

Wilhelmina International, Inc.
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Registration No. 333-178611

PROSPECTUS

WILHELMINA INTERNATIONAL, INC.

Up to 94,852,098 Shares of Common Stock

This prospectus relates to the offer and resale of up to 94,852,098 shares of our common stock, par value \$0.01 per share, by the selling stockholders named in this prospectus. All of such shares of common stock are currently issued and outstanding.

The selling stockholders may offer, sell or distribute all or a portion of their shares publicly or through private transactions at prevailing market prices or at negotiated prices. We will not receive any of the proceeds from the sale of the securities owned by the selling stockholders. We will bear all costs, expenses and fees in connection with the registration of these shares. The selling stockholders will bear all commissions and discounts, if any, attributable to their sale of shares. See "Plan of Distribution" beginning on page 36 of this prospectus.

Our common stock is traded on the OTC Bulletin Board under the symbol "WHLM.OB". On February 3, 2012, the closing price of our common stock was \$0.20 per share. As of February 3, 2012, we had 129,440,752 shares of common stock outstanding.

Our principal executive offices are located at 200 Crescent Court, Suite 1400, Dallas, Texas 75201, and our telephone number is (214) 661-7488.

INVESTING IN OUR COMMON STOCK INVOLVES SIGNIFICANT RISKS. YOU SHOULD CAREFULLY CONSIDER THE RISK FACTORS BEGINNING ON PAGE 3 OF THIS PROSPECTUS BEFORE MAKING A DECISION TO INVEST IN OUR COMMON STOCK.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Our securities are not being offered in any jurisdiction where the offer is not permitted under applicable local laws.

The date of this prospectus is February 3, 2012

TABLE OF CONTENTS

<u>Prospectus Summary</u>	1
<u>Risk Factors</u>	3
<u>Cautionary Note Regarding Forward-Looking Statements</u>	13
<u>Use of Proceeds</u>	13
<u>Description of Business</u>	13
<u>Directors, Executive Officers and Corporate Governance</u>	20
<u>Executive Compensation</u>	26
<u>Security Ownership of Certain Beneficial Owners and Management</u>	29
<u>Certain Relationships and Related Transactions</u>	31
<u>Selling Stockholders</u>	34
<u>Determination of Offering Price</u>	36
<u>Plan of Distribution</u>	36
<u>Description of Capital Stock</u>	38
<u>Market for Common Equity and Related Stockholder Matters</u>	44
<u>Legal Matters</u>	48
<u>Experts</u>	48
<u>Where You Can Find More Information</u>	48

You should rely only on the information contained in this prospectus and any free writing prospectus prepared by or on behalf of us. We have not authorized anyone to provide you with different information. This prospectus is an offer to sell only the shares offered hereby but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date.

Our business, financial conditions, results of operations and prospectus may have changed since that date.

Table of Contents

PROSPECTUS SUMMARY

This summary highlights and is qualified in its entirety by information contained elsewhere in this document. You should read this entire prospectus carefully, including the section entitled “Risk Factors” included in this document and our financial statements and the related notes incorporated by reference herein. Unless the context otherwise requires, “Wilhelmina,” the “Company,” “we,” “our,” “us” and similar expressions refer to Wilhelmina International, Inc. As used in the prospectus, the term “common stock” means Wilhelmina common stock, par value \$0.01 per share, and includes the associated rights to purchase shares of Series A Junior Participating Preferred Stock, par value \$0.01 per share, for a purchase price of \$10.00.

Our Company

We are one of the world’s leading fashion model and talent management companies.

Through our subsidiaries, we provide 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 customers and clients. These customers and clients include leading retailers, designers, advertising agencies and catalog companies worldwide. Our business was founded in 1967 by Wilhelmina Cooper, a renowned fashion model.

Our core fashion model management business is headquartered in New York City and also includes locations in Los Angeles and Miami, as well as a growing network of licensees comprising leading modeling agencies in various local markets across the U.S. and in Panama. Our corporate headquarters are located in Dallas, Texas.

Wilhelmina is comprised of operating companies and divisions focused on the fashion model and talent management business, as well as business areas complimentary to the fashion model and talent management business such as licensing and television. These companies include:

- Wilhelmina International, Ltd., or Wilhelmina International;
- Wilhelmina – Miami, Inc., or Wilhelmina Miami;
- Wilhelmina Artist Management LLC, or WAM;
- Wilhelmina Licensing LLC, or Wilhelmina Licensing; and
- Wilhelmina Film & TV Productions LLC, or Wilhelmina TV.

Wilhelmina International (based in New York City), Wilhelmina West, Inc. (based in Los Angeles and a wholly owned subsidiary of Wilhelmina International) and Wilhelmina Miami are Wilhelmina’s core fashion model management companies. WAM is a talent management company that seeks to secure endorsement and spokesperson work for various high-profile talents from the worlds of sports, music and entertainment. Wilhelmina Licensing oversees the licensing of the “Wilhelmina” name, mainly to local modeling agencies across the U.S. Wilhelmina TV participates in the development of certain reality television shows such as “The Agency” (2007) and “She’s Got the Look” that seek to capitalize on the “Wilhelmina” brand.

The LW1 division, based in Los Angeles, offers models the opportunity to be showcased on TV and film through its membership in the Screen Actors Guild. Wilhelmina also owns a non-consolidated 50% interest in Wilhelmina Kids & Creative Management LLC, a New York City-based modeling agency that specializes in representing child models, from newborns to children 14 years of age.

