrations statement for its initial public offering has been declared effective by the Securities and Exchange Commission 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 I 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.

Through our interest in MVP Advisor and MVP CP II, we have directed, and continue to direct, a portion of our cash towards development of the businesses of MVP REIT and MVP REIT II.

Reverse Stock Split

On September 15, 2016, the Company filed a Schedule 13E-3 and related preliminary proxy statement with the Securities and Exchange Commission (the "SEC") in connection with a proposed transaction that was intended to result in the voluntary delisting of the Company's common stock from NASDAQ and the voluntary deregistration from the Company's public reporting obligations under the Securities and Exchange Act of 1934 (the "Exchange Act"). The proposed transaction, was approved by the stockholders on March 9, 2017. The foregoing is expected to permit the Company to forego many of the expenses associated with operating as a public reporting company, including the costs of preparing and filing periodic reports with the SEC, related accounting and legal fees and costs, and the ongoing expenses for compliance with the Sarbanes-Oxley Act of 2002 and other SEC requirements.

The suspension of reporting obligations was accomplished by a reverse 1:1,000 stock split of the Company's common stock. All stockholders owning fewer than 1,000 shares prior to the reverse stock split are being cashed out by the Company and will no longer be stockholders of the Company. The cash out price was $2.70 per share, which is the average per-share closing price of the Company's common stock on NASDAQ for the ten consecutive trading days ending on the last trading day prior to September 15, 2016, or the date of the first public disclosure of the reverse stock split proposal in the form of the initial filing of the preliminary proxy statement with the SEC (the "Cash-Out Price"). With the reverse split, the Company has fewer than 300 stockholders of record and as such on March 30, 2017 the Company delisted from NASDAQ by filing a Form 25 and suspended its reporting obligations under the Exchange Act by filing a Form 15 with the SEC. The Company's common stock is no longer listed on NASDAQ and the Company has been relieved of its requirements to file periodic reports with the SEC, including annual reports on Form 10-K and quarterly reports on Form 10-Q. The Company's common stock is quoted on the Pink Sheets, a centralized electronic quotation service for over-the-counter securities.

The Company amended the Company's Certificate of Incorporation to effect the reverse stock split at its annual meeting of stockholders.

NOTE B — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The consolidated financial statements of the Company are prepared on the accrual basis of accounting in accordance with 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.

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.

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. Such 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 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 first as a reduction to the allowance for loan losses. Generally, subsequent recoveries of amounts previously charged off are recognized 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.

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.

Real Estate Owned Held for Sale

Real estate owned 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 generally 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 real estate as 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.

Acquisitions

The Company records the acquired tangible and intangible assets and assumed liabilities of acquisitions of all operating properties and those development and redevelopment opportunities that meet the accounting criteria to be accounted for as business combinations at fair value at the acquisition date. The Company assesses and considers fair value based on estimated cash flow projections that utilize available market information and discount and/or capitalization rates that the Company deems appropriate. Estimates of future cash flows are based on a number of factors including historical operating results, known and anticipated trends, and market and economic conditions. The acquired assets and assumed liabilities for an operating property acquisition generally include but are not limited to: land, buildings and improvements, construction in progress and identified tangible and intangible assets and liabilities associated with in-place leases, including tenant improvements, leasing costs, value of above-market and below-market operating leases and ground leases, acquired in-place lease values and tenant relationships, if any.

The fair value of land is derived from comparable sales of land within the same submarket and/or region. The fair value of buildings and improvements, tenant improvements, and leasing costs are based upon current market replacement costs and other relevant market rate information.

The fair value of the above-market or below-market component of an acquired in-place operating lease is based upon the present value (calculated using a market discount rate) of the difference between (i) the contractual rents to be paid pursuant to the lease over its remaining non-cancellable lease term and (ii) management's estimate of the rents that would be paid using fair market rental rates and rent escalations at the date of acquisition measured over the remaining non-cancellable term of the lease for above-market operating leases and the initial non-cancellable term plus the term of any below-market fixed rate renewal options, if applicable, for below-market operating leases. The amounts recorded for above-market operating leases are included in deferred leasing costs and acquisition-related intangibles, net on the balance sheet and are amortized on a straight-line basis as a reduction of rental income over the remaining term of the applicable leases.

The amounts recorded for below-market operating leases are included in deferred revenue and acquisition-related liabilities, net on the balance sheet and are amortized on a straight-line basis as an increase to rental income over the remaining term of the applicable leases plus the term of any below-market fixed rate renewal options, if applicable. Our below-market operating leases generally do not include fixed rate or below-market renewal options.

