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Friday, August 31, 2018

VIA EMAIL
Action Stock Transfer Corp.
2469 E. Fort Union Boulevard, Suite 214
Salt Lake City, UT 84121
jb@actionstocktransfer.com

Re: **11 U.S.C. § 1145 and Section 3(a)(7) of the Securities Act Opinion**
Issuer: Mentor Capital, Inc. (MNTR)
Shareholder: Blanket Opinion (for shareholders and/or warrant holders as further specified below)

This blanket opinion letter shall not be valid or effective and may not be relied on by a shareholder/warrant holder until the shareholder and/or warrant holder has executed and delivered to the Issuer (to be forwarded upon request to Jerome D. Stark, PC) and the Issuer's transfer agent, a shareholder representation letter (declaring under penalty of perjury that such holder is not an underwriter or an affiliate of Issuer) in substantially the form attached hereto as ***Exhibit A****.*

Ladies and Gentlemen:

This letter shall serve as a blanket opinion letter for certain shareholders/future shareholders (subject to the limitations set forth below) pertaining to the confirmation or issuance of shares, without restrictive legend, of the common stock of Mentor Capital, Inc., a Delaware corporation ("**Issuer**"), from the conversion of the Series A, Series B, Series C, or Series D warrants of Issuer ("**Series**"), which were approved by the United States Bankruptcy Court, Northern District of California, in Issuer's Chapter 11 Bankruptcy Proceeding, Case Number 98-56803, according to the Issuer's court-approved Disclosure Statement and Plan of Reorganization relative to its exemption from registering securities from such Series pursuant to 11 U.S.C. § 1145 of the Bankruptcy Code ("**Section 1145**"), which are exempt from registration under the Securities Act of 1933, as amended ("**Act**"). This letter is intended to be relied on by you in issuing such shares without restrictive legend in accordance with the conditions set forth herein and based upon the following analysis of the exemptions set forth herein.

Opinion Regarding Issuance of Section 1145 Securities

Subject to the limitations of this opinion, should you receive a request from Issuer to:

A. Issue without legend shares of common stock of the Issuer from the conversion of either Series A, Series B, Series C or Series D warrants of the Issuer and you have confirmed that either: i) the shareholder in question already holds validly issued warrants in one of the

above Series; or ii) there are warrants not yet exercised in a particular Series that are being redeemed, exercised and to be converted to common shares by the shareholder in question; and iii) you have confirmed that either: a) the shareholder in question already holds validly issued warrants in one of the above Series; or b) the shareholder has been delegated as a designee by the Issuer; and iv) the shareholder has paid the Issuer the proper and necessary funds for such conversion (in cases of existing warrant holders) or for such redemption and conversion of the warrants (in cases of warrants being issued to designees);

or

B. Confirm that a shareholder who holds shares of common stock or warrant of the Issuer that emanate from the Issuer's previous bankruptcy holds such shares or warrant Series without legend or restriction;

and

C. you have sufficient knowledge or have received sufficient confirmation that i) the shareholder and the originating warrant holders are not (and have not been within ninety (90) days from the date of issuance) an officer, director, ten percent or more (10%+) beneficial holder of the outstanding shares of the Issuer, or otherwise an affiliate of the Issuer and ii) the shareholder is not in possession of any material non-public inside information concerning the Issuer and iii) the shareholder is not an underwriter under Section 1145(b);

then it is my opinion that you may issue warrants and/or shares of common stock of the Issuer, as the case may be, to such a shareholder without a restrictive legend, and provide such confirmation, all without registration under the Act, pursuant to an exemption from registrations requirements as set forth in Section 3(a)(7) of the Act and Section 1145.

Information, Records, and Documents

In connection with the opinions expressed herein, I have made such examination of matters of law and of fact as I considered appropriate or advisable for purposes hereof. As to matters of fact material to the opinions expressed herein, I have relied upon the representations and the documents provided to me by the Issuer. The Issuer has provided me with various records and documents as deemed appropriate, including but not limited to the following documents, that I have examined and assumed the truth of the information contained therein without an independent investigation and have assumed that such information will continue to be true in relation to my examination of the following:

- Certain of the Issuer's bankruptcy filings from its Chapter 11 bankruptcy proceeding, including a Supplemental Memorandum in Support of Disclosure Statement and the Bankruptcy Court approved Disclosure Statement, and Bankruptcy Court-confirmed Plan of Reorganization, which specifically approved the issuance of the aforementioned Series of warrants with certain exercise prices and exercise time periods, to claim and interest holders and subsequent designees.

