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

FORM 10-Q

(Mark One)

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

For the quarterly period ended **September 30, 2016**

OR

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

For the transition period from ________ to ________

Commission File Number **001-36589**

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

Delaware	**74-2781950**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
200 Crescent Court, Suite 1400, Dallas, Texas	**75201**
(Address of principal executive offices)	(Zip Code)

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

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

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

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

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

Large accelerated filer [ ]	Accelerated filer [ ]
Non-accelerated filer [ ] (Do not check if a smaller reporting company)	Smaller reporting company [x]

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

As of November 14, 2016 the registrant had 5,381,668 shares of common stock outstanding.

WILHELMINA INTERNATIONAL, INC. AND SUBSIDIARIES

Quarterly Report on Form 10-Q

For the Nine Months Ended September 30, 2016

PART I

FINANCIAL INFORMATION

Item 1. Financial Statements

WILHELMINA INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)
(Unaudited)

	September 30, 2016	December 31, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	$ 3,678	$ 4,556
Accounts receivable, net of allowance for doubtful accounts $1,201 and $1,041, respectively	17,977	13,184
Deferred tax asset	1,522	1,358
Prepaid expenses and other current assets	390	191
Total current assets	23,567	19,289
Property and equipment, net of accumulated depreciation of $1,249 and $1,026, respectively	3,006	2,111
Trademarks and trade names with indefinite lives	8,467	8,467
Other intangibles with finite lives, net of accumulated amortization of $8,503 and $8,431 respectively	233	306
Goodwill	13,192	13,192
Other assets	297	405
TOTAL ASSETS	$ 48,762	$ 43,770
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 4,789	$ 3,772
Due to models	12,330	9,745
Contingent consideration to seller	97	-
Term loan - current	500	-
Total current liabilities	17,716	13,517
Long term liabilities:		
Contingent consideration to seller	-	67
Deferred income tax liability	2,929	2,407
Term loan – long term	2,230	-
Total long-term liabilities	5,159	2,474
Total liabilities	22,875	15,991
Shareholders' equity:		
Preferred stock, $0.01 par value, 10,000,000 shares authorized; none issued	-	-
Common stock, $0.01 par value, 12,500,000 shares authorized; 6,472,038 shares issued at September 30, 2016 and December 31, 2015	65	65
Treasury stock, 1,090,370 and 683,654 shares, respectively, at cost	(4,893)	(2,118)
Additional paid-in capital	87,240	86,987
Accumulated deficit	(56,463)	(57,143)
Accumulated other comprehensive income	(62)	(12)
Total shareholders' equity	25,887	27,779
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 48,762	$ 43,770

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

WILHELMINA INTERNATIONAL, INC. AND SUBSIDIARIES
STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(In thousands, except per share data)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	Sept 30, 2016	Sept 30, 2015	Sept 30, 2016	Sept 30, 2015
Revenues				
Revenues	$ 20,880	$ 21,616	$ 64,512	$ 64,105
License fees and other income	28	216	82	445
Total revenues	20,908	21,832	64,594	64,550
Model costs	14,888	15,402	45,952	45,947
Revenues net of model costs	6,020	6,430	18,642	18,603
Operating expenses				
Salaries and service costs	3,708	3,691	11,594	11,176
Office and general expenses	1,381	1,181	4,267	3,480
Amortization and depreciation	89	113	295	365
Corporate overhead	192	167	768	709
Total operating expenses	5,370	5,152	16,924	15,730
Operating income	650	1,278	1,718	2,873
Other income (expense):				
Foreign exchange gain (loss)	1	(21)	8	(119)
Gain (loss) from an unconsolidated affiliate	5	(3)	11	(18)
Interest expense	(21)	-	(21)	-
Revaluation of contingent liability	(30)	-	(30)	-
Total other income (expense)	(45)	(24)	(32)	(137)
Income before provision for income taxes	605	1,254	1,686	2,736
Provision for income taxes:				
Current	(281)	(135)	(648)	(486)
Deferred	(97)	(452)	(358)	(837)
Income tax (expense)	(378)	(587)	(1,006)	(1,323)
Net income	$ 227	$ 667	$ 680	$ 1,413
Other comprehensive income				
Foreign currency translation (expense)	(12)	(15)	(50)	(4)
Total comprehensive income	215	652	630	1,409
Basic net income per common share	$ 0.04	$ 0.11	$ 0.12	$ 0.24
Diluted net income per common share	$ 0.04	$ 0.11	$ 0.12	$ 0.24
Weighted average common shares outstanding-basic	5,586	5,843	5,716	5,856
Weighted average common shares outstanding-diluted	5,637	5,946	5,768	5,958