The fair value of acquired in-place leases is derived based on management's assessment of lost revenue and costs incurred for the period required to lease the "assumed vacant" property to the occupancy level when purchased. This fair value is based on a variety of considerations including, but not necessarily limited to: (1) the value associated with avoiding the cost of originating the acquired in-place leases; (2) the value associated with lost revenue related to tenant reimbursable operating costs estimated to be incurred during the assumed lease-up period; and (3) the value associated with lost rental revenue from existing leases during the assumed lease-up period.

Factors considered by us in performing these analyses include an estimate of the carrying costs during the expected lease-up periods, current market conditions, and costs to execute similar leases. In estimating carrying costs, the Company includes real estate taxes, insurance and other operating expenses, and estimates of lost rental revenue during the expected lease-up periods based on current market demand at market rates. In estimating costs to execute similar leases, the Company considers leasing commissions, legal and other related expenses. The amount recorded for acquired in-place leases is included in deferred leasing costs and acquisition-related intangibles, net on the balance sheet and amortized as an increase to depreciation and amortization expense over the remaining term of the applicable leases. If a lease were to be terminated or if termination were determined to be likely prior to its contractual expiration (for example resulting from bankruptcy), amortization of the related unamortized in-place lease intangible would be accelerated.

The determination of the fair value of any debt assumed in connection with a property acquisition is estimated by discounting the future cash flows using interest rates available for the issuance of debt with similar terms and remaining maturities.

The determination of the fair value of the acquired tangible and intangible assets and assumed liabilities of operating property acquisitions requires us to make significant judgments and assumptions about the numerous inputs discussed above. The use of different assumptions in these fair value calculations could significantly affect the reported amounts of the allocation of our acquisition related assets and liabilities and the related amortization and depreciation expense recorded for such assets and liabilities. In addition, because the value of above and below market leases are amortized as either a reduction or increase to rental income, respectively, our judgments for these intangibles could have a significant impact on our reported rental revenues and results of operations.

Costs directly associated with all operating property acquisitions and those development and redevelopment acquisitions that meet the accounting criteria to be accounted for as business combinations are expensed as incurred. Our acquisition expenses are directly related to our acquisition activity and if our acquisition activity was to increase or decrease, so would our acquisition costs. Costs directly associated with development acquisitions accounted for as asset acquisitions are capitalized as part of the cost of the acquisition. During the year ended December 31, 2016, the Company did not capitalize any such acquisition costs.

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.

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

The Company recognizes interest income from loans on an accrual basis over the expected terms of the loans using the effective interest method. The Company may recognize fees, discounts, premiums, anticipated exit fees and direct cost over the terms of the loans as an adjustment to the yield. The Company may recognize fees on commitments that expire unused at expiration. The Company may recognize interest income from available-for-sale securities on an accrual basis over the life of the investment on a yield-to-maturity basis. 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.

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, 2017 and 2016.

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.

Investment in Marketable Securities

Investment in marketable securities consists of stock in VRM I and MVP REIT II, related parties. The securities are stated at fair value as determined by the closing market prices as of March 31, 2017 and December 31, 2016. 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 cost and its fair 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 December 31, 2016 and 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 of Directors to reinstate dividends in the foreseeable future.

Treasury Stock

On March 21, 2007, our Board of Directors authorized the repurchase of up to $10 million worth of our common stock. On November 17, 2014, our Board of Directors authorized the repurchase of an additional $500,000 in 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 share repurchase program may be discontinued or terminated at any time and we have not established a date for completion of the share repurchase program. The repurchases will be funded from our available cash.

We record our treasury stock using the cost method. Under the Maryland General Corporation Law, shares of its own stock acquired by a corporation constitute authorized but unissued shares.

Segments

We currently are authorized to operate three reportable segments, investments in real estate loans, investments in real property and investment in a real estate management company. During the three months ended March 31, 2017 and 2016, the Company operated in all segments.

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

Principles of Consolidation

Our consolidated financial statements include the accounts of VRM II; MVP Advisors; and MVP Capital Partners II, LLC. All significant intercompany transactions and balances 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 non-controlling 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 (loss) 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 (loss) 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 was 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 – related party and investment in real estate loans are further described in Note L – *Fair Value*.

