**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 I, Inc.

**2) Address of the issuer's principal executive offices**

Company Headquarters
Address 1: 9130 W. Post Road
Address 2: Suite 130
Address 3: Las Vegas, NV 89148
Phone: 702-227-0965
Email: mike@vestinmortgage.com
Website(s): www.vestinrealtymortgage1.com

IR Contact
Address 1: 9130 W. Post Road
Address 2: Suite 130
Address 3: Las Vegas, NV 89148
Phone: 702-227-0965
Email: deana@mvpmortgage.com
Website(s): www.vestinrealtymortgage1.com

**3) Security Information**

Trading Symbol: VRTA
Exact title and class of securities outstanding: Common Stock
CUSIP: 925490203
Par or Stated Value: 0.0001
Total shares authorized: 25,000,000 as of: December 31, 2019
Total shares outstanding: 1,083,899 as of: December 31, 2019

Additional class of securities (if necessary):
Trading Symbol: VRTA
Exact title and class of securities outstanding: Preferred Stock
CUSIP: 0925490203
Par or Stated Value: 0.0001
Total shares authorized: 1,000,000 as of: December 31, 2019
Total shares outstanding: 0.00 as of: December 31, 2019

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:

None

## 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

### TABLE OF CONTENTS


| | Page |
|---|---|
| FINANCIAL INFORMATION | |
| Consolidated Financial Statements (Unaudited) | 1 |
| Consolidated Balance Sheets (Unaudited) | 1 |
| Consolidated Statements of Income (Unaudited) | 2 |
| Consolidated Statements of Other Comprehensive Income (Unaudited) | 3 |
| Consolidated Statements of Cash Flows (Unaudited) | 4 |
| Notes to Consolidated Financial Statements (Unaudited) | 5 |

**VESTIN REALTY MORTGAGE I, INC.**
**CONSOLIDATED BALANCE SHEETS**
**ASSETS**
**(Unaudited)**

| | December 31, 2019 | December 31, 2018 |
|---|---|---|
| Assets | | |
| Cash and cash equivalents | $ 1,703,000 | $ 2,470,000 |
| Investment in marketable securities - related party | 134,000 | 134,000 |
| Investments in Delaware Statutory Trust | -- | 75,000 |
| Investment in equity method investee | 14,971,000 | 2,258,000 |
| Investment in Vestin Mortgage | 1,242,000 | 758,000 |
| Investment in The Parking REIT, Inc. | 6,264,000 | 3,464,000 |
| Investment in MVP Advisor & MVP Capital Partners II, net of impairment of $5,119,000 and $7,982,000 as of December 31, 2019 and 2018 | -- | -- |
| Interest and other receivables | -- | 83,000 |
| Notes receivable, net of allowance of $109,000 at December 31, 2019 and 2018 | -- | -- |
| Investments in real estate and fixed assets | | |
| Land and improvements | 1,799,000 | 1,749,000 |
| Building and improvements | 2,451,000 | 2,451,000 |
| Furniture and fixtures | 82,000 | 51,000 |
| | 4,332,000 | 4,251,000 |
| Accumulated depreciation | (638,000) | (607,000) |
| Total investments in real estate and fixed assets, net | 3,694,000 | 3,644,000 |
| Investment in real estate loans | 1,000 | 1,000 |
| Due from related parties | 32,000 | |
| Other assets | 107,000 | 122,000 |
| Total assets | $ 28,148,000 | $ 13,009,000 |

**LIABILITIES AND STOCKHOLDERS' EQUITY**

| | December 31, 2019 | December 31, 2018 |
|---|---|---|
| Liabilities | | |
| Accounts payable and accrued liabilities | $ 64,000 | $ 63,000 |
| Due to related parties | -- | 192,000 |
| Notes payable, net of unamortized loan issuance costs of $5,000 and $10,000 as of December 31, 2019 and 2018 | 1,982,000 | 2,031,000 |
| Total liabilities | 2,046,000 | 2,286,000 |
| | | |
| Stockholders' equity | | |
| Preferred stock, $0.0001 par value; 1,000,000 shares authorized; none issued and outstanding | -- | -- |
| Treasury stock, at cost, no shares at December 31, 2019 and 2018 | -- | -- |
| Common stock, $0.0001 par value; 25,000,000 shares authorized; 1,083,899 and 1,197,798 issued and outstanding at December 31, 2019 and 2018, respectively | 1,000 | 1,000 |
| Additional paid-in capital | 58,582,000 | 58,595,000 |
| Accumulated deficit | (32,481,000) | (47,873,000) |
| Accumulated other comprehensive income | -- | -- |

| | | |
|---|---|---|
| Total stockholders’ equity | 26,102,000 | 10,723,000 |
| Total liabilities and stockholders' equity | $ 28,148,000 | $ 13,009,000 |

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

**VESTIN REALTY MORTGAGE I, INC.**
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**
**(Unaudited)**

| | For The Years Ended December 31, 2019 | For The Years Ended December 31, 2018 |
|---|---|---|
| **Revenues** | | |
| Interest income from investment in real estate loans | $ 24,000 | $ 36,000 |
| Recovery of allowance for doubtful notes receivable | 3,023,000 | 1,981,000 |
| Rental revenue | 715,000 | 836,000 |
| Total revenues | 3,762,000 | 2,853,000 |
| **Operating expenses** | | |
| Management fees - related party | 276,000 | 219,000 |
| Payroll | 160,000 | 104,000 |
| Operations and maintenance | 294,000 | 251,000 |
| Depreciation | 45,000 | 132,000 |
| Professional fees | -- | 45,000 |
| Insurance | 112,000 | 124,000 |
| Consulting | 16,000 | 24,000 |
| Other | 76,000 | 140,000 |
| Total operating expenses | 979,000 | 1,039,000 |
| **Income from operations** | 2,783,000 | 1,814,000 |
| **Non-operating income (loss)** | | |
| Income from investment in equity method investee | 12,713,000 | 178,000 |
| Dividend Income – related party | -- | 70,000 |
| Interest expense | (104,000) | (120,000) |
| Loss on sale of marketable securities – related party | -- | (196,000) |
| Recovery from settlement with loan guarantor | -- | 102,000 |
| Total non-operating income | 12,609,000 | 34,000 |
| Provision for income taxes | -- | -- |
| **Net income attributable to common stockholders** | 15,392,000 | 1,848,000 |
| Basic and diluted loss per weighted average common share | | |
| Continuing operations | 14.08 | 1.62 |
| Discontinued operations | -- | -- |
| Total basic and diluted income per weighted average common share | $ 14.08 | $ 1.62 |
| Weighted average common shares outstanding | 1,093,505 | 1,132,227 |