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

WILHELMINA INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATE STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Nine Months Ended September 30,	
	2016	**2015**
Cash flows from operating activities:		
Net income:	$ 680	1,413
Adjustments to reconcile net income to net cash used in operating activities:		
Amortization and depreciation	295	364
Share based payment expense	253	176
Revaluation of contingent liability to seller	30	-
Deferred income taxes	358	838
Bad debt expenses	40	-
Changes in operating assets and liabilities:		
Accounts receivable	(4,832)	(4,565)
Prepaid expenses and other current assets	(199)	(89)
Other assets	108	(226)
Due to models	2,585	676
Accounts payable and accrued liabilities	1,017	(925)
Net cash provided by (used in) operating activities	335	(2,338)
Cash flows from investing activities:		
Cash paid for business acquisition, net of cash acquired (Note 3)	-	(282)
Purchase of property and equipment	(1,118)	(696)
Net cash used in investing activities	(1,118)	(978)
Cash flows from financing activities:		
Purchase of treasury stock	(2,775)	(447)
Proceeds from term loan	2,730	-
Net cash used in financing activities	(45)	(447)
Foreign currency effect on cash flows:	(50)	(4)
Net change in cash and cash equivalents:	(878)	(3,767)
Cash and cash equivalents, beginning of period	4,556	5,869
Cash and cash equivalents, end of period	3,678	2,102
Non-cash investing and financing activities:		
Issuance of contingent consideration to seller	$ -	$ 171
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 21	$ -
Cash paid for income taxes	$ 320	$ 235

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

WILHELMINA INTERNATIONAL, INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
(In thousands, except share data)
(Unaudited)

Note 1. Basis of Presentation

The interim consolidated financial statements included herein have been prepared by Wilhelmina International, Inc. (together with its subsidiaries, "Wilhelmina" or the "Company") without audit, pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). Although certain information and footnote disclosures normally included in the consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to those rules and regulations, all adjustments considered necessary in order to make the consolidated financial statements not misleading have been included. In the opinion of the Company's management, the accompanying interim unaudited consolidated financial statements reflect all adjustments, of a normal recurring nature, that are necessary for a fair presentation of the Company's consolidated financial position, results of operations and cash flows for the periods presented. Except as otherwise noted, all dollar amounts other than per share data are presented in thousands. These interim unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2015, as amended. Results of operations for the interim periods are not necessarily indicative of results that may be expected for any other interim periods or the full fiscal year.

Note 2. Business

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, London and Chile, as well as a network of licensees in various local markets in the U.S. and several international markets. 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 3. Business Acquisition

On January 5, 2015, the Company purchased 100% of the outstanding shares of Union Models Management Ltd. in London and renamed it Wilhelmina London Limited ("London"). The strategic acquisition of London establishes a footprint for the Company in Western Europe. It also serves as a base of operations to service the Company's European clients and as a new talent development office for European models and artists.

The purchase price of $1,321 included $171 of discounted value of contingent consideration assuming London achieves certain performance benchmarks, due to the seller post-closing. The purchase price net of cash acquired was $453 of which $282 was paid at the time of the closing. The Company reduced the contingent consideration to $67 because London did not achieve the initial benchmark at December 31, 2015. As of September 30, 2016, the Company increased the contingent consideration by $30 based on London's expectation of meeting its benchmark for 2016. The remaining $97 of contingent consideration is due on February 4, 2017.

Under the purchase method of accounting, the purchase price was allocated to the net tangible and intangible assets acquired and liabilities assumed, based on the fair value of the assets and liabilities of London in accordance with ASC 805. The intangible assets acquired included intangible assets with finite lives, such as customer relationships and talent relationships, which are being amortized on a straight line basis over their estimated useful lives ranging from two to eight years. The remaining acquired intangible assets were allocated to non-amortizable goodwill. The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at the date of completion of the London transaction.

(in thousands)

Fair value of operating assets acquired:		
Cash	$	868
Accounts receivable		355
Other current assets		10
Equipment		15
Total operating assets acquired		1,248
Fair value of intangible assets acquired:		
Other intangible assets with finite lives		400
Goodwill		629
Total intangible assets acquired		1,029
Total assets acquired		2,277
Fair value of liabilities assumed:		
Accounts payable and accrued liabilities		360
Due to models		511
Indemnification seller basket		8
Deferred income tax liability		77
Total liabilities assumed		956
Total net assets acquired	$	1,321

The results of operations for London are included in the Company's consolidated results from the effective date of the acquisition.