Table of Contents

Corporate Information

Wilhelmina was formerly known as New Century Equity Holdings Corp. and Billing Concepts Corp., and was incorporated in the State of Delaware in 1996. Our principal executive offices are located at 200 Crescent Court, Suite 1400, Dallas, Texas 75201, and our telephone number is (214) 661-7488. Our website is www.wilhelmina.com

The Offering

Common stock offered by the selling stockholders	We are registering the offer and resale of up to 94,852,098 shares of common stock by the selling stockholders named in this prospectus.
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Terms of the offering	The selling stockholders will determine when and how they will dispose of the common stock registered under this prospectus.
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Common stock outstanding	129,440,752 shares of our common stock are issued and outstanding as of February 3, 2012.
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Proceeds	We will not receive any of the proceeds from the sale of shares of common stock by the selling stockholders.
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Ticker symbol	WHLM.OB
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For additional information concerning the offering, see “Plan of Distribution” beginning on page 36.

Risk Factors

Before investing in our common stock, you should carefully read and consider the information set forth in “Risk Factors” beginning on page 3.

Table of Contents

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below before making an investment decision. If any of the following risks or uncertainties occur, our business, prospects, financial condition or operating results could be materially adversely affected, the trading price of our common stock could decline, and you may lose all or part of your investment. In assessing the risks described below, you should also refer to the other information contained in this prospectus, as well as our consolidated financial statements and the related notes and schedules incorporated herein by reference, before deciding to purchase any shares of our common stock.

Risks Relating to Our Business

Competition in the fashion model industry could result in us losing market share and charging lower prices for services, which could reduce our revenue.

We compete in the fashion model management industry with numerous competitors, from large multi-national companies such as DNA Model Management, Elite Model Management, Ford Models, IMG Models, Marilyn Model Agency, NEXT Model Management and Women Model Management, to hundreds of local and boutique agencies. We also compete in the general talent management industry. "Talent" means any model, entertainer, artist, athlete or other talent or celebrity. Through WAM, Wilhelmina endeavors to secure product endorsement contracts from branded consumer products companies for Talent represented by Wilhelmina.

In each of our markets, our competitors may possess greater resources, greater name recognition, greater geographic reach and longer operating histories than Wilhelmina, which may give competitors an advantage in obtaining future clients and attracting qualified models and other Talent in their markets. Increased competition may lead to, among other things, loss of business and market share and pricing pressures that could negatively impact our business.

In addition, because an agency's principal asset is its people, and freedom of entry into the fashion model management business is almost unlimited, a small agency may, on occasion, be able to develop business with our clients, particularly if the small agency is successful in recruiting other successful Talent.

Our prospects and financial results may be adversely affected if we fail to identify, sign and retain quality Talent.

We are dependent on identifying, signing and retaining models and other Talent who are well received by clients and are likely to generate repeat business. Our competitive position is dependent on our continuing ability to attract and develop Talent whose work can achieve a high degree of client acceptance. Our financial results may be adversely affected if we are unable to identify, sign and/or retain such Talent under terms that are economically attractive to us. Our business would be adversely affected by any of the following:

- inability to recruit new models;
- the loss of popularity of models among clients;
- increased competition to maintain existing relationships with models;

Table of Contents

- non-renewals of current agreements with models; and
- poor performance or negative publicity of models.

Most of our current model contracts have a term of two years. Upon expiration, models may choose not to renew these contracts on reasonable terms or at all. In addition, in certain instances, our Talent may seek representation with a competitive agency in breach of contract, notwithstanding our contractual relationship. If models decide to re-locate to another agency, we may be unable to recoup costs expended to develop and promote such models, or to find a quality replacement that is satisfactory to our clients.

In addition, the fashion model industry is a youthful business, and models' careers are inherently limited in length. The loss or maturing of Talent, particularly key Talent responsible for significant gross billings, negatively impacts us. If we are unable to replace lost Talent, including by successfully recruiting or developing new Talent, our business will suffer. New Talent is also important for us to continually show Talent alternatives to clients, who regularly seek new "looks".

We have relied upon our ability to enforce contracts entered into by models and other Talent we represent. If we are unable to protect and enforce our contractual rights, we may suffer a loss of revenue.

Our success depends, to a large degree, on our current Talent under management and, in the future, scouting new Talent and entering into new contracts. To protect our contractual rights, we have traditionally vigorously defended our contractual rights vis-à-vis models and other Talent, as well as other agencies and companies, for both financial reasons and to encourage ongoing strict adherence to contracts by all models and other Talent. Such strict enforcement through litigation and other legal means could result in substantial costs and diversion of resources and the potential loss of contractual rights, which could impair our results of operations and financial condition.

If we fail to attract and retain qualified and experienced agents, our revenue could decline and our business could be harmed.

We compete with other fashion model management businesses for qualified agents or "bookers." Attracting and retaining qualified bookers in the fashion model industry is particularly important because, generally, a small number of bookers have primary responsibility for Talent relationships. Because Talent responsibility is so concentrated, the loss of key bookers may lead to the loss of Talent relationships. The loss of key bookers could also result in the loss of other bookers and employees loyal to such key bookers. Any decrease in the quality of our reputation, management instability, a reduction in bookers' compensation levels or restructuring of our compensation program, whether as a result of insufficient revenue or for any other reason, could impair our ability to retain existing bookers or attract additional qualified bookers with the requisite experience, skills and established Talent relationships. Our failure to retain our most productive bookers or maintain the quality of service to which our clients are accustomed could also result in a loss of clients, which could in turn cause our revenue to decline and our business to be harmed.

Table of Contents

If we are unable to retain key management personnel or hire additional skilled personnel, we may not be able to successfully manage our business in the future.

Our key management personnel, including personnel at our principal operating subsidiary, Wilhelmina International, Ltd., and their skills and relationships with clients are among our most important assets. An important aspect of our competitiveness is our ability to attract and retain key management personnel, and our future success depends upon the continued service or involvement of key management personnel. If we lose the services of one or more of our key management personnel, or if one or more of them decides to join a competitor or otherwise compete directly or indirectly with us, we may not be able to successfully manage our business or achieve our business objectives. The loss of the services of any of our key management personnel or other key employees could have a material adverse effect on our business, prospects, financial condition and results of operations. We have not entered into employment agreements with any of our key personnel and currently have no “Key Man” life insurance policies.