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

**VESTIN REALTY MORTGAGE I, INC.**
**CONDENSED CONSOLIDATED STATEMENT OF EQUITY**
**FOR THE YEAR ENDED DECEMBER 31, 2019**
**(Unaudited)**

| | Common stock | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Number of Shares** | | **Par Value** | | **Additional Paid-in Capital** | | **Accumulated Deficit** | | **Total** |
| **Balance, December 31, 2018** | 1,197,798 | $ | 1,000 | $ | 58,595,000 | $ | (47,873,000) | $ | 10,723,000 |
| Net income (loss) | -- | | -- | | -- | | 15,392,000 | | 15,392,000 |
| Tressury Shares | (113,899) | | -- | | (13,000) | | -- | | (13,000) |
| **Balance, December 31, 2019** | 1,083,899 | $ | -- | $ | 58,582,000 | $ | (32,481,000) | $ | 26,102,000 |

**VESTIN REALTY MORTGAGE I, INC.**
**CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME**

| | For The Years Ended December 31, | |
|---|---|---|
| | **2019** | **2018** |
| Net income | $ 15,392,000 | $ 1,848,000 |
| Unrealized holding gain (loss) on available-for-sale securities – related party | -- | 22,000 |
| Comprehensive income attributable to Vestin Realty Mortgage I, Inc. | $ 15,392,000 | $ 1,870,000 |

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

**VESTIN REALTY MORTGAGE I, INC.**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(UNAUDITED)**

| | For the Years Ended December 31, | |
|---|---|---|
| | **2019** | **2018** |
| **Cash flows from operating activities:** | | |
| Net income | $ 15,392,000 | $ 1,848,000 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation | 45,000 | 132,000 |
| Amortization expense | 2,000 | 15,000 |
| Gain related to recovery of allowance for doubtful notes receivable | (12,713,000) | (1,981,000) |
| Dividend from MVP REIT (DRIP Shares) | -- | (70,000) |
| Income for equity method investee | -- | (178,000) |
| Loss from equity method investee | -- | (2,735,000) |
| Realized loss on marketable securities – related party | -- | 196,000 |
| Recovery from fully impaired real estate held for sale | -- | 2,720,000 |
| Change in operating assets and liabilities: | | |
| Interest and other receivables | 83,000 | (36,000) |
| Due to/from related parties | (224,000) | 17,000 |
| Prepaid expense – related party | -- | 81,000 |
| Deposits | -- | -- |
| Other assets | 15,000 | 33,000 |
| Accounts payable and accrued liabilities | (2,024,000) | 1,959,000 |
| Net cash provided by operating activities | 576,000 | 2,001,000 |
| | | |
| **Cash flows from investing activities:** | | |
| Investments in real estate loans | (118,000) | (1,000) |
| Investment in The Parking REIT | (2,800,000) | -- |
| Investment in Vestin Mortgage | (484,000) | (758,000) |
| Purchase of fixed assets | (113.000) | (7,000) |
| Proceeds from dividend MVP REIT | -- | 24,000 |
| Proceeds from payoff of Delaware Statutory Trusts | 75,000 | 497,000 |
| Proceeds from notes receivable | 118,000 | 1,981,000 |
| Net cash provided by (used in) investing activities | (3,322,000) | 1,736,000 |
| | | |
| **Cash flows from financing activities:** | | |
| Principal payments on notes payable | (100,000) | (83,000) |
| Proceeds from notes payable | 97,000 | 78,000 |
| Current portion of long-term debt | 1,995,000 | (2,024,000) |
| Purchase of treasury stock | (13,000) | (128,000) |
| Net cash provided by (used in) financing activities | 1,979,000 | (2,157,000) |
| **NET CHANGE IN CASH** | (767,000) | 1,580,000 |
| **Cash and cash equivalents, beginning of period** | 2,470,000 | 890,000 |
| **Cash and cash equivalents, end of period** | $ 1,703,000 | $ 2,470,000 |
| Supplemental disclosures of cash flows information: | | |
| Interest expense | $ 95,000 | $ 120,000 |
| Receipt of The Parking REIT shares through internalization | 7,000,000 | -- |
| Non-cash investing and financing activities: | | |
| Unrealized loss on marketable securities - related party | $ -- | $ (196,000) |
| Note Payable relating to prepaid D&O insurance | $ 85,000 | $ 16,000 |

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

## NOTE A — ORGANIZATION

Vestin Realty Mortgage I, Inc. ("VRM I", the "Company", "we", "us", or "our"), formerly Vestin Fund I, LLC ("Fund I"), 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"). In addition we invest in, acquire, manage or sell real property and invest in entities involved in the ownership or management of real property. We commenced operations in December 1999. References in this report to the "Company," "we," "us," or "our" refer to Fund I with respect to the period prior to April 1, 2006 and to VRM I with respect to the period commencing on May 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. 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.

On December 24, 2015, the Company announced it was in the process of voluntarily delisting the Company's common stock (the "Common Stock") from Nasdaq and voluntarily deregistering from the reporting requirements of the Securities Exchange Act of 1934, as amended. The Company and Nasdaq agreed that December 30, 2015 was the last day of trading of the Common Stock on Nasdaq. On December 31, 2015, the Company filed Form 25 and on January 12, 2016, filed Form 15.

Vestin Mortgage, LLC, a Nevada limited liability company, is our manager (the "manager" or "Vestin Mortgage"). On January 6, 2018, the Company and Vestin Realty Mortgage II, Inc. ("VRM II") entered into a Membership Interest Purchase Agreement with Michael Shustek. Pursuant to the Membership Interest Purchase Agreement, Mr. Shustek agreed to sell his interest in Vestin Mortgage, LLC to the Company and VRM II. 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 assets. Vestin Mortgage is also the manager of VRM II, as the successor by merger to Vestin Fund II, LLC ("Fund II"). VRM II has investment objectives similar to ours.

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.