Note 4. Foreign Currency Translation

The functional currency of London is the British Pound Sterling, and business is conducted in Chile using the Chilean Peso. Assets and liabilities are translated into U.S. dollars at the exchange rates in effect at each balance sheet date, revenues and expenses are translated at average monthly exchange rates and resulting translation gains or losses are accumulated in other comprehensive income as a separate component of shareholders' equity.

Note 5. Line of Credit

As of September 30, 2016, the Company had a credit agreement with Amegy Bank ("Amegy") which, as then amended, provided a $7,000 facility comprised of a $4,000 revolving line of credit and up to a $3,000 term loan which could be drawn at any time on or before October 24, 2016. Borrowing under this facility was subject to a borrowing base derived from 80% of eligible accounts receivable (as defined) and the Company's minimum net worth covenant of $20,000. The revolving line of credit bore interest at prime plus 0.50% payable monthly.

On August 16, 2016, the Company drew $2,730 of the term loan and used the proceeds to fund the purchase of shares of its common stock from Lorex Investment AG ("Lorex"). 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.

The revolving line of credit with Amegy expired by its terms on October 24, 2016. However, on November 9, 2016, the Company and Amegy entered into a Sixth Amendment to Credit Agreement and First Amendment to Line of Credit Note which extended the $4,000 revolving line of credit on the same terms for one year until October 24, 2017. The term loan with Amegy was unaffected by this amendment.

Note 6. Commitments and Contingencies

On October 24, 2013, a purported class action lawsuit was brought against the Company by former Wilhelmina model Alex Shanklin and others (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. Further, 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 have retained substitute counsel, who has filed a Second and now 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, and oral argument on the motion was heard by the Court in June 2016. The judge reserved decision and it is not known when the decision will be issued. The Company believes the claims asserted in the Third Amended Complaint are without merit, and intends to continue to vigorously defend the action.

On June 6, 2016, another purported class action lawsuit was brought against the Company by former Wilhelmina model Shawn Pressley and others (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. On June 14, 2016, the Court stayed all proceedings in the Pressley Litigation until a decision is issued on the motion to dismiss in the Shanklin Litigation. The Company believes the claims asserted in the Pressley Litigation are without merit, and intends to vigorously defend the action.

On August 20, 2015, a lawsuit was brought against the Company and the Company's former Chief Accounting Officer by a former employee, Angel Betancourt. The lawsuit alleges that the plaintiff was discriminated against during his time of employment and upon his termination. The lawsuit further alleges that the plaintiff was not compensated due to misclassification by the Company under the federal Fair Labor Standards Act. The proceeding is in the preliminary stages and, by agreement with the plaintiff, further action in the lawsuit has been abated pending ongoing settlement discussions. The Company expects that the lawsuit will be resolved within the limits of the Company's insurance coverage.

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

Generally, the Company's combined effective tax rate is high relative to reported net income as a result of certain amounts of amortization expense and corporate overhead not being deductible and income being attributable to certain states in which it operates. Currently, the majority of taxes being paid by the Company are state taxes, not federal taxes. The Company operates in three states which have relatively high tax rates: California, New York and Florida. The Company's combined (federal and state) effective tax rate would be even higher if it were not for federal net operating loss carryforwards available to offset current federal taxable income. As of December 31, 2015, the Company had federal income tax loss carryforwards of approximately $1,200, which were fully utilized upon filing the Company's 2015 income tax return during 2016. The Company also operates and pays taxes in international jurisdictions.

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. On August 12, 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.

On August 16, 2016, the Company repurchased 400,000 shares of its common stock in a privately negotiated transaction with Lorex. Lorex is an affiliate of Horst-Dieter Esch, a director of the Company. Mr. Esch recused himself from all deliberations of the Board of Directors with respect to the stock repurchase from Lorex. From 2012 through September 30, 2016, the Company has repurchased 1,090,370 shares of common stock at an average price of approximately $4.49 per share, for a total of approximately $4,893 under the stock repurchase program. As a result, the repurchase of an additional 409,630 shares are 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. Clinton J. Coleman (Managing Director at NCM) and James A. Dvorak (Managing Director at NCM) also serve as directors 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 $2.5 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 accounting, legal and administrative services from employees of NCM. The Company incurred expenses pursuant to the services agreement totaling approximately $7.5 and $22.5 for the three and nine months ended September 30, 2016 and 2015. The Company did not owe NCM any amounts under the services agreement as of September 30, 2016.

