UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

[x] **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the Fiscal Year Ended December 31, 2019

[ ] **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 **001-36589**

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

Delaware (State or other jurisdiction of incorporation or organization)	**74-2781950** (IRS Employer Identification Number)
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)

Securities Registered Pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.01 par value	WHLM	Nasdaq Capital Market

Securities Registered Pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. [ ] Yes [x] No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. [ ] Yes [x] No

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. [x] Yes [ ] No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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 such files). [x] Yes [ ] No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer [ ]	Accelerated Filer [ ]
Non-Accelerated Filer [x]	Smaller Reporting Company [x]
Emerging growth company [ ]	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. [ ]

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

The aggregate market value of the registrant’s outstanding common stock held by non-affiliates of the registrant computed by reference to the price at which the common stock was last sold, as of the last business day of the registrant’s most recently completed second fiscal quarter was approximately $11.2 million.

As of March 30, 2020, the registrant had **5,157,344** shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

The information required by Part III is incorporated by reference from the registrant’s definitive proxy statement to be filed with the Commission pursuant to Regulation 14A within 120 days after the end of the fiscal year covered by this report.

WILHELMINA INTERNATIONAL, INC. AND SUBSIDIARIES

Annual Report on Form 10-K

For the Year Ended December 31, 2019

FORWARD LOOKING STATEMENTS

This Annual Report on Form 10-K contains certain "forward-looking statements" as such term is defined in Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the Private Securities Litigation Reform Act of 1995. Such forward-looking statements relating to Wilhelmina International, Inc. (together with its subsidiaries the "Company" or "Wilhelmina") are based on the beliefs of the Company's management as well as information currently available to the Company's management. When used in this report, the words "anticipate," "believe," "estimate," "expect" and "intend" and words or phrases of similar import, as they relate to the Company or Company management, are intended to identify forward-looking statements. Such forward-looking statements include, in particular, projections about the Company's future results, statements about its plans, strategies, business prospects, changes and trends in its business and the markets in which it operates. Additionally, statements concerning future matters such as gross billing levels, revenue levels, expense levels, and other statements regarding matters that are not historical are forward-looking statements. Management cautions that these forward-looking statements relate to future events or the Company's future financial performance and are subject to business, economic, and other risks and uncertainties, both known and unknown, that may cause actual results, levels of activity, performance, or achievements of its business or its industry to be materially different from those expressed or implied by any forward-looking statements. Should any one or more of these risks or uncertainties materialize, or should any underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, expected or intended. The Company does not undertake any obligation to publicly update these forward-looking statements. As a result, you should not place undue reliance on these forward-looking statements.

PART I

ITEM 1. *BUSINESS*

DESCRIPTION OF THE WILHELMINA BUSINESS

Overview

The primary business of Wilhelmina is fashion model management. These business operations are headquartered in New York City. The Company's predecessor was founded in 1967 by Wilhelmina Cooper, a renowned fashion model, and became one of the oldest, best known and largest fashion model management companies in the world. Since its founding, Wilhelmina has grown to include operations located in Los Angeles, Miami, Chicago, and London, as well as a network of licensees in various local markets in the U.S. and internationally. Wilhelmina provides traditional, full-service fashion model and talent management services, specializing in the representation and management of models, entertainers, artists, athletes and other talent, to various clients, including retailers, designers, advertising agencies, print and electronic media and catalog companies. The Company was incorporated in the State of Delaware in 1996.

Organization and Operating Divisions

The Company acquired the predecessor companies constituting its current primary business in 2008. The Company conducts its business through operating divisions and subsidiaries engaged in fashion model management and other complementary businesses. These business activities are focused on the following key areas:

- Fashion model and social media influencer management
- Hair & make-up artist representation
- Celebrity management
- Licensing and branding associations
- Content creation, production, and casting

Fashion Model and Social Media Influencer Management

Wilhelmina is focused on providing fashion modeling talent and social media influencer services to clients such as advertising agencies, branded consumer goods companies, fashion designers, Internet sites, retailers, department stores, product catalogs and magazine publications.

The fashion model/talent/influencer management industry can be divided into many subcategories, including advertising campaigns as well as catalog/e-commerce, runway, showroom and editorial work. Advertising work involves modeling for advertisements featuring consumer products such as cosmetics, clothing and other items to be placed in magazines and newspapers, on billboards and with other types of media. Catalog and e-commerce work involves modeling of products to be sold through promotional catalogs and Internet commerce sites. Runway work involves modeling at fashion shows, which primarily take place in Paris, Milan, London and New York City. Showroom work involves on-site modeling of products at client showrooms and other events and production "fit" work whereby a model serves as the sizing model for apparel items. Editorial work involves modeling for the cover and editorial sections of magazines.

Clients pay for talent to appear in photo shoots for Internet sites, magazine features, print advertising, direct mail marketing, and product catalogs, as well as to appear in runway shows to present new designer collections, fit modeling, and on-location presentations and events. In addition, talent may also appear in film and television commercials. Wilhelmina develops and diversifies its talent portfolio through a combination of ongoing local, regional and international scouting and talent-search efforts to source new talent, as well as cooperating with other agencies that represent talent.

Within its fashion model management business, Wilhelmina has two primary sources of service revenue: (i) commissions paid by models as a percentage of their gross earnings; and (ii) service charges paid by clients in addition to booking fees, calculated as a percentage of the models' booking fees. Wilhelmina believes that its commission rates and service charges are comparable to those of its principal competitors.

Wilhelmina's fashion model management operations are organized into divisions called "boards," each of which specializes by the type of models it represents. Wilhelmina's boards are generally described in the table below.

Board Name	Location	Target Market
Women	NYC, LA, Miami, Chicago, London	High-end female fashion models
Men	NYC, LA, Miami, Chicago, London	High-end male fashion models
Direct	NYC, LA, Miami, Chicago, London	Established/commercial male/female fashion models
Curve	NYC, LA, Miami, London	Full-figured female fashion models
Showroom	NYC, Miami	Live modeling and designer fit clothing modeling
Fitness	NYC, LA	Athletic models

Each major board is headed by a director who manages the agents assigned to the board. The agents of each board act both as bookers (including promoting models, negotiating fees and contracting work) and as talent scouts/managers (including providing models with career and development guidance and helping them better market themselves). Although agents individually develop professional relationships with models, models are represented by a board collectively and not by a specific agent. Wilhelmina's organization into boards enables Wilhelmina to provide clients with services tailored to their particular needs, to allow models to benefit from agents' specialized experience in their particular markets, and to limit Wilhelmina's dependency on any specialty market or agent.

Most senior agents are employed pursuant to employment agreements that include noncompetition provisions such as a prohibition from working with Wilhelmina's models and clients for a certain period of time after the end of the agent's employment with Wilhelmina. Wilhelmina typically signs its models to three-year exclusive contracts, which it actively enforces.

The Aperture division operates in New York and Los Angeles, and offers models, social media influencers, and actors representation for commercials, film, and television.

Wilhelmina London Limited ("London"), a wholly owned subsidiary of Wilhelmina International, Inc., was acquired in January 2015. The London subsidiary establishes a footprint for the Company in Western Europe, provides a base of operations to service the Company's European clients, and serves as a new talent development office for European models and artists.

Hair & Make-up Artist Representation

The Company represents artists in the hair, makeup, photography, and stylist arenas. These artists work on projects across the globe for well-known celebrities and companies in the media, advertising, retail, pharmaceutical and music industries. In addition, their work appears in top magazines and on the runways of major fashion houses.

Celebrity Management

Wilhelmina's celebrity division seeks to secure endorsement and spokesperson work for celebrities from the worlds of sports, music and entertainment. Celebrity has two primary sources of revenue: (i) commissions paid by talent as a percentage of their gross earnings; and (ii) royalties or a service charge paid by clients. Wilhelmina celebrity management works with emerging artists and established celebrity names to match them with leading fashion brands and companies.

Licensing & Branding Associations

Wilhelmina Licensing, LLC is a wholly-owned subsidiary that collects third-party licensing fees in connection with the licensing of the "Wilhelmina" name. Third-party licensees include several leading fashion model agencies in local markets in the U.S. and internationally. The film and television business consists of occasional television syndication royalties and production series contracts. Also, from time to time, the Company conducts model search contests and other events in an effort to expand the Wilhelmina brand and recruit talent.

Content Creation, Production & Casting

The Wilhelmina Studio division offered services relating to content creation, production, casting, and influencer programming. On October 31, 2019, the Wilhelmina Studio division was closed and ceased operations.

Competition

The fashion model/talent management business is highly competitive. New York City, Los Angeles, and Miami, as well as London, Paris, and Milan, are considered the most important markets for the fashion talent management industry. Most of the leading international firms are headquartered in New York City. Wilhelmina's principal competitors include other large fashion model management businesses in the U.S., including IMG Models, Elite Model Management, Ford Models, Inc., DNA Model Management, NEXT Model Management, The Lions Model Management, Women 360 Management, and New York Model Management. However, Wilhelmina is the only publicly-owned fashion talent management company in the world.

Competition also includes foreign agencies and smaller U.S. agencies in local markets that recruit local talent and cater to local market needs. Several of the larger fashion talent firms operate offices in multiple cities and countries or have chosen to partner with local or foreign agencies.

The Company believes that its sources of revenue (mainly generated from commissions and service charges) are comparable to those of its principal competitors. Therefore, for the Company to obtain a competitive advantage, it must develop and maintain a deep pool of talent and deliver high quality service to its clients. The Company believes that through its scouting efforts, search contests, licensing network, advertising and television shows it is able to recruit a deeper pool of talent relative to its competitors. These recruitment tools, coupled with the broad range of fashion boards available to the Company's talent, enable the Company to develop talent and generate a broader range of revenues relative to its principal competitors. While a broad range of talent and boards provides a level of stability to the business, certain talent may be more inclined to work with a boutique agency that may appear to tailor more specifically to their needs.

For more than 50 years, Wilhelmina and its predecessors have created long-standing client relationships and a number of business activities related to the fashion model management business that provide exposure to diverse markets and demographics. The Company has also developed a professional workforce with years of talent management experience.

Clients and Customers

As of December 31, 2019, Wilhelmina represented a roster of approximately 2,100 active models and talent. Wilhelmina's active models include Karolína Kurková, Bianca Balti, Francisco Henriques, Carla Piera, Alva Clair, Cyrielle Lalande, Mitchell Slaggert, Elizabeth Erm, Elza Matiz, Anne de Paula, Erik Van Gils, Parker Gregory, Malik Lindo, Malcolm Jackson, Wallette Watson, Oumar Diouf, Marianna Dantec, Haejin Lee, Hilda Halilovic, Eli Cruz, Kailand Morris, Riley Harper, Isabela Grutman, Lauren Auerbach, Davidson Obennebo, Mikkel Jensen, Armando Cabral, Lola Hedrickx, Vanessa Cruz, Rayla Guimaraes Jacunda, Tommy Hackett, Nadia Lee Cohen, Nayara Oliviera, Fernando Lindez, Dachuan Jin, Thais Borges, Gracie Phillips, Ludwig Wilsdorff, Claudio Montiero, and Nathan Owens. Wilhelmina's celebrity talent includes Machine Gun Kelly, Jordan Sparks, 5 Seconds of Summer, Kacy Hill, and Stephen Puth.

Wilhelmina serves approximately 3,400 external clients. Wilhelmina's customer base is highly diversified, with no one customer accounting for more than 3% of overall gross revenues. The top 100 clients of Wilhelmina together accounted for approximately 47% of overall gross revenues during 2019.

Governmental Regulations

Certain jurisdictions in which Wilhelmina operates, such as California and Florida, require that companies maintain a Talent Agency License in order to engage in the "talent agency" business. The talent agency business is generally considered the business of procuring engagements or any employment or placement of a talent, where the talent performs in his or her artistic capacity. Where required, the Wilhelmina subsidiaries operating in these jurisdictions maintain Talent Agency Licenses issued by those jurisdictions.

Trends and Opportunities

The Company expects that the combination of Wilhelmina's main operating base in New York City, the industry's capital, with the depth and breadth of its talent pool, client roster and its diversification across various talent management segments, together with its geographical reach should make Wilhelmina's operations more resilient to industry changes and economic swings than those of many of the smaller firms operating in the industry. Similarly, in the segments where Wilhelmina competes with other leading full service agencies, Wilhelmina believes it competed successfully in 2019.

With total advertising expenditures on major media (television, Internet, outdoor, cinema, magazines, and newspapers) of approximately $200 billion in recent years, North America is the world's largest advertising market. For the fashion talent management industry, including Wilhelmina, advertising expenditures on television, Internet, magazines, and outdoor are of particular relevance.

Strategy

Management's strategy is to increase value to shareholders through the following initiatives:

- increase Wilhelmina's brand awareness and consideration among advertisers and potential talent;
- expand the Wilhelmina network through strategic geographic market development;
- expand the women's high end fashion board;
- expand the Aperture division's representation in commercials, film, and television;
- expand celebrity and social media influencer representation; and
- promote model search contests and events and partner on media projects (television, film, books, etc.).

Due to the ubiquity of the Internet as a standard business tool, the Company has increasingly sought to harness the opportunities of the Internet and other digital media to improve its communications with clients and to facilitate the effective exchange of fashion model and talent information. The Company continues to make significant investments in technology (including developing in-house art and social media departments) in pursuit of gains in efficiency and better communications with clients. At the same time, the Internet presents challenges for the Company, including (i) the cannibalization of traditional print media businesses, and (ii) pricing pressures with respect to digital media photo shoots and client engagements.

EMPLOYEES

As of December 31, 2019, the Company had 114 employees, 70 of whom were located in New York City, six of whom were located at Wilhelmina's Miami office, four of whom were located at Wilhelmina's Chicago office, 18 of whom were located at Wilhelmina's Los Angeles office, 14 of whom were located at Wilhelmina's London office and two of whom were located at the corporate headquarters in Dallas.

TRADEMARKS AND LICENSING

The "Wilhelmina" brand is essential to the success and competitive position of the Company. Wilhelmina's trademark is vital to the licensing business because licensees pay for the right to use the trademark. The Company has invested significant resources in the "Wilhelmina" brands in order to obtain the public recognition that these brands currently enjoy. Wilhelmina relies upon domestic and international trademark laws, license agreements and nondisclosure agreements to protect the "Wilhelmina" brand name used in its business. Trademarks registered in the U.S. have a duration of ten years and are generally subject to an indefinite number of renewals for a like period on appropriate application.

ITEM 1A. *RISK FACTORS*

Not applicable to smaller reporting company.

ITEM 1B. *UNRESOLVED STAFF COMMENTS*

None.

ITEM 2. *PROPERTIES*

The Company's corporate headquarters are currently located at 200 Crescent Court, Suite 1400, Dallas, Texas 75201, which are also the offices of Newcastle Capital Management, L.P. ("NCM"). NCM is the general partner of Newcastle Partners L.P. ("Newcastle"), the Company's largest shareholder. The Company occupies a portion of NCM's space on a month-to-month basis at $2,500 per month, pursuant to a services agreement entered into between the parties on October 1, 2006.