In addition to retaining our agents and key existing management personnel, our future success may also depend on our ability to identify, attract, hire, train, and motivate other highly skilled management, agents and administrative personnel. Competition for such personnel is intense in the fashion model and Talent management industry, and there can be no assurance that we will be able to successfully attract, assimilate or motivate sufficiently qualified personnel. The failure to attract and retain the necessary personnel could have a material adverse effect on our business.

If we are unable to maintain our professional reputation and brand name, our business will be harmed.

We strongly depend on our overall reputation and brand name recognition, which we believe is strong in the industry, to secure new engagements and to sign qualified Talent. Our success also depends on the individual reputations of the Talent that we represent. In addition, any adverse effect on our reputation might negatively impact our model search and licensing businesses, which is driven largely by the value of the Wilhelmina brand. If any client is dissatisfied with our services, this may adversely affect our ability to secure new engagements.

If any factor, including poor performance, hurts our reputation, we may experience difficulties in competing successfully for both new client engagements and qualified Talent. Failing to maintain our professional reputation and the goodwill associated with our brand name could seriously harm our business.

Our revenue and net income may be affected by adverse economic conditions.

Recessions may impact gross billings for modeling services. An important segment of the modeling industry is advertising, with advertising assignments typically generating amongst the highest daily fees in the business. Because advertising expenditures are viewed by companies as discretionary and are curtailed during economic downturns, agency gross billings may also decline over recessionary periods. There can be no assurance that current economic conditions will improve or even remain stable. Although we believe that larger agencies, such as Wilhelmina, are less affected by negative economic fluctuations than local agencies (as advertisers frequently cut spending with smaller modeling agencies first), our business, financial condition and results of operations could suffer if economic conditions weaken.

If some of our clients experience financial distress, their weakened financial position could negatively affect our financial position and results.

We have a large and diverse client base, and at any given time, one or more of our clients may experience financial distress, file for bankruptcy protection or go out of business. If any client with whom we have a substantial amount of business experiences financial difficulty, it could delay or jeopardize the collection of accounts receivable, may result

in significant reductions in services provided by us and may have a material adverse effect on our financial position, results of operations and liquidity.

Table of Contents

Our operations are headquartered in and largely concentrated on New York City, which is generally recognized as the center of the global fashion industry. This lack of geographic diversification increases our risk profile.

Wilhelmina's operations are headquartered in New York City, which is generally recognized as the global center of the fashion industry. As a result of this geographic concentration, our business, results of operations and financial condition depend largely upon the state of the New York City-based fashion industry and advertising market. Deterioration in economic and business conditions in these sectors and the economic and business conditions in New York City could have a material adverse impact on the demand for our and our advertising sector clients' services, which in turn may have a material adverse effect on our results of operations and financial position.

A major disaster in New York City could result in material loss to Wilhelmina. New York City, as a major urban area, is at risk from terrorist attack. Many of our clients could experience interruption of their business or financial distress, file for bankruptcy protection or go out of business after a major disaster, including a terrorist attack. Most of our Talent resides in New York City and may also be severely affected in the event of such a disaster. If there are terrorist attacks in New York City or within close proximity, we may experience a decrease in the demand for our model and Talent management services, which may have a material adverse effect on our results of operations and overall profitability.

Terms of the settlement of a class action lawsuit may adversely impact our ability to sign models on favorable terms.

In 2002, a class action lawsuit was filed on behalf of some 10,000 current and former models against 13 of the then leading modeling agencies, including Wilhelmina, alleging price collusion. The lawsuit was settled in June 2004 pursuant to a settlement agreement by which we and other modeling agencies are bound. The terms of the settlement agreement include, among others, that we will:

- refrain from entering into any agreement or understanding with any other agency regarding models' commissions or communicate pricing with any other agency (except under limited circumstances);
- disclose to the settling defendant models all compensation received by us on all bookings for that model; and
- enter into contracts that (i) provide in clear language the contract's term and duration, (ii) include full disclosure of all relevant compensation terms and practices, (iii) include a description of the management services that are available to the model pursuant to the contract and (iv) do not automatically renew for the full contract term.

The restrictions imposed upon us pursuant to the settlement agreement may have an adverse effect on our ability to remain competitive in the industry. Furthermore, no assurance can be given that we will not in the future be subject to similar or other class action lawsuits that could have a material adverse effect on our business practices.

Table of Contents

Limitations on the availability of visas for our models will impact our business.

Our foreign born models typically require visas in order to work in the United States. If visas for models become difficult to obtain or renew or are otherwise delayed for our models, by law such models may be unable to work in the United States and our business will be impacted. Periodically, the United States Immigration and Nationalization Service (INS) promulgates interpretations of its rules which result in limitations on the availability of visas for our foreign born fashion models. In addition, current federal law imposes annual limits on H-1B visas. While many of our models are U.S. born, we also have, recruit and develop foreign born models. If limitations on the availability of visas were to occur, certain of our competitors, including non-U.S. agencies or U.S. agencies with international operations, could be in a competitively stronger position than us in part because such competitors could serve clients with foreign born models outside the United States.

We may undertake acquisitions to expand our business, which may dilute the ownership of existing stockholders.