The Company has an agreement with the unconsolidated Wilhelmina Kids affiliate to provide management and administrative services, as well as sharing of office space. Management fees and rental income from the unconsolidated affiliate amounted to approximately $27.5 and $82.5 for the three and nine months ended September 30, 2016 and 2015.

On August 16, 2016, the Company entered into a Stock Purchase Agreement with Lorex, pursuant to which the Company purchased from Lorex 400,000 shares of the Company's common stock at a price of $6.83 per share, resulting in an aggregate purchase price of $2,730. Lorex is an affiliate of Horst-Dieter Esch, a director of the Company.

Note 10. Subsequent Events

On November 9, 2016, the Company and Amegy entered into a Sixth Amendment to Credit Agreement and First Amendment to Line of Credit Note which extended the $4,000 revolving line of credit on the same terms for one year until October 24, 2017. The term loan with Amegy was unaffected by this amendment.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

The following is a discussion of the interim unaudited consolidated financial condition and results of operations for Wilhelmina International, Inc. and its subsidiaries (collectively, “Wilhelmina” or the “Company”) for the three and nine months ended September 30, 2016 and 2015. It should be read in conjunction with the financial statements of the Company, the notes thereto and other financial information included elsewhere in this report, as well as the Company’s Annual Report on Form 10-K for the year ended December 31, 2015, as amended. Except as otherwise noted, all dollar amounts other than per share data are presented in thousands.

Forward-Looking Statements

This Quarterly Report on Form 10-Q 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 statement relating to the Company and its subsidiaries 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 statements are subject to risks, uncertainties and assumptions related to certain factors including, without limitation, competitive factors, general economic conditions, the interest rate environment, governmental regulation and supervision, seasonality, changes in industry practices, one-time events and other factors described herein and in other filings made by the Company with the Securities and Exchange Commission (the “SEC”). 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.

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 when available, and scouting and developing new 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 its market share and further expand its geographic reach. There can be no assurance as to the effects on Wilhelmina of future economic circumstances, client spending patterns, client credit worthiness and other developments and whether, or to what extent, Wilhelmina’s efforts to respond to them will be effective.

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 and 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 the Company competes with other leading full service agencies, Wilhelmina competed successfully through the third quarter of 2016.

With total annual advertising expenditures on major media (newspapers, magazines, television, cinema, outdoor and Internet) exceeding approximately $175 billion in recent years, North America is by far the world’s largest advertising market. For the fashion talent management industry, including Wilhelmina, advertising expenditures on magazines, television, Internet 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 celebrity representation; and
- promote model search contests, and events and partnering on media projects (television, film, books, etc.).

Due to the increasing 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.

In January 2015, the Company purchased 100% of the outstanding shares of Union Models Management Ltd. in London and renamed it Wilhelmina London Limited ("London"). The strategic acquisition of London establishes a footprint for the Company and the brand in Western Europe. London also serves as a base of operations to service the Company's European clients, and as a new talent development office for European models and artists.

Key Financial Indicators

The key financial indicators that the Company reviews to monitor its business are gross billings, revenues, model costs, operating expenses and cash flows.

The Company analyzes revenue by reviewing the mix of revenues generated by the different "boards" (each a specific division of the fashion model management operations which specializes by the type of model it represents (Women, Men, Select, Media, Runway, Curve, Lifestyle, Kids, etc.)) by geographic locations and from significant clients. Wilhelmina has three primary sources of revenue: (i) revenues from principal relationships where the gross amount billed to the client is recorded as revenue when earned and collectability is reasonably assured; (ii) revenues from agent relationships where commissions paid by models as a percentage of their gross earnings are recorded as revenue when earned and collectability is reasonably assured; and (iii) 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." Gross billings are an important business metric that ultimately drive revenues, profits and cash flows.

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 and Gross Billings
(in thousands)