- A "No-Comment" letter from the Securities and Exchange Commission, dated November 19, 1999, regarding its position of having no further questions or comments related to the Issuer's Disclosure Statement and Plan of Reorganization with the Bankruptcy Court.

- The documents filed by the Issuer on www.otcmarkets.com, including, without limitation: Annual OTCQB Certification for the period ending December 31, 2017, Annual OTCQB Certification for the period ending December 31, 2016, Annual OTCQB Certification for the period ending December 31, 2015, Annual Report - 2014 Audited Financials, for the period ending December 31, 2014; Annual OTCQB Certification, for the period ending December 31, 2014; Initial OTCQB Certification, for the period ending December 31, 2014; Annual Report – 2013 Audited Financials, for the period ending December 31, 2013; and, Annual Report – 2012 Audited Financials, for the period ending December 31, 2012.

- The SEC forms filed by the Issuer, including, without limitation: Form 10-Q for the period ending June 30, 2018, Form 10-Q for the period ending March 31, 2018, Form 10-K for the period ending December 31, 2017, Form 10-Q for the period ending September 30, 2017, Form 10-Q for the period ending June 30, 2017 as amended, Form 10-Q for the period ending March 31, 2017 as amended, Form 10-K for the period ending December 31, 2016 as amended, Form 10-Q for the period ending September 30, 2016, Form 10-Q for the period ending June 30, 2016, Form 10-Q for the period ending March 31, 2016, Form 10-K for the period ending December 31, 2015, Form 10-Q for the period ending September 30, 2015, Form 10-Q for the period ending June 30, 2015, Form 10-Q for the period ending March 31, 2015, Form 10-K for the period ending December 31, 2014 as amended; and Form 10-12G filed on November 19, 2014, as amended.

Based on the foregoing, I find that as of the date of this opinion letter:

A) The Issuer is fully reporting with the Securities and Exchange Commission and is current in its filings on EDGAR.

B) The Issuer is trading on OTC Markets at the OTCQX market tier and is current with its filings with OTC Markets.

C) The Issuer is not a "shell company."

D) The Issuer has caused the warrants' exercise prices to be repriced and their exercise time periods extended as contemplated and allowed by the Disclosure Statement and Plan of Reorganization.

I have assumed for the purposes of this opinion (i) that no action has been taken or event occurred which amends, revokes, terminates or renders invalid any of the documents, records, consents or resolutions which I have reviewed; (ii) that the signatures on documents and instruments examined by me are authentic; (iii) that each document is what it purports to be; and (iv) that all documents provided to me as PDFs, copies or facsimiles conform with the originals, which facts I have not independently verified. I have also assumed that all representations and warranties made are true and correct.

Analysis of Section 1145 and Section 3(a)(7) of the Act

Section 1145 strikes a balance between allowing the parties to a Chapter 11 reorganization the necessary flexibility to achieve the goals of Chapter 11 while maintaining the protections of the federal and state securities laws where appropriate. Specifically:

1. **Section 1145(a)**, except with respect to an underwriter, as defined in Section 1145(b), makes Section 5 of the Act and comparable registration and prospectus delivery requirements under state and local laws, as well as laws regulating the licensing of issuers, underwriters, brokers or dealers, inapplicable to:

   (a) the offer or sale under a plan of securities of the debtor, of its affiliates participating in a joint plan, or of a successor to the debtor under the plan, principally in exchange for a claim against or interest in the debtor or such affiliate;

   (b) the offer of a security through an option, warrant, right, or conversion privilege that was the subject of such an exchange and the sale of a security upon the exercise of the warrant, option, right or privilege;

   (c) certain sales by the debtor or an affiliate of securities of non-affiliated third parties (portfolio securities) and