In December 2013, we acquired a 40% interest in MVP Realty Advisors, LLC ("MVP Advisor"), the manager of MVP REIT, Inc. ("MVP REIT"), pursuant to a membership interest transfer agreement, dated as of December 19, 2013, between MVP Capital Partners, LLC ("MVP Capital") and us. Pursuant to the transfer agreement, we did not pay any up-front consideration for the acquired interest but were responsible for our proportionate share of expenses of MVP Advisor.

During May 2015, our Board of Directors and the Board of Directors of VRM II agreed to form MVP Capital Partners II, LLC, a Nevada limited liability company ("MVP CP II"). We own 40% and VRM II owns 60%. The purpose of MVP CP II is to act as the sponsor of MVP REIT II, Inc., a Maryland corporation (now known as The Parking REIT, Inc.), which was formed as a publicly registered non traded REIT ("MVP REIT II"). MVP REIT II was declared effective on October 22, 2015 and the offering closed on March 31, 2017.

We and VRM II 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.

On December 15, 2017, MVP REIT Inc. and MVP REIT II, Inc. merged. Upon the consummation of the merger, MVP REIT II changed its name to The Parking REIT, Inc. ("TPR"). As part of the merger, the merger agreement provided for a change in fees to MVP Realty

Advisors, LLC, which is owned 40% by the Company. On March 29, 2019, TPR and its external manager, MVP Advisors, entered into definitive agreements to internalize TPR's management function (the "Internalization") effective April 1, 2019. Please see Note H below for more information regarding the Internalization.

During July 2017, the Company appointed an independent director Donovan Jacobs whom will have sole voting power on any matters requiring a vote of independent directors. Additionally, during December 2019, the Company appointed another independent director Daryl Idler Jr whom will have voting power on any matters requiring a vote of independent directors.

On March 29, 2019, TPR and its external manager, MVP Advisors, entered into definitive agreements to internalize TPR's management function (the "Internalization") effective April 1, 2019. Please see Note R below for more information regarding the Internalization.

## 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.

### Consolidation

The Company's unaudited consolidated financial statements include its accounts and the accounts of all of the following subsidiaries. All intercompany profits and losses, balances and transactions are eliminated in consolidation.

VREO XXV, LLC

Under GAAP, the Company's consolidated financial statements will also include the accounts of its consolidated subsidiaries and joint ventures in which the Company is the primary beneficiary, or in which the Company has a controlling interest. In determining whether the Company has a controlling interest in a joint venture and the requirement to consolidate the accounts of that entity, the Company's management considers factors such as an entity's purpose and design and the Company's ability to direct the activities of the entity that most significantly impacts the entity's economic performance, ownership interest, board representation, management representation, authority to make decisions, and contractual and substantive participating rights of the partners/members as well as whether the entity is a variable interest entity in which it will absorb the majority of the entity's expected losses, if they occur, or receive the majority of the expected residual returns, if they occur, or both.

Equity investments in which the Company exercises significant influence but does not control and is not the primary beneficiary are accounted for using the equity method. The Company's share of its equity method investees' earnings or losses is included in other income in the accompanying unaudited condensed consolidated statements of operations. Investments in which the Company is not able to exercise significant influence over the investee are accounted for under the cost method.

### 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.

### 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.

### Derivative Instruments

The Company may use derivative financial instruments to hedge all or a portion of the interest rate risk associated with its borrowings. Certain of the techniques used to hedge exposure to interest rate fluctuations may also be used to protect against declines in the market value of assets that result from general trends in debt markets. The principal objective of such agreements is to minimize the risks and/or costs associated with the Company's operating and financial structure as well as to hedge specific anticipated transactions.

The Company records all derivatives on the balance sheet at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether the Company has elected to designate a derivative in a hedging relationship and apply hedge accounting and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting. Derivatives designated and qualifying as a hedge of the exposure to changes in the fair value of an asset, liability, or firm commitment attributable to a particular risk, such as interest rate risk, are considered fair value hedges. Derivatives designated and qualifying as a hedge of the exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges. Derivatives may also be designated as hedges of the foreign currency exposure of a net investment in a foreign operation. Hedge accounting generally provides for the matching of the timing of gain or loss recognition on the hedging instrument with the recognition of the changes in the fair value of the hedged asset or liability that are attributable to the hedged risk in a fair value hedge or the earnings effect of the hedged forecasted transactions in a cash flow hedge. The Company may enter into derivative contracts that are intended to economically hedge certain of its risk, even though hedge accounting does not apply or the Company elects not to apply hedge accounting.

The accounting for subsequent changes in the fair value of these derivatives depends on whether each has been designed and qualifies for hedge accounting treatment. If the Company elects not to apply hedge accounting treatment, any changes in the fair value of these derivative instruments is recognized immediately in gains (losses) on derivative instruments in the consolidated statement of operations. If the derivative is designated and qualifies for hedge accounting treatment, the change in the estimated fair value of the derivative is recorded in other comprehensive income (loss) to the extent that it is effective. Any ineffective portion of a derivative's change in fair value will be immediately recognized in earnings.

**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.

**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**

Interest is recognized as revenue on performing loans when earned according to the terms of the loans, using the effective interest method. We do not accrue interest income on loans once they are determined to be non-performing. A loan is non-performing when, 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. Cash receipts will be allocated to interest income, except when such payments are specifically designated by the terms of the loan as principal reduction. 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.

All leases are accounted for as non-cancelable operating leases. We recognize rental revenue on a straight-line basis over the term of the lease. Rental income related to the leases is recognized on an accrual basis in accordance with the terms of the leases. Advanced receipts of rental income are deferred and classified as liabilities until earned.

**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. Original 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 Accounting Standards Codification ("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.

**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.

**Investment in Marketable Securities and Investment in Marketable Securities – Related Party**

Investment in marketable securities consists of stock in VRM II and TPR, related parties. The securities for VRM II are stated at fair value as determined by the closing market prices as of December 31, 2019 and 2018. 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.

According to the SEC Staff Accounting Bulletin, Topic 5: Miscellaneous Accounting, M - *Other Than Temporary Impairment of Certain Investments in Debt and Equity Securities*, there are numerous factors to be considered in such an evaluation and their relative significance will vary from case to case. The following are a few examples of the factors that, individually or in combination, indicate that a decline is other than temporary and that a write-down of the carrying value is required:

- The length of the time and the extent to which the market value has been less than cost;
- The financial condition and near-term prospects of the issuer, including any specific events which may influence the operations of the issuer such as changes in technology that may impair the earnings potential of the investment or the discontinuance of a segment of the business that may affect the future earnings potential; or
- The intent and ability of the holder to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in market 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, 2019 and 2018.