	Three Months Ended			Nine Months Ended		
	Sept 30 2016	**Sept 30 2015**	**% Change 2016 vs 2015**	**Sept 30 2016**	**Sept 30 2015**	**% Change 2016 vs 2015**
Service revenues	**20,880**	**21,616**	(3.4%)	**64,512**	**64,105**	0.6%
License fees and other income	28	216	(87.0%)	82	445	(81.6%)
TOTAL REVENUES	**20,908**	**21,832**	**(4.2%)**	**64,594**	**64,550**	**0.1%**
Model costs	14,888	15,402	(3.3%)	45,952	45,947	0.0%
REVENUES NET OF MODEL COSTS	**6,020**	**6,430**	**(6.4%)**	**18,642**	**18,603**	**0.2%**
GROSS PROFIT MARGIN	**28.8%**	**29.5%**		**28.9%**	**28.8%**	
Salaries and service costs	3,708	3,691	0.5%	11,594	11,176	3.7%
Office and general expenses	1,381	1,181	16.9%	4,267	3,480	22.6%
Amortization and depreciation	89	113	(21.2%)	295	365	(19.2%)
Corporate overhead	192	167	15.0%	768	709	8.3%
OPERATING INCOME	**650**	**1,278**	**(49.1%)**	**1,718**	**2,873**	**(40.2%)**
OPERATING MARGIN	**3.1%**	**5.9%**	*	**2.7%**	**4.5%**	*
Foreign exchange gain (loss)	1	(21)	*	8	(119)	*
Gain (loss) from unconsolidated subsidiary	5	(3)	*	11	(18)	*
Interest Expense	(21)	-	*	(21)	-	*
Revaluation of contingent liability	(30)	-	*	(30)	-	*
INCOME BEFORE INCOME TAXES	**605**	**1,254**	**(51.8%)**	**1,686**	**2,736**	**(38.4%)**
Income taxes expense	(378)	(587)	(35.6%)	(1,006)	(1,323)	(24.0%)
Effective tax rate	62.5%	46.8%		59.7%	48.4%	
NET INCOME	**227**	**667**	**(66.0%)**	**680**	**1,413**	**(51.9%)**

* Not Meaningful

Service Revenues

Generally, 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 decrease of 3.4% in total service revenues for the three months ended September 30, 2016 when compared to the three months ended September 30, 2015 was primarily due to a decrease in core model bookings in the United States partially offset by increased core model bookings in London.

When comparing total service revenue for the nine months ended September 30, 2016, to the nine months ended in September 30, 2015, the total service revenue increased by 0.6%, essentially flat compared to the prior year.

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 by 87.0% and 81.6% for the three and nine months ended September 30, 2016, when compared to the three and nine months ended September 30, 2015, primarily due to a reduction in the number of licensed affiliates.

Gross Profit Margin

Gross profit margins decreased by 0.7% for the three months ended September 30, 2016, when compared to the three months ended September 30, 2015, primarily due to the reduction in higher margin license fees and other income.

When comparing the nine months ended in September 30, 2016 to the nine months ended in September 30, 2015, the gross profit margin increased by 0.1%, essentially flat compared to the prior year.

Salaries and Service Costs

Salaries and service costs consist of payroll and related costs and T&E required to deliver the Company's services to its clients and talent. The salaries and service costs for the three months ended in September 30, 2016, when comparing to the three months ended September 30, 2015, was relatively unchanged.

When comparing salaries and service costs for the nine months ended September 30, 2016, to the nine months ended September 30, 2015, there was an increase of 3.7%, which was primarily due to severance payments to former employees of $329 which were incurred during the first nine months of 2016.

Office and General Expenses

Office and general expenses consist of office and equipment rents, advertising and promotion, insurance expenses, administration and technology cost. These costs are less directly linked to changes in the Company's revenues than are salaries and service costs. For the three and nine months ended September 30, 2016, the office and general expenses increased by 16.9% and 22.6% when compared to the three and nine months ended September 30, 2015, primarily due to an increase in legal costs, recruiting fees related to the hiring of the Company's new Chief Executive Officer in January 2016 and new Chief Financial Officer in April 2016, and a $159 accrual for non-income tax expenses.

Amortization and Depreciation

Depreciation and amortization expenses are incurred with respect to certain assets, including computer hardware, software, office equipment, furniture, and certain intangibles. During the three and nine months ended September 30, 2016, depreciation and amortization expenses decreased by 21.2% and 19.2% respectively; primarily due to several intangible assets becoming fully amortized.

Fixed asset purchases (primarily related to technology) totaled $367 and $1,118 during the three and nine months ended September 30, 2016 compared to $220 and $696 for the three and nine months ended September 30, 2015. Depreciation expense is expected to increase beginning with the fourth quarter of 2016 due to the Company's new accounting and reporting software being placed into service, which has an expected useful life of five years.

Corporate Overhead

Corporate overhead expenses include director and executive chairman compensation, insurance, legal, audit and professional fees, corporate office rent and travel. Corporate overhead increased by 15.0% and 8.3% for the three and nine months ended in September 30, 2016 when compared to the three and nine months ended in September 30, 2015 primarily due to services cost.

Operating Margin

Operating margin decreased to 3.1% and 2.7% for the three and nine months ended September 30, 2016 compared to 5.9% and 4.5% for the three and nine months ended September 30, 2015. The decrease was primarily as a result of increases in legal costs, and severance payments and recruiting fees during the first nine months of 2016.