The following table summarizes information with respect to the material facilities of the Company for leased office space and model apartments:

Description of Property	Area (sq. feet)	Lease Expiration
Office for New York-based operations – New York, NY	12,671	February 28, 2021
Office for California-based operations – Los Angeles, CA	3,605	July 31, 2021
Office for Florida-based operations – Miami, FL	2,100	March 31, 2021
Office for London-based operations – London, UK	995	July 19, 2023
Office for Illinois-based operations – Chicago, IL	1,800	June, 30 2021
Model apartment – London, UK	1,400	October 28, 2020
Four model apartments – New York, NY	6,800	2020
Two model apartments – Miami, FL	2,000	2021

The Company believes there is sufficient office space available at favorable leasing terms both to replace existing office space and to satisfy any additional needs the Company may have as a result of future expansion.

ITEM 3. *LEGAL PROCEEDINGS*

On October 24, 2013, a putative class action lawsuit was brought against the Company by former Wilhelmina model Alex Shanklin and others, including Louisa Raske, Carina Vretman, Grecia Palomares and Michelle Griffin Trotter (the "Shanklin Litigation"), in New York State Supreme Court (New York County) by the same lead counsel who represented plaintiffs in a prior, now-dismissed action brought by Louisa Raske (the "Raske Litigation"). The claims in the Shanklin Litigation initially included breach of contract and unjust enrichment allegations arising out of matters similar to the Raske Litigation, such as the handling and reporting of funds on behalf of models and the use of model images. Other parties named as defendants in the Shanklin Litigation include other model management companies, advertising firms, and certain advertisers. On January 6, 2014, the Company moved to dismiss the Amended Complaint in the Shanklin Litigation for failure to state a claim upon which relief can be granted and other grounds, and other defendants also filed motions to dismiss. On August 11, 2014, the court denied the motion to dismiss as to Wilhelmina and other of the model management defendants. Separately, on March 3, 2014, the judge assigned to the Shanklin Litigation wrote the Office of the New York Attorney General bringing the case to its attention, generally describing the claims asserted therein against the model management defendants, and stating that the case "may involve matters in the public interest." The judge's letter also enclosed a copy of his decision in the Raske Litigation, which dismissed that case.

Plaintiffs retained substitute counsel, who filed a Second and then Third Amended Complaint. Plaintiffs' Third Amended Complaint asserts causes of action for alleged breaches of the plaintiffs' management contracts with the defendants, conversion, breach of the duty of good faith and fair dealing, and unjust enrichment. The Third Amended Complaint also alleges that the plaintiff models were at all relevant times employees, and not independent contractors, of the model management defendants, and that defendants violated the New York Labor Law in several respects, including, among other things, by allegedly failing to pay the models the minimum wages and overtime pay required thereunder, not maintaining accurate payroll records, and not providing plaintiffs with full explanations of how their wages and deductions therefrom were computed. The Third Amended Complaint seeks certification of the action as a class action, damages in an amount to be determined at trial, plus interest, costs, attorneys' fees, and such other relief as the court deems proper. On October 6, 2015, Wilhelmina filed a motion to dismiss as to most of the plaintiffs' claims. The Court entered a decision granting in part and denying in part Wilhelmina's motion to dismiss on May 26, 2017. The Court (i) dismissed three of the five New York Labor Law causes of action, along with the conversion, breach of the duty of good faith and fair dealing and unjust enrichment causes of action, in their entirety, and (ii) permitted only the breach of contract causes of action, and some plaintiffs' remaining two New York Labor Law causes of action to continue, within a limited time frame. The plaintiffs and Wilhelmina each appealed, and the decision was affirmed on May 24, 2018. On August 16, 2017, Wilhelmina timely filed its Answer to the Third Amended Complaint.

On June 6, 2016, another putative class action lawsuit was brought against the Company by former Wilhelmina model Shawn Pressley and others, including Roberta Little (the "Pressley Litigation"), in New York State Supreme Court (New York County) by the same counsel representing the plaintiffs in the Shanklin Litigation, and asserting identical, although more recent, claims as those in the Shanklin Litigation. The Amended Complaint, asserting essentially the same types of claims as in the Shanklin action, was filed on August 16, 2017. Wilhelmina filed a motion to dismiss the Amended Complaint on September 29, 2017, which was granted in part and denied in part on May 10, 2018. Some New York Labor Law and contract claims remain in the case. Pressley has withdrawn from the case, leaving Roberta Little as the sole remaining named plaintiff in the Pressley Litigation. On July 12, 2019, the Company filed its Answer and Counterclaim against Little.

On May 1, 2019, the Plaintiffs in the Shanklin Litigation (except Raske) and the Pressley Litigation filed motions for class certification on their contract claims and the remaining New York Labor Law Claims. On July 12, 2019, Wilhelmina filed its opposition to the motions for class certification and filed a cross-motion for summary judgment against Shanklin, Vretman, Palomares, Trotter and Little, and a motion for summary judgment against Raske. Wilhelmina's reply papers in further support of its summary judgment motions were filed on October 23, 2019. The motions for class certification and summary judgement were argued on December 4, 2019, and the parties are awaiting decision.

The Company believes the claims asserted in the Shanklin and Pressley Litigations are without merit and intends to continue to vigorously defend the actions.

In addition to the legal proceedings disclosed herein, the Company is also engaged in various legal proceedings that are routine in nature and incidental to its business. None of these routine proceedings, either individually or in the aggregate, are believed likely, in the Company's opinion, to have a material adverse effect on its consolidated financial position or its results of operations.

ITEM 4. *MINE SAFETY DISCLOSURES*

Not applicable.

PART II

ITEM 5. *MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES*

Market Information

The Company's $0.01 par value common stock has traded on the Nasdaq Capital Market under the symbol "WHLM" since September, 2014. Previously, the common stock was quoted in the over-the-counter market on the OTC Bulletin Board.

The following table shows the high and low sales prices of the common stock for each calendar quarter of 2018 and 2019.

	High	Low
Year Ended December 31, 2018:		
1st Quarter	$ 7.54	$ 5.58
2nd Quarter	$ 7.50	$ 5.40
3rd Quarter	$ 7.00	$ 4.90
4th Quarter	$ 6.93	$ 5.03
Year Ended December 31, 2019:		
1st Quarter	$ 6.20	$ 5.05
2nd Quarter	$ 6.84	$ 4.68
3rd Quarter	$ 6.20	$ 4.82
4th Quarter	$ 5.54	$ 3.00

Equity Compensation Plan Information

The following table provides information with respect to the Company’s equity compensation plans as of December 31, 2019:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)		Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	460,000	$	7.34	340,000
Equity compensation plans not approved by security holders	-		-	-
Total	460,000	$	7.34	340,000

Additional information regarding equity compensation can be found in the notes to the consolidated financial statements.

Issuer Repurchases

During 2012, the Board of Directors authorized a stock repurchase program whereby the Company could repurchase up to 500,000 shares of its outstanding common stock. During 2013, the Board of Directors renewed and extended the Company’s share repurchase authority to enable it to repurchase up to an aggregate of 1,000,000 shares of common stock. In 2016, the Board of Directors increased by an additional 500,000 shares the number of shares of the Company’s common stock which may be repurchased under its stock repurchase program to an aggregate of 1,500,000 shares. The shares may be repurchased from time to time in the open market or through privately negotiated transactions at prices the Company deems appropriate. The program does not obligate the Company to acquire any particular amount of common stock and may be modified or suspended at any time at the Company’s discretion. The following table furnishes information for purchases made pursuant to the stock repurchase program during the fourth quarter ended December 31, 2019:

Period	Total Number of Shares Purchased		Average Price Paid Per Share	Total Number of Shares Purchased as Part of the Publicly Announced Plans	Maximum Number of Shares that May Yet Be Purchased Under the Plans
October 1-31, 2019	-		-	1,301,917	198,083
November 1-30, 2019	-		-	1,301,917	198,083
December 1-31, 2019	7,944		3.93	1,309,861	190,139
Total	7,944	$	3.93		

Shareholders

As of March 30, 2020 there were 5,157,344 shares of the Company’s common stock outstanding held by 439 holders of record.

Dividend Policy

The Company has not declared or paid any cash dividends on its common stock during the past two completed fiscal years. The Board of Directors of the Company expects to continue this policy for the foreseeable future in order to retain cash for the continued expansion of the Company’s business. The Company’s credit agreement with Amegy Bank contains a covenant which could limit its ability to pay dividends on the common stock.

ITEM 6. *SELECTED FINANCIAL DATA*

Not applicable to smaller reporting company.

ITEM 7. *MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS*

The following is a discussion of the Company's financial condition and results of operations comparing the calendar years ended December 31, 2019 and 2018. This section should be read in conjunction with the Company's Consolidated Financial Statements and the Notes thereto that are incorporated herein by reference and the other financial information included herein and the notes thereto.

OVERVIEW

The Company's primary business is fashion model management and complementary business activities. The business of talent management firms, such as Wilhelmina, depends heavily on the state of the advertising industry, as demand for talent is driven by Internet, print and television advertising campaigns for consumer goods and retail clients. Wilhelmina believes it has strong brand recognition, which enables it to attract and retain top agents and talent to service a broad universe of clients. In order to take advantage of these opportunities and support its continued growth, the Company will need to continue to successfully allocate resources and staffing in a way that enhances its ability to respond to new opportunities. The Company continues to focus on tightly managing costs, recruiting top agents, and scouting and developing talent.

Although Wilhelmina has a large and diverse client base, it is not immune to global economic conditions. The Company closely monitors economic conditions, client spending, and other industry factors and continually evaluates opportunities to increase the market share of its existing boards and further expand its geographic reach. There can be no assurance as to the effects on Wilhelmina of future economic circumstances, technological developments, client spending patterns, client creditworthiness and other developments and whether, or to what extent, Wilhelmina's efforts to respond to them will be effective.

RESULTS OF OPERATIONS OF THE COMPANY FOR THE YEAR ENDED DECEMBER 31, 2019 COMPARED TO YEAR ENDED DECEMBER 31, 2018

In addition to net income, the key financial indicators that the Company reviews to monitor its business are revenues, model costs, operating expenses and cash flows.

The Company analyzes revenue by reviewing the mix of revenues generated by the different boards, by geographic locations and from significant clients. Wilhelmina's primary sources of revenue include: (i) revenues from principal relationships where the gross amount billed to the client is recorded as revenue when earned and collectability is reasonably assured; and (ii) separate service charges, paid by clients in addition to the booking fees, which are calculated as a percentage of the models' booking fees and are recorded as revenues when earned and collectability is reasonably assured. See "Critical Accounting Policies - Revenue Recognition."

Wilhelmina provides professional services. Therefore, salary and service costs represent the largest part of the Company's operating expenses. Salary and service costs are comprised of payroll and related costs and travel, meals and entertainment ("T&E") to deliver the Company's services and to enable new business development activities.

Analysis of Consolidated Statements of Operations
For the Years Ended December 31, 2019 and 2018

(in thousands)	2019	2018	% Change 2019 vs 2018
Service revenues	75,452	77,791	(3.0%)
License fees and other income	52	60	(13.3%)
TOTAL REVENUES	**75,504**	**77,851**	(3.0%)
Model costs	54,249	55,600	(2.4%)
REVENUES NET OF MODEL COSTS	**21,255**	**22,251**	(4.5%)
GROSS PROFIT MARGIN	**28.2%**	**28.6%**	
Salaries and service costs	13,944	14,015	(0.5%)
Office and general expenses	4,408	4,748	(7.2%)
Amortization and depreciation	1,192	990	20.4%
Goodwill impairment	4,845	-	*
Corporate overhead	1,038	1,125	(7.7%)
OPERATING (LOSS) INCOME	**(4,172)**	**1,373**	*
OPERATING MARGIN	**(5.5%)**	**1.8%**	
Foreign exchange loss	(97)	(83)	16.9%
Interest expense	(117)	(101)	15.8%
(LOSS) INCOME BEFORE INCOME TAXES	**(4,386)**	**1,189**	*
Current income tax expense	(306)	(224)	36.6%
Deferred tax expense	(94)	(109)	(13.8%)
Effective tax rate	(9.1%)	28.0%	
NET (LOSS) INCOME	**(4,786)**	**856**	*

* Not meaningful

Service Revenues

The Company's service revenues fluctuate in response to its clients' willingness to spend on advertising and the Company's ability to have the desired talent available. The 3.0% decrease in total service revenues for the year ended December 31, 2019 when compared to the year ended December 31, 2018 was primarily due to decreases in core model bookings and in bookings in the Wilhelmina Studio division, partially offset by an increase in bookings in the Aperture division.

License Fees and Other Income

License fees and other income include management and administrative services from an unconsolidated affiliate and franchise revenues from independently owned model agencies that use the Wilhelmina trademark and various services provided by the Company. License fees decreased 13.3% for the year ended December 31, 2019, when compared to the year ended December 31, 2018, primarily due to the timing of payments received from existing affiliates.

Gross Profit Margin

Gross profit margins decreased by 40 basis points for the year ended December 31, 2019, when compared to the year ended December 31, 2018, primarily due to a change in board revenue mix and an increase in revenue from the Aperture division, which is lower margin than traditional core model bookings.

Salaries and Service Costs

Salaries and service costs consist of payroll and related costs and T&E costs required to deliver the Company's services to its clients and talent. The 0.5% decrease in salaries and service costs during the year ended December 31, 2019 compared to the year ended December 31, 2018 was primarily due to a reduction in share-based payment expense in 2019.

Office and General Expenses

Office and general expenses consist of office and equipment rents, advertising and promotion, insurance expenses, administration and technology cost. During the year ended December 31, 2019, office and general expenses decreased 7.2% when compared to the year ended December 31, 2018, primarily due to reduced rent expense, bad debt expenses, and office expenses, as well as the reclassification of certain lease payments as amortization expense under the new lease accounting rules.

Amortization and Depreciation

Amortization and depreciation expense is incurred with respect to certain assets, including computer hardware, software, office equipment, furniture, and intangibles. Amortization and depreciation expense increased by 20.4% for the year ended December 31, 2019 compared to the year ended December 31, 2018, primarily due to new equipment being placed in service during 2019, which will be depreciated going forward, and certain lease payments previously included within office and general expenses which are now classified as amortization under the new lease accounting rules. Fixed asset purchases (mostly related to technology and computer equipment) totaled approximately $0.4 million in 2019 and 2018.

Goodwill Impairment

As of December 31, 2019, it was determined that there was a triggering event, primarily caused by a sustained decrease in our stock price. The goodwill impairment test indicated that the carrying value exceeded the estimated fair value and resulted in an impairment charge of $4.8 million.

Corporate Overhead

Corporate overhead expenses include director and executive officer compensation, legal, audit and professional fees, corporate office rent, travel, and other public company costs. Corporate overhead decreased by 7.7% for the year ended December 31, 2019, when compared to the year ended December 31, 2018, primarily due to lower travel and securities compliance costs.

Operating Income and Operating Margin

Operating income decreased $5.6 million to a loss of $4.2 million for the year ended December 31, 2019, compared to income of $1.4 million for the year ended December 31, 2018. As a result, operating margin decreased to negative 5.5% for the year ended December 31, 2019, compared to positive 1.8% for the year ended December 31, 2018. In both cases, the decline was primarily the result of decreased revenue net of model costs and goodwill impairment, partially offset by lower operating expenses.