   (d) certain transactions by stockbrokers within forty (40) days after plan securities are offered;

2. **Section 1145(b)** provides a special definition of an underwriter for purposes of offers and sales under Section 1145(a) intended to permit resales without registration or selling restrictions by persons who are not controlling persons, but who might be technical statutory underwriters under Section 2(a)(11) of the Act;

3. **Section 1145(c)** causes an offer or sale of securities of the kind and in the manner specified under Section 1145(a)(1) to be deemed a public offering, thereby making it clear that such offers or sales are not subject to the resale restrictions applicable to private placements; and

4. **Section 1145(d)** renders the Trust Indenture Act of 1939 inapplicable to certain short-term notes issued under a plan.

Section 3 of the Act exempts from registration certain classes of securities, including, pursuant to **Section 3(a)(7) of the Act**: "[c]ertificates issued by a receiver or by a trustee or debtor in possession in a case under Title 11, with the approval of the court."

Application of Section 1145 and Section 3(a)(7) of the Act

The Issuer filed a Chapter 11 bankruptcy in the Northern District of California, Case No. 98-56803, and as part of its bankruptcy filings submitted a Disclosure Statement and Plan of Reorganization, which included the ability to issue stock and warrant Series in exchange for the Issuer's debt. This Plan of Reorganization was approved by the Bankruptcy Court. The Bankruptcy Court authorized the issuance of securities without the need to be "registered with the Securities

& Exchange Commission or registered or qualified with any state or local securities regulator..." More specifically, the court-approved documents state: "Each and every security issued under the Debtor's Plan is exempt from registration under the Securities Act on account of the exemption provided under Section 1145 of the Bankruptcy Code..." and "all securities issued in exchange therefor or on conversion thereof shall be exempt from the registration requirements of the Securities Act of 1933." I note particularly that the warrant Series (i) were distributed to creditors under Issuer's court-approved Plan of Reorganization, (ii) are those of a "successor to the debtor" and (iii) are in exchange for claims against the Issuer.

Although some of the holders that are the subject of this opinion may not be specifically named as interest or claim holders at the time of the Issuer's bankruptcy reorganization, the ability of such holders and those similarly situated to receive court-approved warrant Series and shares under the Plan of Reorganization, was specifically contemplated by the Bankruptcy Court. The Disclosure Statement and Plan of Reorganization, states: "After the notice period expires the Debtor intends to allow designees to redeem and exercise the Warrants; if done, the Debtor will send the $0.10 per Warrant proceeds to the holders when the entire class has been redeemed" and "Warrant holders may exercise their Warrants at any time before the close of the specified redemption date... and unexercised Warrants may be redeemed by the Debtor or its designee." Although the warrant Series at the time of the Issuer's reorganization were originally set at higher strike/exercise prices than those sometimes being paid by the contemplated holders, the Bankruptcy Court authorized the Issuer to reset the prices being paid by such holders for the warrant Series: "After the Effective Date, the Debtor may reset all [or less than all] of the outstanding Warrants in one or more series to a lower price."

Accordingly, the unexercised warrant Series that are the subject of this opinion, and the issuance of the shares to the Issuer's designees upon the exercise of the warrants, are exempt from the registration and prospectus delivery requirements of Section 5 of the Act, based upon the exemption provided in Section 1145 and Section 3(a)(7) of the Act. The warrants and shares may be resold without registration by holders who are neither underwriters nor affiliates.

Qualifications and Limitations

This opinion relates solely to the compliance with the Bankruptcy Code and the Act, specifically, Section 1145 of the Bankruptcy Code and Section 3(a)(7) of the Act; I express no opinion with respect to the effect or application of any other laws. My opinion expressed above is specifically subject to the following limitations, exceptions, qualifications, and assumptions:

(A) I express no opinion as to the enforceability or legality of any agreement or contract to sell the warrants or shares, nor any limitations imposed by state law, federal law or general equitable principles upon the specific enforceability of any remedies, covenants or other provisions of any applicable agreement and/or upon the availability of injunctive relief or other equitable remedies, regardless of whether enforcement of any such agreement is considered a proceeding in equity or at law.