Foreign Currency Translation

The Company realized nominal foreign currency exchange gain during the three and nine months ended September 30, 2016 as compared to a loss in the same period of the prior year primarily due to fluctuations in currencies from Latin America, Great Britain and Europe in the prior year.

Income Taxes

Generally, the Company's combined effective tax rate is high relative to reported net income as a result of certain amounts of amortization expense and corporate overhead not being deductible and income being attributable to certain states in which it operates. In recent years, the majority of taxes being paid by the Company were state taxes, not federal taxes. The Company operates in three states which have relatively high tax rates: California, New York and Florida. The Company's combined (federal and state) effective tax rate would have been even higher in prior years if it were not for federal net operating loss carryforwards available to offset current federal taxable income. As of December 31, 2015, the Company had federal income tax loss carryforwards of approximately $1,200, which were subsequently fully utilized.

Liquidity and Capital Resources

The Company's primary liquidity needs are for working capital associated with performing services under its client contracts. Generally, the Company incurs significant operating expenses with payment terms shorter than its average collections on billings.

The Company's cash balance decreased to $3,678 at September 30, 2016, from $4,556 at December 31, 2015. For the nine months ended in September 30, 2016, cash balances decreased primarily as a result of capital expenditures of approximately $1,118, of which $893 related to the upgrade of the Company's accounting and reporting software.

The Company has a credit agreement with Amegy Bank ("Amegy") which, as of September 30 2016, provided a $7,000 facility comprised of a $4,000 revolving line of credit and up to a $3,000 term loan which could be drawn at any time on or before October 24, 2016. Borrowing under this facility was subject to a borrowing base derived from 80% of eligible accounts receivable (as defined) and the Company's minimum net worth covenant of $20,000. The revolving line of credit bore interest at prime plus 0.50% payable monthly.

On August 16, 2016, the Company drew $2,730 of the term loan and used the proceeds to fund the purchase of shares of its common stock from Lorex. 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.

The revolving line of credit with Amegy expired by its terms on October 24, 2016. However, on November 9, 2016, the Company and Amegy entered into a Sixth Amendment to Credit Agreement and First Amendment to Line of Credit Note (the "Sixth Amendment") which extended the $4,000 revolving line of credit on the same terms for one year until October 24, 2017. The term loan with Amegy was unaffected by this amendment.

Management believes that cash on hand, generated from operations and available under the Amegy revolving line of credit, will be sufficient to fund operations for the next 12 months.

Off-Balance Sheet Arrangements

As of September 30, 2016, the Company had outstanding a $0.2 million irrevocable standby letter of credit under the Company's revolving credit facility with Amegy. 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 historically 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

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

In compliance with generally accepted accounting principles in United States of America, when reporting 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 earned and collectability is reasonably assured, 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 earned and collectability is reasonably assured, net of pass-through model or talent cost.

The Company also recognizes management fees as revenues for providing services to other modeling agencies as well as consulting income in connection with services provided to a television production network according to the terms of the contract. The Company recognizes royalty income when earned based on terms of the contractual agreement. Revenues received in advance are deferred and amortized using the straight-line method over periods pursuant to the related contract. The Company also records fees from licensees when the revenues are earned and collectability is reasonably assured.

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. Any repayments of such costs are credited to model costs in the period received.

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 seven 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. No asset impairment charges were incurred during the quarters ended September 30, 2016 and September 30, 2015.

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 valuation allowance. Balances that remain outstanding after the Company has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The Company generally does not require collateral.

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.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not required for smaller reporting company

Item 4. Controls and Procedures.

The Company maintains disclosure controls and procedures designed to ensure that information it is required to disclose in the reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. The Company's disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in the reports filed or submitted under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive officer and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

The Company's management, including the Company's principal executive officer and principal financial officer, or persons performing similar functions, have evaluated the Company's disclosure controls and procedures as of the end of the period covered by this report. Based on such evaluation, the Company's principal executive officer and principal financial officer, or persons performing similar functions, have concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this report. During the most recent fiscal quarter, there have been no changes in the Company's internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II

OTHER INFORMATION

Item 1. Legal Proceedings.

On October 24, 2013, a purported class action lawsuit was brought against the Company by former Wilhelmina model Alex Shanklin and others (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. Further, 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 have retained substitute counsel, who has filed a Second and now 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, and oral argument on the motion was heard by the Court in June 2016. The judge reserved decision and it is not known when the decision will be issued. The Company believes the claims asserted in the Third Amended Complaint are without merit, and intends to continue to vigorously defend the action.