Foreign Currency Loss

The Company translates the assets and liabilities of its non-U.S. dollar functional currency subsidiaries into U.S. dollars using exchange rates in effect at the end of each period. Revenue and expenses for these subsidiaries are translated using rates that approximate those in effect during the period. For the year ended December 31, 2019, the Company realized a loss on foreign currency of $97 thousand as compared to a loss of $83 thousand for the year ended December 31, 2018. The loss for the years ended December 31, 2019 and December 31, 2018, were primarily due to exchange rate fluctuations in the British Pound and the Euro.

Interest Expense

Interest expense for the years ended December 31, 2019 and December 31, 2018 was primarily attributable to accrued interest on term loans drawn during 2016 and 2018. See, “Liquidity and Capital Resources.”

Income before Income Taxes

Income before income taxes decreased $5.6 million to a loss of $4.4 million for the year ended December 31, 2019, compared to income of $1.2 million for the year ended December 31, 2018, primarily due to the decrease in operating income.

Income Taxes

Generally, the Company’s combined effective tax rate is high relative to reported net income as a result of certain amortization expense, foreign taxes, and corporate overhead not being deductible and income being attributable to certain states in which it operates. The Company operates in four states which have relatively high tax rates: California, New York, Illinois, and Florida. Current income taxes increased in 2019 despite lower pretax income primarily due to an increase in foreign taxes in the United Kingdom related to our London office that are not deductible from U.S. federal taxes. The Company recognized a $0.3 million valuation allowance on deferred tax assets related to stock options held by the Company’s former Chief Executive Officer, which were forfeited in connection with the effectiveness of his resignation on January 26, 2020, offset by a $0.3 million deferred tax benefit related to goodwill impairment. As of December 31, 2019, the Company had federal income tax loss carryforwards of $0.5 million.

Net Income

The Company had a net loss of $4.8 million for the year ended December 31, 2019, compared to net income of $0.9 million for the year ended December 31, 2018, primarily due to the decrease in operating income and the increase in income tax expense.

Liquidity and Capital Resources

The Company's cash balance increased to $7.0 million at December 31, 2019 from $6.7 million at December 31, 2018. The cash balance increased primarily as a result of $1.5 million net cash provided by operating activities and $0.1 million foreign currency effect on cash flow, partially offset by $0.4 million cash used in investing activities, and $1.0 million cash used in financing activities.

After accounting for the impact on net loss of the non-cash goodwill impairment charge, cash provided by operating activities of $1.5 million was primarily the result of decreases in accounts receivable and right of use assets, partially offset by decreases in amounts due to models and accounts payable and accrued liabilities. The $0.4 million cash used in investing activities was attributable to purchases of property and equipment, including software, office furniture, and computer equipment. The $1.0 million of cash used in financing activities was attributable to purchase of treasury stock, principal payments on the Company's term loan, and payments on finance leases.

The Company's primary liquidity needs are for working capital associated with performing services under its client contracts and servicing its term loan. Generally, the Company incurs significant operating expenses with payment terms shorter than its average collections on billings. Based on 2020 budgeted and year-to-date cash flow information, management believes that the Company has sufficient liquidity to meet its projected operational expenses and capital expenditure requirements for the next twelve months.

Amegy Bank Credit Agreement

The Company has a credit agreement with Amegy Bank which provides a $4.0 million revolving line of credit and previously provided up to a $3.0 million term loan which could be drawn through October 24, 2016. Amounts outstanding under the term loan reduce the availability under the revolving line of credit. The revolving line of credit is also subject to a borrowing base derived from 80% of eligible accounts receivable (as defined) and the Company's minimum net worth covenant of $22.0 million. The revolving line of credit bears interest at prime plus 0.50% payable monthly. As of December 31, 2019, the Company had a $0.2 million irrevocable standby letter of credit outstanding under the revolving line of credit and had additional borrowing capacity of $1.4 million. The revolving line of credit presently expires October 24, 2022.

On August 16, 2016, the Company drew $2.7 million of the term loan and used the proceeds to fund the purchase of shares of its common stock in a private transaction. The term loan bears interest at 4.5% per annum and is payable in monthly payments of interest only until November, 2016, followed by 47 equal monthly payments of principal and interest computed on a 60-month amortization schedule and a final payment of principal and interest due on October 24, 2020.

On July 16, 2018, the Company amended its credit agreement with Amegy Bank to provide for an additional term loan of up to $1.0 million that could be drawn by the Company through July 12, 2019, for the purpose of repurchases of its common stock. The additional term loan is evidenced by a promissory note bearing interest at 5.15% per annum and was payable in monthly installments of interest only through July 12, 2019. Thereafter, the note is payable in monthly installments sufficient to fully amortize the outstanding principal balance in 60 months with the balance of principal and accrued interest due on July 12, 2023. The amendment also revised the calculation of the fixed charge coverage ratio for the three quarters following the maturity date of the previous term loan.

Amounts outstanding under the additional term loan further reduce the availability under the Company's revolving line of credit with Amegy Bank. On August 1, 2018, the Company drew $0.7 million of the additional term loan and used the proceeds to fund the purchase of 100,000 shares of its common stock in a private transaction. On December 12, 2018, the Company drew $0.3 million of the additional term loan and used the proceeds to partially fund a purchase of 50,000 shares of its common stock in a private transaction. As of December 31, 2019, a total of $2.0 million was outstanding on the two term loans.

Off-Balance Sheet Arrangements

As of December 31, 2019, the Company had outstanding a $0.2 million irrevocable standby letter of credit under the Company's revolving credit facility with Amegy Bank. The letter of credit serves as security under the lease relating to the Company's office space in New York City that expires February 2021.

Effect of Inflation

Inflation has not been a material factor affecting the Company's business. General operating expenses, such as salaries, employee benefits, insurance and occupancy costs, are subject to normal inflationary pressures.

Critical Accounting Policies and Estimates

The consolidated financial statements of the Company are prepared in accordance with generally accepted accounting practices in the United States of America ("U.S. GAAP"). The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, costs, and expenses and related disclosures. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. In many instances, we could have reasonably used different accounting estimates, and in other instances, changes in the accounting estimates are reasonably likely to occur from period to period. Accordingly, actual results could differ significantly from the estimates made by our management. To the extent that there are material differences between these estimates and actual results, our future financial statement presentation, financial condition, results of operations and cash flows may be affected.

The following items require significant estimation or judgement. For additional information about our accounting policies, refer to "Note 2, Summary of Significant Accounting Policies" in the audited financial statements included herewith.

Revenue Recognition

On January 1, 2018, the Company adopted the requirements of Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606) ("ASC 606"). ASC 606 establishes a principle for recognizing revenue upon the transfer of promised goods or services to customers, in an amount that reflects the expected consideration received in exchange for those goods or services.

Our revenues are derived primarily from fashion model and artist bookings, and representation of social media influencers and actors for commercials, film, and television. Our performance obligations are primarily satisfied at a point in time when the talent has completed the contractual requirements.

A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The performance obligations for most of the Company's core modeling bookings are satisfied on the day of the event, and the "day rate" total fee is agreed in advance when the customer books the model for a particular date. For contracts with multiple performance obligations, we allocate the contract's transaction price to each performance obligation based on the estimated relative standalone selling price.

Model Costs

Model costs include amounts owed to talent, including taxes required to be withheld and remitted directly to taxing authorities, commissions owed to other agencies, and related costs such as those paid for photography. Costs are accrued in the period in which the event takes place consistent with when the revenue is recognized. The Company typically enters into contractual agreements with models under which the Company is obligated to pay talent upon collection of fees from the customer.

Stock Based Compensation

Stock-based compensation expense is estimated at the grant date based on the award's fair value as calculated by the Black-Scholes option pricing model and is recognized on a straight line basis as an expense over the requisite service period, which is generally the vesting period. The determination of the fair value of stock-based awards on the date of grant using an option pricing model is affected by our stock price as well as assumptions regarding a number of complex and subjective variables. These variables include the estimated volatility over the expected term of the awards, actual and projected employee stock option exercise behaviors, risk-free interest rates, estimated forfeitures and expected dividends.

Income Taxes

We are subject to income taxes in the United States, the United Kingdom, and numerous local jurisdictions.

Deferred tax assets are recognized for unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available, against which they can be used. Unused tax loss carry-forwards are reviewed at each reporting date and have not been recorded when we believe we will not generate future taxable income to utilize the loss carry-forwards.

In determining the amount of current and deferred income tax, we take into account whether additional taxes, interest, or penalties may be due. Although we believe that we have adequately reserved for our income taxes, we can provide no assurance that the final tax outcome will not be materially different. To the extent that the final tax outcome is different than the amounts recorded, such differences will affect the provision for income taxes in the period in which such determination is made and could have a material impact on our financial condition and operating results.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are accounted for at net realizable value, do not bear interest and are short-term in nature. The Company maintains an allowance for doubtful accounts for estimated losses resulting from the inability to collect on accounts receivable. Based on management's assessment, the Company provides for estimated uncollectible amounts through a charge to earnings and a credit to the allowance. Balances that remain outstanding after the Company has used reasonable collection efforts are written off through a charge to the allowance and a credit to accounts receivable. The Company generally does not require collateral.

Goodwill and Intangible Asset Impairment Testing

The Company performs impairment testing at least annually and more frequently if events and circumstances indicate that the asset might be impaired.

An impairment loss is recognized to the extent that the carrying amount exceeds the reporting unit's fair value. The goodwill impairment analysis is a two-step process: first, the reporting unit's estimated fair value is compared to its carrying value, including goodwill. If the Company determines that the estimated fair value of the reporting unit is less than its carrying value, the Company moves to the second step to determine the implied fair value of the reporting unit's goodwill. If the carrying amount of the reporting unit's goodwill exceeds its implied fair value, an impairment loss is recognized for any excess of the carrying amount of the reporting unit's goodwill.

Whenever events or circumstances change, entities have the option to first make a qualitative evaluation about the likelihood of goodwill impairment. If impairment is deemed more likely than not, management would perform the two-step goodwill impairment test. Otherwise, the two-step goodwill impairment test is not required. In assessing the qualitative factors, the Company assesses relevant events and circumstances that may impact the fair value and the carrying amount of the reporting unit. The identification of relevant events and circumstances and how these may impact a reporting unit's fair value or carrying amount involve significant judgments and assumptions. The judgment and assumptions include the identification of macroeconomic conditions, industry and market considerations, overall financial performance, Company specific events and share price trends, an assessment of whether each relevant factor will impact the impairment test positively or negatively, and the magnitude of any such impact.

ITEM 7A. *QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK*

Not applicable to smaller reporting company.

ITEM 8. *FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA*

The consolidated financial statements of the Company and the related report of the Company's independent registered public accounting firm thereon are included in this report at the pages indicated.

ITEM 9. *CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE*

None.

ITEM 9A. *CONTROLS AND PROCEDURES*

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this report, the Company's principal executive officer and principal financial officer evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on their evaluation of the Company's disclosure controls and procedures, the Company's principal executive officer and principal financial officer, with the participation of the Company's management, concluded that the Company's disclosure controls and procedures were not effective as of December 31, 2019, due to the material weakness in our internal control over financial reporting described below.

Management's Annual Report on Internal Control over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Under the supervision and with the participation of the Company's management, including the Company's principal executive officer and principal financial officer, the Company conducted an evaluation of the effectiveness of the Company's internal control over financial reporting as of December 31, 2019 based on the framework in *Internal Control - Integrated Framework 2013* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that evaluation, the Company's management concluded that the Company's internal control over financial reporting was not effective as of December 31, 2019 due to a material weakness relating to our annual goodwill impairment testing. In connection with the subsequent preparation of our consolidated financial statements, our management and the audit committee of our board of directors determined that our annual goodwill impairment testing should be modified to place increased reliance on the Level 1 input of the Company's market capitalization and decrease reliance on Level 2 and Level 3 inputs. The change resulted in recording a $4.8 million goodwill impairment charge on our Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) and a decrease in goodwill of $4.8 million on our Consolidated Balance Sheet.

Management believes that the increased reliance on Level 1 inputs substantially improves our internal control over financial reporting. We intend to evaluate the need for any additional remedial measures in response to this material weakness.

ITEM 9B. *OTHER INFORMATION*

On March 11, 2020, the World Health Organization declared the outbreak of novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States. There have been mandates from federal, state, and local authorities requiring forced closures of non-essential businesses. As a result, the Company has temporarily closed some offices and has seen a reduction in customer bookings, resulting in a negative impact to Company revenue and earnings. In addition to reduced revenue, business operations could be adversely affected by potential reductions in productivity, delays or limitations on the ability of customers to make timely payments, disruptions in talents' ability to travel to photography locations, or supply chain disruptions impeding clothing or footwear wardrobe from reaching destinations in time for photoshoots. While this disruption is currently expected to be temporary, there is uncertainty around the duration. The Company's revenues are heavily dependent on the level of economic activity in the United States and the United Kingdom, particularly in the fashion, advertising and publishing industries, all of which have been negatively impacted by the pandemic and may not recover as quickly as other sectors of the economy. Therefore, while we expect this matter to negatively impact our business, results of operations, and financial position, the related financial impact cannot be reasonably estimated at this time. As a result, the Company is currently evaluating and executing strategies to curtail expenses.

On March, 26, 2020, the Company entered into a Thirteenth Amendment to Credit Agreement (the "Thirteenth Amendment") with ZB, N.A. dba Amegy Bank. The Thirteenth Amendment amended the minimum net worth covenant to require the Company to maintain tangible net worth (as defined therein) of $4.0 million, determined on a quarterly basis. Under the Thirteenth Amendment, Amegy Bank also waived an existing default caused by the Company's failure to satisfy the old minimum net worth covenant as of December 31, 2019.

The foregoing description of the Thirteenth Amendment Note is qualified in its entirety by reference to the definitive agreement filed as an exhibit hereto and incorporated herein by this reference.

PART III

ITEM 10. *DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE*

The information required by Item 10 is incorporated by reference from the Company's definitive proxy statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A not later than 120 days after the end of the fiscal year covered by this report.

ITEM 11. *EXECUTIVE COMPENSATION*

The information required by Item 11 is incorporated by reference from the Company's definitive proxy statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A not later than 120 days after the end of the fiscal year covered by this report.

ITEM 12. *SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS*

The information required by Item 12 is incorporated by reference from the Company's definitive proxy statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A not later than 120 days after the end of the fiscal year covered by this report.

ITEM 13. *CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE*

The information required by Item 13 is incorporated by reference from the Company's definitive proxy statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A not later than 120 days after the end of the fiscal year covered by this report.

ITEM 14. *PRINCIPAL ACCOUNTANT FEES AND SERVICES*

The information required by Item 14 is incorporated by reference from the Company's definitive proxy statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A not later than 120 days after the end of the fiscal year covered by this report.

PART IV

ITEM 15. *EXHIBITS AND FINANCIAL STATEMENT SCHEDULES*

(a) Documents Filed as Part of Report

1. Financial Statements:

   The consolidated financial statements of the Company and the related report of the Company's independent public accountants thereon have been filed under Item 8 hereof.

2. Financial Statement Schedules:

   The information required by this item is not applicable.

3. Exhibits:

   The exhibits listed below are filed as part of or incorporated by reference in this report.

