

**DISCLOSURE STATEMENT
PURSUANT TO RULE 15c2-11
SECURITIES EXCHANGE ACT OF 1934
RE: MENTOR CAPITAL, INC.
EFFECTIVE DATE: August 10, 2008**

Information required to conform with provisions of Subparagraph (a)(4) of Rule 15c2-11 as promulgated under the Securities Exchange Act of 1934, as amended:

**Item 1: THE EXACT NAME OF THE ISSUER AND ITS
PREDECESSOR, IF ANY**

MENTOR CAPITAL, INC.

Predecessors:

MAIN STREET AC, INC.

MAIN STREET ATHLETIC CLUBS, INC.

FOXWORTHY ATHLETIC CLUBS (GEN PRTRNSHP)

MENTOR INVESTORS - I, LP

**Item 2: THE ADDRESS OF ITS PRINCIPAL EXECUTIVE
OFFICES**

511 FOURTEENTH STREET, SUITE A-2
RAMONA, CA 92065

Item 3: THE STATE OF INCORPORATION

The issuer was organized as a California corporation,
June 29, 1994.

Item 4: THE EXACT TITLE AND NAME OF THE SECURITIES

The articles of incorporation authorize the Company to issue
400,000,000 shares of common voting stock. The company has
only (1) class of equity securities outstanding, that being Common
Voting Stock.

DESCRIPTION OF THE SECURITIES

The authorized capital stock of the Company consists of 400,000,000 shares of Common Stock, no par value, and 100,000,000 shares of Preferred Stock, no par value.

Common Stock

As of the date of this Disclosure Statement there were (201,852) Two Hundred One Thousand Eight Hundred Fifty-Two shares of Common Stock held of record by 1,384 shareholders. Holders of the Company's Common Stock are entitled to one vote each per share and may exercise cumulative voting rights under California Law. Holders of Common Stock are entitled to receive *pro rata* such dividends, if any, as may be declared by the Board of Directors of the Company, out of funds legally available therefore, subject to any preferential dividend rights of outstanding preferred stock.

Upon liquidation, dissolution or winding up of the Company, the holders of Common Stock are entitled to receive *pro rata* the net assets of the Company available after the payment of all creditors and liquidation preferences, if any, of any outstanding Preferred Stock. Holders of Common Stock have no preemptive subscription, conversion or redemption rights. The outstanding shares of Common Stock are fully paid and non-assessable.

Preferred Stock

100,000,000 shares of Preferred Stock have been authorized. No Preferred Stock is issued or outstanding.

Warrants

January 11, 2000, after receiving a subject “No Comment” letter from the SEC, the Company’s Plan of Reorganization was confirmed by the United States Bankruptcy Court of Northern California. As part of the Confirmed Plan, the Company issued freely tradable warrants in four classes to various creditors and claimants according to their relative seniority of claim and designated treatment under the Plan. Except for 400 shares from a 2005 acquisition, each and every security of the Company is issued pursuant to the Plan and Court Order. As a result of the exemption afforded by 11 USC Section 1145, the shares issued under the Order are all freely tradable, the warrants issued are all freely tradable, and the shares that spring from the warrants are all immediately freely tradable. As of August 10, 2008 the following warrants were issued and outstanding:

Series – A (3,039,903) at a \$1 per share Strike Price	\$ 3,039,903 Proceeds
Series – B (8,244,984) at a \$3 per share Strike Price	\$ 24,734,952 Proceeds
Series – C (1,968,560) at a \$5 per share Strike Price	\$ 9,842,800 Proceeds
Series – D (15,315,241) at a \$7 per share Strike Price	\$107,206,687 Proceeds
Total (28,568,688)	\$144,824,342 Proceeds

All warrants are callable when they are \$1.00 per share in-the-money. Upon call, the warrants must be exercised within 90 calendar days of non-consecutive trading during which the closing bid price is \$1.00 per share above the strike price. If not exercised timely, the warrants may be redeemed by the Company or assigned by the Company to any designee for exercise. More than one hundred shareholders have asked to be designees if warrants are to be made available under the Plan. The Company, or designee through the Company, is required to pay the original holder 10 cents per warrant, 30 days after all warrants of a class are exercised,. Subject to these prior call provisions, the warrants otherwise expire May 11, 2038.