**Common Stock Dividends**

During June 2008, our Board of Directors decided to suspend the payment of dividends. Our Board of Directors monitors 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 February 21, 2008, our Board of Directors authorized the repurchase of up to $5 million worth of our 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 repurchases will be funded

from our available cash. Under the Maryland General Corporation Law, shares of its own stock acquired by a corporation constitute authorized but unissued shares.

**Segments**

We are currently authorized to operate two reportable segments, investments in real estate loans and investments in real property. As of December 31, 2019, the Company operates in both segments.

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

**Advertising Costs**

Advertising costs incurred in the normal course of operations are expensed as incurred. The Company had no advertising expense for the years ended December 31, 2019 and 2018.

**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 noncontrolling 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.

**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 were 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 J – *Fair Value.*

Financial instruments with concentration of credit and market risk include cash, interest and other receivables, marketable securities and 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 which, at times, may exceed federally insured limits. To date, we have not experienced any losses. As of December 31, 2019 and 2018, we had approximately $1.4 and $2.1 million in funds in excess of the federally insured limits, respectively.

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 December 31, 2019 and 2018, all 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.

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. As of December 31, 2019 and 2018 no investments in real estate loans had an interest reserve.

### Loan Portfolio

As of December 31, 2019 and 2018, we had five available real estate loan products consisting of commercial, construction, acquisition and development, land and residential. Revenue by product will fluctuate based upon relative balances during the period.

As of December 31, 2019 and 2018 we had an investment in one construction real estate loan located in Nevada with an interest rate of 8% and a balance of approximately $1,000 which we held a first deed of trust. The maturity date of this loan has been extended to June 30, 2020.

During the first quarter of 2019, we invested in one land loan located in Arizona with an interest rate of 9% and a balance of approximately $118,000 which we held a first deed of trust. The maturity date of this loan is November 11, 2019. During the second quarter 2019, a payment of $100,000 was received. During the third quarter 2019, a payment of $18,000 was received. As of December 31, 2019, the loan was paid in full.

### Balance Sheet Reconciliation

The following table reconciles the balance of the loan portfolio to the amount shown on the accompanying Consolidated Balance Sheets.

| | December 31, 2019 | December 31, 2018 |
|---|---|---|
| Balance per loan portfolio | $ 1,000 | $ 1,000 |
| Less: | | |
| Allowance for loan losses | -- | -- |
| Balance per consolidated balance sheets | $ 1,000 | $ 1,000 |

### Non-Performing Loans

For the periods ended December 31, 2019 and 2018, we had no loans 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).

### 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 December 31, 2019 and 2018, our ratio of total allowance for loan losses to total loans with an allowance for loan loss is 0%.

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 December 31, 2019 and 2018, we had no specific reserve allowance.

**Extensions**

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. As of December 31, 2019 and 2018 our manager had granted one extension on outstanding loans.

## NOTE E — INVESTMENT IN EQUITY METHOD INVESTEE AND NOTE RECEIVABLE FROM MVP REALTY ADVISORS AND CAPITAL PARTNERS II

**MVP Realty Advisors**

As of December 31, 2019, we owned a 40% interest in MVP Realty Advisors, LLC ("MVP Advisor"), the former advisor of MVP REIT, Inc. and MVP REIT II, Inc. As of December 31, 2019 and 2018 we have made investments of approximately $0.9 and 3.9 million, respectively, to MVP Advisor.

**MVP Capital Partners II**

As of December 31, 2019, we owned a 40% interest in MVP CP II, the Sponsor of The Parking REIT, Inc. As of December 31, 2019, we have made investments of approximately $4.0 million to MVP CP II.

## NOTE F — INVESTMENT IN MARKETABLE SECURITIES – RELATED PARTY

As of December 31, 2019, we owned 134 shares of VRM II's common stock, representing approximately 9.0% of the total outstanding shares. The closing price of VRM II's common stock on December 31, 2019, was $1,000 per share.

At December 31, 2018, our manager evaluated the near-term prospects of VRM II in relation to the severity and duration of the unrealized loss. Based on that evaluation and current market conditions, we determined there was an other-than-temporary impairment on our investment in VRM II as of December 31, 2018. We realized a loss on our investment to its fair value of $1,000 per share as of December 31, 2018, totaling approximately $0.1 million and recognizing an impairment of approximately $0.2 million.

## NOTE G — INVESTMENT IN THE PARKING REIT, INC

As of December 31, 2019 and 2018, we owned 298,835 and 136,835 shares of common stock, respectively, of The Parking REIT. The shares are recorded on our balance sheet valued at $6.3 and $3.5 million, respectively. During the year ended December 31, 2019 we received no shares through TPR's distribution reinvestment program. In connection with the Internalization, we received additional shares of The Parking REIT's common stock. During the first quarter 2018 we received 411 shares through TPR's distribution reinvestment program which resulted in distribution income of approximately $10,000 from DRIP distributions. Please see Note H for more information regarding the Internalization.

On December 31, 2019 MVP Advisor received 400,000 shares of Common Stock as the second installment of the Consideration. These shares were distributed to the Company and VRM II in proportion to their ownership of MVP Advisor during January 2020.

**NOTE H — RELATED PARTY TRANSACTIONS**

From time to time, we may acquire or sell investments 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.

**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 I from the sale of shares or membership units, paid monthly. The amount of management fees earned by our manager for the years ended December 31, 2019 and 2018 was $276,000 and $219,000, respectively.

For the years ended December 31, 2019 and 2018, we paid approximately $0.5 and $0.8 million, respectively, to Michael V. Shustek per agreement for the internalization of the Manager.

**Transactions with Other Related Parties**

As of December 31, 2019 and 2018, we owned 134 common shares of VRM II, representing approximately 9.0% of their total outstanding common stock. For the twelve months ended December 31, 2019 and 2018 we recognized no dividend income from VRM II.

As of December 31, 2019 and 2018, VRM II owned 134,543 of our common shares, approximately 12.4% of our total outstanding common stock. For the years ended December 31, 2019 and 2018, we declared no dividends payable to VRM II.

