



MENTOR
C A P I T A L

M A N A G E M E N T I N C.

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Disclosures – Form ADV, Part II

Independent, Fee-Only
Financial Planning
and Investment
Management Services

INTRODUCTION

Mentor Capital Management Inc. is a fee-only financial planning and investment advisory firm that was established in 1992.

Fee-only means that neither the firm nor its associates receives compensation – including commissions – from any source other than clients. This arrangement is designed to remove conflicts of interest and foster objectivity in the recommendations made to help clients meet their financial goals.

This brochure gives you information about the costs and benefits of fee-only financial planning with Mentor Capital Management Inc. In addition, it provides general information about the education and business qualifications of those associated with the firm.

Mentor Capital Management Inc. is registered with the United States Securities and

Exchange Commission (SEC) as an investment advisory firm. This brochure and any current supplement (brochure) contain information from Part II of Form ADV as required by the SEC, pursuant to the Investment Advisers Act, and by certain states.

Information regarding Mentor Capital Management Inc. and its financial planning and investment management services contained in this brochure has not been approved or verified by any government agency.

This brochure is part of the agreement between the client and Mentor Capital Management Inc.

Mentor Capital Management Inc.'s SEC CRD Number is 123176; its IRS Employer Identification Number is 36-3854239

A MESSAGE FROM THE PRESIDENT OF MENTOR CAPITAL MANAGEMENT INC.

All of us associated with this firm are looking forward to providing you with the highest level of service available in the financial planning field. We strive to provide our clients with thoughtful, prudent guidance as they seek to reach their financial and life-style goals using the financial planning process.

Our firm was founded in response to the growing recognition that the only financial planning professionals who can be truly objective are those who do not receive commissions on the sale of financial products. To this end, Mentor Capital Management Inc. has no revenue source other than the fees paid by its clients for financial planning and investment advisory services.

You can expect an enduring relationship with our firm. Because attaining your financial

goals is a long-term proposition, we will work with you, over time, to help you gain control of the decision-making process.

This is what financial planning means - having access to information that will enable you to take control of your financial life and enjoy peace of mind. Our mission is to place before you all of your alternatives and help you to choose your best courses of action.

As you read the material that follows you will learn more about how we ensure objectivity and how our professional approach will result in strategies and recommendations that are in your best interests.

John S. Davis, CFP
President, Mentor Capital Management Inc.

DEFINITIONS

Related person - Any officer, director or partner of Mentor Capital Management Inc. or any person directly or indirectly controlling, controlled by or under common control of Mentor Capital Management Inc., including any non-clerical, non-ministerial employee.

Investment supervisory services - Giving continuous investment advice to a client (or making investments for the client) based on the individual needs of the client. Individual needs include, for example, the nature of other client assets and the client's personal and family obligations

ADVISORY SERVICES AND FEES

Mentor Capital Management Inc. receives approximately 63% of its fees from investment supervisory services; approximately 16% of its fees from management of investment advisory accounts not involving investment supervisory services; and approximately 21% of its fees from furnishing advice to clients on matters not involving securities, on more than an occasional basis.

Mentor Capital Management Inc. includes the services that generate these latter fees in what it calls "financial planning."

Mentor Capital Management Inc. offers financial advisory services for a percentage of income, for an hourly fee or for a flat fee; it offers investment management services for a percentage of assets under management, for an hourly fee or for a flat fee. Advice is offered to clients on matters not involving securities only as part of a total financial planning process.

The annual fee is composed of a financial advisory fee and an investment management fee. However, clients may pay financial

planning fees, investment advisory fees, or both, depending on the needs of the client and the client's engagement.

In certain instances, depending on a client's needs and the services to be performed by Mentor Capital Management Inc., a contract may be entered into with a fee different from the fee schedule set forth below. This fee would be based on individual negotiations with the particular client.

A client or the adviser can terminate the financial planning relationship at any time. Any refund, if any, will not exceed one-half of the annual fee. After six months, the refund is pro-rata by month.

The following fees are charged on an annual basis and may be prepaid, at the election of the client, or paid as services are provided. However, Mentor Capital Management Inc. may not require clients to prepay the annual fee more than six months in advance.

Where investment management fees are paid in advance, the quarterly fee will be one-fourth the annual fee:

ADVISORY SERVICES AND FEES (CONT'D)

PERSONAL FINANCIAL ADVISORY FEES

1st year	2% of earned income
2nd year and beyond	Assessed as needed through negotiation with the client, based on needs and circumstances.