(B) I have assumed that (i) all information in all documents reviewed that I reviewed is true and correct, (ii) all signatures on all documents are genuine, (iii) all documents submitted as originals are true and complete, (iv) all documents submitted as copies are true and

complete copies of the originals thereof and (v) each natural person signing any document had the legal capacity to do so.

(C) I have relied on representations of the representatives of the Issuer that the Issuer has been and continues to be an operating entity such that the Issuer has never been a "shell company" within the meaning of "shell company" as defined by the staff of the Securities and Exchange Commission in SEC Release 33-8587.

(D) The Issuer is an SEC reporting corporation with its Financial Statements published on the internet at www.otcmarkets.com.

(E) The opinions expressed in this letter are explicitly limited to and conditioned upon the facts as represented by the Issuer. I have made no independent investigation to verify the accuracy of any factual matters contained in the records, documents, and certificates that I have reviewed in connection with the foregoing opinions. The opinions do not take into consideration any events that may occur subsequent to the date of this opinion letter. Any inaccuracy in the factual representations provided by the Issuer may affect the opinions and conclusions set forth in this opinion letter. This opinion letter may not be relied upon by any person or entity which has any knowledge of the facts or circumstances which are contrary to said representations, or which would alter the opinions and conclusions set forth above.

(F) The resale of the Shares may be subject to or affected by present or future compliance with state or federal securities laws, bankruptcy, insolvency, reorganization or other laws relating to or affecting the rights of shareholders and/or creditors of the Issuer.

(G) I do not express any opinion as to any FINRA member or the broker/dealer's ability or willingness to create, maintain or transact trades of the Issuer's shares or whether FINRA would permit the listing of the shares of common stock of the Issuer for public sale.

(H) The various statutory provisions, regulatory rules, and court decisions upon which the above opinions are based are subject to change.

(I) Be advised that opinion letters from counsel are not binding upon the SEC., other regulatory bodies or the courts.

(J) No opinion is expressed with respect to any federal or state statute or regulation or to the rules of any self-regulatory authority with which a broker/dealer trading the Issuer's shares must comply.

(K) I express no opinion as to any party's compliance or noncompliance with applicable federal or state statutes, laws, rules, and regulations.

(L) I express no opinion concerning the past, present or future fair market value of the Shares.

We are admitted to practice law in the State of California. The opinions expressed above are limited to the federal laws of the United States of America.

This opinion is rendered as of the date first written above, is expressly limited to the matters set forth above, and is given only with respect to the specific securities mentioned above. I render no opinion, whether by implication or otherwise, as to any other matters relating to the Issuer. This opinion is issued solely for the benefit of the Issuer, the Issuer's Transfer Agent, and the potential holders described above as well as those holders' broker-dealers. The opinion may not be delivered to, quoted or relied upon by any other person, or for any other purpose, without my prior written consent.

I assume no obligation to update this opinion, should any of the above circumstances, facts, events or developments change in a manner which may alter, affect or modify the opinions expressed herein.

No attorney/client relationship is intended, or created by, the rendering of this opinion letter. I am acting as independent special counsel for the Issuer and only for this opinion letter.

Very Truly Yours,
JEROME D. STARK, PC

Jerome D. Stark, Esq.

EXHIBIT A

SHAREHOLDER'S REPRESENTATION LETTER

To: Jerome D. Stark, PC
540 North Golden Circle Drive, Suite 203
Santa Ana, CA 92705

Action Stock Transfer Corp.
2469 E. Fort Union Boulevard, Suite 214
Salt Lake City, UT 84121

Mentor Capital, Inc.
P.O. Box 1709
Ramona, CA 92065

From: _____ ("**Shareholder**")
Address: _____
_____
_____

Issuer: Mentor Capital, Inc. (MNTR)
Number of Shares of Common Stock: _____ ("**Shares**")

In connection with the proposed deposit and potential sale of the Shares, held in the name of _____ I make the following representations:

1) There are no restrictive legends concerning the resale of the Shares.

2) I acquired and paid for the Shares on _____ pursuant to the exercise of outstanding warrants, dated _____ ("**Warrants**") that were issued in connection with the bankruptcy proceedings of the Issuer. As such, issuance of the Warrants was exempt from registration pursuant to 11 U.S.C. §1145(a) and exercise of the Warrants resulted in freely trading stock pursuant to 11 U.S.C. §1145(a)(2).

