HMG/COURTLAND PROPERTIES, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
(LIQUIDATION BASIS)

As of and for the Year Ended December 31, 2023

And Independent Accountant's Review Report

Cherry Bekaert LLP
Your Guide Forward

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Your Guide Forward

Independent Accountant's Review Report

To the Liquidating Trustee
HMG/Courtland Properties, Inc. and Subsidiaries
Coconut Grove, Florida

We have reviewed the accompanying consolidated statement of net assets in liquidation (liquidation basis) of HMG/Courtland Properties, Inc. (a Delaware corporation) and Subsidiaries (the "Company") as of December 31, 2023, and the related consolidated statement of changes in net assets in liquidation (liquidation basis) for the year then ended, and the related notes to the consolidated financial statements (liquidation basis). A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the consolidated financial statements (liquidation basis) as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Consolidated Financial Statements (Liquidation Basis)

Management is responsible for the preparation and fair presentation of these consolidated financial statements (liquidation basis) in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements (liquidation basis) that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the consolidated financial statements (liquidation basis) for them to be in accordance with accounting principles generally accepted in the United States of America. We believe the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of HMG/Courtland Properties, Inc. and Subsidiaries, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements (liquidation basis) in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Cherry Bekaert LLP

Fort Lauderdale, Florida
November 21, 2024

HMG/COURTLAND PROPERTIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF NET ASSETS IN LIQUIDATION
(LIQUIDATION BASIS)

DECEMBER 31, 2023
(ROUNDED TO NEAREST THOUSAND DOLLARS)

(SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT)

ASSETS	
Cash and cash equivalents	$ 13,676,000
Office building	2,851,000
Other investments	2,593,000
Investments in marketable securities	1,759,000
Notes and other receivables	1,190,000
Investment in affiliate	1,104,000
Investment in commercial real estate partnership	500,000
Future operating interest, rental income and other	258,000
Total Assets	23,931,000
LIABILITIES	
Amounts due to Advisor for regular fees	1,650,000
Operating expenses in liquidation	934,000
Estimated capital contributions due on other investments	897,000
Accounts payable, accrued expenses, and other liabilities	58,000
Total Liabilities	3,539,000
NET ASSETS IN LIQUIDATION	$ 20,392,000

The accompanying notes to the consolidated financial statements are an integral part of these statements.

HMG/COURTLAND PROPERTIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS IN LIQUIDATION (LIQUIDATION BASIS)

FOR THE YEAR ENDED DECEMBER 31, 2023
(ROUNDED TO NEAREST THOUSAND DOLLARS)

(SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT)

Net assets in liquidation, beginning of year	$ 29,681,000
Changes in net assets in liquidation:	
Liquidating distribution	(10,168,000)
Net decrease in cash during the period (excluding liquidating distribution)	(1,325,000)
Disposals and value changes of other investments	(569,000)
Receipt of final distribution from investment in residential real estate partnership	(165,000)
Net increase including value changes in marketable securities	551,000
Net increase in notes and other receivables	158,000
Decrease in investment in affiliate	(68,000)
Decrease in value of investment in commercial real estate partnership	(400,000)
Reduction in future operating interest and rental income	(250,000)
Payment to Advisor for incentive fees	1,787,000
Payment to Advisor for regular fees, net of increase for half of 2026	330,000
Reduction in estimated expenses in liquidation	185,000
Decrease in commitments due on other investments	99,000
Increase in accounts payable and accrued expenses	(44,000)
Federal and state income taxes	590,000
Changes in net assets in liquidation	(9,289,000)
Net assets in liquidation, end of year	$ 20,392,000

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Note 1—Summary of significant accounting policies

The Company – HMG/Courtland Properties, Inc. and Subsidiaries (the "Company") is a Delaware corporation organized in 1972. Unless indicated otherwise or unless the context requires otherwise, all references to "we," "us," "our," or the "Company" are to HMG/Courtland Properties, Inc., and all references to "Plan of Dissolution" are to the voluntary liquidation and dissolution (the "dissolution") of the Company pursuant to a plan of liquidation and dissolution, described below.

Business and Consolidation – Prior to dissolution proceedings, the Company's business was the ownership and management of income-producing commercial properties and its management considered other investments if such investments offered growth or profit potential. The Company's recurring operating revenue is from interest income and property rental operations of its corporate offices.

