

Wilhelmina International, Inc.
Form 10-Q
August 14, 2012

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 June 30, 2012

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

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):

Edgar Filing: Wilhelmina International, Inc. - Form 10-Q

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☒

(Do not check if a 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 August 14, 2012, the registrant had 121,440,752 shares of common stock outstanding.

WILHELMINA INTERNATIONAL, INC. AND SUBSIDIARIES

Quarterly Report on Form 10-Q

For the Three Months Ended June 30, 2012

<u>PART I</u>	<u>FINANCIAL INFORMATION</u>	<u>1</u>
	<u>Item 1.</u>	<u>Financial Statements</u>
		<u>1</u>
		<u>Consolidated Balance Sheets - June 30, 2012</u>
		<u>(unaudited) and December 31, 2011</u>
		<u>1</u>
		<u>Unaudited Consolidated Statements of Operations - for 2</u>
		<u>the Three and Six Months Ended June 30, 2012 and</u>
		<u>2011</u>
		<u>Unaudited Consolidated Statements of Cash Flows - for3</u>
		<u>the Six Months Ended June 30, 2012 and 2011</u>
		<u>Notes to Unaudited Consolidated Financial Statements</u>
		<u>4</u>
	<u>Item 2.</u>	<u>Management's Discussion and Analysis of Financial</u>
		<u>Condition and Results of Operations</u>
		<u>10</u>
	<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosures About Market</u>
		<u>Risk</u>
		<u>21</u>
	<u>Item 4.</u>	<u>Controls and Procedures</u>
		<u>21</u>
<u>PART II</u>	<u>OTHER INFORMATION</u>	<u>23</u>
	<u>Item 1.</u>	<u>Legal Proceedings</u>
		<u>23</u>
	<u>Item 1.A.</u>	<u>Risk Factors</u>
		<u>23</u>
	<u>Item 2.</u>	<u>Unregistered Sales of Equity Securities and Use of</u>
		<u>Proceeds</u>
		<u>23</u>
	<u>Item 3.</u>	<u>Defaults Upon Senior Securities</u>
		<u>23</u>
	<u>Item 4.</u>	<u>Mine Safety Disclosures</u>
		<u>23</u>
	<u>Item 5.</u>	<u>Other Information</u>
		<u>23</u>
	<u>Item 6.</u>	<u>Exhibits</u>
		<u>23</u>
<u>SIGNATURES</u>		<u>24</u>

PART I

FINANCIAL INFORMATION

Item 1. Financial Statements

WILHELMINA INTERNATIONAL, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

(In thousands, except share data)

ASSETS	(Unaudited)	
	June 30, 2012	December 31, 2011
Current assets:		
Cash and cash equivalents	\$ 1,959	\$ 3,128
Accounts receivable, net of allowance for doubtful accounts of \$760 and \$760	10,110	11,460
Indemnification receivable	428	428
Prepaid expenses and other current assets	186	251
Total current assets	12,683	15,267
Property and equipment, net of accumulated depreciation of \$286 and \$226	609	579
Trademarks and trade names with indefinite lives	8,467	8,467
Other intangibles with finite lives, net of accumulated amortization of \$5,744 and \$5,019	2,593	3,318
Goodwill	12,563	12,563
Restricted cash	222	222
Other assets	397	310
Total assets	\$ 37,534	\$ 40,726
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 3,981	\$ 3,528
Due to models	7,399	9,564
Deferred revenue	-	295
Foreign withholding claim subject to indemnification	428	428
Amegy credit facility	500	500
Earn out liability	509	2,244
Total current liabilities	12,817	16,559
Long term liabilities		
Deferred revenue, net of current portion	-	245
Deferred income tax liability	1,800	1,800
Total long-term liabilities	1,800	2,045
Commitments and contingencies	-	-
Shareholders' equity:		
	1,294	1,294

Edgar Filing: Wilhelmina International, Inc. - Form 10-Q

Common stock, \$0.01 par value, 250,000,000 shares authorized; 129,440,752 shares issued and outstanding in 2012 and 2011		
Additional paid-in capital	85,133	85,133
Accumulated deficit	(63,510)	(64,305)
Total shareholders' equity	22,917	22,122
Total liabilities and shareholders' equity		
	\$ 37,534	\$ 40,726

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

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

(In thousands, except per share data)

	Three Months Ended		Six Months Ended	
	June 30,	June 30,	June 30,	June 30,
	2012	2011	2012	2011
Revenues				
Revenues	\$ 14,867	\$ 14,340	\$ 27,959	\$ 27,780
License fees and other income	459	329	845	727
Total revenues	15,326	14,669		