DIVIDEND POLICY

The Company has not paid any cash dividends on its Common Stock and does not anticipate paying any such dividends on its Common Stock in the foreseeable future.

MARKET PRICE OF THE ISSUER'S SECURITIES

History: The Company stock traded in the OTC and Pick Sheet markets from 1997 until approximately May 2007 when it moved to the Gray Sheets. Prior to the December 2007, 1,000 to 1 reverse split, the Company's shares traded at an early high of \$10 per share ranging down to 1/1000th of a cent during the period of low operating activity prior to securing a large contract with a hedge fund, which was effective October 1, 2007. Since the reverse split and significant action with the hedge fund, the shares have not traded publicly or privately through to the end of June 2008.

Present: As of this date, the Company is unaware of any current trading in the Company's Common Shares or Warrants. The Company believes that its sponsoring market maker received an approval of the Company's December 20, 2007 Form 211 from FINRA on an unpriced basis on or about July 29, 2008. The Company intends to make broker dealers aware of the significant recent activities of the Company.

Earnings: As of August 10, 2008, the YTD net earnings of the Company are \$86,232 or \$0.64 per common share (\$1.05 per share on an annualized basis) on 135,049 weighted average shares. Fully diluted YTD net earnings are \$0.08 per common share (\$135,084 or \$0.13 per share on an annualized basis), with \$4.84 per share invested in 10 year treasury bills at 4.04%, on 28,723,537 common share equivalents. The preceding fully diluted analysis follows the modified treasury stock method and assumes all warrants are exercised, all debt is retired, 20% of shares are repurchased, and any excess funds are invested in government securities with earnings subject to a 47.84% tax rate.

Start of public trading in the stock was required before a 90% contingency on Company hedge fund revenue was removed. Without 90% of the hedge fund revenue, the audited 2007 net loss was (\$90,033) or (\$6.33 / sh) on 14,669 weighted shares. Without the application of the deferral, the 2007 net income would be \$67,747 or \$4.41 per share.

Because of the release of the trading approval related contingency, the impact of the deferral on current earnings, and unevenness of income from the lead hedge fund, the Company feels trailing 12 month earnings spread over all 201,852 outstanding shares is the best available representation of Company economics. On a trailing 12 month basis the annualized net earnings are \$124,232 or \$0.63 per share on 201,852 shares outstanding as of July 31, 2008.

At a P.E. of 5x on the trailing adjusted 12 month earnings, the calculated share price would be \$3.15 per share.

Cash: Current cash or investments receivable in securities marked to market is \$240,093 or \$1.19 per share. (These figures do not include long-term investment receivables, which, if added, would then bring the total to \$1.79 per share). Upon the exercise of all \$1 warrants, the cash or investment receivable per share would be \$3,279,996 or \$1.01 per share on 3,241,755 shares. After the exercise of other warrant families, and assuming future earnings at zero, the cash or investment receivable per share would be \$2.44/sh after the exercise of the \$3 warrants, \$2.81/sh after the exercise of the \$5 warrants, and \$5.01/sh after the exercise of the \$7 warrants.

Discussion of Reopening Price of the Common Stock: In looking at an initial Bid price, the cash and investment receivable per share (\$1.19/sh) makes a reasonable ultimate floor, as it is unlikely for persons to sell at a discount to cash equivalents.

At the same time, this ultimate floor must be tested against the availability of selling share inventory. There is a low number of shares outstanding (201,852), with approximately 92% of the outstanding shares purchased early in order to capture long-term capital gains tax treatment. These limited sources point to the source of selling shares as coming primarily from some holders exercising \$1 warrants and selling for a profit. Using annualized fully diluted net earnings per share of \$0.13 as another logical minimum, holders probably would want to get at least cash plus one year's minimum earnings. That establishes a logical floor of: $\$1.19 + \$0.13 = \$1.32$ per share as a suggested Bid.

In establishing the reopening Ask price, the reported typical inside spreads of Pink Sheet stocks trading between \$0.10 and \$1.00 are referenced. On average, those are reported at 29.9%. (In the \$1.00 to \$10.00 share price range, the 75th percentile spreads are similarly 27.5%). Applying the 29.9% to the \$1.19/sh Bid calculates to a \$1.71 Ask price.