All material transactions and balances with consolidated and unconsolidated entities have been eliminated in consolidation or as required under the equity method.

Presentation – All amounts have been rounded to the nearest thousand, unless otherwise indicated.

Plan of Dissolution

On November 3, 2021, the Company's then board of directors ("Board") unanimously determined that the dissolution of the Company was advisable and in the best interests of the Company and its stockholders and approved and adopted the Plan of Dissolution. On November 8, 2021, the Company filed a Form 8-K with the SEC, announcing that the Board had approved and adopted the Plan of Dissolution. On or about December 31, 2021, a Notice of Action Taken Without a Stockholder Meeting and an Information Statement was filed with the SEC and mailed to all stockholders of record of the Company as of the close of business on December 24, 2021 in connection with the Plan of Dissolution.

The Certificate of Dissolution was filed with the Secretary of the State of Delaware on or after January 24, 2022. Also, in January 2022, the Company closed its stock transfer books and shares of common stock ceased to be traded on the New York Stock Exchange (the "NYSE"). From and after the date the Certificate of Dissolution was filed the Company has limited operations and activities to those required to wind up the Company's business and affairs as required by law. Effective on the date the Plan of Dissolution was filed, the Company's Chairman (Maurice Wiener) became the Liquidating Trustee. Mr. Alan Finkelstein, a former director, was appointed Alternate Liquidating Trustee in the event Mr. Wiener was unable to continue as Liquidating Trustee. On November 8, 2023, Mr. Wiener passed away and Mr. Finkelstein became the Liquidating Trustee. On November 16, 2023, Carlos Camarotti, a former officer, was rehired as Vice President and Alternate Liquidating Trustee.

The Liquidating Trustee may appoint new officers, hire employees, and retain independent contractors and agents in connection with the winding up process, and is authorized to pay compensation to or otherwise compensate its officers, employees, and independent contractors above their regular compensation in recognition of the extraordinary efforts they may be required to undertake in connection with the successful implementation of the Plan of Dissolution. Approval of the Plan of Dissolution constitutes approval by stockholders of any such compensation.

The approval of the Plan of Dissolution also authorizes, without further stockholder action, the Liquidating Trustee to do and perform, or to cause its officers to do and perform, any and all acts and to make, execute, and deliver any and all agreements, conveyances, assignments, transfers, certificates, and other documents of every kind that the Liquidating Trustee deems necessary, appropriate, or advisable to implement the Plan of Dissolution and the transactions contemplated thereby, including, without limitation, all filings or acts required by any state or federal law or regulation to wind up its affairs.

Note 1—Summary of significant accounting policies (continued)

Estimated Liquidating Distributions to Stockholders

The Company estimates it could make aggregate liquidating distributions to stockholders of approximately $30 million (approximately $30.00 per share of common stock), based on 1,016,848 shares of common stock outstanding as of December 3, 2021. On January 13, 2023, the Company made its first liquidating distribution to stockholders in the amount of $10,168,480 or $10.00 per share. The Company made a second liquidating distribution on January 19, 2024 in the amount of $10,168,480 or $10.00 per share.

The Company cannot predict the timing or amount of any further liquidating distributions, as uncertainties exist as to the value it may receive upon the sale of the Company's assets pursuant to its monetization strategy, the net value of any remaining assets after such sales are completed, the ultimate amount of expenses associated with implementing its monetization strategy, the operating costs and amounts to be set aside for claims, obligations and provisions during the liquidation and winding-up process, and the related timing to complete such transactions. The Company did not make any pre-effective date distributions.

Calculating the estimated amount of cash to be distributed to stockholders is inherently uncertain and requires the Company to make a number of assumptions regarding future events, many of which are unlikely to ultimately materialize. The Company used the following assumptions when calculating the range of estimated distributable amount of cash: (1) the Company files the Certificate of Dissolution and implement the Plan of Dissolution and shortly after pursue the sale of all or substantially all of the Company's assets; (2) there are no currently unknown or unanticipated material liabilities, and if no such liabilities arise or are identified after the filing of the Certificate of Dissolution (or the effective date if at a later date than the filing of the Certificate of Dissolution); (3) the estimate of the Company's known, contingent, or future liabilities is reasonable and materially accurate; and (4) the accounting for the Company's liabilities, including those that are presently unknown, involves estimates that are reasonable and materially accurate; and (5) the Company's estimate of the net proceeds to be received from the sale of the Company's assets pursuant to monetization strategy is reasonable and materially accurate.