Exhibit Number	Description of Exhibits
3.1	Restated Certificate of Incorporation of Wilhelmina International, Inc. (incorporated by reference from Exhibit 3.1 to Form S-1/A, filed January 30, 2012).
3.2	Certificate of Amendment of the Restated Certificate of Incorporation of Wilhelmina International, Inc. (incorporated by reference from Exhibit 3.1 to the Form 8-K, filed July 15, 2014).
3.3	Certificate of Amendment of the Restated Certificate of Incorporation of Wilhelmina International, Inc. (incorporated by reference from Exhibit 3.1 to Form 8-K filed July 12, 2017).
3.4	Amended and Restated Bylaws of Wilhelmina International, Inc. (incorporated by reference from Exhibit 3.2 to Form 8-K, filed May 24, 2011).
4.1	Form of Stock Certificate of Common Stock of Billing Concepts Corp. (incorporated by reference from Exhibit 4.1 to Form 10-Q, filed May 15, 1998).
10.1	Mutual Support Agreement, dated August 25, 2008, by and among Newcastle Partners, L.P., Dieter Esch, Lorex Investments AG, Brad Krassner and Krassner Family Investments Limited Partnership (incorporated by reference fromAnnex D to the Proxy Statement on Schedule 14A filed December 22, 2008).
10.2	First Amendment to Mutual Support Agreement, dated October 18, 2010, by and among Newcastle Partners, L.P., Dieter Esch, Lorex Investments AG, Brad Krassner and Krassner Family Investments Limited Partnership (incorporated by reference from Exhibit 10.2 to Form 8-K filed October 21, 2010).
10.3	Credit Agreement, dated as of April 20, 2011, by and between Wilhelmina International, Inc. and Amegy Bank National Association (incorporated by reference from Exhibit 10.1 to Form 8-K filed May 5, 2011).
10.4	Promissory Note, dated as of April 20, 2011, by and between Wilhelmina International, Inc. for the benefit of Amegy Bank National Association (incorporated by reference from Exhibit 10.2 to Form 8-K filed May 5, 2011).
10.5	Pledge and Security Agreement, dated as of April 20, 2011, by and between Wilhelmina International, Inc., the guarantor signatories thereto and Amegy Bank National Association (incorporated by reference from Exhibit 10.3 to Form 8-K filed May 5, 2011).
10.6	Guaranty, dated as of April 20, 2011, by the guarantor signatories thereto for the benefit of Amegy Bank National Association (incorporated by reference from Exhibit 10.4 to Form 8-K filed May 5, 2011).
10.7	First Amendment to Credit Agreement, dated January 1, 2012, by and among Wilhelmina International, Inc., the guarantor signatories thereto and Amegy Bank National Association (incorporated by reference from Exhibit 10.1 to Form 8-K filed January 19, 2012).
10.8	Amended and Restated Line of Credit Promissory Note, dated as of January 1, 2012, by Wilhelmina International, Inc. for the benefit of Amegy Bank National Association (incorporated by reference from Exhibit 10.2 to Form 8-K filed January 19, 2012).
10.9	First Amendment to Pledge and Security Agreement, dated as of January 1, 2012, by and among Wilhelmina International, Inc., the guarantor signatories thereto and Amegy Bank National Association (incorporated by reference from Exhibit 10.3 to Form 8-K filed January 19, 2012).
10.10	Second Amendment to Credit Agreement, dated as of October 24, 2012, by and between Wilhelmina International, Inc. and Amegy Bank National Association (incorporated by reference from Exhibit 10.1 to Form 8-K filed October 30, 2012).

10.11	Second Amended and Restated Line of Credit Promissory Note, dated as of October 24, 2012, by Wilhelmina International, Inc. for the benefit of Amegy Bank National Association (incorporated by reference from Exhibit 10.2 to Form 8-K filed October 30, 2012).
10.12	Second Amendment to Pledge and Security Agreement, dated as of October 24, 2012, by and among Wilhelmina International, Inc., the guarantor signatories thereto and Amegy Bank National Association (incorporated by reference from Exhibit 10.3 to Form 8-K filed October 30, 2012).
10.13	Third Amendment to Pledge and Security Agreement, dated as of July 31, 2014, by and among Wilhelmina International, Inc., the guarantor signatories thereto and Amegy Bank National Association (incorporated by reference from Exhibit 10.30 to Form 10-K filed March 27, 2015).
10.14	Fourth Amendment to Credit Agreement, dated November 10, 2015, by and among Wilhelmina International, Inc., the guarantor signatories thereto and Amegy Bank National Association (incorporated by reference from Exhibit 10.32 to Form 10-Q filed November 16, 2015).
10.15	Third Amended and Restated Line of Credit Promissory Note, dated November 10, 2015, by and among Wilhelmina International, Inc., the guarantor signatories thereto and Amegy Bank National Association (incorporated by reference from Exhibit 10.33 to Form 10-Q filed November 16, 2015).
10.16	Term Loan Promissory Note, dated November 10, 2015, by and among Wilhelmina International, Inc., the guarantor signatories thereto and Amegy Bank National Association (incorporated by reference from Exhibit 10.34 to Form 10-Q filed November 16, 2015).
10.17	Third Amendment to Pledge and Security Agreement, dated November 10, 2015, by and among Wilhelmina International, Inc., the guarantor signatories thereto and Amegy Bank National Association (incorporated by reference from Exhibit 10.35 to Form 10-Q filed November 16, 2015).
10.18	Fifth Amendment to Credit Agreement dated May 13, 2016, by and among Wilhelmina International, Inc., Amegy Bank National Association and the guarantors signatory thereto (incorporated by reference from Exhibit 10.1 to Form 8-K filed May 17, 2016).
10.19	Sixth Amendment to Credit Agreement and First Amendment to Line of Credit Note dated November 9, 2016, between Wilhelmina International, Inc. and Amegy Bank (incorporated by reference from Exhibit 10.2 to Form 10-Q filed November 14, 2016).
10.20	Seventh Amendment to Credit Agreement dated May 4, 2017, by and among Wilhelmina International, Inc., the guarantor signatories thereto, and Amegy Bank (incorporated by reference from Exhibit 10.1 to Form 8-K filed May 8, 2017).
10.21	Eighth Amendment to Credit Agreement and Waiver dated August 1, 2017, by and among Wilhelmina International, Inc., the guarantor signatories thereto, and Amegy Bank (incorporated by reference from Exhibit 10.1 to Form 8-K filed August 4, 2017).
10.22	Ninth Amendment to Credit Agreement and Second Amendment to Line of Credit Note dated October 24, 2017, by and among Wilhelmina International, Inc., the guarantor signatories thereto, and Amegy Bank (incorporated by reference from Exhibit 10.2 to Form 10-Q filed November 9, 2017).
10.23	Tenth Amendment to Credit Agreement dated July 12, 2018, by and among Wilhelmina International, Inc., ZB, N.A. dba Amegy Bank and the guarantors signatory thereto (incorporated by reference to Exhibit 10.1 to Form 8-K filed July 17, 2018).
10.24	Promissory Note dated July 12, 2018, by and between Wilhelmina International, Inc. and ZB, N.A. dba Amegy Bank (incorporated by reference to Exhibit 10.2 to Form 8-K filed July 17, 2018).
10.25	Eleventh Amendment to Credit Agreement and Third Amendment to Line of Credit Note dated October 24, 2018, by and among Wilhelmina International, Inc., ZB, N.A. dba Amegy Bank and the guarantors signatory thereto (incorporated by reference to Exhibit 10.3 to Form 10-Q filed November 9, 2018).
10.26	Twelfth Amendment to Credit Agreement and Fourth Amendment to Line of Credit Note dated October 24, 2019, by and among Wilhelmina International, Inc., ZB, N.A. dba Amegy Bank and the guarantors signatory thereto (incorporated by reference to Exhibit 10.1 to Form 10-Q filed November 12, 2019).

10.27	Thirteenth Amendment to Credit Agreement dated March 26, 2020, by and among Wilhelmina International, Inc., ZB, N.A. dba Amegy Bank and the guarantors signatory thereto (filed herewith)
*10.28	Wilhelmina International, Inc. 2015 Incentive Plan (incorporated by reference from Exhibit 10.1 to Form 8-K filed June 16, 2015).
*10.29	Form of Stock Option Grant Agreement (incorporated by reference from Exhibit 10.21 to Form 10-K filed March 23, 2017).
*10.30	Employment Agreement, dated as of January 26, 2016, by and between Wilhelmina International, Inc. and William Wackermann (incorporated by reference from Exhibit 10.1 to the Form 8-K filed February 1, 2016).
*10.31	Amended and Restated Employment Agreement dated June 29, 2016, between Wilhelmina International, Inc. and William J. Wackermann (incorporated by reference from Exhibit 10.1 to Form 8-K filed June 30, 2016).
*10.32	Letter agreement dated April 4, 2016 between Wilhelmina International, Inc. and James McCarthy (incorporated by reference from Exhibit 10.1 to Form 8-K filed April 25, 2016).
21.1	List of Subsidiaries (filed herewith).
31.1	Certification of Principal Executive Officer in Accordance with Section 302 of the Sarbanes-Oxley Act (filed herewith).
31.2	Certification of Principal Financial Officer in Accordance with Section 302 of the Sarbanes-Oxley Act (filed herewith).
32.1	Certification of Principal Executive Officer in Accordance with Section 906 of the Sarbanes-Oxley Act (filed herewith).
32.2	Certification of Principal Financial Officer in Accordance with Section 906 of the Sarbanes-Oxley Act (filed herewith).
101.INS	XBRL Instance Document (filed herewith)
101.SCH	XBRL Taxonomy Extension Schema Document (filed herewith)
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document (filed herewith)
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document (filed herewith)
101.LAB	XBRL Taxonomy Extension Label Linkbase Document (filed herewith)
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document (filed herewith)

* Includes compensatory plan or arrangement.

ITEM 16. *FORM 10-K SUMMARY*

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

WILHELMINA INTERNATIONAL, INC.
(Registrant)

Date: March 30, 2020	By:	/s/ Mark E. Schwarz
	Name	Mark E. Schwarz
	Title:	Executive Chairman (Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on the 30th day of March, 2020.

/s/ Mark E. Schwarz Mark E. Schwarz	Director and Executive Chairman (Principal Executive Officer)
/s/ James A. McCarthy James A. McCarthy	Chief Financial Officer (Principal Financial Officer)
/s/ Clinton J. Coleman Clinton J. Coleman	Director
/s/ James A. Dvorak James A. Dvorak	Director
/s/ Horst-Dieter Esch Horst-Dieter Esch	Director
/s/ Mark E. Pape Mark E. Pape	Director
/s/ James C. Roddey James C. Roddey	Director
/s/ Jeffrey R. Utz Jeffrey R. Utz	Director

WILHELMINA INTERNATOINAL, INC. AND SUBSIDIARIES

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Shareholders of Wilhelmina International, Inc. and Subsidiaries:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Wilhelmina International, Inc. and Subsidiaries (collectively, the "Company") as of December 31, 2019 and 2018, and the related consolidated statements of income (loss), comprehensive income (loss), shareholders' equity, and cash flows for the years ended December 31, 2019 and 2018, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the years ended December 31, 2019 and 2018, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Baker Tilly Virchow Krause, LLP

We have served as the Company's auditor since 2012

Baker Tilly Virchow Krause, LLP
Plano, Texas
March 30, 2020

WILHELMINA INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
As of December 31, 2019 and 2018
(In thousands, except share data)

	2019	2018
ASSETS		
Current assets:		
Cash and cash equivalents	$ 6,993	$ 6,748
Accounts receivable, net of allowance for doubtful accounts of $1,423 and $1,791, respectively	9,441	11,901
Prepaid expenses and other current assets	243	197
Total current assets	16,677	18,846
Property and equipment, net of accumulated depreciation of $4,300 and $3,264, respectively	1,925	2,567
Right of use assets-operating	1,261	-
Right of use assets-finance	316	-
Trademarks and trade names with indefinite lives	8,467	8,467
Other intangibles with finite lives, net of accumulated amortization of$8,737 and $8,684 respectively	-	53
Goodwill	8,347	13,192
Other assets	115	114
TOTAL ASSETS	$ 37,108	$ 43,239
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 3,815	$ 5,071
Due to models	7,495	8,809
Lease liabilities – operating, current	1,055	-
Lease liabilities – finance, current	94	-
Term loan - current	1,257	623
Total current liabilities	13,716	14,503
Long term liabilities:		
Deferred income taxes, net	725	631
Lease liabilities – operating, non-current	328	-
Lease liabilities – finance, non-current	225	-
Term loan - non-current	743	2,000
Total long-term liabilities	2,021	2,631
Total liabilities	15,737	17,134
Shareholders' equity:		
Common stock, $0.01 par value, 9,000,000 shares authorized; 6,472,038 shares issued at December 31, 2019 and December 31, 2018	65	65
Treasury stock, 1,309,861 and 1,264,154 at December 31, 2019 and December 31, 2018, at cost	(6,352)	(6,093)
Additional paid-in capital	88,471	88,255
Accumulated deficit	(60,815)	(56,029)
Accumulated other comprehensive income (loss)	2	(93)
Total shareholders' equity	21,371	26,105
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 37,108	$ 43,239

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

WILHELMINA INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
For the Years Ended December 31, 2019 and 2018
(In thousands, except per share data)

	2019	2018
Revenues:		
Service revenues	$ 75,452	$ 77,791
License fees and other income	52	60
Total revenues	75,504	77,851
Model costs	54,249	55,600
Revenues net of model costs	21,254	22,251
Operating expenses:		
Salaries and service costs	13,944	14,015
Office and general expenses	4,408	4,748
Amortization and depreciation	1,192	990
Goodwill impairment	4,845	-
Corporate overhead	1,038	1,125
Total operating expenses	25,427	20,878
Operating (loss) income	(4,172)	1,373
Other expense:		
Foreign exchange loss	97	83
Interest expense	117	101
Total other expense	214	184
(Loss) income before provision for income taxes	(4,386)	1,189
Provision for income taxes:		
Current	(306)	(224)
Deferred	(94)	(109)
Income tax expense	(400)	(333)
Net (loss) income	$ (4,786)	$ 856
Other comprehensive income (loss):		
Foreign currency translation benefit (expense)	95	(97)
Total comprehensive (loss) income	$ (4,691)	$ 759
Basic net (loss) income per common share	$ (0.92)	$ 0.16
Diluted net (loss) income per common share	$ (0.92)	$ 0.16
Weighted average common shares outstanding-basic	5,184	5,328
Weighted average common shares outstanding-diluted	5,184	5,328

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

WILHELMINA INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
For the Years Ended December 31, 2019 and 2018
(In thousands)

	Common Shares	Stock Amount	Treasury Shares	Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total
Balances at December 31, 2017	6,472	$ 65	(1,090)	$ (4,893)	$ 87,892	$ (56,885)	$ 4	$ 26,183
Share based payment expense	-	-	-	-	363	-	-	363
Net income	-	-	-	-	-	856	-	856
Purchases of treasury stock	-	-	(174)	(1,200)	-	-	-	(1,200)
Foreign currency translation	-	-	-	-	-	-	(97)	(97)
Balances at December 31, 2018	6,472	$ 65	(1,264)	$ (6,093)	$ 88,255	$ (56,029)	$ (93)	$ 26,105
Share based payment expense	-	-	-	-	216	-	-	216
Net loss	-	-	-	-	-	(4,786)	-	(4,786)
Purchases of treasury stock	-	-	(46)	(259)	-	-	-	(259)
Foreign currency translation	-	-	-	-	-	-	95	95
Balances at December 31, 2019	6,472	$ 65	(1,310)	$ (6,352)	$ 88,471	$ (60,815)	$ 2	$ 21,371

