

Wilhelmina International, Inc.  
Form 10-Q  
November 17, 2009

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2009

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 0-28536

WILHELMINA INTERNATIONAL, INC.  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of incorporation or organization)

74-2781950  
(I.R.S. Employer Identification No.)

200 Crescent Court, Suite 1400, Dallas, Texas  
(Address of principal executive offices)

75201  
(Zip Code)

(214) 661-7488  
(Registrant's telephone number, including area code)

n/a  
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of November 13, 2009, the registrant had 129,440,752 shares of common stock outstanding.

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WILHELMINA INTERNATIONAL, INC. AND SUBSIDIARIES

Quarterly Report on Form 10-Q

For the Quarter Ended September 30, 2009

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INDEXPART I  
FINANCIAL INFORMATION

## Item 1. Financial Statements

WILHELMINA INTERNATIONAL, INC. AND SUBSIDIARIES  
Condensed Consolidated Balance Sheets

(In thousands, except share data)

ASSETS	(Unaudited)	
	September 30, 2009	December 31, 2008
Current assets:		
Cash and cash equivalents	\$ 949	\$ 11,735
Accounts receivable, net of allowance for doubtful accounts of \$54	6,353	-
Restricted cash-Esch escrow	1,750	-
Prepaid expenses and other current assets	360	176
Total current assets	9,412	11,911
Property and equipment, net of accumulated depreciation of \$66 and \$2	300	-
Trademarks and intangibles with indefinite lives	9,270	803
Other intangible assets with finite lives, net of accumulated amortization of \$1,159	7,178	-
Goodwill	12,647	-
Restricted cash	175	-
Other assets	130	-
Total assets	\$ 39,112	\$ 12,714
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 2,122	\$ 293
Line of credit	2,000	-
Due to models	7,141	-
Deferred revenue	420	-
Esch escrow liability	1,756	-
Current portion of note payable and capital lease obligations	119	-
Total current liabilities	13,558	293
Long term liabilities		
Other	50	-
Deferred revenue, net of current portion	406	-
Deferred income tax liability	1,800	-
Earn out-contingent liability	2,312	-
Total long-term liabilities	4,568	-

Commitments and contingencies		
Shareholders' equity:		
Preferred stock, \$0.01 par value, 10,000,000 shares authorized; none outstanding	-	-
Common stock, \$0.01 par value, 250,000,000 shares authorized; 129,440,752 shares issued and outstanding	1,294	539
Additional paid-in capital	85,072	75,357
Accumulated deficit	(65,380 )	(63,475 )
Total shareholders' equity	20,986	12,421
Total liabilities and shareholders' equity	\$39,112	\$12,714

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

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WILHELMINA INTERNATIONAL, INC. AND SUBSIDIARIES  
Unaudited Condensed Consolidated Statements of Operations

	(In thousands, except per share data)			
	Three Months Ended		Nine Months Ended	
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
Revenues				
Revenues	\$ 9,108	\$ -	\$ 22,211	\$ -
License fees and other income	277	-	538	-
Total revenues	9,385	-	22,749	-
Model costs	6,527	-	15,695	-
Revenues net of model costs	2,858	-	7,054	-
Operating expenses				
Salaries and service costs	1,756	-	4,580	-
Office and general expenses	629	-	1,541	-
Amortization and depreciation	490	-	1,225	-
Corporate overhead	276	81	885	271
Acquisition transaction costs	13	-	673	-
Total operating expenses	3,164	81	8,904	271
Operating loss	(306 )	(81 )	(1,850 )	(271 )
Other income (expense):				
Interest income	-	60	4	223
Interest expense	(22 )	-	(53 )	-
Total other income (expense)	(22 )	60	(49 )	223
Loss before provision for income taxes	(328 )	(21 )	(1,899 )	(48 )
Provision for income taxes				
Current	-	-	(6 )	-
Deferred	-	-	-	-
			(6 )	
Net loss applicable to common stockholders	\$ (328 )	\$ (21 )	\$ (1,905 )	\$ (48 )
Basic and diluted net income (loss) per common share	\$ (0.00 )	\$ (0.00 )	\$ (0.02 )	\$ (0.00 )
Weighted average common shares outstanding	129,441	53,884	119,842	53,884

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





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WILHELMINA INTERNATIONAL, INC. AND SUBSIDIARIES  
 Unaudited Condensed Consolidated Statements of Cash Flows

(in thousands)

	Nine Months Ended September 30,	
	2009	2008
Cash flows from operating activities:		
Net loss	\$(1,905 )	\$(48 )
Adjustments to reconcile net loss to net cash provided by operating activities:		
Bad debt expense	90	-
Amortization and depreciation	1,225	