Financial instruments with concentration of credit and market risk include cash, interest and other receivables, 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 that, at times, may exceed federally-insured limits. To date, we have not experienced any losses. As of March 31, 2017 and December 31, 2016 we had approximately $1.3 million and $2.9 million of funds, respectively, in excess of the federally-insured limits.

As of March 31, 2017 and December 31, 2016, 100% of our loans were loans in which we participated with other lenders, most of whom are our affiliates.

As of March 31, 2017, 34% and 62% of our loans were in Nevada and California, respectively, compared to 47% and 50% of our loans were in Nevada and California at December 31, 2016.

As of March 31, 2017 and December 31, 2016, the loan to our largest borrower represented approximately 62% and 50%, respectively of our total investment in real estate loans. This real estate loan is an acquisition and development loan secured by property located in California, with a first lien position. The interest rate is 8.5% per annum, the outstanding balance is approximately $4.2 million and the loan is considered a performing loan.

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.

NOTE D — INVESTMENTS IN REAL ESTATE LOANS

As of March 31, 2017 and December 31, 2016, most 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. As of March 31, 2017 and December 31, 2016, three loans had variable interest rates adjusted quarterly at a rate of prime plus 3.30% (6.8% as of March 31, 2017 and December 31, 2016). The balance on these loans was approximately $0.3 million as of March 31, 2017 and December 31, 2016.

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. At December 31, 2016 and 2015, we had one and three investments in real estate loans that had interest reserves.

Loan Portfolio

As of March 31, 2017 and December 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 range from 8% to 15% which includes performing and nonperforming 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, 2017, 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	7	$ 2,821,000	13.21%	36.10%	19.89%
Construction	1	123,000	0.35%	1.57%	53.35%
Acquisition	1	4,871,000	14.68%	62.33%	46.28%
Total	9	$ 7,815,000	10.19%	100.00%	44.61%

Investments in real estate loans as of December 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	8	$ 3,646,000	12.03%	43.20%	59.56%
Construction	1	607,000	1.33%	7.19%	27.10%

Acquisition	1		4,187,000	9.76%	49.61%	162.12%
Total	10	$	8,440,000	9.99%	100.00%	49.64%

* 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, 2017 and December 31, 2016, was 10.19% and 9.99%, respectively. Please see "Non-Performing Loans" and "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:

Loan Type	**Number of Loans**		**March 31, 2017 Balance***	**Portfolio Percentage**	**Number of Loans**		**December 31, 2016 Balance***	**Portfolio Percentage**
First deeds of trust	8	$	7,812,000	99.96%	9	$	8,437,000	99.96%
Second deeds of trust	1		3,000	0.04%	1		3,000	0.04%
Total	9	$	7,815,000	100.00%	10	$	8,440,000	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, 2017:

Non-performing and past due loans	$	2,450,000
April 2017 – June 2017		185,000
July 2017 – September 2017		3,000
October 2017 – December 2017		--
January 2018 – March 2019		--
Thereafter		5,177,000
Total	$	7,815,000

The following is a schedule by geographic location of investments in real estate loans:

		March 31, 2017 Balance *	**Portfolio Percentage**		**December 31, 2016 Balance ***	**Portfolio Percentage**
Nevada	$	2,638,000	33.76%	$	3,940,000	46.68%
California		4,871,000	62.32%		4,187,000	49.61%
Ohio		306,000	3.92%		307,000	3.64%
Arizona		--	--		6,000	0.07%
Total	$	7,815,000	100.00%	$	8,440,000	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, 2017		**December 31, 2016**
Balance per loan portfolio	$	7,815,000	$	8,440,000
Less:		--		--
Allowance for loan losses **(a)**		(2,450,000)		(2,450,000)
Balance per consolidated balance sheets	$	5,365,000	$	5,990,000

(a) Please refer to *Specific Reserve Allowance* below.

Non-Performing Loans

As of March 31, 2017 and December 31, 2016, we had one loan 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). This loan has been placed on non-accrual of interest status and is currently carried on our books at a value of $0, net of allowance for loan losses of approximately $2.5 million.

At March 31, 2017 and December 31, 2016, the following loan types were non-performing:

Loan Type	Number of Non-Performing Loans	Balance	Allowance for Loan Losses	Net Balance
Commercial	1	$ 2,450,000	$ (2,450,000)	$ --
Total	1	$ 2,450,000	$ (2,450,000)	$ --

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, 2017 and December 31, 2016, our ratio of total allowance for loan losses to total loans with an allowance for loan loss was 100%.