3) I am familiar with and understand 11 U.S.C. §1145 and Rule 144 of the Securities Act of 1933, as amended ("**Act**").

4) I am not now, nor have been during the preceding ninety (90) days, an affiliate, officer, director, or control person of the Issuer, and I am not a beneficial owner of more than ten percent (10%) of any class of security of the Issuer.

5) In addition, the following persons and entities are not now, and have not been during the preceding ninety (90) days, an affiliate, officer, director, or control person of the Issuer,

and are not a beneficial owner of more than ten percent (10%) of any class of security of the Issuer:

(a) My spouse or any relative, or any relative of my spouse, in each case who lives in the same house as me;

(b) Any trust or estate in which I or any person specified in (a) collectively own ten percent (10%) or more of the total beneficial interest, or of which I or any person specified in (a) serve as trustee, executor or in a similar capacity;

(c) Any corporation or other entity other than the Issuer in which I or any person specified in (a) collectively beneficially own ten percent (10%) or more of any class of equity securities or other equity interest.

6) Neither I, nor any person or entity specified in Number 5, is an "affiliate" of the Issuer, as that term is defined in Rule 144(a) (1)-(2) of the Act, for any other reason.

7) I am not an underwriter with respect to the Shares, nor will these Shares be part of any proposed transaction deemed to be a distribution of securities of the Issuer.

8) I am not compensated by the Issuer or any affiliate or selling agent of the Issuer, directly or indirectly. I do not have, nor will I have:

(a) a relationship of employment with the Issuer, either as an employee, employer, or independent contractor;

(b) the beneficial ownership of securities in excess of ten percent (10%) of its outstanding securities; or

(c) a relationship with the Issuer such that I control, am controlled by, or am under common control with the Issuer. I do not possess, directly or indirectly, the power to direct, or cause the direction, of the management, policies or actions of the Issuer, whether through the ownership of voting securities, by contract, or otherwise.

9) Prior to my receipt of the Shares, I owned _____ shares of the Issuer's common stock. After I obtained the Shares, I will own a total of _____ shares, which is less than ten percent (10%) of the issued and outstanding shares of the Issuer.

10) The Issuer is and has been for a period of at least ninety (90) days immediately prior to the date of this Shareholder's Representation Letter, subject to the reporting requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934. I believe the information is current and adequate.

11) Based on my review of the publicly available information published by the Issuer, the Issuer is not now nor has ever been during the past twelve (12) months a blank check or "shell" company as defined by Rule 144(i)(1)(i)-(ii) of the Act.

12) I am not aware of any material non-public information about the Issuer and know of no important development affecting the Issuer or its business or products which has not been made public.

13) I confirm that I have obtained the Shares for personal reasons and not at the direction of the Issuer, its officers or affiliates, or any other person or entity.

14) I represent that I obtained the Shares for investment for my own account and not with a view to, or for, sale in connection with any distribution of the Shares.

15) I represent that, before signing this Shareholder's Representation Letter, I have been provided access to, or been given, all material facts relevant to the purchase of my Shares, including all financial and written information about the Issuer.

The information set forth above is accurate, true and complete. I agree to immediately inform you if any development occurs that renders the above representations inaccurate or incomplete.

I understand that the exemption from registering the securities pursuant to 11 U.S.C. § 1145 will only apply to the Shares if my representations are accurate and complete. With respect to my representations, the undersigned holds (a) Jerome D. Stark, Esq. and Jerome D. Stark, PC, (b) the broker-dealer or bank (c) the Issuer and (d) the Issuer's stock transfer agent harmless from and against any and all loss, damage, liability, and expense (including reasonable legal fees) arising out of or resulting from my sale or other disposition of such securities if any of my representations are inaccurate.

Evidenced by my signature below, I attest under the penalty of perjury to the accuracy of the above representations.

Signed: _____ Date: _____, 20____

Print Name: _____

Signed: _____ Date: _____, 20_____
(Joint Owner if Applicable)

Print Name: _____