Note: Prior to the experiencing of a lengthier operating history, interaction of evolving market effects, and the planned migration to progressively more fully reporting status, it is estimated by the Company that the dominant factor in the share price will be the anchoring of the share price by the overhang of warrants at each successive price point. Because of this, comparables, PE ratios, and other purchase or Asking Price related measures will not dominate and are not proposed as a basis for the initial price. Rather, the price will be dominated by sellers, initially those exercising \$1.00 warrants. This is especially true because the Company is performance oriented, rather than trying to drive share price by publicity. As the market becomes aware of the value associated with the stock, the shares that spring from the warrants and held by sellers will be absorbed. Only after that selling supply is met, will the buying related fundamentals (all assuming the stock has adequate earnings and performance) move the share price to the next warrant anchored price point. At each price strip, the process would, in theory, repeat.

Based on the above analysis, the Company recommends and requests an opening pricing of:

BID : \$1.32 / share ASK : \$1.71 / share

Item 5: THE PAR OR STATED VALUE OF THE SECURITIES

Issuer's Common Stock has no par value.

**Item 6: THE NUMBER SHARES OR TOTAL SECURITIES
OUTSTANDING**

As of the above date, there were approximately 201,852 Common Voting Shares issued and outstanding, with no par value.

SHAREHOLDER INFORMATION

Number of Shareholders: Approximately 1,384

Number of Free-trading Shares Outstanding; 201,852 - 100% of shares (held by 1,384 individuals)

Note: 1) Other than Mr. Billingsley with approximately 10% of shares and warrants, no other holder has beneficial interest in more than 4% of the company outstanding warrants and stock.

2) Officers of the Company hold proxy to vote all recently issued shares arising from warrant exercise.

3) Prior to August 10, 2008, 15 individuals exercised warrants and purchased 186,777 shares of common stock.

RECENT SALES OF UNREGISTERED SECURITIES

From January 1 to August 10, 2008, 15 individuals exercised warrants and purchased 186,777 shares of common stock. Such share purchases were exempt in reliance to 11 USC Section 1145.

Item 7: NAME AND ADDRESS OF THE TRANSFER AGENT

MC TRANSFER
(DTC TA# 23368)
(FINS# 337 329)
6923 SUMAC COURT
CENTERVILLE, MN 55038

**Item 8: THE NATURE OF THE ISSUER'S BUSINESS: THE
COMPANY**

Mentor Capital, Inc. (The "Company") provides access to capital from the public markets to hedge funds and private operating companies that are generally smaller than is required to go public in the current environment. The combination acts as a public fund-of-funds.

The Company

The Company was founded by the President in August 1985, and incorporated on July 29, 1994. On January 1, 1995, a small chain of athletic clubs, investment interests from Mentor Capital (a California sole proprietorship of Mr. Billingsley), investment interests from Tech Start (LP) and Mentor Investors – I, LP, plus a residual promissory note of \$841,957 from the sale of Best Express Foods (All under common control of Mr. Billingsley) were contributed in the initial formation of the Company. In 1994 and 1995 the Predecessor was listed in the San Jose Business Journal as the 6th and 22nd fastest growing privately held company in Silicon Valley.

In 1997, the company over-expanded and encountered financial difficulty and sold its assets. The residual shell entered into a reverse merger with a group of (15) fifteen mostly oil and gas partnerships. As part of the merger process, current management of the Company uncovered that the private syndicators were defrauding the private investors. At the request of the private investors, the SEC, FBI, Postal Inspector and California Department of Corporations were alerted. Key members of the syndicating group were eventually imprisoned for (6) six years. To scrub clean any residual syndicator claims the now public group of oil and gas interests went through a bankruptcy reorganization. The oil and gas properties were sold off and proceeds were distributed. To assist in a recovery, the courts allowed the issuance of approximately \$145 Million in warrants to the claimants and creditors. The warrants were in (4) four steps at \$1, \$3, \$5 and \$7 per share. The Court order serves as a registration and all the shares, warrants and shares that spring from the warrants are freely tradable. An SEC “No Comment” letter was received and the Plan was confirmed January 11, 2000.

The Company began to acquire or invest in smaller private businesses and retains a 50% interest in a \$1.2 Million revenue service business in Phoenix.