The following is a breakdown of allowance for loan losses related to performing loans and non-performing loans:

	March 31, 2017		
	Balance	**Allowance for loan losses ****	**Balance, net of allowance**
Non-performing loans – no related allowance	$ --	$ --	$ --
Non-performing loans – related allowance	2,450,000	(2,450,000)	--
Subtotal non-performing loans	2,450,000	(2,450,000)	--
Performing loans – no related allowance	5,365,000	--	5,365,000
Performing loans – related allowance	--	--	--
Subtotal performing loans	5,365,000	--	5,365,000
Total	$ 7,815,000	$ (2,450,000)	$ 5,365,000

	December 31, 2016		
	Balance	Allowance for loan losses **	Balance, net of allowance
Non-performing loans – no related allowance	$ --	$ --	$ --
Non-performing loans – related allowance	2,450,000	(2,450,000)	--
Subtotal non-performing loans	2,450,000	(2,450,000)	--
Performing loans – no related allowance	5,990,000	--	5,990,000
Performing loans – related allowance	--	--	--
Subtotal performing loans	5,990,000	--	5,990,000
Total	$ 8,440,000	$ (2,450,000)	$ 5,990,000

** Please refer to *Specific Reserve Allowances* below.

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, 2017 and December 31, 2016, we have provided a specific reserve allowance for one non-performing loan in the amount of $2,450,000 based on updated appraisals of the underlying collateral and/or our evaluation of the borrower. We will continue to evaluate our position in this loan.

Extensions

As of March 31, 2017 and December 31, 2016, our manager had granted extensions on three and two outstanding loan, respectively, totaling approximately $2.5 million, pursuant to the terms of the original loan agreements, which permit extensions by mutual consent, or as part of a TDR. Such extensions are generally provided on loans where the original term was 12 months or less and where a borrower requires additional time to complete a construction project or negotiate take-out financing. 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.

NOTE E —INVESTMENTS IN DELAWARE STATUTORY TRUST

As of March 31, 2017 and December 31, 2016, we had investments in two Delaware Statutory Trusts ("DST") for a total of approximately $1.5 million and $2.3 million which have mandatory repurchase agreements which, for accounting purposes, are accounted for in a manner similar to loans. The DST's hold commercial properties located in Illinois and Florida respectively, which we consider to be the collateral on these loans. Additionally, each DST is guaranteed by a third party Broker Dealer who has a selling agreement with MVP REIT and MVP REIT II. Certain members of the Broker Dealer's management also guaranteed these loans. During the three months ended March 31, 2017 and 2016, we earned approximately $39,000 and $0.1 million in interest, respectively.

NOTE F — INVESTMENT IN MARKETABLE SECURITIES – RELATED PARTY

As of March 31, 2017, we owned 134,545 shares of VRM I's common stock, representing approximately 11% of the total outstanding shares. VRM I's common stock is listed on the OTC Pink Marketplace. The closing price of VRM I's common stock on March 31, 2017, was $2.65 per share.

NOTE G — INVESTMENT IN MVP REIT II

During May 2015, our Board of Directors and the Board of Directors of VRM I agreed to form MVP CP II. We own 60% and VRM I owns 40%. The purpose of MVP CP II is to act as the sponsor of MVP REIT II, a Maryland corporation, which was formed as a publicly registered non traded REIT ("MVP REIT II"). MVP REIT II's registration statement has been declared effective by the SEC 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 I 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 the 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 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 I 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 I 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.

As of March 31, 2017, we held 5,000 shares of MVP REIT II's outstanding common stock, purchased in December 2015, for $125,000. During the three months ended March 31, 2017, we received approximately $1,000 in DRIP shares as dividend income.

NOTE H — RELATED PARTY TRANSACTIONS

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 II 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, 2017 and 2016 were approximately $0.3 million during each period.

As of March 31, 2017 and December 31, 2016, our manager owned 23 of our common shares, representing approximately 2% of our total outstanding common stock at the respective dates.

Transactions with Other Related Parties

During the three months ended March 31, 2017, the trading price for VRM I's common stock ranged from $2.25 to $5.00 per share. For the three months ended March 31, 2017 and 2016, we recognized no dividend income from VRM I.

As of March 31, 2017 and December 31, 2016, VRM I owned 134 of our common shares, representing approximately 8% of our total outstanding common stock for both periods.

During the three months ended March 31, 2016, we paid Vestin Mortgage a disposition fee of approximately $0.3 million related to the sale of assets held for sale.

As of March 31, 2017 and December 31, 2016, MVP Advisors owed VRM I approximately $4.5 million.