ANNUAL INVESTMENT MANAGEMENT FEES

\$1 to \$500,000 of investment assets	1.0% annually
\$500,001 to \$1 million of investment assets	0.75% annually
\$1 million or more of investment assets	0.50% annually

Layering of fees – Where client investments are made in shares of mutual funds, exchange-traded funds, closed-end funds or variable annuity subaccounts, clients will pay both a direct management fee to Mentor Capital Management Inc. and an indirect management fee to the fund or subaccount in which they invest.

MINIMUM AND MAXIMUM ANNUAL FEES

There are no minimum or maximum annual fees.

Investment assets are defined as stocks, bonds, warrants, options, mutual funds, qualified retirement accounts, certificates of deposit, cash, checking and savings accounts, money market accounts, credit union accounts, limited partnerships and such other assets as may be agreed upon.

For first-year clients, a retainer of 50 percent of the Personal Financial Advisory Fee is due and payable at the inception of the advisory agreement. On calculation of the Investment Management Fee, client will be invoiced for the first quarter's fee, prorated. Six months from the inception of the advisory agreement, the balance of the Personal Financial Advisory Fee will be due.

PLANNER QUALIFICATIONS

Advisers of Mentor Capital Management Inc. are required to be Certified Financial Planner licensees, candidates for the Certified Financial Planner license, Certified Public

Accountants or Chartered Financial Analysts. In addition, all advisers have extensive experience in business, investments and financial services.

Thomas B. Adams, CPA - born 1961

Position:

Financial planner and investment adviser, Mentor Capital Management Inc.

Education:

B.S. Accounting, magna cum laude, University of Alabama, 1983

Business background:

Mentor Capital Management Inc., 2004-present

Aon Corporation, 2001-2004

Temporary consulting positions, 2000

Various corporate financial positions, 1990-2000

Public accounting, 1983-1990

Examinations/professional designations:

NASD Series 65, 2005

Certified Public Accountant, 1986

Daniel B. Carey, CFP – born 1978

Position:

Financial planner and investment adviser, Mentor Capital Management Inc.

Education:

B.S. Finance and Computer Applications, University of Notre Dame, 2000

Business background:

Mentor Capital Management Inc., 2007-present

Clune & Associates, 2000-2007

Examinations/professional designations:

College for Financial Planning, professional education program, 2004

Certified Financial Planner Board of Trustees, CFP Licensee, 2004

NASD Series 66, 2007

John S. Davis, CFP - born 1954

Position:

President and principal, Mentor Capital Management Inc.

Education:

B.J. Journalism, University of Missouri, 1976

Business background:

Mentor Capital Management Inc., 1992-present

Examinations/professional designations:

College for Financial Planning, professional education program, 1994

Certified Financial Planner Board of Trustees, CFP Licensee, 1994

NASD Series 65, 1992

OTHER BUSINESS ACTIVITIES

Mentor Capital Management Inc. provides advisory services and furnishes advice to

clients on matters not involving securities only as part of a financial planning process.

TYPES OF CLIENTS

Mentor Capital Management Inc. generally provides investment advice to individuals. From time to time, however, it may also provide financial planning and investment

advisory services to pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities

TYPES OF INVESTMENTS

Mentor Capital Management Inc. offers investment advice on equity securities (including exchange-listed securities, securities traded over-the-counter and foreign issues), warrants, corporate debt securities other than commercial paper, commercial

paper, certificates of deposit, municipal securities, investment company securities (including variable life insurance, variable annuities and mutual fund shares), United States Government securities and options contracts on securities and commodities.

METHODS OF ANALYSIS, SOURCES OF INFORMATION AND INVESTMENT STRATEGIES

In offering securities advice to its clients, Mentor Capital Management Inc. uses fundamental analysis as part of a broad asset-allocation process.

Sources of information used by Mentor Capital Management Inc. include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, annual reports, prospectuses and filings with the Securities

and Exchange Commission.

Investment strategies used by Mentor Capital Management Inc. to implement any investment advice given to clients includes long-term purchases (securities held at least a year), short-term purchases (securities sold within a year), trading (securities sold within 30 days), short sales, margin transactions and option writing including covered options, uncovered options and spreading strategies.