As we pursue our business plan, we may pursue acquisitions of businesses, both domestic and international. International acquisitions in particular would permit us to expand our global footprint and provide additional sources of models and Talent. To finance any acquisitions however, it may be necessary for us to raise additional funds through public or private financings. Additional funds may not be available on favorable terms or at all, and, in the case of equity financings, would result in additional dilution to existing stockholders. If we acquire any business and are unable to integrate the newly acquired entities effectively, our business and results of operations may suffer. The time and expense associated with finding suitable and compatible businesses or services could also disrupt our ongoing business and divert management's attention. Future acquisitions by us could result in large and immediate write-offs or assumptions of debt and contingent liabilities, any of which could substantially harm our business and results of operations.

Any acquisitions that we attempt or complete could prove difficult to integrate or require a substantial commitment of management time and other resources.

Any strategy of acquiring other businesses involves a number of unique risks including: (i) completing due diligence successfully, (ii) exposure to unforeseen liabilities of acquired companies and (iii) increased risk of costly and time-consuming litigation, including stockholder lawsuits. If we pursue acquisitions, we may be unable to address these problems successfully. Moreover, our future operating results will depend to a significant degree on our ability to integrate acquisitions (if any) successfully and manage operations while also controlling our expenses. Integrating newly acquired businesses or services is likely to be expensive and time consuming. We may be unable to select, manage or absorb or integrate any future acquisitions successfully, particularly acquisitions of large companies. Any acquisition, even if effectively integrated, may not benefit our stockholders.

We may need additional debt or equity to sustain growth, but we do not have commitments for such funds.

We may need to finance future growth through a combination of borrowings, cash flow from operations, and equity financing. Our ability to continue growing at the pace we have recently grown could depend in part on our ability to obtain either additional debt or equity financing. The terms on which debt and equity financing is available to us varies from time to time and is influenced by our performance and by external factors, such as the economy generally and developments in the market, which are beyond our control. If we are unable to obtain additional debt or equity financing on acceptable terms, we may have to curtail our growth by delaying new initiatives. While we maintain a credit facility, our efforts to secure significant funds through debt financing have not been successful and, given the cautiousness of banks following the 2008 downturn, do not look likely in the foreseeable future.

Table of Contents

We might not be successful in positioning the “Wilhelmina” brand for future consumer product initiatives.

We are considering steps to position the “Wilhelmina” brand for future consumer product initiatives, including fashion apparel (such as lingerie and sportswear), cosmetics and beauty, and health and lifestyle products. If consumer response to the “Wilhelmina” brand is not as favorable as management anticipates, or if our reputation is adversely affected, these consumer product initiatives might not be successful and we would incur substantial expense that could have a material adverse effect on our results of operations.

If we are unable to adequately protect the “Wilhelmina” brand name, our business could suffer significant harm.

We have invested significant resources in the “Wilhelmina” brand in order to obtain and protect the brand’s current public recognition. The “Wilhelmina” brand is essential to our success and competitive position. It is also important for television activities and consumer product initiatives. If we fail to protect our intellectual property rights adequately, we may lose an important advantage in the markets in which we compete. Third parties have in the past and may continue to misappropriate or infringe on the “Wilhelmina” brand. If third parties misappropriate or infringe our intellectual property, our image, brand and the goodwill associated therewith may be harmed and our competitive position may be harmed, any of which could have a material adverse effect on our business.

The protection of the “Wilhelmina” brand name requires substantial resources.

We rely upon trademark laws, license agreements and nondisclosure agreements to protect the “Wilhelmina” brand name used in our business. The steps we have taken to protect and enforce our proprietary rights to our brand name may not be adequate. For instance, we may not be able to secure trademark or service mark registrations for marks in the U.S. or in foreign countries. Third parties may infringe upon or misappropriate our trademarks, service marks and similar proprietary rights, which could have an adverse effect on our business, financial condition and results of operations. If we believe a third-party (including a counterparty or licensee) has misappropriated or misused our intellectual property, litigation may be necessary to enforce and protect those rights, which would divert management resources, would be expensive and may not effectively protect our intellectual property.

Third parties may claim that we are infringing their intellectual property, and we could suffer significant litigation or licensing expenses or be prevented from selling products or services as a result.

We are not aware of any claims of infringement or challenges to our right to use any of our trademarks in the U.S. Nevertheless, we could be subject to claims that we are misappropriating or infringing intellectual property or other proprietary rights of others. Given that proprietary rights to photography, artwork and similar intellectual property rights are a fundamental part of marketing in the fashion industry, we may be exposed at times to claims with respect to such rights. Such claims, even if not meritorious, can be expensive to defend and divert management’s attention from our operations. If we become liable to third parties for infringing these rights, we could be required to pay a substantial damage award and cease displaying, offering or selling works, products or services that use or contain the infringing intellectual property. We may be unable to develop non-infringing products or services or obtain a license on commercially reasonable terms. We may also be required to indemnify licensees and customers if they become subject to third-party claims relating to intellectual property that they license or otherwise provide to them, which could be costly.

Table of Contents

Our businesses require licensing in key states in which we operate, and the loss of any of our licenses could have a material adverse effect on our business.

Certain states in which we operate, including the states of California and Florida, require talent agency licenses to operate in the model management and Talent representation businesses in which we operate. Our good standing in such states and our ability to successfully renew such licenses is not guaranteed. Any inability to renew our licenses could have a material adverse effect on our business. In addition to our licenses, certain subsidiaries are franchise holders of the Screen Actors Guild. Any loss of such franchise will limit the activities in which we can engage and negatively impact our business.

We may be unable to realize the benefits of our net operating loss carryforwards, or NOLs.

NOLs may be carried forward to offset federal taxable income in future years and reduce income taxes otherwise payable on such taxable income, subject to certain adjustments. Based on current federal corporate income tax rates, our NOLs, if fully utilized, could provide a benefit to us of future tax savings. However, our ability to use these tax benefits in future years will depend upon the amount of our otherwise taxable income. If we do not have sufficient taxable income in future years to use the tax benefits before they expire, we will lose the benefit of these NOL carryforwards, permanently.