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

WILHELMINA INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2019 and 2018
(In thousands)

	2019	2018
Cash flows from operating activities:		
Net (loss) income:	$ (4,786)	$ 856
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Amortization and depreciation	1,192	990
Goodwill impairment	4,845	-
Share based payment expense	216	363
Deferred income taxes	94	110
Bad debt expense	11	58
Changes in operating assets and liabilities:		
Accounts receivable	2,449	1,668
Prepaid expenses and other current assets	(46)	(17)
Right of use assets-operating	1,143	-
Other assets	(1)	23
Due to models	(1,314)	(1,381)
Lease liabilities-operating	(1,219)	-
Accounts payable and accrued liabilities	(1,047)	1,086
Net cash provided by operating activities	1,537	3,756
Cash flows from investing activities:		
Purchases of property and equipment	(394)	(443)
Net cash used in investing activities	(394)	(443)
Cash flows from financing activities:		
Purchases of treasury stock	(259)	(1,200)
Payments on finance leases	(111)	-
Proceeds from term loan	-	1,000
Payments on term loan	(623)	(524)
Net cash used in financing activities	(993)	(724)
Foreign currency effect on cash flows:	95	(97)
Net change in cash and cash equivalents:	245	2,492
Cash and cash equivalents, beginning of period	6,748	4,256
Cash and cash equivalents, end of period	$ 6,993	$ 6,748
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 114	$ 99
Cash paid for income taxes	$ 5	$ 44

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

Note 1. Business Activity

Overview

The primary business of Wilhelmina is fashion model management. These business operations are headquartered in New York City. The Company's predecessor was founded in 1967 by Wilhelmina Cooper, a renowned fashion model, and became one of the oldest, best known and largest fashion model management companies in the world. Since its founding, Wilhelmina has grown to include operations located in Los Angeles, Miami, Chicago, and London, as well as a network of licensees in various local markets in the U.S. and internationally. Wilhelmina provides traditional, full-service fashion model and talent management services, specializing in the representation and management of models, entertainers, artists, athletes and other talent, to various clients, including retailers, designers, advertising agencies, print and electronic media and catalog companies.

Note 2. Summary of Significant Accounting Policies

The consolidated financial statements are prepared in conformity with generally accepted accounting principles in the United States of America ("GAAP"). The following is a summary of significant policies used in the preparation of the accompanying financial statements.

Principles of Consolidation and Basis of Presentation

The financial statements include the consolidated accounts of Wilhelmina and its wholly owned subsidiaries. All significant inter-company accounts and transactions have been eliminated in consolidation.

Revenue Recognition

The Company has adopted the requirements of Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers (Topic 606) ("ASC 606"). ASC 606 establishes a principle for recognizing revenue upon the transfer of promised goods or services to customers, in an amount that reflects the expected consideration received in exchange for those goods or services. The guidance provides a five-step analysis of transactions to determine when and how revenue is recognized.

The new revenue standard became effective for the Company on January 1, 2018 and was adopted using the modified retrospective method. The adoption of the new revenue standard as of January 1, 2018 did not change the Company's revenue recognition as its revenues continue to be recognized when the customer takes control of its product. As the Company did not identify any material accounting changes that impacted the amount of reported revenues, no adjustment to retained earnings was required upon adoption.

The Company adopted the standard to contracts that were not completed at the date of initial application (January 1, 2018).

Under the new revenue standard, the Company recognizes revenues when its customer obtains control of promised goods or services, in an amount that reflects the consideration which the Company expects to receive in exchange for those goods or services. The Company recognizes revenues following the five-step model prescribed under ASU No. 2014-09: (i) identify contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenues when (or as) the Company satisfies the performance obligation.

Service Revenues

Our service revenues are derived primarily from fashion model and artist bookings, and representation of social media influencers and actors for commercials, film, and television. Revenues from services are recognized and related model costs are accrued when the customer obtains control of the Company's product, which occurs at a point in time, typically when the talent has completed the contractual requirement. The Company expenses incremental costs of obtaining a contract as and when incurred because the expected amortization period of the asset that it would have recognized is one year or less or the amount is immaterial. Our performance obligations are primarily satisfied at a point in time when the talent has completed the contractual requirements.

A contract’s transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The performance obligations for most of the Company’s core modeling bookings are satisfied on the day of the event, and the “day rate” total fee is agreed in advance, when the customer books the model for a particular date. For contracts with multiple performance obligations (which are typically all satisfied within 1 to 3 days), we allocate the contract’s transaction price to each performance obligation based on the estimated relative standalone selling price.

When reporting service revenue gross as a principal versus net as an agent, the Company assesses whether the Company, the model or the talent is the primary obligor. The Company evaluates the terms of its model, talent and client agreements as part of this assessment. In addition, the Company gives appropriate consideration to other key indicators such as latitude in establishing price, discretion in model or talent selection and credit risk the Company undertakes. The Company operates broadly as a modeling agency and in those relationships with models and talents where the key indicators suggest the Company acts as a principal, the Company records the gross amount billed to the client as revenue, when the revenues are earned and collectability is probable, and the related costs incurred to the model or talent as model or talent cost. In other model and talent relationships, where the Company believes the key indicators suggest the Company acts as an agent on behalf of the model or talent, the Company records revenue, when the revenues are earned and collectability is probable, net of pass-through model or talent cost.

License Fees

License fees, in connection with the licensing of the “Wilhelmina” name, are collected on a monthly or quarterly basis under the terms of Wilhelmina’s agreements with licensees. The Company recognizes revenue relating to license fees where payment is deemed to be probable, over the license period.

Contract Assets

Contract assets, which primarily relate to the Company’s right to consideration for work completed but not billed at the reporting date are included within accounts receivable and approximated $2.1 million and $1.5 million at December 31, 2019 and 2018, respectively.

Advances to Models

Advances to models for the cost of initial portfolios and other out-of-pocket costs, which are reimbursable only from collections from the Company’s clients as a result of future work, are expensed to model costs as incurred. Due to the inherent uncertainty of future work for any individual model, any recoupment of such costs are credited to model costs in the period received.

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates that affect the amounts reported in the consolidated financial statements and the accompanying notes. Accounting estimates and assumptions discussed herein are those that management considers to be the most critical to an understanding of the consolidated financial statements because they inherently involve significant judgments and uncertainties. Estimates are used for, but not limited to revenue recognition, allowance for doubtful accounts, useful lives for depreciation and amortization, income taxes, the assumptions used for stock-based compensation, and impairments of goodwill and long-lived assets. All of these estimates reflect management’s judgment about current economic and market conditions and their effects based on information available as of the date of these consolidated financial statements. If such conditions persist longer or deteriorate further than expected, it is reasonably possible that the judgments and estimates could change, which may result in future impairments of assets among other effects.

Cash Equivalents

The Company considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are accounted for at net realizable value, do not bear interest and are short-term in nature. The Company maintains an allowance for doubtful accounts for estimated losses resulting from the inability to collect on accounts receivable. Based on management's assessment, the Company provides for estimated uncollectible amounts through a charge to earnings and a credit to the allowance. At December 31, 2019, the Company had an allowance of $1.4 million, and recorded an $11 thousand bad debt charge to earnings. Balances that remain outstanding after the Company has used reasonable collection efforts are written off through a charge to the allowance and a credit to accounts receivable. The Company generally does not require collateral.

Concentrations of Credit Risk

The balance sheet items that potentially subject the Company to concentrations of credit risk are primarily cash and cash equivalents and accounts receivable. The Company maintains its cash balances in several different financial institutions in New York, Los Angeles, Miami, and London. Balances in accounts other than "noninterest-bearing transaction accounts" are insured up to Federal Deposit Insurance Corporation ("FDIC") limits of $250 thousand per institution. At December 31, 2019, the Company had cash balances in excess of FDIC insurance coverage of approximately $4.3 million. Balances in London accounts are covered by Financial Services Compensation Scheme ("FSCS") limits of £75 thousand or approximately $0.1 million per institution. At December 31, 2019, the Company had cash balances in excess of FSCS coverage of approximately $2.3 million. Concentrations of credit risk with accounts receivable are mitigated by the Company's large number of clients and their dispersion across different industries and geographical areas. The Company performs ongoing credit evaluations of its clients and maintains an allowance for doubtful accounts based upon the expected collectability of all accounts receivable.

Property and Equipment

Property and equipment are stated at cost. Depreciation and amortization, based upon the estimated useful lives (ranging from two to seven years) of the assets or terms of the leases, are computed by use of the straight-line method. Leasehold improvements are amortized based upon the shorter of the terms of the leases or asset lives. When property and equipment are retired or sold, the cost and accumulated depreciation and amortization are eliminated from the related accounts and gains or losses, if any, are reflected in the consolidated statement of operations.

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If it is determined that impairment has occurred, the amount of the impairment is charged to operations.

Goodwill and Intangible Assets

Goodwill consists primarily of customer and talent relationships arising from past business acquisitions. Intangible assets with finite lives are amortized over useful lives ranging from two to eight years. Goodwill and intangible assets with indefinite lives are not subject to amortization, but rather to an annual assessment of impairment by applying a fair-value based test. A significant amount of judgment is required in estimating fair value and performing goodwill impairment tests.

The Company annually assesses whether the carrying value of its intangible assets exceeds their fair value and, if necessary, records an impairment loss equal to any such excess. Each interim reporting period, the Company assesses whether events or circumstances have occurred which indicate that the carrying amount of an intangible asset exceeds its fair value. If the carrying amount of the intangible asset exceeds its fair value, an asset impairment charge will be recognized in an amount equal to that excess.

The process of estimating the fair value of goodwill is subjective and requires the Company to make estimates that may significantly impact the outcome of the analysis. A qualitative assessment considers events and circumstances such as macroeconomic conditions, industry and market conditions, cost factors, and overall financial performance. If after performing this assessment, the Company concludes it is more likely than not that the fair value of the reporting unit is less than its carrying amount, then the Company performs the quantitative test.

Under the quantitative test, a goodwill impairment is identified by comparing the fair value to the carrying amount, including goodwill. If the carrying amount exceeds the fair value, goodwill is considered impaired and an impairment charge is recognized in an amount equal to the excess, not to exceed the carrying amount of goodwill.

Due to Models

Due to models represents the liability for amounts owed to talent for jobs that have taken place, but where the model or talent fee has not yet been paid, typically due to the Company awaiting receipt of payment from the customer. The due to model liabilities are accrued in the period in which the event takes place consistent with when the revenue is recognized. The Company's contractual agreements with models typically condition payment to talent upon the collection of fees from the customer.

Advertising

The Company expenses all advertising costs as incurred. Advertising expense for the year ended December 31, 2019 approximated $35 thousand, relatively consistent with $33 thousand of advertising expense for the year ended December 31, 2018.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax base and operating loss and tax credit carryforwards. Deferred income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company continually assesses the need for a tax valuation allowance based on all available information. As of December 31, 2019, the Company maintained a $0.3 million valuation allowance against its deferred tax assets relating to stock options held by the Company's former Chief Executive Officer, which were forfeited in connection with the effectiveness of his resignation on January 26, 2020. In December 2019, the Company recorded a $0.3 million deferred income tax benefit related to the $4.8 million goodwill impairment charge.

Accounting for uncertainty in income taxes recognized in an enterprise's financial statements requires a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Also, consideration should be given to de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. Tax positions are subject to change in the future, as a number of years may elapse before a particular matter for which an established reserve is audited and finally resolved. Federal tax returns for tax years 2016 through 2018 remained open for examination as of December 31, 2019.

Stock-Based Compensation

The Company utilizes stock-based awards as a form of compensation for certain officers. The Company records compensation expense for all awards granted. The Company uses the Black-Scholes valuation model and straight-line amortization of compensation expense over the requisite service period for each separately vesting portion of the grants.

Fair Value Measurements

The Company has adopted the provisions of ASC 820, "Fair Value Measurements" ("ASC 820"), for financial assets and financial liabilities. ASC 820 defines fair value, establishes a framework for measuring fair value under GAAP, and expands disclosure about fair value measurements. ASC 820 applies to all financial instruments that are being measured and reported on a fair value basis. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 also establishes a fair value hierarchy that prioritizes the inputs used in valuation methodologies into the following three levels:

- Level 1 Inputs-Unadjusted: quoted prices in active markets for identical assets or liabilities.
- Level 2 Inputs-Observable: inputs other than Level 1 prices, 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-Unobservable: inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or other valuation techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

Recent Accounting Pronouncements

ASU 2016-02, Leases. In 2016, the Financial Accounting Standards Board ("FASB") issued new guidance related to accounting for leases. The new guidance requires the recognition of right of use ("ROU") assets and lease liabilities for those leases classified as operating leases under previous guidance. In 2018, the FASB also approved an amendment that would permit the option to adopt the new standard prospectively as of the effective date, without adjusting comparative periods presented. The new standard was effective for the Company beginning January 1, 2019. Wilhelmina has elected the optional transition approach to not apply the new lease standard in the comparative periods presented and also elected to not recognize short-term leases of 12 months or less on the balance sheet. Adoption of the standard resulted in the recognition of ROU assets of $2.6 million and lease liabilities of $2.8 million at January 1, 2019, primarily from recognition of ROU assets and lease liabilities related to our office space and model apartment leases. The adoption of the new standard did not have a material impact on the consolidated statement of income and stockholder's equity.

ASU No. 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments," In June 2016, the FASB issued guidance which amends the FASB's guidance on the impairment of financial instruments. The ASU adds to GAAP an impairment model (known as the "current expected credit loss model") that is based on expected losses rather than incurred losses. ASU 2016-13 is effective for annual reporting periods ending after December 15, 2019, including interim periods within those fiscal years. The Company is currently evaluating the impact of adoption on the Company's consolidated financial statements.

ASU No. 2017-03 "Intangibles-Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment" In January 2017, the FASB issued ASU 2017-03, effective for periods beginning after December 15, 2019, with an election to adopt early. The ASU requires only a one-step qualitative impairment test, whereby a goodwill impairment loss will be measured as the excess of a reporting unit's carrying amount over its fair value. It eliminates Step 2 of the current two-step goodwill impairment test, under which a goodwill impairment loss is measured by comparing the implied fair value of a reporting unit's goodwill with the carrying amount of that goodwill. The impact of the new standard will be dependent on the specific facts and circumstances of future individual impairments, if any.

ASU No. 2018-19, "Codification Improvements to Topic 326, Financial Instruments-Credit Losses." In November 2018, the FASB issued ASU 2018-19, which clarifies that receivables arising from operating leases are not within the scope of the credit losses standard, but rather, should be accounted for in accordance with the lease standard. In general, the amendments in this standard are effective for public business entities that meet the definition of a SEC filer for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. The Company is currently evaluating the impact of adoption on the Company's consolidated financial statements.