OTHER FINANCIAL INDUSTRY ACTIVITIES OR AFFILIATIONS

Mentor Capital Management Inc. is not registered, nor does it have an application pending as a securities broker-dealer; is not registered and does not have an application pending as a futures commission merchant, commodity pool operator or commodity trading adviser; and does not have arrangements that are material to its advisory business or its clients with a related person who is a broker-dealer, investment company, other investment adviser, financial planning

firm, commodity pool operator, commodity trading adviser, futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer or entity that packages or creates limited partnerships. Neither Mentor Capital Management Inc. nor any related person is a general partner in any partnership in which clients may be advised to invest.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

Neither Mentor Capital Management Inc. nor any related person:

- As principal, buys securities from or sells securities it owns to any client;
- As broker or agent effects securities transactions for compensation for any client;
- As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer;
- Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.

From time to time Mentor Capital

Management or related persons may buy or sell for themselves securities that they also recommend to clients. Any such purchase or sale by Mentor Capital Management Inc. or related persons will be on terms identical with that recommended to clients. In the case of a sale of an investment, Mentor Capital Management Inc. will notify client of its intention to dispose of such investment. If client wishes to dispose of such investment, such interest will be sold if possible at the same time and on the same terms as being sold by Mentor Capital Management Inc. It is agreed that in the event both the client's and Mentor Capital Management Inc.'s interests cannot all be sold, the client's interest to the extent possible will be sold first.

CONDITIONS FOR MANAGING ACCOUNTS

Mentor Capital Management Inc. does not impose a minimum dollar value of assets or any other condition for starting or

maintaining an account. Accounts may be of any size, investments of any type.

REVIEW OF ACCOUNTS

FOR REVIEWS: Adviser reviews all accounts on a quarterly basis. Adviser prepares a portfolio evaluation statement no less frequently than quarterly. Portfolio and financial planning recommendations are implemented as needed.

FOR REVIEWERS: Adviser employs financial planners who review each account on a quarterly basis. Financial planners have varying functions, including preparation of investment and financial planning data, and implementation instructions. Adviser initiates

the reviews as a matter of company policy. Adviser and planners individually and collectively review each account. Planners are assigned accounts as they acquire them.

Beyond the first year of the engagement, a financial planning analysis is offered when the client's situation and needs call for it.

For investment advisory clients, each quarter an investment portfolio analysis is prepared and delivered, and each year a performance report is prepared and delivered.

INVESTMENT OR BROKERAGE DISCRETION

Neither Mentor Capital Management Inc. nor any related person has authority to determine, without obtaining specific client consent, securities to be bought or sold, the amount of securities bought or sold, the broker or dealer to be used or the commission rates paid.

Mentor Capital Management Inc. and related persons may recommend brokers to clients who do not have active relationships with a broker.

Mentor Capital Management Inc. considers past performance, personal relationship and associations with a national or regional brokerage firm in recommending a broker but does not determine the reasonableness of the broker's commission, as the engagement of any recommended broker is at the exclusive discretion of the client.

Mentor Capital Management Inc. recommends that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. (Schwab), a FINRA-registered broker-dealer (member SIPC), to maintain custody of clients' assets and to effect trades for their accounts.

Although Mentor Capital Management Inc. may recommend that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. Mentor Capital Management Inc. is independently owned and operated and not affiliated with Schwab.

Schwab provides Mentor Capital Management Inc. with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers

on an unsolicited basis, at no charge to them, so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab Institutional.

These services are not contingent upon Mentor Capital Management Inc. committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For Mentor Capital Management Inc. client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Institutional also makes available to Mentor Capital Management Inc. other products and services that benefit Mentor Capital Management Inc. but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of Mentor Capital Management Inc. accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist Mentor Capital Management Inc. in managing and administering clients' accounts include software and other technology that:

- 1.) Provide access to client account data (such as trade confirmations and account statements);
- 2.) Facilitate trade execution and allocate aggregated trade orders for multiple

client accounts; 3.) Provide research, pricing and other market data; 4.) Facilitate payment of Mentor Capital Management Inc.'s fees from its clients' accounts; and 5.) Assist with back-office functions, recordkeeping and client reporting.

Schwab Institutional offers other services intended to help Mentor Capital Management Inc. manage and further develop its business enterprise. These services may include: 1.) compliance, legal and business consulting; 2.) publications and conferences on practice management and business succession; and 3.) access to employee benefits providers, human capital consultants and insurance providers.

Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to Mentor Capital

Management Inc. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Mentor Capital Management Inc. Schwab Institutional may also provide other benefits such as educational events or occasional business entertainment of Mentor Capital Management Inc. personnel.

In evaluating whether to recommend or require that clients custody their assets at Schwab, Mentor Capital Management Inc. may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

TRADING ERRORS

From time to time Mentor Capital Management Inc. may make an error in submitting a trade order on a client's behalf. When this occurs, Mentor Capital Management Inc. may place a correcting trade with the broker-dealer that has custody of the client's account.

If an investment gain results from the correcting trade, the gain will remain in the client's account unless the same error involved other client account(s) that should have received the gain, it is not permissible for the client to retain the gain, or Mentor Capital Management Inc. confers with the

client and the client decides to forego the gain (e.g., due to tax reasons). If the gain does not remain in the client's account and Charles Schwab & Co. Inc. ("Schwab") is the custodian, Schwab will donate the amount of any gain more than \$100 to charity. If a loss occurs greater than \$100, Mentor Capital Management Inc. will pay for the loss. Schwab will maintain the loss or gain (if such gain is not retained in the client's account) if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses in a client's account, they may be netted.

ADDITIONAL COMPENSATION

Neither Mentor Capital Management Inc. nor any related person has any arrangements, oral or in writing, where it is paid cash by or receives some economic benefit (including commissions, equipment or non-research

services) from a non-client in connection with giving advice to clients; or either directly or indirectly compensates any person or organization for client referrals.

BALANCE SHEET

Because Mentor Capital Management Inc. neither has custody of client securities nor requires prepayment of more than \$500 in fees per client and six or more months in

advance for performing contracted services, it is not required to provide and has not provided a Schedule G balance sheet for the most recent fiscal year.

CODE OF ETHICS AND PERSONAL TRADING POLICY

As a fiduciary, Mentor Capital Management Inc. has a duty of utmost good faith to act solely in the best interests of each of its clients. Clients entrust Mentor Capital Management Inc. with their funds, which in turn places a high standard on the conduct and integrity of its advisers. Mentor Capital Management Inc.'s fiduciary duty compels all employees to act with the utmost integrity in all dealings. This fiduciary duty is the core principle underlying this Code of Ethics and Personal Trading Policy, and represents the expected basis of all of dealings with clients.

Standards of Conduct

This Code of Ethics consists of the following core principles:

1.) In every case the interests of clients will be placed ahead of the firm's or any

employee's own investment interests.

2.) Employees are expected to conduct their personal securities transactions in accordance with the personal trading policy of Mentor Capital Management Inc. and will strive to avoid any actual or perceived conflict of interest with the client.

3.) Employees will not take inappropriate advantage of their position with the firm.

4.) Employees are expected to act in the best interest of each client.

5.) Employees are expected to comply with federal securities laws.

Mentor Capital Management Inc. will provide a complete copy of its code of ethics upon request.

FINANCIAL PLANNING AND INVESTMENT ADVISORY SERVICES AGREEMENT

Set forth below is the basis upon which Mentor Capital Management Inc. will furnish financial planning and investment advisory services to the Client:

1. All information and advice furnished by either party to the other, including their respective agents and employees, shall be treated as confidential and shall not be disclosed to third parties except as required by law and with mutual consent and foreknowledge.
2. For financial planning clients, Mentor Capital Management Inc. will review, in detail, the client's current financial position including assets, liabilities, cash management, employee benefits, insurance, estate plan and other detailed factors pertaining to Client's financial position, individual goals and future objectives.
3. In order to enable Mentor Capital Management Inc. to make the above review, the client will furnish Mentor Capital Management Inc. with such information as Mentor Capital Management Inc. may reasonably request, all of which will be held in confidence.
4. Client understands that it is his or her responsibility to notify Mentor Capital Management Inc. whenever a material change occurs in his or her situation. Such changes include but are not limited to employment, family status (birth, death, divorce, dependency), health, legal situation, assets and liabilities. Client understands that it is important for Mentor Capital Management Inc. to have this information in its effort to provide financial planning and investment advisory services at the highest level possible.
5. After collection of all data and documents, Mentor Capital Management Inc. will process and coordinate all information gathered, assimilate all aspects pertaining to client's case, project known conditions into future assumptions, and will make recommendations in a written, concise, personalized financial plan aimed at improving asset utilization, capital accumulation and goal achievement.
6. Mentor Capital Management Inc. will make a supplemental analysis in each subsequent year this agreement is renewed and will update, in writing, those recommendations as necessary in relation to conditions existing at the time of each annual review.
7. The contract for these services shall be for one year beginning with the date this agreement is accepted by Mentor Capital Management Inc. This contract will not be assigned without the consent of the client.
8. Fees charged by Mentor Capital Management Inc. are for financial advisory and investment management services. Mentor Capital Management Inc. fees are distinguished from