Additionally, if we underwent an ownership change within the meaning of Sections 382 and 383 of the United States Internal Revenue Code of 1986, as amended, or the Code, the NOL carryforward limitations would impose an annual limit on the amount of the taxable income and capital gain that may be offset by our NOLs generated prior to the ownership change. If an ownership change were to occur, we may be unable to use a significant portion of our NOL carryforwards to offset taxable income. In general, an ownership change occurs when, as of any testing date, the aggregate of the increase in percentage points of the total amount of a corporation's stock owned by "5-percent shareholders" (within the meaning of Section 382 and 383 of the Code) whose percentage ownership of the stock has increased as of such date over the lowest percentage of the stock owned by each such "5-percent shareholder" at any time during the three-year period preceding such date, is more than 50 percentage points. In general, persons who own 5% or more of a corporation's stock are "5-percent shareholders," and all other persons who own less than 5% of a corporation's stock are treated, together as a single, public group "5-percent shareholder," regardless of whether they own an aggregate of 5% of a corporation's stock.

The amount of NOL carryforwards that we have claimed have not been audited or otherwise validated by the United States Internal Revenue Service, or the IRS. The IRS could challenge our calculation of the amount of our NOLs or our determinations as to when a prior change in ownership occurred and other provisions of the Code may limit our ability to carry forward our NOLs to offset taxable income in future years. If the IRS were successful with respect to any such challenge, the potential tax benefit of the NOL carryforwards to us could be substantially reduced.

Protections implemented by us to preserve our NOLs may not be effective or may have some unintended negative effects.

We have a stockholder rights plan, or the Rights Plan. The Rights Plan may help preserve our NOL carryforwards. Nonetheless, there is no guarantee that the Rights Plan will prevent a stockholder from acquiring more than 5% of our Common Stock. Our Rights Plan requires any person attempting to acquire a significant interest in Wilhelmina to seek the approval of our board of directors. This may have an "anti-takeover" effect because our board of directors may be able to prevent any future takeover. Similarly, any limits on the amount of capital stock that a stockholder may own could have the effect of making it more difficult for stockholders to replace current management or the members of the board of directors. Additionally, because the Rights Plan has the effect of restricting a stockholder's ability to acquire a large stake in Wilhelmina, it also has the effect of restricting our current stockholders' ability to dispose of

our common stock. As a result, the liquidity and market value of our common stock might suffer.

Table of Contents

Risks Relating to Ownership of Our Common Stock

We do not anticipate paying dividends on our common stock in the foreseeable future, which may limit investor demand.

We do not anticipate paying any dividends on our common stock in the foreseeable future. Such lack of dividend prospects may have an adverse impact on the market demand for our common stock as certain institutional investors may invest only in dividend-paying equity securities or may operate under other restrictions that may prohibit or limit their ability to invest in our common stock.

Our common stock is subject to price volatility unrelated to our operations.

The market price of our common stock could fluctuate substantially due to a variety of factors, including market perception of our ability to achieve our planned growth, trading volume in our common stock, changes in general conditions in the economy and the financial markets or other developments affecting us or our competitors. In addition, the stock market is subject to extreme price and volume fluctuations. This volatility has had a significant effect on the market price of securities issued by many companies for reasons unrelated to their operating performance and could have the same effect on our common stock.

Sales of substantial amounts of our common stock in the public market could depress the market price of our common stock.

The sale of a substantial amount of common stock in the public market, or the perception that such sales may occur, could cause the market price of our common stock to decline. As of February 3, 2012, there were 129,440,752 shares of our common stock issued and outstanding. We are registering the resale of a maximum of 94,852,098 shares of common stock, constituting approximately 73.3% of the issued and outstanding shares, under the registration statement of which this prospectus forms a part. The sale of these shares into the public market by the selling stockholders could depress the market price of our common stock. Furthermore, some of our shares may be offered from time to time in the open market pursuant to Rule 144 promulgated under the Securities Act, and these sales may have a depressive effect on the market for our common stock. Sales undertaken pursuant to the effectiveness of the registration statement or Rule 144 could depress the market price of the shares and could also make it more difficult for us to raise capital by selling equity or equity-related securities in the future at a time and price that we deem appropriate.

The OTC Bulletin Board, or the OTCBB, is a quotation system, not an issuer listing service, market or exchange. Therefore, buying and selling stock on the OTCBB is not as efficient as buying and selling stock through an exchange. As a result, it may be difficult for you to sell your common stock or you may not be able to sell your common stock for an optimum trading price.

The OTCBB is a regulated quotation service that displays real-time quotes, last sale prices and volume limitations in over-the-counter securities. Our common stock is traded on the OTC QX Marketplace, or OTCQX, which is the trading tier on the OTCBB with the most demanding listing standards. Nevertheless, because trades and quotations on the OTCBB involve a manual process, the market information for such securities cannot be guaranteed. In addition, quote information, or even firm quotes, may not be available. The manual execution process may delay order processing and intervening price fluctuations may result in the failure of a limit order to execute or the execution of a market order at a significantly different price. Execution of trades, execution reporting and the delivery of legal trade confirmations may be delayed significantly. Consequently, one may not be able to sell shares of our common stock at the optimum trading prices.

Table of Contents

When fewer shares of a security are being traded on the OTCBB, volatility of prices may increase and price movement may outpace the ability to deliver accurate quote information. Lower trading volumes in a security may result in a lower likelihood of an individual's orders being executed, and current prices may differ significantly from the price one was quoted by the OTCBB at the time of the order entry. Orders for OTCBB securities may be canceled or edited like orders for other securities. All requests to change or cancel an order must be submitted to, received and processed by the OTCBB. Due to the manual order processing involved in handling OTCBB trades, order processing and reporting may be delayed, and an individual may not be able to cancel or edit his order. Consequently, one may not be able to sell shares of common stock at the optimum trading prices.