As of December 31, 2019 and 2018, we owned 298,835 and 136,835 shares of common stock, respectively, of The Parking REIT. The shares are recorded on our balance sheet valued at $6.3 million and $3.5 million, respectively. During the year ended December 31, 2019 we received no shares through TPR's distribution reinvestment program. During the first quarter 2018 we received 411 shares through TPR's distribution reinvestment program which resulted in distribution income of approximately $10,000 from DRIP distributions

As of December 31, 2019 and 2018, we owned a 40% interest in MVP Advisor, the advisor of The Parking REIT.

As of December 31, 2019, we have invested approximately $0.9 million to MVP Advisor, the former manager of MVP REIT.

As of December 31, 2019 and 2018, we owned a 40% interest in MVP CP II, the sponsor of The Parking REIT.

As of December 31, 2019, we have invested approximately $4.0 million, to MVP CP II, the sponsor of MVP REIT II.

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

Prior to the Internalization, MVP Advisor had the option to request reimbursement of certain payroll expenses for salaries and benefits paid to non-executive officers from The Parking REIT. As of December 31, 2019, MVP Advisor was paid in full for all reimbursable expenses.

See Note E above for more information.

On December 15, 2017, MVP REIT Inc merged with a wholly-owned subsidiary of MVP REIT II, Inc. Upon the consummation of the merger, MVP REIT II changed its name to The Parking REIT, Inc. ("TPR"). As part of the merger, the merger agreement provided for a change in fees to MVP Realty Advisors, LLC, which is owned 40% by the Company.

As of December 31, 2019, subordinated asset management fees payable to MVP Advisor from The Parking REIT totaled $1.4 million. The subordinated asset management fees were considered paid as part of the internalization transaction.

*Internalization*

On March 29, 2019, The Parking REIT, Inc. ("TPR") and its external manager, MVP Advisor, entered into definitive agreements to internalize TPR's management function (the "Internalization") effective April 1, 2019 (the "Effective Date"). As part of the Internalization, among other things, TPR agreed with MVP Advisor to (i) terminate the Second Amended and Restated Advisory Agreement, dated as of May 26, 2017 and, for the avoidance of doubt, the Third Amended and Restated Advisory Agreement, dated as of September 21, 2018, which by its terms would have become effective only upon a listing of the TPR's common stock on a national securities exchange (collectively, the "Management Agreements"), each entered into among TPR, MVP Advisor and MVP REIT II Operating Partnership, LP (the "Operating Partnership"); (ii) extend employment to the executives and other employees of MVP Advisor; (iii) arrange for MVP Advisor to continue to provide certain services with respect to outstanding indebtedness of TPR and its subsidiaries; and (iv) lease the employees of MVP Advisor for a limited period of time prior to the time that such employees become employed by TPR, in each case, under the terms and conditions of the agreements filed by TPR as exhibits to a Form 8-K filed with the SEC on April 3, 2019 (the "Form 8-K").

On March 29, 2019, TPR entered into a Contribution Agreement (the "Contribution Agreement") with MVP Advisor, the Company (solely for purposes of Section 1.01(c) thereof), VRM II (solely for purposes of Section 1.01(c) thereof) and Michael V. Shustek (solely for purposes of Section 4.03 thereof). Pursuant to the Contribution Agreement, effective as of the Effective Date, MVP Advisor sold and contributed all of its assets to TPR, except for certain excluded assets as specified in the Contribution Agreement, and TPR accepted the transferred assets and agreed to assume and discharge when due all of the liabilities of MVP Advisor, except for certain retained liabilities as specified in the Contribution Agreement (the "Contribution"). In exchange for the Contribution, TPR agreed to issue to MVP Advisor 1,600,000 shares of its common stock (the "Common Stock") issuable in four equal installments (the "Consideration"). The first installment of 400,000 shares of Common Stock was issued on the Effective Date. The second installment of 400,000 shares of Common Stock was issued on December 31, 2019. The remaining installments will be issued on December 31, 2020 and December 31, 2021 (or if December 31st is not a business day, the day that is the last business day of such year). If requested by TPR in connection with any contemplated capital raise by TPR, MVP Advisor has agreed not to sell, pledge or otherwise transfer or dispose of any of the Consideration for a period not to exceed the lock-up period that otherwise would apply to other stockholders of TPR in connection with such capital raise. MVP Advisors also agreed to waive its rights to receive subordinated compensation (including accrued interest thereon) that has been accrued under the Management Agreements and any accrued but unpaid management fees at the Effective Date.

At any time on or prior to December 31, 2022, TPR may elect to repurchase up to 1,100,000 shares of Common Stock then held by MVP Advisor, the Company and/or VRM II (collectively, the "Call Parties") at a price equal to $17.50 per share of Common Stock. Any repurchases shall be made in proportion to each Call Party's relative interest, which is determined by dividing the number of shares of Common Stock then held by such Call Party by the total number of shares of Common Stock then held by all of the Call Parties.

In connection with the Internalization, TPR entered into employment agreements with Michael V. Shustek, Chief Executive Officer, Daniel Huberty, President and Chief Operating Officer, and James Kevin Bland, Chief Financial Officer, copies of which were filed with the Form 8-K. In addition, TPR has agreed to make offers of employment, on an at-will basis, to all of the other employees of MVP Advisor. In connection with the Internalization, TPR also entered into an Employee Leasing Agreement, dated as of March 29, 2019 and effective as of the Effective Date, with MVP Advisor pursuant to which MVP Advisor will lease its employees to TPR to continue to provide services to TPR as performed by such employees immediately before the Effective Date. The term of the Employee Leasing Agreement commenced on the Effective Date and will continue until the earlier of (i) the first date on which all leased employees ceased to be employed by the Manager or (ii) June 30, 2019. For each payroll period during the term, TPR will make leased employee payments to MVP Advisor equal to the aggregate amount of all salaries, wages, benefits, and other compensation paid by MVP Advisor to the leased employees, together with all costs and expenses incurred by MVP Advisor with respect to the leased employees during the applicable payroll period.