In May 2007, the Company identified a significant opportunity in funding hedge funds. 700 hedge funds were contacted and a lead hedge fund with \$16.9 Million in assets under management was selected. In October 2007, the Company negotiated to receive 80% of the net management fee and performance fee of the fund in exchange for a commitment to contribute \$125 Million in permanent capital to the fund. After the share price hits \$8 per share for 90 days, then the percentage of the net management and performance fee for the then future incremental additions to the fund, decreases to 20%. The hedge fund agreement was effective October 1, 2007 and investment earnings to date are \$238,091. The (7) seven year historic return to fund investors has been 19% and an addition 3% will come to Mentor Capital through its 80% fee sharing.

In order to ensure that adequate warrants would be exercised, the shareholders voted 84% in favor of a 1,000 to 1 reverse split which reduced outstanding shares to 15,075. Also, in the case of a stagnating share price, the fund manager can direct the Company to reduce the strike price on the higher priced warrants so that they are in-the-money.

ACQUISITIONS

The Company acquired a dominant contract financing position with its long-short, value oriented lead hedge fund in 2007 and has had preliminary discussions with two additional funds in other market sectors.

FUTURE ACQUISITIONS

The Company hopes to enter into agreements with approximately (15) fifteen hedge funds in various sectors to complete its fund-of-funds strategy. Additionally, any number of private companies may be financed or acquired through an internal “fund”.

PROPERTY OF THE COMPANY

The company has a 80% management fee position in its \$16.9 Million hedge fund, rights to earnings from the 50% interest in the \$1.2 Million Phoenix service business, and a 1,000 square foot leased headquarters office.

PLANS FOR CAPITAL

The Company primary focus is to allocate all of its \$145 Million in warrant proceeds. Following capital actions will perhaps involve PIPE investments from institutional investors.

LEGAL MATTERS

At the present time, the Company is not party to any investigation nor aware of any threatened legal or administrative proceeding involving the Company.

Item 9: THE NATURE OF THE PRODUCTS OR SERVICES OFFERED

The Company provides financing to hedge funds and smaller private companies.

Item 10: THE NATURE AND EXTENT OF THE ISSUER’S FACILITIES

The Company directs investments from a leased 1,000 square foot office at 511 Fourteenth Street, Suite A-2, Ramona, CA 92065 (Outside of San Diego, CA).

Item 11: THE NAMES OF EXECUTIVE OFFICERS AND MEMBERS OF THE BOARD OF DIRRECTORS

Name	Age	Tenure w/ Company	Position
Chet Billingsley	55	1985 – 2007	Chairman, CEO, Dir.
Earl Kornbrekke	65	1992 – 2007	Director
Stan Shaul	45	1993-2007	Treasurer, Director
James Blazeck	56	2007	Secretary, Director

Chester Billingsley received a congressional appointment to West Point in 1970 and later transferred to Harvard University where he received a Masters Degree in Applied Physics in 1975. While completing his graduate program he also attended classes at Harvard Business School and MIT's Nuclear Engineering Department. He spent most of his regular career at General Electric in Project, Turn Around, and International Assignments in the High Tech and Energy Fields with up to \$200 Million in production responsibility. He was the founder of the predecessor of the Company in 1985 and has been the General Partner or CEO since that time.

Earl Kornbrekke, Stan Shaul, and James Blazeck are each or have been private company presidents and each is a significant independent shareholder.

EXECUTIVE COMPENSATION

The following table sets forth certain information with respect to the historic and proposed compensation of officers to be paid by the Company for services rendered to the Company.

Chet Billingsley, Chairman and CEO	\$104,000 annual salary
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Additionally, the shareholders approved by 87.4% (85% on a headcount basis) for Mr. Billingsley to receive additional compensation from the hedge fund contract. After the share price hits and stays at \$8 per share for 90 non-contiguous days, Mr. Billingsley will share in approximately 35% of the hedge fund profit and will be designated to exercise 50% of any unexercised warrants after approximately the first 5,000,000 unexercised warrants are designated to shareholders previously so electing.

SIGNIFICANT TRANSACTIONS WITH MANAGEMENT

Mr. Billingsley has deferred compensation owed him from the Company of \$681,349 and retirement or severance earned of \$479,339. Against that \$1,160,688 owing, Mr. Billingsley has borrowed \$492,273 from the Company during the last (7) seven years. The loan is expected to be paid off as deferred compensation is paid down.