The dealer's spread (the difference between the bid and ask prices) may be large and may result in substantial losses to the seller of securities on the OTCBB if the common stock or other security must be sold immediately. Further, purchasers of securities may incur an immediate "paper" loss due to the price spread. Moreover, dealers trading on the OTCBB may not have a bid price for securities bought and sold through the OTCBB. Due to the foregoing, demand for securities that are traded through the OTCBB may be decreased or eliminated.

When we issue additional shares in the future, it will likely result in the dilution of our existing stockholders.

Our certificate of incorporation authorizes the issuance of up to 250,000,000 shares of common stock and 10,000,000 shares of preferred stock, of which 129,440,752 common shares were issued and outstanding as of February 3, 2012. No shares of our preferred stock are issued and outstanding as of such date. Our board of directors may fix and determine the designations, rights, preferences or other variations of each class or series within each class of preferred stock and may choose to issue some or all of such shares to provide additional financing or acquire more businesses in the future.

Moreover, as of February 3, 2012, we had options outstanding to purchase an aggregate of 2,050,000 shares of our common stock, the exercise of which would further increase the number of outstanding shares. From time to time we may increase the number of shares available for issuance in connection with our equity compensation plans. The issuance of any shares for acquisition, licensing or financing efforts, upon conversion of any preferred stock or exercise of warrants and options, pursuant to our equity compensation plans or otherwise, may result in a reduction of the book value and market price of the outstanding shares of our common stock. If we issue any such additional shares, such issuance will cause a reduction in the proportionate ownership and voting power of all current stockholders.

Financial Industry Regulatory Authority, or FINRA, sales practice requirements may also limit a stockholder's ability to buy and sell our common stock.

FINRA has adopted rules that require that in recommending an investment to a customer, a broker-dealer must, after conducting a thorough due diligence review of a customer's financial condition, have reasonable grounds for believing that the investment is suitable for that customer. Special rules on recommending speculative low priced securities to non-institutional customers require broker-dealers to make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other relevant financial information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low priced securities will not be suitable for at least some customers. These FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit your ability to buy and sell our stock and may have an adverse effect on the market for our shares.

Table of Contents

A small number of stockholders own a large percentage of our common stock and can influence the outcome of matters submitted to our stockholders for approval.

A small number of our stockholders own a large percentage of our common stock and can, therefore, influence the outcome of matters submitted to our stockholders for approval. Based on information known to us as of February 3, 2012, our three largest stockholders, collectively, control in excess of 66 2/3% of our outstanding common stock. As a result, these stockholders have the ability to influence the outcome of matters submitted to our stockholders for approval, including certain proposed amendments to our certificate of incorporation, and any proposed merger, consolidation or sale of all or substantially all of our assets. These stockholders may support proposals and actions with which you may disagree. The concentration of ownership could delay or prevent a change in control of our company or otherwise discourage a potential acquirer from attempting to obtain control of our company, which in turn could reduce the price of our common stock.

Provisions in our certificate of incorporation and bylaws and under Delaware law might discourage, delay or prevent a change of control of our company or changes in our management and, therefore, depress the trading price of our common stock.

Our certificate of incorporation and bylaws contain provisions that could depress the trading price of our common stock by acting to discourage, delay or prevent a change of control of our company or changes in our management that our stockholders may deem advantageous. These provisions include:

- authorizing the board of directors to issue, without further action by the stockholders, all or any shares of undesignated, or “blank check,” preferred stock;
- requiring the approval of the holders of at least 66 2/3% of our voting shares to approve any proposal for us to reorganize, merge or consolidate with any other corporation, or sell, lease or exchange substantially all of our assets or business;
- requiring the approval of the holders of at least 66 2/3% of our voting shares to remove directors from office, with or without cause;
- requiring any stockholder action to be taken at a duly called annual or special meeting of stockholders and not by written consent (subject to limited exceptions);
 - providing that only the board of directors may call special meetings of stockholders;
- establishing advance notice requirements for nominations for elections to the board of directors or for proposing other matters that can be acted upon by stockholders at stockholder meetings;
- requiring the approval of the holders of at least 66 2/3% of our voting shares to amend certain provisions of the certificate of incorporation and bylaws relating to the composition of the board of directors, meetings of stockholders, the required vote to approve certain corporate transactions and the ability of stockholders to act by written consent; and
- being subject to the provisions of Section 203 of the Delaware General Corporation Law regulating corporate takeovers.

Table of Contents

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated by reference in this prospectus contain certain “forward-looking statements” that reflect our current expectations and projections about our future results, performance, prospects and opportunities. When used in this prospectus, the words “anticipate,” “believe,” “estimate,” “expect” and “intend” and words or phrases of similar import, as they relate to Wilhelmina or its management, are intended to identify forward-looking statements. Such forward-looking statements include, in particular, projections about our future results, statements about our plans, strategies, business prospects, changes and trends in our business and the markets in which we operate. 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 our 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 our business or our industry to be materially different from those expressed or implied by any forward-looking statements. Factors that could cause or contribute to such differences in results and outcomes include, but are not limited to, those discussed under the section entitled “Risk Factors” in this prospectus. Readers should carefully review this information as well as other risks and uncertainties described in other filings we make with the Securities and Exchange Commission, or the SEC. We do 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.

USE OF PROCEEDS

This prospectus relates to shares of our common stock that may be offered and sold from time to time by the selling stockholders identified in the section of this prospectus entitled “Selling Stockholders.” We will not receive any of the proceeds from the sale of the shares by selling stockholders hereunder.

DESCRIPTION OF BUSINESS

Our Company

We are one of the world’s leading fashion model and talent management companies.