Note 3. Debt

The Company has a credit agreement with Amegy Bank which provides a $4.0 million revolving line of credit and previously provided up to a $3.0 million term loan which could be drawn through October 24, 2016. Amounts outstanding under the term loan reduce the availability under the revolving line of credit. The revolving line of credit is also subject to a borrowing base derived from 80% of eligible accounts receivable (as defined) and the Company's minimum net worth covenant of $22.0 million. The revolving line of credit bears interest at prime plus 0.50% payable monthly. As of December 31, 2019, the Company had a $0.2 million irrevocable standby letter of credit outstanding under the revolving line of credit and had additional borrowing capacity of $1.4 million. The revolving line of credit presently expires October 24, 2022.

On August 16, 2016, the Company drew $2.7 million of the term loan and used the proceeds to fund the purchase of shares of its common stock in a private transaction. The term loan bears interest at 4.5% per annum and is payable in monthly payments of interest only until November, 2016, followed by 47 equal monthly payments of principal and interest computed on a 60-month amortization schedule and a final payment of principal and interest due on October 24, 2020.

On July 16, 2018, the Company amended its credit agreement with Amegy Bank to provide for an additional term loan of up to $1.0 million that could be drawn by the Company through July 12, 2019, for the purpose of repurchases of its common stock. The additional term loan is evidenced by a promissory note bearing interest at 5.15% per annum and was payable in monthly installments of interest only through July 12, 2019. Thereafter, the note is payable in monthly installments sufficient to fully amortize the outstanding principal balance in 60 months with the balance of principal and accrued interest due on July 12, 2023. The amendment also revised the calculation of the fixed charge coverage ratio for the three quarters following the maturity date of the previous term loan.

Amounts outstanding under the additional term loan further reduce the availability under the Company's revolving line of credit with Amegy Bank. On August 1, 2018, the Company drew $0.7 million of the additional term loan and used the proceeds to fund the purchase of 100,000 shares of its common stock in a private transaction. On December 12, 2018, the Company drew $0.3 million of the additional term loan and used the proceeds to partially fund a purchase of 50,000 shares of its common stock in a private transaction. As of December 31, 2019, a total of $2.0 million was outstanding on the two term loans.

As of December 31, 2019, future maturities of long term debt were as follows (in thousands):

2020	$	1,257
2021		194
2022		204
2023		345
Total		2,000

Note 4. Property and Equipment

Property and equipment at December 31, 2019 and 2018 was comprised of the following (in thousands):

	December 31, 2019	December 31, 2018
Furniture and fixtures	$ 1,488	$ 1,480
Software and software development costs	2,944	2,944
Computer and equipment	829	445
Leasehold improvements	964	962
Total	6,225	5,831
Less: Accumulated depreciation	(4,300)	(3,264)
Property and equipment, net	$ 1,925	$ 2,567

For the years ended December 31, 2019 and 2018, depreciation expense totaled $1.0 million and $0.9 million, respectively. Depreciation expense increased primarily due to new assets being placed into service in 2018 and 2019.

Note 5. Leases

The Company is obligated under non-cancelable lease agreements for the rental of office space and various other lease agreements for the leasing of office equipment. These operating leases expire at various dates through 2024. In addition to the minimum base rent, the office space lease agreements provide that the Company shall pay its pro-rata share of real estate taxes and operating costs as defined in the lease agreement. The Company also leases certain corporate office space from an affiliate.

During 2019, $0.1 million of lease payments historically included as rent expense within office and general expenses were classified as amortization expense, and included within cash used in financing activities on the Company's statement of cash flows. At December 31, 2019, the weighted-average remaining lease term was 1.3 years for operating leases and 4.1 years for finance type leases. At December 31, 2019, the weighted average discount rate was 4.7% for operating leases and 5.1% for finance type leases.

The following table presents additional information regarding Wilhelmina's financing and operating leases for the year ended December 31, 2019 (in thousands):

	Year ended December 31, 2019
Finance lease expense	
Amortization of ROU assets	$ 102
Interest on lease liabilities	8
Operating lease expense	1,159
Short term lease expense	273
Cash paid for amounts included in the measurement of lease liabilities for finance leases	
Financing cash flows	113
Cash paid for amounts included in the measurement of lease liabilities for operating leases	
Operating cash flows	1,236
ROU assets obtained in exchange for lease liabilities	
Finance leases	452
Operating leases	2,404

As of December 31, 2019, future maturities of lease liabilities were as follows (in thousands):

	Operating	Finance
2020	$ 1,135	$ 109
2021	369	86
2022	-	55
2023	-	55
2024	-	50
Total	1,504	355
Less: Present value discount	(121)	(36)
Lease liability	$ 1,383	$ 319

The following table summarizes future minimum payments under the current lease agreements:

Years Ending December 31	Amount (in thousands)
2020	$ 1,365
2021	410
2022	50
2023	50
2024	50
Total	$ 1,925

Rent expense totaled approximately $1.5 million and $1.9 million for the years ended December 31, 2019 and 2018 respectively.

Note 6. Commitments and Contingencies

On October 24, 2013, a putative class action lawsuit was brought against the Company by former Wilhelmina model Alex Shanklin and others, including Louisa Raske, Carina Vretman, Grecia Palomares and Michelle Griffin Trotter (the "Shanklin Litigation"), in New York State Supreme Court (New York County) by the same lead counsel who represented plaintiffs in a prior, now-dismissed action brought by Louisa Raske (the "Raske Litigation"). The claims in the Shanklin Litigation initially included breach of contract and unjust enrichment allegations arising out of matters similar to the Raske Litigation, such as the handling and reporting of funds on behalf of models and the use of model images. Other parties named as defendants in the Shanklin Litigation include other model management companies, advertising firms, and certain advertisers. On January 6, 2014, the Company moved to dismiss the Amended Complaint in the Shanklin Litigation for failure to state a claim upon which relief can be granted and other grounds, and other defendants also filed motions to dismiss. On August 11, 2014, the court denied the motion to dismiss as to Wilhelmina and other of the model management defendants. Separately, on March 3, 2014, the judge assigned to the Shanklin Litigation wrote the Office of the New York Attorney General bringing the case to its attention, generally describing the claims asserted therein against the model management defendants, and stating that the case "may involve matters in the public interest." The judge's letter also enclosed a copy of his decision in the Raske Litigation, which dismissed that case.

Plaintiffs retained substitute counsel, who filed a Second and then Third Amended Complaint. Plaintiffs' Third Amended Complaint asserts causes of action for alleged breaches of the plaintiffs' management contracts with the defendants, conversion, breach of the duty of good faith and fair dealing, and unjust enrichment. The Third Amended Complaint also alleges that the plaintiff models were at all relevant times employees, and not independent contractors, of the model management defendants, and that defendants violated the New York Labor Law in several respects, including, among other things, by allegedly failing to pay the models the minimum wages and overtime pay required thereunder, not maintaining accurate payroll records, and not providing plaintiffs with full explanations of how their wages and deductions therefrom were computed. The Third Amended Complaint seeks certification of the action as a class action, damages in an amount to be determined at trial, plus interest, costs, attorneys' fees, and such other relief as the court deems proper. On October 6, 2015, Wilhelmina filed a motion to dismiss as to most of the plaintiffs' claims. The Court entered a decision granting in part and denying in part Wilhelmina's motion to dismiss on May 26, 2017. The Court (i) dismissed three of the five New York Labor Law causes of action, along with the conversion, breach of the duty of good faith and fair dealing and unjust enrichment causes of action, in their entirety, and (ii) permitted only the breach of contract causes of action, and some plaintiffs' remaining two New York Labor Law causes of action to continue, within a limited time frame. The plaintiffs and Wilhelmina each appealed, and the decision was affirmed on May 24, 2018. On August 16, 2017, Wilhelmina timely filed its Answer to the Third Amended Complaint.

On June 6, 2016, another putative class action lawsuit was brought against the Company by former Wilhelmina model Shawn Pressley and others, including Roberta Little (the "Pressley Litigation"), in New York State Supreme Court (New York County) by the same counsel representing the plaintiffs in the Shanklin Litigation, and asserting identical, although more recent, claims as those in the Shanklin Litigation. The Amended Complaint, asserting essentially the same types of claims as in the Shanklin action, was filed on August 16, 2017. Wilhelmina filed a motion to dismiss the Amended Complaint on September 29, 2017, which was granted in part and denied in part on May 10, 2018. Some New York Labor Law and contract claims remain in the case. Pressley has withdrawn from the case, leaving Roberta Little as the sole remaining named plaintiff in the Pressley Litigation. On July 12, 2019, the Company filed its Answer and Counterclaim against Little.

On May 1, 2019, the Plaintiffs in the Shanklin Litigation (except Raske) and the Pressley Litigation filed motions for class certification on their contract claims and the remaining New York Labor Law Claims. On July 12, 2019, Wilhelmina filed its opposition to the motions for class certification and filed a cross-motion for summary judgment against Shanklin, Vretman, Palomares, Trotter and Little, and a motion for summary judgment against Raske. Wilhelmina's reply papers in further support of its summary judgment motions were filed on October 23, 2019. The motions for class certification and summary judgement were argued on December 4, 2019, and the parties are awaiting decision.

The Company believes the claims asserted in the Shanklin and Pressley Litigations are without merit and intends to continue to vigorously defend the actions.

In addition to the legal proceedings disclosed herein, the Company is also engaged in various legal proceedings that are routine in nature and incidental to its business. None of these routine proceedings, either individually or in the aggregate, are believed likely, in the Company's opinion, to have a material adverse effect on its consolidated financial position or its results of operations.

Note 7. Income Taxes

The following table summarizes the income tax (expense) benefit for the years ended December 31, 2019 and 2018 (in thousands):

	2019	2018
Current:		
Federal	$ -	$ -
State	(30)	(26)
Foreign	(276)	(198)
Current Total	(306)	(224)
Deferred:		
Federal	(36)	(153)
State	(58)	44
Foreign	-	-
Deferred Total	(94)	(109)
Total	$ (400)	$ (333)

The income tax expense differs from the amount computed by applying the statutory federal and state income tax rates to the net income before income tax. The following table shows the reasons for these differences (in thousands):

	2019	2018
Computed income tax benefit (expense) at statutory rate	$ 944	$ (228)
Increase in taxes resulting from:		
Permanent and other deductions, net	(782)	(34)
Global intangible low-taxed income	(200)	(149)
Foreign income taxes	-	55
State income taxes, net of federal benefit	(9)	26
Deferred tax effects	(13)	(3)
Valuation allowance – forfeiture of stock options	(340)	-
Total income tax expense	$ (400)	$ (333)

A tax provision of $0.4 million was recorded in 2019. The provision was primarily due to the $0.3 million valuation allowance on deferred tax assets related to stock options held by the Company's former Chief Executive Officer, which were forfeited in connection with the effectiveness of his resignation on January 26, 2020 and foreign taxes in the United Kingdom related to our London office that are not deductible from U.S. federal taxes. A $3.5 million permanent tax difference arose from the $4.8 million goodwill impairment recorded in 2019. Therefore, the impairment charge resulted in only a $0.3 million income tax benefit.

A tax provision of $0.3 million was recorded in 2018. The expense was primarily due to income before provision for income taxes and foreign taxes in the United Kingdom related to our London office that are not deductible from U.S. federal taxes.

The following table shows the tax effect of significant temporary differences, which comprise the deferred tax asset and liability (in thousands):

	2019	2018
Deferred tax asset:		
Net operating loss carryforward	$ 103	$ 114
Foreign tax credits	483	483
Accrued expenses	580	649
Allowance for doubtful accounts	85	144
Stock-based compensation	384	336
Other intangible assets	36	45
Interest expense limitation	11	-
Less: Valuation allowance - forfeiture of stock options	(340)	-
Total deferred income tax asset	1,342	1,771
Deferred tax liability:		
Property and equipment	(393)	(545)
Intangible assets-brand name	(1,079)	(1,079)
Goodwill	(257)	(497)
Other intangible assets	(338)	(281)
Total deferred income tax liability	(2,067)	(2,402)
Net deferred tax liability	$ (725)	$ (631)

The presentation of net deferred tax assets and liabilities for each jurisdiction are presented as noncurrent within the Company's Consolidated Balance Sheets. Deferred income tax balances reflect the effects of temporary differences between the carrying amounts of assets and liabilities and their tax bases and are stated at enacted tax rates expected to be in effect when the taxes are actually paid or recovered. The Company recognizes a valuation allowance for deferred tax assets when it is more likely than not that these assets will not be realized. In making this determination, all positive and negative evidence is considered, including future reversals of existing taxable temporary differences, tax planning strategies, future taxable income, and taxable income in prior carryback years.

At December 31, 2019 and December 31, 2018, the Company has $0.5 million of federal net operating loss carryforwards, which expire in 2037. Additionally, the Company has $0.5 million of U.S. federal foreign tax credit carryforwards, which expire between 2023 and 2029.

The Company does not believe that it has any significant uncertain tax positions at December 31, 2019 and December 31, 2018, nor is this expected to change within the next twelve months due to the settlement and expiration of statutes of limitation.

The U.S. Tax Cuts and Jobs Act (the "Tax Act") was enacted on December 22, 2017 and introduced significant changes to U.S. income tax law. Effective in 2018, the Tax Act reduced the U.S. statutory tax rate from 35% to 21% and created new taxes on certain foreign-sourced earnings and certain related-party payments, which are referred to as the global intangible low-taxed income tax and base erosion tax, respectively.

In January 2018, the FASB released guidance on the accounting for tax on the global intangible low-taxed income ("GILTI") provisions of the Tax Act. The GILTI provisions impose a tax on foreign income in excess of a deemed return on tangible assets of foreign corporations. The Company elected to treat any potential GILTI inclusions as a period cost.

Note 8. Treasury Stock

During 2012, the Board of Directors authorized a stock repurchase program whereby the Company could repurchase up to 500,000 shares of its outstanding common stock. During 2013, the Board of Directors renewed and extended the Company's share repurchase authority to enable it to repurchase up to an aggregate of 1,000,000 shares of common stock. In 2016, the Board of Directors increased by an additional 500,000 shares the number of shares of the Company's common stock, which may be repurchased under its stock repurchase program to an aggregate of 1,500,000 shares. The shares may be repurchased from time to time in the open market or through privately negotiated transactions at prices the Company deems appropriate. The program does not obligate the Company to acquire any particular amount of common stock and may be modified or suspended at any time at the Company's discretion.

From 2012 through December 31, 2019, the Company repurchased an aggregate of 1,309,861 shares of common stock at an average price of approximately $4.85 per share, for a total of approximately $6.4 million in repurchases under the stock repurchase program. During the year ended December 31, 2019, 45,707 shares were repurchased at an average price of $5.66 per share. The repurchase of an additional 190,139 shares is presently authorized under the stock repurchase program.

Note 9. Related Parties

The Executive Chairman of the Company, Mark E. Schwarz, is also the chairman, chief executive officer and portfolio manager of Newcastle Capital Management, L.P. ("NCM"). NCM is the general partner of Newcastle Partners L.P. ("Newcastle"), which is the largest shareholder of the Company. James A. Dvorak (Managing Director at NCM) also serves as a director of the Company.