The Company's estimates of the anticipated distribution amounts are preliminary and subject to change and many of the factors that are necessary to determine how much, if any, will be able to distribute to stockholders in liquidation are subject to changes that are outside of the Company's control. The foregoing estimates are qualified by the assumptions set forth above, are subject to numerous uncertainties, and may not reflect the total range of possible outcomes; actual amounts may differ materially from such estimates. The Company has attempted to make reasonable estimates and assumptions; however, actual results may differ significantly from estimates and the actual amount it distributes to stockholders may be lower or higher than the estimated amount. It is possible that the aggregate liquidating distributions that would be paid to a stockholder would not exceed the amount the stockholder could have received upon sales of its shares of common stock in the open market. It is not possible to predict with certainty what the amount of aggregate liquidating distributions ultimately will be. While the Company intends to pursue matters related to liquidation and winding up as quickly as possible after completion of the sale of its assets pursuant to the Company's monetization strategy, the timing thereof is also subject to numerous risks and uncertainties.

It is currently anticipated that a majority of the assets the Company owned on December 14, 2021 (the date the Company's Plan of Dissolution was approved by the written consent of a majority of the shareholders) will be sold by December 31, 2026. The original end of the liquidation period was December 31, 2024. On November 11, 2024, the Company filed a petition in the Court of Chancery of the State of Delaware for an order continuing HMG's corporate existence in dissolution, *i.e.*, extending its winding up period through January 24, 2027. Pursuant to Section 278 of the Delaware General Corporation Law, any assets and liabilities remaining at such time will be transferred to a liquidating entity and it is likely the full realization of proceeds from sales will extend beyond that date.

Note 1—Summary of significant accounting policies (continued)

Accounting Treatment after Dissolution

The Company changed its basis of accounting to the liquidation basis of accounting effective December 14, 2021, the date the majority of the Company's stockholders approved the Plan of Dissolution and liquidation became imminent as defined in Accounting Standards Codification ("ASC") 205-30 *Financial Statement Presentation, Liquidation Basis of Accounting*. Under the liquidation basis of accounting, assets are stated at their estimated net realizable values, and liabilities are stated at their estimated settlement amounts. Recorded liabilities will include the estimated expenses associated with carrying out the Plan of Dissolution. For periodic reporting periods ending after the Plan of Dissolution has been approved by the majority of its stockholders, the Company will prepare a consolidated statement of net assets in liquidation, which will summarize the liquidation value per outstanding share of common stock and a consolidated statement of changes in net assets in liquidation, which will present the changes during the period in net assets available for distribution to investors and other claimants during the liquidation. Valuations presented in the statement will represent management's estimates, based on present facts and circumstances, of the net realizable values of assets, satisfaction amounts of liabilities, and expenses associated with carrying out the Plan of Dissolution based upon management assumptions.

Use of Estimates

The valuation of assets and liabilities will necessarily require many estimates and assumptions, and there will be substantial uncertainties in carrying out the provisions of the Plan of Dissolution. Ultimate values realized for the Company's assets and ultimate amounts paid to satisfy the Company's liabilities are expected to differ from estimates historically recorded under the going concern basis of U.S. GAAP in its annual or interim consolidated financial statements.

Consolidated Subsidiaries

The Company's consolidated primary subsidiaries are described below:

Courtland Investments, LLC ("CII") – CII is wholly owned, and its principal assets are the Company's office building, other investments, and marketable securities.

260 River LLC ("260") –This wholly-owned subsidiary of the Company owns 27.82% of a partnership which owns a property located in Montpelier, Vermont. The property is leased to one tenant which uses the space for offices and truck and port-or-let storage.

Accounting Policies

Income Taxes. Under the liquidation basis of accounting, the estimated future income tax effects of temporary differences between the financial reporting and tax bases of assets and liabilities, as well as operating loss and tax credit carrybacks and carryforwards are not considered to be significant. See Note 8, Income Taxes.