As of March 31, 2017 and December 31, 2016, we owned a 60% interest in MVP Advisors, the advisor of MVP REIT and MVP REIT II, Inc.

MVP Advisors is entitled to receive a monthly asset management fee at an annual rate equal to 0.85% of the fair market value of (i) all assets then held by MVP REIT or (ii) MVP REIT's proportionate share thereof in the case of an investment made through a joint venture or other co-ownership arrangement, excluding (only for clause (ii)) debt financing obtained by MVP REIT or made available to MVP REIT. The fair market value of real property shall be based on annual "AS-IS", "WHERE-IS" appraisals, and the fair market value of real estate-related secured loans shall be equal to the face value of such loan, unless it is non-performing, in which case the fair market value shall be equal to the book value of such loan. The asset management fee will be reduced to 0.75% if MVP REIT is listed on a national securities exchange. Asset management fees for the three months ended March 31, 2017 and 2016 were approximately $0.3 million and $0.2 million, respectively.

MVP Advisors receives a monthly debt financing fee at an annual rate equal to 0.25% of the aggregate debt financing obtained by MVP REIT or made available to MVP REIT, such as mortgage debt, lines of credit, and other term indebtedness, including refinancing's. In the case of a joint venture, MVP REIT pays this fee only on MVP REIT's pro rata share. Debt financing fees for the three months ended March 31, 2017 and 2016 were approximately $36,000, and $23,000, respectively.

MVP Advisors receives a 3% acquisition fee for all acquisitions of MVP REIT. MVP Advisors earned approximately $0.3 million and $0.6 million in acquisition fee income from MVP REIT during the three months ended March 31, 2017 and 2016, respectively.

MVP Advisors receives a 2.25% acquisition fee for all acquisitions of MVP REIT II. MVP Advisors earned approximately $1.1 million and $0.1 million, respectively, in acquisition fee income from MVP REIT II during the three months ended March 31, 2017 and 2016.

As of March 31, 2017 we have made loans of approximately $12.9 million to MVP Advisors, the manager of MVP REIT. We believe MVP Advisors 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 consideration for the initial investment of $0.2 million MVP CP II received 8,000 shares of common stock in MVP REIT II. As of March 31, 2017 we have made loans of approximately $6.1 million to MVP CP II. Similar to our investments in MVP Advisors 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. Based on uncertainties regarding repayment, during the three months ended March 31, 2017, we have determined to fully impair the entire balance of this loan.

As of March 31, 2017 and December 31, 2016, MVP CP II owed VRM I approximately $4.0 million and $3.8 million, respectively.

From time to time, we may also jointly invest in real property or real estate loans with our affiliates, including VRM I, MVP REIT, Inc. and MVP REIT II, Inc. These investments are described elsewhere in this report and incorporated herein by reference.

From time to time, we may also acquire or sell investments in real estate or 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.

NOTE I — NOTES PAYABLE

In April 2016, we financed a 12-month insurance policy for Directors and Officers liability, with an annual interest rate of 3.8%. The agreement required a down payment of $37,000 and nine monthly payments of $21,000 beginning on May 27, 2016. As of December 31, 2016, the outstanding balance of the note was approximately $21,000. As of March 31, 2017 the loan was paid in full

NOTE J— FAIR VALUE

As of March 31, 2017 and December 31, 2016, financial assets and liabilities utilizing Level 1 inputs included investment in marketable securities - related party and third 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, both held for sale and not 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 table presents the valuation of our financial assets and liabilities as of March 31, 2017 and December 31, 2016, 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 03/31/17**	**Carrying Value on Balance Sheet at 03/31/17**
Assets					
Investment in marketable securities - related party	$ 357,000	$ --	$ --	$ 357,000	$ 357,000
Investment in real estate loans	$ --	$ --	$ 5,193,000	$ 5,193,000	$ 5,365,000

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, 2017 to March 31, 2017:

	Investment in real estate loans
Balance on January 1, 2017	$ 5,806,000
Purchase and additions of assets	
New mortgage loans and mortgage loans acquired	1,753,000
Purchase from third parties	--
Sales, pay downs and reduction of assets	
Collections and settlements of principal and sales of investment in real estate loans	(913,000)
Sale of assets to third parties	(1,465,000)
Temporary change in estimated fair value based on future cash flows	184,000
Balance on March 31, 2017, net of temporary valuation adjustment	$ 5,365,000