The Company's corporate headquarters are located at 200 Crescent Court, Suite 1400, Dallas, Texas 75201, which are also the offices of NCM. The Company occupies a portion of NCM space on a month-to-month basis at $2,500 per month, pursuant to a services agreement entered into between the parties. Pursuant to the services agreement, the Company receives the use of NCM's facilities and equipment and administrative services from employees of NCM. The Company incurred expenses pursuant to the services agreement totaling approximately $30 thousand for each of the years ended December 31, 2019 and 2018. The Company did not owe NCM any amounts under the services agreement as of December 31, 2019.

Note 10. Stock Options and Stock Purchase Warrants

During 2015, shareholders of the Company approved the 2015 Incentive Plan which authorized the issuance of up to an additional 500,000 shares of the common stock pursuant to stock options, restricted stock, stock appreciation rights and other equity incentives awarded to directors, officers, consultants, advisors and employees of the Company. Stock option awards under the 2015 Incentive Plan are granted at the market value of the common stock on the date of grant, have vesting periods of five years, and expire to the extent unexercised after ten years.

Under the 2015 Incentive Plan, no stock option awards were granted during 2019 or 2018. No stock options were exercised during either 2019 or 2018.

The following table shows a summary of stock option transactions under the Incentive Plans during 2019 and 2018:

	Number of Shares	Weighted Average Exercise Price
Outstanding, January 1, 2018	460,000	$ 7.34
Granted	-	-
Exercised	-	-
Forfeited or expired	-	-
Outstanding, December 31, 2018	460,000	$ 7.34
Granted	-	-
Exercised	-	-
Forfeited or expired	-	-
Outstanding, December 31, 2019	460,000	$ 7.34

Weighted average remaining contractual life was 6.61 years at December 31, 2019 and 7.61 years at December 31, 2018. The exercise price of all stock options was below the market value at both December 31, 2019 and 2018. Therefore, there is no intrinsic value at December 31, 2019 and 2018. Total unrecognized compensation expense on options outstanding as of December 31, 2019 was $0.2 million. Options to purchase 230,000 shares of common stock were exercisable as of December 31, 2019.

The Company estimates the fair value of each stock option granted on the date of grant using the Black-Scholes option pricing model. Expected volatilities are based on the historical volatility of Wilhelmina's and similar companies' common stock for a period equal to the expected term. The risk-free interest rates for periods within the contractual term of the options are based on rates for U.S. Treasury Notes with maturity dates corresponding to the options' expected lives on the dates of grant. Expected term is determined based on the option term of ten years.

Note 11. Benefit Plans

The Company has established a 401(k) Plan for eligible employees of the Company. Generally, all employees of the Company who are at least twenty-one years of age are eligible to participate in the 401(k) Plan. The 401(k) Plan is a defined contribution plan, which provides that participants may make voluntary salary deferral contributions, on a pretax basis, between 1% and 100% of their compensation in the form of voluntary payroll deductions, up to a maximum amount as indexed for cost-of-living adjustments. The Company may make discretionary contributions. No discretionary contributions were made during the years ended December 31, 2019 and 2018.

Note 12. Goodwill and Intangible Assets

The following table summarizes the goodwill as of December 31, 2019 and 2018 (in thousands):

Goodwill:	Goodwill	Impairment
2019 Goodwill		
U.S. goodwill	$ 12,563	$ (4,845)
London goodwill	629	-
Total	$ 13,192	$ (4,845)
2018 Goodwill		
U.S. goodwill	$ 12,563	$ -
London goodwill	629	-
Total	$ 13,192	$ -

In December 2019, the Company determined there was a triggering event, primarily caused by a sustained decrease in the Company's stock price. The results of the goodwill impairment test indicated that the carrying value exceeded the estimated fair value. Thus, during December 2019, the Company recorded an impairment charge of $4.8 million related to its goodwill. Further declines in the Company's stock price could result in additional goodwill impairment charges.

No asset impairment charges were incurred during the year ended December 31, 2018

The following table summarizes the intangible assets with finite lives as of December 31, 2019 and 2018 (in thousands):

Intangible assets subject to amortization:	Gross Cost	Accumulated Amortization	Weighted-average amortization period (in years)
2019 Intangibles:			
Customer lists	$ 3,204	$ (3,204)	5.0
Non-compete agreements	1,054	(1,054)	6.5
Talent and model contractual relationships	2,846	(2,846)	3.8
Employee contractual relationships	1,633	(1,633)	5.0
Total	$ 8,737	$ (8,737)	5.1
2018 Intangibles:			
Customer lists	$ 3,204	$ (3,194)	5.0
Non-compete agreements	1,054	(1,054)	6.5
Talent and model contractual relationships	2,846	(2,803)	3.8
Employee contractual relationships	1,633	(1,633)	5.0
Total	$ 8,737	$ (8,684)	5.1

Amortization expense totaled $0.1 million for each of the years ended December 31, 2019 and 2018.

Note 13. Subsequent Events

On March 11, 2020, the World Health Organization declared the outbreak of novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States. There have been mandates from federal, state, and local authorities requiring forced closures of non-essential businesses. As a result, the Company has temporarily closed some offices and has seen a reduction in customer bookings, resulting in a negative impact to Company revenue and earnings. In addition to reduced revenue, business operations could be adversely affected by potential reductions in productivity, delays or limitations on the ability of customers to make timely payments, disruptions in talents' ability to travel to photography locations, or supply chain disruptions impeding clothing or footwear wardrobe from reaching destinations in time for photoshoots. . While this disruption is currently expected to be temporary, there is uncertainty around the duration. The Company's revenues are heavily dependent on the level of economic activity in the United States and the United Kingdom, particularly in the fashion, advertising and publishing industries, all of which have been negatively impacted by the pandemic and may not recover as quickly as other sectors of the economy. Therefore, while we expect this matter to negatively impact our business, results of operations, and financial position, the related financial impact cannot be reasonably estimated at this time. As a result, the Company is currently evaluating and executing strategies to curtail expenses.

On March, 26, 2020, the Company entered into a Thirteenth Amendment to Credit Agreement (the "Thirteenth Amendment") with ZB, N.A. dba Amegy Bank. The Thirteenth Amendment amended the minimum net worth covenant to require the Company to maintain tangible net worth (as defined therein) of $4.0 million, determined on a quarterly basis. Under the Thirteenth Amendment, Amegy Bank also waived an existing default caused by the Company's failure to satisfy the old minimum net worth covenant as of December 31, 2019.

Exhibit 10.27

THIRTEENTH AMENDMENT TO CREDIT AGREEMENT

This **THIRTEENTH AMENDMENT TO CREDIT AGREEMENT** (this "Amendment") is made effective and executed as of March 26, 2020, by and among **WILHELMINA INTERNATIONAL, INC.**, a Delaware corporation ("Borrower"), **ZIONS BANCORPORATION, N.A. dba AMEGY BANK** ("Bank"), and each of the Guarantors set forth on the signature pages hereof (each a "Guarantor", and collectively the "Guarantors").

RECITALS

A. Borrower and Bank entered into that certain Credit Agreement dated as of April 20, 2011, as amended by that certain First Amendment to Credit Agreement dated as of January 1, 2012, that certain Second Amendment to Credit Agreement dated as of October 24, 2012, that certain Third Amendment to Credit Agreement dated as of July 31, 2014, that certain Fourth Amendment to Credit Agreement dated effective October 24, 2015, that certain Fifth Amendment to Credit Agreement dated effective May 13, 2016, that certain Sixth Amendment to Credit Agreement and First Amendment to Line of Credit Note dated effective November 9, 2016, that certain Seventh Amendment to Credit Agreement dated effective May 4, 2017, that certain Eighth Amendment to Credit Agreement and Waiver dated effective August 1, 2017, that certain Ninth Amendment to Credit Agreement and Second Amendment to Line of Credit Note dated effective October 24, 2017, that certain Tenth Amendment to Credit Agreement dated effective July 12, 2018, that certain Eleventh Amendment to Credit Agreement and Third Amendment to Line of Credit Note dated effective October 24, 2018, and that certain Twelfth Amendment to Credit Agreement and Fourth Amendment to Line of Credit Note dated effective October 24, 2019 (as amended, the "Credit Agreement").

B. In connection with the Credit Agreement, Borrower executed and delivered to Bank (i) that certain Line of Credit Promissory Note dated April 20, 2011, in the stated principal amount of $500,000.00, as amended and restated by that certain Amended and Restated Line of Credit Promissory Note dated as of January 1, 2012, in the stated principal amount of $1,500,000.00, as amended and restated by that certain Second Amended and Restated Line of Credit Promissory Note dated as of October 24, 2012, in the stated principal amount of $5,000,000.00, as amended and restated by that certain Third Amended and Restated Line of Credit Promissory Note dated as of October 24, 2015, in the stated principal amount of $4,000,000.00, as amended by that certain Sixth Amendment to Credit Agreement and First Amendment to Line of Credit Note dated effective November 9, 2016, that certain Ninth Amendment to Credit Agreement and Second Amendment to Line of Credit Note dated effective October 24, 2017, that certain Eleventh Amendment to Credit Agreement and Third Amendment to Line of Credit Note dated effective October 24, 2018, and that certain Twelfth Amendment to Credit Agreement and Fourth Amendment to Line of Credit Note dated effective October 24, 2019 (as amended and restated, the "Line of Credit Note"), (ii) that certain Promissory Note dated effective October 24, 2015, in the stated principal amount of $3,000,000.00 (the "Term Note"), and (iii) that certain Promissory Note dated effective July 12, 2018, in the stated principal amount of $1,000,000.00 (the "Second Term Note").

C. In connection with the Credit Agreement, (i) Guarantors (other than Artists at Wilhelmina LLC, Wilhelmina Licensing (Texas) LLC, and Wilhelmina Artist Management LLC, a Delaware limited liability company) executed and delivered to Bank that certain Unlimited Guaranty dated April 20, 2011, (ii) Artists at Wilhelmina LLC (formerly known as Wilhelmina Creative, LLC) and Wilhelmina Licensing (Texas) LLC executed and delivered to Bank those certain Unlimited Guaranties dated effective October 24, 2015, and (iii) Wilhelmina Artist Management LLC, a Delaware limited liability company, executed and delivered to Bank that certain Unlimited Guaranty dated effective November 9, 2016 (the Unlimited Guaranties referenced in items (i) through (iii) preceding, collectively, the "Guaranty Agreements").

D. In connection with the Credit Agreement, (i) Borrower and Guarantors (other than Wilhelmina Licensing (Texas) LLC, Artists at Wilhelmina LLC, and Wilhelmina Artist Management LLC, a Delaware limited liability company) executed and delivered to Bank that certain Pledge and Security Agreement dated as of April 20, 2011, as amended from time to time, (ii) Wilhelmina Licensing (Texas) LLC executed and delivered to Bank that certain Pledge and Security Agreement dated effective as of October 24, 2015, as amended from time to time, (iii) Artists at Wilhelmina LLC executed and delivered to Bank that certain Pledge and Security Agreement dated effective as of October 24, 2015, as amended from time to time, and (iv) Wilhelmina Artist Management LLC, a Delaware limited liability company, executed and delivered to Bank that certain Pledge and Security Agreement dated effective on or about November 9, 2016, as amended from time to time (collectively, the "Security Documents" and each a "Security Document").

E. Borrower has requested Bank to (i) amend the minimum net worth covenant set forth in the Credit Agreement, (ii) waive the Existing Default (as defined below), and (iii) make certain other amendments to the Credit Agreement, all as more fully set forth herein, and Bank has agreed to the same upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1. **Definitions**. Capitalized terms used in this Amendment, to the extent not otherwise defined herein, shall have the same meaning as assigned to them in the Credit Agreement, as amended hereby.

ARTICLE II
AMENDMENTS

Section 2.1. **Amendment to Section 4.9 of the Credit Agreement**. Subsection (a) of Section 4.9 of the Credit Agreement is amended and restated in its entirety to hereafter read as follows:

(a) Minimum Tangible Net Worth. Minimum Tangible Net Worth of not less than $4,000,000.00 on a quarterly basis, determined as of each fiscal quarter end.

For purposes hereof the following terms shall have the meanings indicated:

"Minimum Tangible Net Worth" means, with respect to the Loan Parties as of the date of calculation, the Total Tangible Assets of the Loan Parties minus the Total Liabilities of the Loan Parties.

"Total Tangible Assets" means, with the respect to the Loan Parties as of the date of calculation, all assets (both current and non-current) which in conformity with generally accepted accounting principles, would be included as assets on a consolidated balance sheet of the Loan Parties, *less* all intangible assets of the Loan Parties, including without limitation all trademarks, trade names, copyrights, patents, goodwill, and intellectual property of the Loan Parties and all other assets of the Loan Parties that would otherwise be classified as intangible assets under generally accepted accounting principles, as reasonably determined by Bank.

"Total Liabilities" means, with respect to the Loan Parties as of the date of calculation, all amounts which in conformity with generally accepted accounting, would be included as liabilities on a consolidated balance sheet of the Loan Parties.

Section 2.2. **Amendment to Section 5.7 of the Credit Agreement**. The last sentence in Section 5.7 of the Credit Agreement (which was added pursuant to the Tenth Amendment to Credit Agreement dated July 12, 2018) is hereby amended and restated in its entirety to hereafter read as follows: "Notwithstanding the foregoing, Borrower shall be permitted to repurchase its equity interests using proceeds of the Term Loan and the Second Term Loan in the manner set forth in Sections 1.1(c) and 1.1(d) hereof."

Section 2.3. **Waiver**. Borrower has failed to be in compliance with Subsection 4.9(a) of the Credit Agreement (as in effect prior to this Amendment) for the fiscal quarter ending December 31, 2019 (the "Existing Default"). Borrower acknowledges and agrees that the Existing Default constitutes an Event of Default. Subject to Borrower's and each Guarantor's compliance with the terms and conditions of this Amendment and the other Loan Documents, including without limitation the complete satisfaction of the conditions precedent set forth in this Amendment, Bank hereby waives the Existing Default. Except for the waiver expressly set forth in this Section 2.3, nothing contained herein shall otherwise be deemed a consent to any violation of, or a waiver of compliance with, any term, provision, or condition set forth in any of the Loan Documents or a consent to or waiver of any other or future violations, breaches, Defaults, or Events of Default. The waiver set forth above in this Section 2.3 is made only with respect to Subsection 4.9(b) of the Credit Agreement (as in effect prior to this Amendment) for the fiscal quarter ending December 31, 2019, and said waiver shall not apply to any other provisions or measurement periods.

ARTICLE III
CONDITIONS PRECEDENT

Section 3.1. **Conditions**. The effectiveness of this Amendment is subject to the satisfaction of the following conditions precedent, unless specifically waived by the Bank:

(a) The following instruments shall have been duly and validly executed and delivered to Bank by the parties thereto, all in form, scope and content satisfactory to the Bank:

(i) this Amendment executed by Borrower and Guarantors; and

(ii) resolutions of the Board of Directors (or other governing body) of Borrower and each Guarantor certified by the Secretary or an Assistant Secretary (or other custodian of records of each such entity) which authorize the execution, delivery, and performance by Borrower and each Guarantor of this Amendment and the other Loan Documents to be executed in connection herewith.