The Company makes judgments regarding the interpretation of tax laws that might be challenged upon an audit and cause changes to previous estimates of tax liability. In addition, the Company operates within multiple taxing jurisdictions and is subject to audit in these jurisdictions as well as by the IRS. In management's opinion, adequate provisions for income taxes have been made for all open tax years. The potential outcomes of examinations are regularly assessed in determining the adequacy of the provision for income taxes and income tax liabilities. The Company believes adequate provisions have been made for reasonably possible outcomes related to uncertain tax matters.

Note 1—Summary of significant accounting policies (continued)

The Company follows the provisions of ASC Topic 740-10, *Accounting for Uncertainty in Income Taxes* which clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with ASC Topic 740 and prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. This topic also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

Based on the Company's evaluation, it has concluded there are no significant uncertain tax positions requiring recognition in its consolidated financial statements. The Company's evaluation was performed for the tax year ended December 31, 2023. The Company's federal income tax returns since 2020 are subject to examination by the IRS, generally for a period of three years after the returns were filed.

Value of Financial Instruments. The Company records its financial assets and liabilities at their net realizable value, which approximates their fair value, which is defined under the applicable accounting standards as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measure date. The Company uses valuation techniques to measure fair value, maximizing the use of observable outputs and minimizing the use of unobservable inputs.

The standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value which are the following:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Inputs include management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. The inputs are unobservable in the market and significant to the instrument's valuation.

An investment categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Estimated net realizable value of financial instruments including notes and other receivables, accounts payable and accrued expenses, and other liabilities approximate their fair values at December 31, 2023, due to their relatively short terms or variable interest rates.

Cash equivalents, U.S. treasury bills, and marketable equity securities are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices, broker or dealer quotations, or alternative pricing sources with reasonable levels of transparency. Marketable debt securities are classified within Level 2.

The valuation of other investments on a non-recurring basis requires significant judgment by the Company's management due to the absence of quoted market values, inherent lack of liquidity and the long-term nature of such assets. Such investments are valued initially based upon the transaction price. Valuations are reviewed periodically utilizing available market data and additional factors to determine if the carrying value of these investments should be adjusted. In determining valuation adjustments, emphasis is placed on market participants' assumptions and market-based information over entity-specific information and is classified as a Level 3 investment.

Note 1—Summary of significant accounting policies (continued)

Cash and Cash Equivalents. The Company considers all highly liquid investments with an original maturity of three months or less to be cash and cash equivalents.

Marketable Securities. The entire marketable securities portfolio (equity and debt) is stated at market value as of December 31, 2023.

Notes and Other Receivables. Management periodically performs a review of amounts due on its notes and other receivable balances to determine if they are impaired based on factors affecting the collectability of those balances. Management's estimates of collectability of these receivables requires management to exercise significant judgment about the timing, frequency, and severity of collection losses, if any, and the underlying value of collateral, which may affect recoverability of such receivables.

Concentration of Credit Risk. Financial instruments that potentially subject the Company to concentration of credit risk are cash and cash equivalent deposits in excess of federally insured limits, marketable securities, and notes and other receivables. From time to time the Company may have bank deposits in excess of federally insured limits (presently $250,000). The Company evaluates these excess deposits and transfers amounts to brokerage accounts and other banks to mitigate this exposure. The Company from time to time may have amounts on deposit in excess of federally insured limits. The Company has not experienced any losses in such accounts and believes that it is not exposed to any significant credit risk on cash.

Note 2—Subsequent events

The Company has evaluated subsequent events through November 21, 2024 in connection with the preparation of these consolidated financial statements, which is the date the consolidated financial statements were available to be issued.

On January 19, 2024, the Company made a second liquidating distribution of $10,168,480 or $10.00 per share.

Note 3—Office building and investment in commercial real estate partnership

Office Building – Coconut Grove, Florida
In 2023, the Company obtained an independent appraisal of the office building located in Coconut Grove, Florida which valued the property at $3.8 million. The Company expects to receive net proceeds from any expected sale of approximately $2.9 million. This is net of estimated sales commissions, closing costs, and any discount for the timing of the sale.

Investment in Real Estate Partnership Owning Commercial Property – Montpelier, Vermont
As discussed in Note 1, as of the end of 2023, the Company owns a 27.82% interest in a limited liability company that owns a commercial property being leased to a third party. As of December 31, 2023, the estimated net realizable value of this investment is approximately $500,000. The Company reduced its estimated net realizable value of this investment from $900,000 to $500,000 based on current operating results and discussions with the managing member.