INDEMNIFICATION OF OFFICERS AND DIRECTORS

The Company and its Officers and Directors have entered into Indemnification Agreements under which the Officers and Directors are entitled to indemnification by the Company to the maximum extent permitted under California Law.

SECURITY OWNERSHIP BY MANAGEMENT AND OTHERS

It has been determined after inquiry of the key shareholders and others that the following table indicates all owners (direct or beneficial) of the Company, owning or controlling five percent (5%) or greater of the Company's securities:

Name	Class of Stock	Amount	Percent of Class
Chet Billingsley	Common	2,008 Shares	1 %
Chet Billingsley	Warrants	2,959,238 Warrants	10 %
Sandy Anderson	Common	15,400 Shares	8 %
Steve Hocking	Common	14,360 Shares	7 %
Sharon Breon	Common	118,000 Shares	59 %
Robert Brown	Common	10,176 Shares	5 %

Item 12: THE ISSUER'S RECENT BALANCE SHEET AND PROFIT AND LOSS AND RETAINED EARNINGS STATEMENT

The issuer's most recent financial statement as of August 10, 2008, (unaudited) plus statements from the two most recently preceding fiscal years of December 31, 2007 (audited) and December 31, 2006 (unaudited), are attached hereto as an Exhibit.

Item 13: SIMILAR FINANCIAL INFORMATION FOR SUCH PART OF THE TWO PRECEDING YEARS AS THE ISSUER OR ITS PREDECESSOR HAVE BEEN IN EXISTENCE

See Item 12 above and related Exhibits.

Item 14: WHETHER THE BROKER-DEALER OR ANY ASSOCIATED PERSONS ARE AFFILIATED DIRECTLY OR INDIRECTLY WITH THE ISSUER

To the best knowledge and belief of the Issuer, any broker-dealer or any person associated with a broker-dealer submitting quotations with respect to the common stock of the Issuer is not affiliated directly or indirectly with the Issuer.

Item 15: WHETHER THE QUOTATION IS BEING PUBLISHED OR SUBMITTED ON BEHALF OF ANY OTHER BROKER OR DEALER AND, IF SO, THE NAME OF SUCH BROKER OR DEALER

No quotation is being submitted or published directly or indirectly on behalf of any broker or dealer or associated person thereof.

Item 16: WHETHER THE QUOTATION IS BEING SUBMITTED OR PUBLISHED DIRECTLY OR INDIRECTLY ON BEHALF OF THE ISSUER OR ANY DIRECTOR, OFFICER OR ANY PERSON WHO IS DIRECTLY OR ANY PERSON WHO IS DIRECTLY OR INDIRECTLY THE BENEFICIAL OWNER OF MORE THAN 10% OF THE OUTSTANDING UNITS OR SHARES OF ANY EQUITY PERSON AND THE BASIS FOR ANY EXEMPTION UNDER THE FEDERAL SECURITIES LAWS FOR ANY SALES OF SUCH SECURITIES ON BEHALF OF SUCH PERSONS

To the best knowledge and belief of the Company, no such quotation is being submitted or published for or on behalf of any of the foregoing persons.

Item 17: EXHIBITS AND ATTACHMENTS

The Issuer has incorporated various Exhibits and Financial Statements herewith including:

- 1) August 10, 2008 YTD Balance Sheet, Statement of Income and Expense, Statement of Changes in Shareholders' Equity, Cash Flow Statement, and Notes to the Financial Statements (unaudited)
- 2) December 31, 2007, Balance Sheet, Statement of Income and Expense, Statement of Changes in Shareholders' Equity, Cash Flow Statement, and Notes to the Financial Statements. (audited)
- 3) December 31, 2006, Balance Sheet, Statement of Income and Expense, Statement of Changes in Shareholders' Equity, Cash Flow Statement, and Notes to the Financial Statements (Unaudited)
- 4) January 11, 2000 (Effective Date) Plan of Reorganization and associated Disclosure Statement (with Summary) authorizing the issuance of securities and registration under court authority.
- 5) January 23, 1997, 15c-211 Disclosure Statement

DATED the 29th Day of August, 2008, at Ramona, California

 **MENTOR CAPITAL, INC.**

/S /

CHET BILLINGSLEY
Chairman & CEO