(b) The representations and warranties contained herein, in the Credit Agreement, as amended hereby, and in each other Loan Document, as amended hereby, shall be true and correct as of the date hereof, as if made on the date hereof, except to the extent such representations and warranties relate to an earlier date.

(c) No Event of Default shall have occurred and be continuing and no Default shall exist, unless such Event of Default or Default has been specifically waived in writing by Bank.

(d) All corporate proceedings taken in connection with the transactions contemplated by this Amendment and all documents, instruments and other legal matters incident thereto, shall be satisfactory to Bank and its legal counsel.

(e) There shall have been no material adverse change in the condition (financial or otherwise) of Borrower or any Guarantor since July 12, 2018.

ARTICLE IV
RATIFICATIONS, REPRESENTATIONS, WARRANTIES

Section 4.1. **Ratifications**. The terms and provisions set forth in this Amendment shall modify and supersede all inconsistent terms and provisions set forth in the Credit Agreement and except as expressly modified and superseded by this Amendment, the terms and provisions of the Credit Agreement and the other Loan Documents are ratified and confirmed and shall continue in full force and effect. Borrower and Guarantors agree that the Credit Agreement, as amended hereby, and the other Loan Documents, as amended hereby, shall continue to be legal, valid, binding obligations of Borrower and Guarantors, enforceable against Borrower and Guarantors in accordance with their respective terms.

Section 4.2. **Renewal of Security Interests**. Each of Borrower and Guarantors hereby renews, regrants and affirms the liens and security interests created and granted in the Credit Agreement and in all other Loan Documents (including, without limitation, the Security Documents, as amended), to secure the prompt payment of all indebtedness and obligations of Borrower and each Guarantor under the Loan Documents as amended by the terms hereof, including without limitation any Letter of Credit Liabilities, the Line of Credit, the Term Loan, and the Second Term Loan. Each of Borrower and Guarantors agree that this Amendment shall in no manner affect or impair the liens and security interests securing the indebtedness of Borrowers and Guarantors to Bank and that such liens and security interests shall not in any manner be waived, the purposes of this Amendment being to modify the Credit Agreement as herein provided, and to carry forward all liens and security interests securing same, which are acknowledged by Borrower and Guarantors to be valid and subsisting.

Section 4.3. **Representations and Warranties**. Borrower and Guarantors hereby represent and warrant to Bank as follows:

(a) The execution, delivery and performance of this Amendment and any and all other Loan Documents executed and delivered in connection herewith have been authorized by all requisite corporate action on the part of Borrower and each Guarantor and do not and will not conflict with or violate any provision of any applicable laws, rules, regulations or decrees, the organizational documents of Borrower or any Guarantor, or any agreement, document, judgment, license, order or permit applicable to or binding upon Borrower or any Guarantor or their respective assets. No consent, approval, authorization or order of, and no notice to or filing with, any court or governmental authority or third person is required in connection with the execution, delivery or performance of this Amendment or to consummate the transactions contemplated hereby;

(b) The representations and warranties contained in the Credit Agreement, as amended hereby, and the other Loan Documents, as amended hereby, are true and correct in all material respects on and as of the date hereof as though made on and as of the date hereof, except to the extent such representations and warranties relate to an earlier date;

(c) No Event of Default under the Credit Agreement or any Loan Document has occurred and is continuing, except to the extent waived in writing by Bank;

(d) Borrower and Guarantors are in full compliance with all covenants and agreements contained in the Credit Agreement, as amended hereby, and the other Loan Documents to which each is a party, each as amended hereby, except to the extent waived in writing by Bank; and

(e) Neither Borrower nor any Guarantor has amended any of its organizational documents since the date of the original execution of the Credit Agreement.

Section 4.4. **Guarantors' Consent and Ratification**. Each Guarantor hereby consents and agrees to the terms of this Amendment, and agrees that the Guaranty Agreement to which it is a party shall remain in full force and effect and shall continue to be the legal, valid and binding obligation of such Guarantor, enforceable against such Guarantor in accordance with its terms. Furthermore, each Guarantor hereby agrees and acknowledges that (a) the Guaranty Agreements are Loan Document, (b) the Guaranty Agreements are not subject to any claims, defenses or offsets, (c) nothing contained in this Amendment or any other Loan Document shall adversely affect any right or remedy of Bank under the Guaranty Agreements, (d) the execution and delivery of this Amendment shall in no way reduce, impair or discharge any obligations of any Guarantor pursuant to the Guaranty Agreements and shall not constitute a waiver by Bank against any Guarantor, (e) by virtue hereof and by virtue of the Guaranty Agreements, each Guarantor hereby guarantees to Bank the prompt and full payment and full and faithful performance by the Borrower of the entirety of the Guaranteed Indebtedness (as defined in the Guaranty Agreements) including, without limitation, all amounts owing under the Line of Credit Note, the Term Note, the Second Term Note, and all Letter of Credit Liabilities, (f) no Guarantor's consent is required to the effectiveness of this Amendment, and (g) no consent by any Guarantor is required for the effectiveness of any future amendment, modification, forbearance or other action with respect to the Credit Agreement or any present or future Loan Document.

ARTICLE V
MISCELLANEOUS

Section 5.1. **Survival of Representations and Warranties**. All representations and warranties made in the Credit Agreement or any other Loan Document, including without limitation, any Loan Document furnished in connection with this Amendment, shall survive the execution and delivery of this Amendment and the other Loan Documents, and no investigation by Bank or any closing shall affect such representations and warranties or the right of Bank to rely thereon.

Section 5.2. **Reference to Credit Agreement**. Each of the Loan Documents, including the Credit Agreement, and any and all other agreements, documents or instruments now or hereafter executed and delivered pursuant to the terms hereof or pursuant to the terms of the Credit Agreement, as amended hereby, are hereby amended so that any reference in such Loan Documents to the Credit Agreement or any of the Loan Documents shall mean a reference to the Credit Agreement or such Loan Documents in each case as amended hereby.

Section 5.3. **Expenses of Bank**. As provided in the Credit Agreement, Borrower agrees to pay on demand all reasonable costs and expenses incurred by Bank in connection with the preparation, negotiation and execution of this Amendment and the other Loan Documents executed pursuant hereto and any and all amendments, modifications, and supplements hereto, including, without limitation, the reasonable costs and fees of Bank's legal counsel, and all reasonable costs and expenses incurred by Bank in connection with the enforcement or preservation of any rights under the Credit Agreement, as amended hereby, and any other Loan Document, as amended hereby, including, without limitation, the reasonable costs and fees of Bank's legal counsel.

Section 5.4. **RELEASE**. BORROWER AND EACH GUARANTOR HEREBY VOLUNTARILY AND KNOWINGLY RELEASE AND FOREVER DISCHARGE BANK, ITS DIRECTORS, OFFICERS, AGENTS, EMPLOYEES, SUCCESSORS AND ASSIGNS, FROM ALL POSSIBLE CLAIMS, DEMANDS, ACTIONS, CAUSES OF ACTION, DAMAGES, COSTS, EXPENSES, AND LIABILITIES WHATSOEVER, KNOWN OR UNKNOWN. ANTICIPATED OR UNANTICIPATED, SUSPECTED OR UNSUSPECTED, FIXED, CONTINGENT, OR CONDITIONAL, AT LAW OR IN EQUITY, ORIGINATING IN WHOLE OR IN PART ON OR BEFORE THE DATE THIS AMENDMENT IS EXECUTED, WHICH BORROWER AND ANY GUARANTOR MAY NOW OR HEREAFTER HAVE AGAINST BANK, ITS DIRECTORS, OFFICERS, AGENTS, EMPLOYEES, SUCCESSORS AND ASSIGNS, IF ANY, AND IRRESPECTIVE OF WHETHER ANY SUCH CLAIMS ARISE OUT OF CONTRACT, TORT, VIOLATION OF LAW OR REGULATIONS, OR OTHERWISE, AND ARISING FROM ANY LOAN, INCLUDING, WITHOUT LIMITATION, ANY CONTRACTING FOR, CHARGING, TAKING, RESERVING, COLLECTING OR RECEIVING INTEREST IN EXCESS OF THE HIGHEST LAWFUL RATE APPLICABLE, THE EXERCISE OF ANY RIGHTS AND REMEDIES UNDER THE LOAN DOCUMENTS, AND NEGOTIATIONS FOR AND EXECUTION OF THE LOAN DOCUMENTS.

Section 5.5. **Severability**. Any provision of this Amendment held by a court of competent jurisdiction to be invalid or unenforceable shall not impair or invalidate the remainder of this Amendment and the effect thereof shall be confined to the provision so held to be invalid or unenforceable.

Section 5.6. **GOVERNING LAW**. THIS AMENDMENT SHALL BE DEEMED TO HAVE BEEN MADE AND TO BE PERFORMABLE IN AND SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS.

Section 5.7. **Successors and Assigns**. This Amendment is binding upon and shall inure to the benefit of the parties hereto and their respective successors, assigns, heirs, executors, and legal representatives, except that none of the parties hereto other than Bank may assign or transfer any of its rights or obligations hereunder without the prior written consent of Bank.

Section 5.8. **WAIVER OF TRIAL BY JURY**. THE PARTIES HERETO AGREE THAT NO PARTY SHALL REQUEST A TRIAL BY JURY IN THE EVENT OF LITIGATION BETWEEN THEM CONCERNING THE LOAN DOCUMENTS OR ANY CLAIMS OR TRANSACTIONS IN CONNECTION THEREWITH, IN EITHER A STATE OR FEDERAL COURT, THE RIGHT TO TRIAL BY JURY BEING EXPRESSLY WAIVED BY BANK, BORROWER AND GUARANTORS. EACH OF BANK, BORROWER AND GUARANTORS ACKNOWLEDGES THAT SUCH WAIVER IS MADE WITH FULL KNOWLEDGE AND UNDERSTANDING OF THE NATURE OF THE RIGHTS AND BENEFITS WAIVED HEREBY, AND WITH THE BENEFIT OF ADVICE OF COUNSEL OF ITS CHOOSING.

Section 5.9. **Counterparts**. This Amendment may be executed in one or more counterparts, each of which when so executed shall be deemed to be an original, but all of which when taken together shall constitute one and the same instrument.

Section 5.10. **Descriptive Headings**. The captions in this Amendment are for convenience only and shall not define or limit the provisions hereof.

Section 5.11. **ENTIRE AGREEMENT**. THIS AMENDMENT, THE CREDIT AGREEMENT AND ALL OTHER LOAN DOCUMENTS EXECUTED AND DELIVERED IN CONNECTION WITH AND PURSUANT TO THIS AMENDMENT AND THE CREDIT AGREEMENT REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES. PURSUANT TO SUBSECTION 26.02(c) OF THE TEXAS BUSINESS AND COMMERCE CODE, THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO SHALL BE DETERMINED SOLELY FROM THE LOAN DOCUMENTS, AND ANY PRIOR ORAL AGREEMENTS BETWEEN THE PARTIES ARE SUPERSEDED BY AND MERGED INTO THE LOAN DOCUMENTS.

Section 5.12. **Arbitration**. All disputes, claims, and controversies arising from this Amendment shall be arbitrated in accordance with Section 7.15 of the Credit Agreement.

[Remainder of Page Intentionally Left Blank]

EXECUTED as of the date first written above.

BORROWER:

WILHELMINA INTERNATIONAL, INC.,
a Delaware corporation

By: /s/ James McCarthy
James McCarthy
Chief Financial Officer

GUARANTORS:

WILHELMINA LICENSING LLC,
a Delaware limited liability company

By: : /s/ James McCarthy
James McCarthy
Chief Financial Officer

WILHELMINA LICENSING (TEXAS) LLC,
a Texas limited liability company

By: /s/ James McCarthy
James McCarthy
Chief Financial Officer

WILHELMINA FILM & TV PRODUCTIONS LLC, a Delaware limited liability company

By: /s/ James McCarthy
James McCarthy
Chief Financial Officer

WILHELMINA ARTIST MANAGEMENT LLC, a New York limited liability company

By: /s/ James McCarthy
James McCarthy
Chief Financial Officer

[Signatures Continue on Next Page]

WILHELMINA-MIAMI, INC.,
a Florida corporation

By: /s/ James McCarthy
James McCarthy
Chief Financial Officer

WILHELMINA INTERNATIONAL, LTD.,
a New York corporation

By: /s/ James McCarthy
James McCarthy
Chief Financial Officer

WILHELMINA WEST, INC.,
a California corporation

By: /s/ James McCarthy
James McCarthy
Chief Financial Officer

WILHELMINA MODELS, INC.,
a New York corporation

By: /s/ James McCarthy
James McCarthy
Chief Financial Officer

LW1, INC.,
a California corporation

By: /s/ James McCarthy
James McCarthy
Chief Financial Officer

[Signatures Continue on Next Page]

ARTISTS AT WILHELMINA LLC,
a Florida limited liability company
(formerly known as Wilhelmina Creative, LLC)

By: /s/ James McCarthy
James McCarthy
Chief Financial Officer

WILHELMINA ARTIST MANAGEMENT LLC,
a Delaware limited liability company

By: /s/ James McCarthy
James McCarthy
Chief Financial Officer

[Signatures Continue on Next Page]

BANK:

ZIONS BANCORPORATION, N.A. dba AMEGY BANK

By: /s/ Nicholas J. Diaz
Nicholas J. Diaz
Executive Vice President

Exhibit 21.1

Wilhelmina International, Inc. Subsidiaries

Subsidiary Name	State / Country of Organization or Incorporation
Wilhelmina International, Ltd.	New York
Wilhelmina West, Inc.	California
LW1, Inc. (d/b/a Aperture)	California
Wilhelmina Models, Inc.	New York
Wilhelmina Miami, Inc.	Florida
Wilhelmina Artist Management LLC	New York
Artists at Wilhelmina LLC	Florida
Wilhelmina Licensing LLC	Delaware
Wilhelmina Licensing (Texas) LLC	Texas
Wilhelmina Film & TV Productions LLC	Delaware
Wilhelmina Chile SPA (Chile) (dissolved 2018)	Chile
Wilhelmina London Limited (London)	United Kingdom
Union Model Management Ltd.	United Kingdom

Exhibit 31.1

CERTIFICATION

I, Mark E. Schwarz, certify that:

1. I have reviewed this annual report on Form 10-K of Wilhelmina International, Inc.;

2. Based on my knowledge, this report 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: March 30, 2020

By: /s/ Mark E. Schwarz
Name: Mark E. Schwarz
Title: Executive Chairman
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, James A. McCarthy, certify that:

1. I have reviewed this annual report on Form 10-K of Wilhelmina International, Inc.;

2. Based on my knowledge, this report 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: March 30, 2020

By: /s/ James A. McCarthy
Name: James A. McCarthy
Title: Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER

PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report of Wilhelmina International, Inc. (the "Company") on Form 10-K for the year ended December 31, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mark E. Schwarz, Executive Chairman of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 30, 2020

By: /s/ Mark E. Schwarz
Name: Mark E. Schwarz
Title: Executive Chairman
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER

PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report of Wilhelmina International, Inc. (the “Company”) on Form 10-K for the year ended December 31, 2019 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, James A. McCarthy, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 30, 2020

By: /s/ James A. McCarthy
Name: James A. McCarthy
Title: Chief Financial Officer
(Principal Financial Officer)