Through our subsidiaries, we provide 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 customers and clients. These customers and clients include leading retailers, designers, advertising agencies and catalog companies worldwide. Our business was founded in 1967 by Wilhelmina Cooper, a renowned fashion model.

Our core fashion model management business is headquartered in New York City and also includes locations in Los Angeles and Miami, as well as a growing network of licensees comprising leading modeling agencies in various local markets across the U.S. and in Panama. Our corporate headquarters are located in Dallas, Texas.

Wilhelmina is comprised of operating companies and divisions focused on the fashion model and talent management business, as well as business areas complimentary to the fashion model and talent management business such as licensing and television. These companies include:

- Wilhelmina International, Ltd. (“Wilhelmina International”);

Table of Contents

- Wilhelmina – Miami, Inc. (“Wilhelmina Miami”);
- Wilhelmina Artist Management LLC (“WAM”);
- Wilhelmina Licensing LLC (“Wilhelmina Licensing”); and
- Wilhelmina Film & TV Productions LLC (“Wilhelmina TV” and together with Wilhelmina International, Wilhelmina Miami, WAM and Wilhelmina Licensing, the “Wilhelmina Companies”).

Wilhelmina International (based in New York City), Wilhelmina West, Inc. (based in Los Angeles and a wholly owned subsidiary of Wilhelmina International) and Wilhelmina Miami are Wilhelmina’s core fashion model management companies. WAM is a talent management company that seeks to secure endorsement and spokesperson work for various high-profile talents from the worlds of sports, music and entertainment. Wilhelmina Licensing oversees the licensing of the “Wilhelmina” name, mainly to local modeling agencies across the U.S. Wilhelmina TV participates in the development of certain reality television shows such as “The Agency” (2007) and “She’s Got the Look” that seek to capitalize on the “Wilhelmina” brand.

The LW1 division, based in Los Angeles, offers models the opportunity to be showcased on TV and film through its membership in the Screen Actors Guild. Wilhelmina also owns a non-consolidated 50% interest in Wilhelmina Kids & Creative Management LLC, a New York City-based modeling agency that specializes in representing child models, from newborns to children 14 years of age.

We divide our businesses into the following operating divisions: Fashion Model Management; Artist Management; Licensing; and Film and Television.

Fashion Model Management Business

We are focused on providing fashion modeling and talent product-endorsement services to clients such as ad agencies, branded consumer goods companies, fashion designers, magazines, retailers and department stores, product catalogs and Internet sites.

The fashion model management industry can be divided into many subcategories, including advertising campaigns as well as catalog, runway 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 work involves modeling for promotional catalogs that are produced throughout the year. Runway work involves modeling at fashion shows, which primarily take place in Paris, Milan, London and New York City. Editorial work involves modeling for the cover and editorial sections of magazines.

Clients pay talent for their appearance in photo shoots for magazine features, print advertising, direct mail marketing, product catalogs and Internet sites, as well as for their appearance in runway shows to present new designer collections, fit modeling, and on-location presentations and event appearances. In addition, talent may also appear in film and TV commercials.

We develop and diversify our talent portfolio through a combination of ongoing local, regional or international scouting and talent-search efforts to source new talent, and cooperate with other agencies that represent talent.

Table of Contents

Within our fashion model management business, we have two primary sources of revenue: commissions paid by models as a percentage of their gross earnings and a separate service charge, paid by clients in addition to the booking fees, calculated as a percentage of the models' booking fees. We believe that our commission rates and service charge are comparable to those of our principal competitors.

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

Board Name	Location	Target Market
Women	NYC, LA, Miami	High-end female fashion models
Men	NYC, LA, Miami	High-end male fashion models
Sophisticated Men	NYC	Established male fashion models
Sophisticated Women	NYC	Established female fashion models
Curve	NYC	Full-figured female fashion models
Runway and W Media	NYC, LA, Miami	Catwalk and designer client services
Lifestyle	NYC, LA, Miami	Commercial print bookings
Fitness	NYC	Fit or athletic models
Kids*	NYC	Child models

* Through partial ownership of Wilhelmina Kids & Creative Management LLC.

Each board is headed by a director who is in charge of the agents assigned to such board. The agents of each board act both as bookers (includes promoting models, negotiating fees and contracting work) and as talent scouts/managers (includes providing models with career 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. Our organization into boards thereby enables us 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 our 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 models and clients for a certain period of time after the end of the agent's employment with Wilhelmina.

We typically sign our models to two-year exclusive contracts, which we actively enforce.

Wilhelmina Artist Management Business

WAM has two primary sources of revenue: commissions paid by talent as a percentage of their gross earnings and royalties (WAM may occasionally obtain an equity interest in a product line or company in consideration for its services). WAM currently represents superstars such as Fergie, Enrique Iglesias, Natasha Bedingfield, Nicole Scherzinger, Estelle and many others for whom Wilhelmina seeks to secure fashion campaigns, endorsements and marketing opportunities. WAM has secured commercial endorsements, fashion campaigns and sponsorships for its talent with clients such as Calvin Klein, Avon, Brown Shoe, Coca-Cola, SAP, General Motors, Tommy Hilfiger, Elle, Cover Girl, Dessert Beauty, Donna Karan, Hershey's, Hugo Boss, L'Oreal, Mattel, Nautica, Nestle, Nike, Proctor & Gamble Company and Pizza Hut.

Table of Contents

Although our fashion model management business remains our primary business, WAM plays an increasingly important role at Wilhelmina. The visibility of WAM's talent and clients help enhance the profile and penetration of the "Wilhelmina" brand with prospective models, other talent and clients, in turn providing our fashion model management business and other complimentary businesses with significant new opportunities.

Licensing

Wilhelmina Licensing 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 across the U.S. and Panama.