On June 6, 2016, another purported class action lawsuit was brought against the Company by former Wilhelmina model Shawn Pressley and others (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. On June 14, 2016, the Court stayed all proceedings in the Pressley Litigation until a decision is issued on the motion to dismiss in the Shanklin Litigation. The Company believes the claims asserted in the Pressley Litigation are without merit, and intends to vigorously defend the action.

On August 20, 2015, a lawsuit was brought against the Company and the Company’s former Chief Accounting Officer by a former employee, Angel Betancourt. The lawsuit alleges that the plaintiff was discriminated against during his time of employment and upon his termination. The lawsuit further alleges that the plaintiff was not compensated due to misclassification by the Company under the federal Fair Labor Standards Act. The proceeding is in the preliminary stages, and by agreement with the Plaintiff further action in the lawsuit has been abated pending ongoing settlement discussions. The Company expects that the lawsuit will be resolved within the limits of the Company's insurance coverage.

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 1.A. Risk Factors.

Not required for smaller reporting company.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

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. On August 12, 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.

On August 16, 2016, the Company repurchased 400,000 shares of its common stock in a privately negotiated transaction with Lorex. Lorex is an affiliate of Horst-Dieter Esch, a director of the Company. Mr. Esch recused himself from all deliberations of the Board of Directors with respect to the stock repurchase from Lorex. From 2012 through September 30, 2016, the Company has repurchased 1,090,370 shares of common stock at an average price of approximately $4.49 per share, for a total of approximately $4,893 under the stock repurchase program. As a result, the repurchase of an additional 409,630 shares are presently authorized under the stock repurchase program.

The following table furnishes information for purchases made pursuant to the stock repurchase program during the third quarter ended September 30, 2016:

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
July 1-31, 2016	-	$ -	690,370	309,630
August 1-31, 2016	400,000	$ 6.83	1,090,370	409,630
September 1-30, 2016	-	$ -	1,090,370	409,630
Total	400,000	$ 6.83		

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

On November 9, 2016, the Company and Amegy entered into the Sixth Amendment which extended the $4,000 revolving line of credit with Amegy on the same terms for one year until October 24, 2017. The term loan with Amegy was unaffected by this amendment.

The foregoing description of the Sixth Amendment is qualified in its entirety by reference to the definitive agreement filed as an exhibit to this Quarterly Report on Form 10-Q and incorporated herein by this reference.

Item 6. Exhibits.

The following is a list of exhibits filed as part of this Form 10-Q:

Exhibit No.	Description
3.1	Restated Certificate of Incorporation of Wilhelmina International, Inc. (incorporated by reference from Exhibit 3.1 to Form S-1/A, dated 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, dated July 10, 2014).
3.3	Amended and Restated Bylaws of Wilhelmina International, Inc. (incorporated by reference from Exhibit 3.2 to Form 8-K, dated May 18, 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, dated March 31, 1998).
4.2	Registration Rights Agreement, dated August 25, 2008, by and among New Century Equity Holdings Corp., Dieter Esch, Lorex Investments AG, Brad Krassner, Krassner Family Investments, L.P. and Sean Patterson (incorporated by reference from Exhibit 10.2 to Form 8-K, dated August 26, 2008).
4.3	Registration Rights Agreement, dated February 13, 2009, by and between New Century Equity Holdings Corp. and Newcastle Partners, L.P. (incorporated by reference from Exhibit 10.3 to Form 8-K, dated February 18, 2009).
10.1	Stock Purchase Agreement dated August 16, 2016, between Wilhelmina International, Inc. and Lorex Investment AG (incorporated by reference from Exhibit 10.1 to Form 8-K filed August 17, 2016).
10.2	Sixth Amendment to Credit Agreement and First Amendment to Line of Credit Note dated November 9, 2016, between Wilhelmina International, Inc. and Amegy Bank.*
31.1	Certification of Principal Executive Officer in Accordance with Section 302 of the Sarbanes-Oxley Act.*
31.2	Certification of Principal Financial Officer in Accordance with Section 302 of the Sarbanes-Oxley Act.*
32.1	Certification of Principal Executive Officer in Accordance with Section 906 of the Sarbanes-Oxley Act.*
32.2	Certification of Principal Financial Officer in Accordance with Section 906 of the Sarbanes-Oxley Act.*
101. INS	XBRL Instance Document*
101.SCH	XBRL Taxonomy Extension Schema*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase*
101.DEF	XBRL Taxonomy Extension Definition Linkbase*
101.LAB	XBRL Taxonomy Extension Label Linkbase*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase*