In connection with the Internalization, TPR entered into a Services Agreement, dated as of March 29, 2019 (the "Services Agreement"), with MVP Advisor, the Company, VRM II and Michael V. Shustek (collectively, the "Manager Entities"). Pursuant to the Services Agreement, each of MVP Advisor Entities will perform any and all services requested by TPR in connection with any agreement pursuant to which TPR, the Operating Partnership or any of TPR's subsidiaries borrows funds or is a guarantor with regard to any borrowed funds (such documents, collectively, the "Loan Documents"), including (i) maintaining the ownership and management structure of each Manager Entity in a manner that complies with any requirement set forth in the Loan Documents, (ii) complying with any representations, warranties and covenants in the Loan Documents and (iii) cooperating and taking all actions to comply with any request made by a lender relating to any Loan Document (collectively, the "Services"). The Agreement became effective on March 29, 2019 and will remain in effect until the date on which TPR no longer needs any of the Services. In consideration for the Services, MVP Advisor will be entitled to receive, beginning on the date upon which TPR completes its first capital raise after the Effective Date, $200,000 per year for four years (the "Consulting Fee"). The Consulting Fee will be payable monthly in arrears, either in cash or, at TPR's election, shares of Common Stock.

In connection with the Internalization, TPR entered into a Registration Rights Agreement, dated as of March 29, 2019 and effective as of the Effective Date (the "Registration Rights Agreement"), with MVP Advisor, the Company and VRM II (collectively, the "Holders").

Pursuant to the Registration Rights Agreement, each Holder, in respect of any shares of Common Stock that they may receive as part of the Consideration ("Registrable Shares"), may require TPR from time to time to register, under the Securities Act of 1933, as amended (the "Securities Act"), the resale of such shares of Common Stock on a registration statement filed with the SEC. The Registration Rights Agreement grants each Holder certain rights to demand a registration of some or all of their Registrable Shares (a "Demand Registration") or to request the inclusion of some or all of their Registrable Shares in a registration being effected by TPR for itself or on behalf of another person (a "Piggyback Registration"), in each case subject to certain customary restrictions, limitations, registration procedures and indemnity provisions. TPR is obligated to use reasonable best efforts to prepare and file a registration statement within specified time periods and to cause that registration statement to be declared effective by the SEC as soon as reasonably practicable thereafter.

In connection with the Internalization, TPR, the Operating Partnership and MVP Advisor entered into a Termination Agreement, dated as of March 29, 2019 (the "Termination Agreement"), terminating each of the Management Agreements effective as of the Effective Date. Pursuant to the Termination Agreement, except as provided in the Contribution Agreement, effective as of the Effective Date, each of the Management Agreements shall be void and shall have no effect, and no party thereto shall have any liability to the other party or parties thereto or their respective affiliates, or their respective directors, officers or employees; provided that the Termination Agreement does not relieve any party from liability for any fees or expenses accrued through the Effective Date or for any breach of the Management Agreements that arose prior to the Effective Date.

The foregoing description of the agreements entered into in connection with the Internalization and the transactions contemplated thereby, including the Internalization, does not purport to be complete and is qualified in its entirety by reference to each of the applicable agreements, which has been filed as exhibits to the Form 8-K.

On April 8, 2019, MVP Advisor distributed the 400,000 shares of Common Stock received as the first installment of the Consideration to the Company and VRM II in proportion to their ownership of MVP Advisor. The Company and VRM II own 40% and 60% of MVP Advisor' interests, respectively. As a result of the distribution, as of April 8, 2019, the Company beneficially owned 296,834 shares of Common Stock. Additionally, on December 31, 2019, MVP Advisor received the second installment of 400,000 shares of Common Stock which was distributed to the Company and VRM II in January 2020.

**NOTE I — NOTES PAYABLE**

During July 2014, VREO XXV issued a promissory note to Mohave State Bank for $2.3 million. This note bears an annual interest rate of 5.0%, is secured by property and is payable in monthly principal and interest payments of approximately $13,000, with a lump sum payment of approximately $2.0 million due at maturity in July of 2019.

During July 2019, VREO XXV issued a promissory note to Mohave State Bank for $2.0 million. This note bears an annual variable interest rate of 3.25% over index which is currently 5.10%, is secured by property and is payable in monthly principal and interest payments of approximately $14,000 starting August 1, 2019, with a lump sum payment of approximately $1.7 million due at maturity in July of 2024. As of December 31, 2019, the balance was approximately $2.0 million.

In April 2018, we financed a 12-month insurance policy for Directors and Officers liability, with an annual interest rate of 3.70%. The agreement required a down payment of approximately $26,000 and ten monthly payments of approximately $8,000 beginning on May 27, 2018. As of March 31, 2019, this loan has been paid in full.

In April 2019, we financed a 12-month insurance policy for Directors and Officers liability, with an annual interest rate of 3.95%. The agreement required a down payment of approximately $15,000 and ten monthly payments of approximately $9,000 beginning on May 27, 2019. As of December 31, 2019, this balance was approximately $17,000.

As of December 31, 2019, future principal payments on the note payable are as follows:

| | | |
|---|---|---|
| 2020 | | 79,000 |
| 2021 | | 65,000 |
| 2022 | | 68,000 |
| Thereafter | | 1,738,000 |
| Total | $ | 1,950,000 |

Principal payments table amount does not reflect the unamortized loan issuance cost of $5,000 as of December 31, 2019.

**NOTE J — FAIR VALUE**

As of December 31, 2019 and 2018, financial assets and liabilities utilizing Level 1 inputs included investment in marketable securities and marketable securities - related 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 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 tables present the valuation of our financial assets as of December 31, 2019 and 2018, 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 12/31/19 | Carrying Value on Balance Sheet at 12/31/19 |
| **Assets** | | | | | |
| Investment in marketable securities - related party | $ 134,000 | $ -- | $ -- | $ 134,000 | $ 134,000 |
| Investment in real estate loans | $ -- | $ -- | $ 19,000 | $ 19,000 | $ 19,000 |

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, 2019 to December 31, 2019:

| | Investment in real estate loans |
|---|---|
| **Balance on January 1, 2019** | $ 1,000 |
| Purchase and additions of assets | |
| New mortgage loans and mortgage loans acquired | 118,000 |
| Purchase from third parties | -- |
| Sales, pay downs and reduction of assets | (118,000) |
| Collections and settlements of principal and sales of investment in real estate loans | -- |
| Sale of assets to third parties | -- |
| Temporary change in estimated fair value based on future cash flows | -- |
| **Balance on December 31, 2019, net of temporary valuation adjustment** | $ 1,000 |

| | Fair Value Measurements at Reporting Date Using | | | | |
|---|---|---|---|---|---|
| | Quoted Prices in Active Markets | Significant Other | Significant Unobservable Inputs (Level 3) | Balance at 12/31/18 | Carrying Value on Balance |

| | For Identical Assets (Level 1) | Observable Inputs (Level 2) | | | Sheet at 12/31/18 |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Investment in marketable securities - related party | $ 134,000 | $ -- | $ -- | $ 134,000 | $ 134,000 |
| Investment in real estate loans | $ -- | $ -- | $ 1,000 | $ 1,000 | $ 1,000 |