Note 4—Investments in marketable securities

Investments in marketable securities consist primarily of large capital corporate equity and debt securities in varying industries or issued by government agencies with readily determinable fair values. These securities are stated at market value, as determined by the most recent traded price of each security.

As of December 31, 2023 the approximate fair value of the Company's marketable securities was as follows:

Description	
REIT's	$ 68,000
Mutual Funds & ETFs	17,000
Other Equity Securities	136,000
Total Equity Securities	221,000
Corporate and US Debt Securities	1,538,000
Total Marketable Securities	$ 1,759,000

Note 5—Other investments

The Company's other investments consist primarily of nominal equity interests in various privately held entities, including limited partnerships whose purpose is to invest venture capital funds in growth-oriented enterprises. The Company does not have significant influence over any investee and the Company's investment typically represents less than 5% of the investee's ownership.

As of December 31, 2023, the Company's portfolio of other investments consisted of 31 individual investments primarily in limited partnerships with varying investment objectives and focus. Management has categorized these investments by investment focus: technology and communications, diversified businesses, and real estate related and related.

As of December 31, 2023, other investments had an aggregate estimated net realizable value (after a 35% discount for liquidity) of $2.59 million. As of December 31, 2023, the Company has committed to funding an additional $897,000, as required by agreements with current investees. During the year ended December 31, 2023, the Company made cash contributions in these other investments of approximately $76,000 and received cash distributions of approximately $903,000.

The Company's other investments at estimated net realizable value are summarized below.

Investment Focus	
Real estate and related	$ 683,000
Diversified businesses	572,000
Technology and communications	1,338,000
Total	$ 2,593,000

Note 6—Investment in affiliate

Investment in affiliate consists of CII's 49% equity interest in T.G.I.F. Texas, Inc. ("TGIF"), a Texas corporation. TGIF holds cash, investments and a promissory note receivable with interest due from the estate of Maurice Wiener, the former Chairman of both the Company and TGIF.

In October 2024, a majority of TGIF shareholders voted to dissolve and liquidate TGIF. The liquidation of TGIF was completed in November 2024 and the Company received a final liquidation distribution of approximately $1,104,000.

Note 7—Notes and other receivables

The Company's notes and other receivables as of December 31, 2023 approximated the following:

Description	
Promissory note due from individual collateralized by interest in real estate development. Interest was paid through December 31, 2023 (a)	$ 425,000
Promissory note and accrued interest due from unrelated real estate consultant collateralized by interest in property located in Montpelier, Vermont (b)	206,000
Promissory note secured by intercreditor security agreement (c)	300,000
Promissory note and accrued interest due from real estate entity owning property in Miami Beach, Florida (d)	201,000
Other promissory note and other receivables	58,000
Total loans, notes, and other receivables	$ 1,190,000

(a) In June 2023, the Company loaned $425,000 to a local real estate developer well known to the Company. The loan was collateralized by a pledge and security agreement whereby the borrower pledged its entire interest in a real estate development located in Miami Beach, Florida. The promissory note bears interest at 12% per annum payable on an annual basis. The original maturity date of October 24, 2023 was extended until May 1, 2024 when the loan was repaid in full including accrued interest.

(b) In November 2020, the Company entered into a loan agreement with an unrelated real estate consultant ("borrower"). The Company and the borrower are members in a partnership that owns a leased property in Montpelier, Vermont (the "Property"). The borrower paid for its 10% membership interest in the partnership with a promissory note due to the Company which amount advanced bears interest at 4% per annum fixed. Interest-only payments are due each quarter for the first five years of the loan. Throughout the remaining term interest plus amortization of 1% per year until the earlier of the sale of the Property or December 31, 2030 (the "Maturity Date"). The loan is secured by the borrower's membership interest in the new development company through a pledge agreement. As of December 31, 2023, approximately $263,000 has been advanced under this loan agreement and the principal plus accrued interest of approximately $6,000 is outstanding. The Company expects, upon disposal of its interest in the Property, that the other minority interest holders, including the borrower, will also dispose of their interest and the majority of the outstanding principal and interest of the note receivable will be repaid. In 2023, the net realizable value of the principal of the note was reduced from $263,000 to $200,000 based on the updated estimated value of the Property. Accrued interest due as of December 31, 2023 of $6,000 was received in January 2024. All interest due in 2024 has been received.