* Filed herewith

SIGNATURES

Pursuant to the requirements 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: November 14, 2016	By:	/s/ James A. McCarthy
	Name:	James A. McCarthy
	Title:	Chief Financial Officer (Principal Financial Officer)

Exhibit 10.2

SIXTH AMENDMENT TO CREDIT AGREEMENT AND FIRST AMENDMENT TO LINE OF CREDIT NOTE

This **SIXTH AMENDMENT TO CREDIT AGREEMENT AND FIRST AMENDMENT TO LINE OF CREDIT NOTE** (this "Amendment") is made effective and executed as of November 9, 2016, by and among **WILHELMINA INTERNATIONAL, INC.**, a Delaware corporation ("Borrower"), **ZB, 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, and that certain Fifth Amendment to Credit Agreement dated effective May 13, 2016 (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, and 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 (the "Line of Credit Note"), and (ii) that certain Promissory Note dated effective October 24, 2015, in the stated principal amount of $3,000,000.00 (the "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, and (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 (the Unlimited Guaranties referenced in items (i) and (ii) preceding, collectively with the New Guaranty Agreement, as defined in Article III below, the "Guaranty Agreements").

D. Borrower has requested Bank to extend the maturity date of the Line of Credit (as defined in the Credit Agreement), 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 1.1 of Credit Agreement**. Section 1.1(a) of the Credit Agreement is amended by deleting the reference therein to "October 24, 2016" and inserting "October 24, 2017" in lieu thereof.

Section 2.2. **Amendment to Section 1.5 of Credit Agreement**. Section 1.5(a) of the Credit Agreement is amended by deleting each reference therein to "October 24, 2016" and inserting "October 24, 2017" in lieu thereof.

Section 2.3. **Amendment to Line of Credit Note**. The definition of "Maturity Date" in Section 1.1 of the Line of Credit Note is hereby amended and restated in its entirety to hereafter read as follows: "'Maturity Date' means October 24, 2017."

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;

(ii) Unlimited Guaranty executed by Wilhelmina Artist Management LLC, a Delaware limited liability company (the "New Guaranty Agreement");

(iii) Pledge and Security Agreement executed by Wilhelmina Artist Management LLC, a Delaware limited liability company; and

(iv) 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 and the Line of Credit Note, each as amended hereby, and in each other Loan Document shall be true and correct as of the date hereof, as if made on the date hereof, except to the extent such representation 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 May 13, 2016.

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 and the Line of Credit Note, each as amended hereby, and the other Loan Documents 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, those certain Pledge and Security Agreements to which it is a party, 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, and the 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 and the Line of Credit Note 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 and the Line of Credit Note, each as amended hereby, and the other Loan Documents 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;

(d) Borrower and Guarantors are in full compliance with all covenants and agreements contained in the Credit Agreement and the Line of Credit Note, each as amended hereby, and the other Loan Documents to which each is a party;

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

(f) As of the date of this Amendment, the unpaid principal amount of the Line of Credit Note is $0, the unpaid principal amount of the Term Note is $2,730,000.00, and the aggregate Letter of Credit Liabilities are $221,742.50, which amounts are unconditionally owed by Borrower to Bank without offset, defense or counterclaim of any kind or nature whatsoever.

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 acknowledge 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, and the 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 and Line of Credit Note**. Each of the Loan Documents, including the Credit Agreement and the Line of Credit Note, 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 the Line of Credit Note shall mean a reference to the Credit Agreement or the Line of Credit Note, as applicable, each 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, 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.

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.

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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:

ZB, N.A. dba AMEGY BANK

By: /s/ Nicholas J. Diaz
Nicholas J. Diaz
SVP

Exhibit 31.1

CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER

PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, William J. Wackermann, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Wilhelmina International, Inc. for the quarterly period ended September 30, 2016;

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 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 control over financial reporting.

Date: November 14, 2016

/s/ William J. Wackermann
Name: William J. Wackermann
Title: Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER

PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, James A. McCarthy, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Wilhelmina International, Inc. for the quarterly period ended September 30, 2016;

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 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 control over financial reporting.

Date: November 14, 2016

/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 quarterly report of Wilhelmina International, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, William J. Wackermann, Principal Executive 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), as applicable, 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 as of and for the periods presented.

Date: November 14, 2016

/s/ William J. Wackermann

Name: William J. Wackermann
Title: Chief Executive Officer
(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 quarterly report of Wilhelmina International, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James A. McCarthy, Principal 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), as applicable, 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 as of and for the presented.

Date: November 14, 2016

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