**NOTE K — SEGMENT INFORMATION**

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

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

| | For The Years Ended December 31, | |
|---|---|---|
| | 2019 | 2018 |
| **Revenues** | | |
| Investment in real estate loans | $ 3,047,000 | $ 2,017,000 |
| Investment in real property | 715,000 | 836,000 |
| Total revenues | 3,762,000 | 2,853,000 |
| **Operating expenses** | | |
| Investment in real estate loans | $ 276,000 | $ 219,000 |
| Investment in real property | 339,000 | 383,000 |
| Corporate activities | 364,000 | 437,000 |
| Total expenses | 979,000 | 1,039,000 |

| **Total Assets** | December 31, 2019 | December 31, 2018 |
|---|---|---|
| Investment in real estate loans | $ 1,000 | $ 159,000 |
| Investment in real property | 3,694,000 | 3,644,000 |
| Corporate assets | 24,453,000 | 9,206,000 |
| Total assets | $ 28,148,000 | $ 13,009,000 |

**NOTE L — RECENT ACCOUNTING PRONOUNCEMENTS**

In May 2014, Financial Accounting Standards Board ("FASB") issued ASU 2014-09, *Revenue from Contracts with Customers*, an updated standard on revenue recognition. The standard creates a five-step model for revenue recognition that requires companies to exercise judgment when considering contract terms and relevant facts and circumstances. The standard requires expanded disclosure surrounding revenue recognition. Early application is not permitted. The standard was initially to be effective for fiscal periods beginning after December 15, 2016 and allows for either full retrospective or modified retrospective adoption. In July 2015, the FASB issued ASU 2015-14, *Revenue from Contracts with Customers, Deferral of Effective Date*, which delays the effective date of ASU 2014-09 by one year to fiscal periods beginning after December 15, 2017. In March 2016, the FASB issued ASU 2016-08, *Revenue from Contracts with Customers, Principal versus Agent Considerations (Reporting Revenue Gross versus Net)*, which is intended to improve the operability and understandability of the implementation guidance on principal versus agent considerations and the effective date is the same as requirements in ASU 2015-14. The Company adopted ASU 2014-09 beginning the first quarter of 2018 and there was no material impact on the Company's financial statements.

In January 2016, the FASB issued ASU No. 2016-01, *Financial Instruments - Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities.* The ASU requires entities to measure equity investments that do not result in consolidation and are not accounted for under the equity method at fair value with changes in fair value recognized in net income. The ASU also requires an entity to present separately in other comprehensive income the portion of the total change in the fair value of a liability resulting from a change in the instrument-specific credit risk when the entity has elected to measure the liability at fair value in accordance with the fair value option for financial instruments. The requirement to disclose the method(s) and significant assumptions used to estimate the fair value for financial instruments measured at amortized cost on the balance sheet has been eliminated by this ASU. This ASU is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. The Company adopted ASU 2016-01 beginning the first quarter of 2018 and there was no material impact on the Company's financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases – (Topic 842)*. This update will require lessees to recognize all leases with terms greater than 12 months on their balance sheet as lease liabilities with a corresponding right-of-use asset. This update maintains the dual model for lease accounting, requiring leases to be classified as either operating or finance, with lease classification determined in a manner similar to existing lease guidance. The basic principle is that leases of all types convey the right to direct the use and obtain substantially all the economic benefits of an identified asset, meaning they create an asset and liability for lessees. Lessees will classify leases as either finance leases (comparable to current capital leases) or operating leases (comparable to current operating leases). Costs for a finance lease will be split between amortization and interest expense, with a single lease expense reported for operating leases. This update also will require both qualitative and quantitative disclosures to help financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. The guidance is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years; however, early adoption is permitted. We have determined that the provisions of ASU 2016-02 may result in an increase in assets to recognize the present value of the lease obligations with a corresponding increase in liabilities for leases. The Company adopted ASU 2016-02 beginning the first quarter of 2019 and there was no material impact on the Company's financial statements.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments-Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments*. The amendments in this ASU replace the current incurred loss impairment methodology with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. This ASU is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Company is currently evaluating the impact that ASU No. 2016-13 will have on the Company's consolidated financial statements.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230) Restricted Cash*. The new guidance requires that the reconciliation of the beginning-of-period and end-of-period amounts shown in the statements of cash flows include restricted cash and restricted cash equivalents. If restricted cash is presented separately from cash and cash equivalents on the balance sheet, companies will be required to reconcile the amounts presented on the statement of cash flows to the amounts on the balance sheet. Companies will also need to disclose information about the nature of the restrictions. This update will become effective for the Company for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years, with early adoption permitted. The Company adopted ASU 2016-18 starting first quarter 2018 and there was no material impact on the Company's financial statements.

In January 2017, the FASB issued ASU 2017-01, *Business Combinations (Topic 805) Clarifying the Definition of a Business*. This update is to clarify the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The definition of a business affects many areas of accounting including acquisitions, disposals, goodwill, and consolidation. This update will become effective for the Company for fiscal years beginning after December 15, 2017, including interim periods within those years. The Company adopted ASU 2016-18 starting first quarter 2018 and there was no material impact on the Company's financial statements.

In May 2017, the FASB issued Accounting Standards Update ASU 2017-09, *Compensation-Stock Compensation: Scope of Stock Compensation Modification Accounting*. The ASU was issued to provide clarity and reduce both (1) diversity in practice and (2) cost and complexity when applying the guidance in Topic 718, Compensation—Stock Compensation, to a change to the terms or conditions of a share-based payment award. The amendments in this update provide guidance about which changes to the terms or conditions of a share-based payment award require an entity to apply modification accounting in Topic 718. The update is effective for annual periods beginning after December 15, 2017, and interim periods thereafter. Early adoption is permitted, including adoption in any interim period. The Company does not expect adoption of ASU 2017-09 to have a material effect on our consolidated financial statements.