Note 7—Notes and other receivables (continued)

(c) In March 2023, the Company entered into a promissory note with Gulf Capital Lending, LLC for a principal amount of $300,000 bearing interest at an annual rate of 8% payable monthly. The promissory note is pursuant to a private placement memorandum dated June 2022 and an intercreditor security agreement. The promissory note matures on March 31, 2029 but can be prepaid by the lender at its sole discretion upon request of the borrower prior to the maturity date subject to a fee of 5% of the original principal balance.

(d) In October 2022, the Company entered into a loan agreement with R Palace Surfside, LLC ("Surfside", an entity controlled by a local real estate developer well known to the Company). Surfside is in the process of buying out all owners of a condominium building located in Miami Beach, Florida. Surfside has a buyer ready to purchase the property once all of the original owners have been bought out. The loan bears interest at 10% per annum. The loan matured on October 22, 2023 and all outstanding principal and interest was repaid in January 2024.

Note 8—Income taxes

The Company filed its 2023 tax returns in October 2024. A taxable loss of approximately $39,000 was reported and no tax was due. The Company presently has overpaid federal taxes of approximately $401,000 and overpaid state taxes of $189,000. We believe the amount of the overpayment is sufficient to cover all estimated taxes that will be due upon liquidation of all remaining assets and, therefore, there is no tax liability or receivable reflected on the statement of net assets in liquidation (liquidation basis). These estimates of taxes due are primarily based upon the expected gain on the sale of the Company's office building located in Coconut Grove, Florida, estimated gain on the disposal of the Company's interest in TGIF, and estimated gain on the disposal of other investments and marketable securities, less estimated expense in excess of operating interest and rental income through liquidation.

Note 9—Amounts due to Advisor

For the year ended December 31, 2023, the Company had an agreement (the "Agreement") with HMGA, Inc. (the "Advisor") for its services as investment advisor and administrator of the Company's affairs. All officers of the Company who are officers of the Advisor are compensated solely by the Advisor for their services. The Advisor is majority owned by the estate of Mr. Wiener, the Company's former Chairman, CEO and President. Upon his death on November 8, 2023, Mr. Alan Finkelstein was appointed the Chairman of the Board, President, and Chief Executive Officer of HMGA; and Carlos Camarotti as its Vice President – Finance and Assistant Secretary. Under the terms of the Agreement, the Advisor serves as the Company's investment advisor and, under the supervision of the directors of the Company, administers the day-to-day operations of the Company. The Agreement is renewable annually upon the approval of a majority of the directors of the Company who are not affiliated with the Advisor and a majority of the Company's shareholders. The contract may be terminated at any time upon 120 days written notice by the Advisor or upon 60 days written notice by a majority of the unaffiliated directors of the Company or the holders of a majority of the Company's outstanding shares.

In December 2023, the Company entered into a Liquidation Advisory Agreement ("LAA", effective January 1, 2024) with the Advisor which calls for annual fees of $660,000, payable monthly at $55,000 per month through the end of the liquidation period. All other terms and conditions of the LAA are essentially the same as in the original Advisory Agreement described above.

Note 10—Operating income and expenses in liquidation

Estimated future interest income includes amounts anticipated to be earned related to both the Company's cash and cash equivalents and the Company's offices rental income. This amount is an estimate and can fluctuate as a result of changes in interest rates, changes in its assumptions with respect to timing and realization of non-marketable other investments and timing and amount of future liquidating distributions, as well as other factors. As of December 31, 2023, the Company has estimated future operating interest and rental income to be received through final liquidation to be approximately $235,000.

Estimated future operating expenses includes amounts anticipated to be spent on operating costs in future periods, including amounts related to consulting expenses, legal fees, audit and tax compliance expenses, insurance costs, and maintenance of office building, as well as costs related to the realization of non-marketable other investments. This amount is an estimate and can fluctuate as a result of changes in the Company's assumptions with respect to the level of effort to complete the dissolution process and the level of effort related to the realization of non-marketable other investments, as well as other factors. As of December 31, 2023, the Company has estimated future operating expenses to be paid through final liquidation to be approximately $934,000.