

## **PRESS RELEASE**

**Source: Mentor Capital, Inc. (MNTR)**

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### **Mentor Capital, Inc. Proposes \$120 Billion Claw-back Plan**

SAN DIEGO, September 29 (Business Wire) – The following is an editorial provided by Chet Billingsley, CEO of Mentor Capital, Inc. (MNTR).

Wall Street, real estate and certain lending professionals should disgorge \$120 Billion in bonuses and fees fraudulently earned. These funds should be given to Americans on a dollar-for-dollar matching basis for citizens that are willing to make fresh investments to be held for one - year. This would stimulate savings, investment and the economy, and provide lubrication for the banking sector. It would appropriately punish greed and reward prudent, frugal American families.

The average Goldman Sachs, Morgan Stanley, Merrill Lynch, Lehman and Bear Sterns bonus has been \$250,000 per year for their combined 175,000 employees, in addition to very generous salaries. Together with other firms, the total annual bonus is estimated at \$90 Billion. Each year, virtually all company cash is swept into salaries leaving none for a reserve. These self-avowed, world-class experts knew or should have known the sub-prime or other real estate financings and their firms were subject to risk and did nothing to provide for it. Their bonus compensation was transferred under a condition of fraud and should be disgorged.

Like-wise, real estate professionals earned an increasingly enriching 7% on growing transactions that ended up being unsupportable. Fees from any transaction that went into foreclosure or default should be disgorged. The look-back period should be for four years, starting off at 100% giveback and falling off at 25% per year. This give-back should apply to future defaults and similarly apply to loan brokers or others down the chain that derived a fee from the transactions. These fiduciaries knew or should have known the risk and not allowed the transactions to proceed. Other private recovery or lawsuits should not be allowed. The fees earned on fraudulently represented transactions are estimated at \$30 Billion.

The \$120 Billion should be returned on a dollar-for-dollar investment matching basis to provide liquidity that will jump start our economy. Any American citizen (not corporations, partnerships, investment firms or foreign citizens) will be able to receive a matching contribution (like many employer matching retirement programs) when they designate that status and buy a (i) One-year or longer CD, (ii) IRA investment that is new or in excess of any regular contributions, (iii) Public Company IPO, option or warrant exercise with a side agreement to hold for one-year. The \$120 Billion will be awarded on a first-come basis \$100,000 maximum per person, and not exceed the total claw-back. For banks to qualify to accept twelve month CD matching funds they must

extend payments for 50% of the matched federal funds in an equal mix of months of mortgage extensions or future forgiveness.

Looking forward, to promote greater transparency and prevent similar problems of today in the future, it is suggested that companies will report on all public communications the following:

Mentor Rating: XYZ Corporation					
<b>D</b>	<b>F</b>	<b>C</b>	<b>A</b>	<b>A-</b>	<b>1.9 x</b>
Earnings (3%)	Debt (97%)	Growth	Size	Reporting	Executive Compensation

Portraying the key measures of a corporation in understandable terms, people can choose for themselves where to invest. Just as it helps us eat healthy food and avoid cigarettes, a common investor label will improve financial decision making, without government interference in the market. Mentor Capital has a proprietary algorithm for comparing salaries of large to small company executives and would be happy to make that available and/or maintain the Mentor Ratings on a non-profit basis. We would suggest, further, that any company with executive compensation greater than 1.0x would have to allow shareholders to appoint directors.

In a somewhat technical area, mark-to-market accounting should be suspended immediately. For banks, it is the equivalent of forcing a homeowner to cough up the decrease in value of his house immediately rather than waiting out the downturn. Banks should have that common sense option, also. Finally, and this is just life, Secretary Henry Paulson should offer his resignation, because he failed.

The above proposal, would create no new taxes, have broad support in the American public, provide \$240 Billion in liquidity, loosen up banking and investment, eliminate reactive banking rules, keep teetering owners in their homes, promote healthy saving, change out management at the top and call the culprits in our current crisis to the task of paying the Piper. The additional Mentor Ratings (we, of course, like that name) are more easily understood than voluminous fine print and reports that obfuscate true risk and reward. In addition to clear disclosure, we are confident the public would support, and Congress, in their currently creative state, can surely find, a way to legally recover the fraudulent transfers by bankers and brokers and return the funds to its citizens to invest.

**Chet Billingsley** is the Chairman & CEO of Mentor Capital, Inc. (Symbol: MNTR) that invests in hedge funds and smaller companies. The Company seeks to make the substantial returns available to the affluent, also available to main street America. MNTR has no debt and no exposure to the financial, sub-prime or real estate sectors. Information on the firm may be found at [www.MentorCapital.com](http://www.MentorCapital.com).

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