	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 12/31/16**	**Carrying Value on Balance Sheet at 12/31/16**
Assets					
Investment in marketable securities - related party	$ 417,000	$ --	$ --	$ 417,000	$ 417,000
Investment in real estate loans	$ --	$ --	$ 5,806,000	$ 5,806,000	$ 5,990,000

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 December 31, 2016:

	Investment in real estate loans

Balance on January 1, 2016	$	2,148,000
Purchase and additions of assets		
New mortgage loans and mortgage loans acquired		7,915,000
Purchase from third parties		--
Sales, pay downs and reduction of assets		
Collections and settlements of principal and sales of investment in real estate loans		(48,000)
Sale of assets to third parties		(4,038,000)
Temporary change in estimated fair value based on future cash flows		(171,000)
Balance on December 31, 2016, net of temporary valuation adjustment	$	5,806,000

NOTE K— EMPLOYEE BENEFIT PLAN

MVP Advisors maintains a 401(k) Plan (the "Plan"), which is a defined contribution plan covering all eligible employees. Under the provisions of the Plan, participants may direct the Company to defer a portion of their compensation to the Plan, subject to Internal Revenue Code limitations. The Company provides for an employer matching contribution equal to 100% of the first 3% of eligible compensation and 50% of the next 2% of eligible compensation contributed by each employee, which is funded in cash. All contributions vest immediately.

Total expense recorded for the matching 401(k) contribution in the three months ended March 31, 2017 and 2016 was approximately $12,000 and $15,000, respectively.

NOTE L — SEGMENT INFORMATION

Company management reviews financial and operating performance in the following three separate operating segments: (1) investment in real estate loans, (2) investments in real property and (3) investment in a real estate management company. 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.

Assets related to investments in real property are currently listed as held for sale. Revenues, net of expenses for this segment are reported in discontinued operations.

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

	For the Three Months Ended March 31,			
		2017		**2016**
Revenues				
Investment in real estate loans	$	161,000	$	243,000
Investment in real property held for sale		1,448,000		938,000
Investment in real estate management		546,000		235,000
Total revenues		2,115,000		1,416,000
Operating expenses				
Investment in real estate loans	$	274,000	$	274,000
Investment in real estate management		671,000		570,000
Corporate activities		978,000		2,583,000
Total expenses		1,923,000		3,427,000

Total Assets		**March 31, 2017**		**December 31, 2016**
Investment in real estate loans	$	6,905,000	$	8,491,000
Corporate assets		5,396,000		5,798,000
Total assets	$	12,301,000	$	14,289,000

NOTE M — RECENT ACCOUNTING PRONOUNCEMENTS

There have been no material changes to the Company's position regarding recent accounting pronouncements pending adoption as disclosed in the 2016 filing.

NOTE N — LEGAL MATTERS INVOLVING THE COMPANY

On February 7, 2012, we, VRM I 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 $9.0 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 I and Fund III. On February 4, 2015, the court entered its final decree closing the case.

We held an interest of approximately 90%, VRM I held an interest of approximately 8% and Fund III held 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.

VOT Hawaii Management, Inc. ("VOT Hawaii") threatened to bring claims in arbitration against Vestin Mortgage, LLC as the successor in interest to Vestin Mortgage, Inc., and several other Vestin entities, specifically Vestin Capital, Inc., Vestin Fund I, LLC, Vestin Fund II, LLC, Vestin Group, Inc., Vestin Mortgage, Inc., Vestin Realty Mortgage I, Inc., Vestin Realty Mortgage II, Inc., and Vestin Originations, Inc. The action was settled for approximately $0.3 million and the parties released each other from any further claims.

NOTE O — SUBSEQUENT EVENTS

There have been no material subsequent events to evaluate through the date of this filing.

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:

April 1, 2006
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
Ed Bentzen – 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 8880 W SUNSET RD STE 200 LAS VEGAS, NV 89148	29%	511 shares *

* Mr Shustek directly owns 453 shares, his spouse owns 18 shares, Vestin Mortgage, a company wholly owned by Mr Shustek, owns 23 shares. In addition, Vestin Realty Mortgage I, Inc owns 134 shares and Mr Shustek owns 13% of Vestin Realty Mortgage I, Inc. so his portion of these shares is approximately 17 shares.

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: N/A
Firm:
Address 1:
Address 2:
Phone:
Email:

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, Ed Bentzen certify that:

1. I have reviewed this Quarterly financial statement of Vestin Realty Mortgage II, 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 24, 2017
/s/ Ed Bentzen
CFO