## NOTE M — LEGAL MATTERS INVOLVING THE COMPANY

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.

### *SEC Investigation*

On June 5, 2019, our chief executive officer, Michael V. Shustek, received a subpoena from the San Francisco Office of the Division of Enforcement of the Securities and Exchange Commission (the "SEC"), requesting the production of documents related to the Company and certain other entities and properties affiliated with Mr. Shustek, the Company in connection with a formal investigation being conducted by the SEC involving the Company. On June 17, 2019, the Company received a substantially similar subpoena from the SEC, as did certain other entities affiliated with Mr. Shustek. On July 1, 2019, Mr. Shustek received a second subpoena from the SEC requesting related documents on the same topics and entities. In connection with each subpoena, the SEC stated that: "this investigation

is a non-public, fact-finding inquiry. We are trying to determine whether there have been any violations of the federal securities laws. The investigation and the subpoena do not mean that we have concluded that the recipient of the subpoena or anyone else has violated the law. Also, the investigation does not mean that we have a negative opinion of any person, entity or security."

The Company and Mr. Shustek intend to cooperate with the SEC in this matter. However, the Company cannot predict the outcome or the duration of the SEC investigation or any other legal proceedings or any enforcement actions or other remedies, if any, that may be imposed on Mr. Shustek, the Company or any other entity arising out of the SEC investigation.

**NOTE O —INVESTMENTS IN DELAWARE STATUTORY TRUST**

As of December 31, 2017, we had an investment in a Delaware Statutory Trusts ("DST") for a total of approximately $0.5 million. The DST holds commercial properties located in Florida which we consider to be the collateral on this loan. Additionally, the DST is guaranteed by a third-party Broker Dealer who had a selling agreement with MVP REIT and MVP REIT II. Certain members of the Broker Dealer's management also guaranteed this loan.

On August 30, 2017 the Company and VRM II filed suit against Sandlapper Capital, NNN Industrial Portfolio Holdings, Trevor Gordon and Jack Bixler (the "Sandlapper Parties") regarding the investments held in the two Delaware Statutory Trusts ("DST"). A Repurchase Agreement was entered into in January 2016 for the repurchase of DST Units from VRM I and VRM II on or before January 31, 2017. This repurchase agreement was extended until May 31, 2017 and then again until July 31, 2017. As of the filing of the lawsuit on August 30, 2017, the DST units had not been repurchased. On January 31, 2018 the parties entered into a Confidential Settlement Agreement and Release which was amended by the First Amendment To Confidential Settlement Agreement and Release (collectively, the "Settlement"). Pursuant to the Settlement, the Sandlapper Parties were to make certain payments and as of date of filing, the Sandlapper Parties have paid in full.

**NOTE P — INVESTMENT IN VESTIN MORTGAGE**

Vestin Mortgage, LLC, a Nevada limited liability company, is our manager (the "manager" or "Vestin Mortgage"). On January 6, 2018, the Company and Vestin Realty Mortgage II, Inc., ("VRM II") entered into a Membership Interest Purchase Agreement with Michael Shustek. Pursuant to the Membership Interest Purchase Agreement, Mr. Shustek agreed to sell his interest in Vestin Mortgage, LLC ("VM") to the Company and VRM II and to also provide to VM all extension fees, late fees and 50% of all future origination fees upon the funding of a loan by the Company and/or VRM II. The sales price for Mr. Shustek's interest is approximately $13.0 million of which approximately $1.5 million was paid on January 10, 2018, approximately $1.5 million is due and payable on June 10, 2018, the amount of approximately $2.9 million is due on January 10, 2019 and then again on January 10, 2020 with a final payment of approximately $4.4 million due and payable on January 10, 2021. The Membership Interest Purchase Agreement was amended on June 1, 2018 (the "Amendment") to reduce the sales price by $4.5 million to approximately $8.7 million and to change the payment schedule as follows: $1,465,741 was paid on January 10, 2018, $1,200,000 was paid on July 17, 2018, $1,200,000 will be paid on January 17, 2019 and the sum of $1,200,000 is due on each of June 10, 2019, January 10, 2020, June 10, 2020 with a final payment of $1,225,931 due on January 10, 2021. Payment due on June 10, 2019 was paid in July 2019 and January 2020 in the amount of $500,000 each. The remaining $200,000 due will be paid at a later date. The Company is responsible for the payment of 28.44% of the purchase price and VRM II is responsible for 71.56% of the purchase price. In addition, Vestin Mortgage will continue to receive its management fee until $5,862,965 of the purchase price has been collectively paid by the Company and VRM II. The Amendment changed the termination date and provides that the Membership Interest Purchase Agreement may be terminated by the Company and VRM II in the event a plan of repayment for the monies advanced by the Company and VRM II to MVP Advisor is not in effect by October 10, 2020 from October 1, 2018. The amount advanced is approximately $23.5 million. In the event the membership Interest Purchase Agreement is terminated, any payments already made to Mr. Shustek will be deducted from the asset management fee payable in 2021 and 2022.

**NOTE Q — SUBSEQUENT EVENTS**

During March 2020, VREO XXV, LLC sold a vacant parcel of land for $1.0 million to an unrelated third-party which resulted in a nominal loss. The note payable to Mohave State Bank was paid down $925,000 as a part of the transaction.

On January 27, 2020, the Board of Directors meet and discussed the ownership of the Company. It has been resolved the Mr. Shustek and/or his related entities may purchase stock in excess of 35% of the Company ownership.

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 also invests in entities involved in the ownership or management of commercial real property.

B. Date and State (or Jurisdiction) of Incorporation:

May 24, 2005
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 Director
Donovan Jacobs, Independent Director
Daryl Idler Jr, Independent Director

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 | 20.0% | 217,287 |
| Vestin Realty Mortgage II, Inc. | 12.4% | 134,543 |

**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: Jon S. Cohen
Firm: Snell & Wilmer L.L.P.
Address 1: One Arizona Center
Address 2: Phoenix, Arizona 85004-2202
Phone: 602-382-6247
Email: jcohen@swlaw.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: 9130 W. Post Road Suite 130
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, Michael V. Shustek certify that:

1. I have reviewed this annual financial statement of Vestin Realty Mortgage I, 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.

March 31, 2020
*/s/ Michael V. Shustek*
CEO