**FINANCIAL PLANNING AND INVESTMENT ADVISORY
SERVICES AGREEMENT (CONT'D)**

supplementary legal, investment, insurance or accounting fees which might be incurred by client as a result of implementing recommendations of client's financial plan. Examples of services not performed by Mentor Capital Management Inc. as a part of the financial planning process are: income tax preparation, retirement plan accounting, retirement plan administration, preparation of legal documents, etc.

9. From time to time we give advice that should be reviewed by a client's accountant and/or attorney. It is agreed and understood that in connection with recommendations made with respect to client, accounting and legal fees and other expenses may, from time to time, be incurred. In the event the recommendation of Mentor Capital Management Inc. is taken by the client with respect to the purchase, sale, or retention of any security or property of the client, the client will pay such fees and expenses so incurred.
10. It is agreed that Mentor Capital Management Inc. will neither take possession of nor exercise over any of the client's investments or property without explicit written authorization detailing the extent of this discretion. While we will make recommendations and give advice concerning the purchase, sale, or retention of client's securities or property, the final decision to implement such a recommendation will always be made by the client.
11. It is agreed and understood that Mentor Capital Management Inc. in no event will accept or receive fees, commissions or other remuneration or compensation of whatever kind or description from advisers, originators, sponsors, syndicators or distributors of investments recommended to clients of Mentor Capital Management Inc.
12. From time to time Mentor Capital Management Inc. may effect transactions for its own account in investments recommended for purchase or sale by Mentor Capital Management Inc. to client. Any such purchase or sale by Mentor Capital Management Inc. will be on terms identical with that recommended to clients. In the case of a sale of an investment, Mentor Capital Management Inc. will notify client of its intention to dispose of such investment. If client wishes to dispose of such investment, such interest will be sold if possible at the same time and on the same terms as being sold by Mentor Capital Management Inc. It is agreed that in the event both the client's and Mentor Capital Management Inc.'s interests cannot all be sold, the client's interest to the extent possible will be sold first.
13. Client understands that anytime within five (5) business days after the date of entering into this agreement with Mentor Capital Management Inc., client may terminate this agreement without penalty and will receive a complete refund of any fees paid to Mentor Capital Management Inc.
14. On an annual basis Mentor Capital Management Inc. will provide the client with an offer to receive a copy of Mentor Capital Management Inc.'s then-current brochure.

PRIVACY POLICY NOTICE

Our Promise to You

As a client of Mentor Capital Management Inc., you share both personal and financial information with us. Your privacy is important to us, and we are dedicated to safeguarding your personal and financial information.

Information Provided by Clients

In the normal course of doing business, we typically obtain the following non-public personal information about our clients:

- Personal information regarding our clients' identity such as name, address and Social Security number;
- Information regarding securities transactions effected by us; and
- Client financial information such as net-worth, assets, income, bank account information and account balances.

How We Manage and Protect Your Personal Information

We do not sell information about current or former clients to third parties, nor is it our practice to disclose such information to third parties unless requested to do so by a client or client representative or, if necessary, to process a transaction, service an account or as permitted by law. Additionally, we may share information with outside companies that perform administrative services for us. However, our contractual arrangements with these service providers require them to treat your information as confidential.

In order to protect your personal information, we maintain physical, electronic and procedural safeguards to protect your personal information. Our Privacy Policy restricts the use of client information and requires that it be held in strict confidence.

Client Notifications

We are required by law to annually provide a notice describing our privacy policy. In addition, we will inform you promptly if there are changes to our policy.

Please do not hesitate to contact us with questions about this notice.

ACKNOWLEDGMENT

I/we hereby acknowledge having received the Mentor Capital Management Inc. Independent Fee-Only Financial Planning and Investment Management Services brochure and privacy statement dated February 2010 and understand and agree to all the terms contained therein.

Client's Name

Client's Signature

Date

Additional Client's Name

Additional Client's Signature

Date

Associate's Signature