Film and Television

The film and television business consists of television syndication royalties and production series contracts. In 2005, the Wilhelmina Companies produced the television show "The Agency" for the VH1 television network. In 2007, the Wilhelmina Companies entered into an agreement with the TV Land television network to develop a television series entitled "She's Got the Look", which concluded its third season in 2010. The television series documented the lives of women competing in a modeling competition. The Wilhelmina Companies provided the television series with the talent and the "Wilhelmina" brand image, and agreed to a modeling contract with the winner of the competition, in consideration of a fee per episode produced, plus certain fees, as defined.

Competition

The fashion model management business is highly competitive. New York City, Los Angeles and Miami, as well as Paris, Milan, Sao Paulo and London, are considered the most important markets for the fashion talent management industry. Most of the leading international firms are headquartered in New York City, which is considered to be the "capital" of the global fashion industry. Our principal competitors include the larger fashion model management businesses in the U.S., including DNA Model Management, Elite Model Management, Ford Models, Inc., IMG Models, Marilyn Model Agency, NEXT Model Management and Women Model Management. Apart from Wilhelmina and Paris-based and publicly-listed Elite SA, all other fashion talent management firms are privately-held.

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 alternatively have chosen to partner with local or foreign agencies to attempt to harness synergies without increasing overhead.

We believe that our sources of revenue (mainly generated from commissions and service charges) are comparable to those of our principal competitors. Therefore, for us to obtain a competitive advantage, we must develop and maintain a deep pool of talent and deliver high quality service to clients. We believe that through our scouting efforts, search contests, licensing network, advertising and TV shows, we are able to recruit a deeper pool of talent relative to our competitors. These recruitment tools coupled with the broad range of fashion boards available to our talent, enables us to develop talent and generate a broader range of revenues relative to our principal competitors. While a broad range of talent and boards provides a certain level of stability to the business, certain talent may be more inclined to work with a boutique agency which tailors to their specific needs.

Also, over the 43 years of the existence of the Wilhelmina Companies, we 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. We have also developed a professional workforce with years of talent management experience.

Table of Contents

Clients and Customers

As of December 31, 2011, we had approximately 1,400 active models. Our active talent and models include Fergie, Coca Rocha, Mark Vanderloo, Gabriel Aubry, Olivia Palermo, Alex Lundqvist, Benjamin Hill, Enrique Palacios, Jennifer Rose, Noah Mills, Natasha Bedingfield, Alexandra Richards, Rebecca Romijn and Kendall Jenner.

We serve approximately 2,000 external clients. Our customer base is highly diversified, with no customer accounting for more than 4% of overall gross revenues during the fiscal year ended December 31, 2011. Our top 100 customers together accounted for no more than approximately 68% of overall gross revenues during the fiscal year ended December 31, 2011.

Governmental Regulations

Certain jurisdictions in which we operate, 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 Companies operating in these jurisdictions maintain Talent Agency Licenses issued by those jurisdictions. In addition, certain of our subsidiaries also maintain required SAG licenses issued by the Screen Actors’ Guild.

Employees

As of December 31, 2011, we had 80 employees, 57 of whom were located in New York City (including Sean Patterson, the President of Wilhelmina International, Ltd.), 9 of whom were located at Wilhelmina’s Miami, Florida office, 11 of whom were located at Wilhelmina’s Los Angeles, California office and 3 of whom were located at the corporate headquarters located in Dallas, Texas.

Trademarks and Licensing

The “Wilhelmina” brand is essential to our success and competitive position. Wilhelmina’s trademark is vital to the licensing business because licensees pay for the right to use the trademark. We have invested significant resources in the “Wilhelmina” brands in order to obtain the public recognition that these brands currently have. The Wilhelmina Companies rely upon trademark laws, license agreements and nondisclosure agreements to protect the “Wilhelmina” brand name used in their 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.

Table of Contents

Historical Overview and Recent Developments

Wilhelmina Acquisition

On August 25, 2008, the Company and Wilhelmina Acquisition Corp., a New York corporation and wholly owned subsidiary of the Company (“Wilhelmina Acquisition”), entered into an agreement (the “Acquisition Agreement”) with Dieter Esch (“Esch”), Lorex Investments AG, a Swiss corporation (“Lorex”), Brad Krassner (“Krassner”), Krassner Family Investments Limited Partnership, a Nevada limited partnership (“Krassner L.P.” and together with Esch, Lorex and Krassner, the “Control Sellers”), the Wilhelmina Companies, Sean Patterson, an executive with the Wilhelmina Companies (“Patterson”), and the stockholders of Wilhelmina Miami (the “Miami Holders” and together with the Control Sellers and Patterson, the “Sellers”). Pursuant to the Acquisition Agreement, which closed February 13, 2009, the Company acquired the Wilhelmina Companies subject to the terms and conditions thereof (the “Wilhelmina Transaction”). The Acquisition Agreement provided for (i) the merger of Wilhelmina Acquisition with and into Wilhelmina International in a stock-for-stock transaction, as a result of which Wilhelmina International became a wholly owned subsidiary of the Company (the “Merger”) and (ii) the Company purchased the outstanding equity interests of the other Wilhelmina Companies for cash.

At the closing of the Wilhelmina Transaction, on February 13, 2009, the Company paid an aggregate purchase price of approximately \$22,432,000 in connection therewith, of which approximately \$16,432,000 was paid for the outstanding equity interests of the Wilhelmina Companies and \$6,000,000 in cash repaid the outstanding balance of a note held by a Control Seller. The purchase price included \$7,609,336 (63,411,131 shares) of our common stock, valued at \$0.12 per share (representing the closing price of the common stock on February 13, 2009) that was issued in connection with the merger of Wilhelmina Acquisition with and into Wilhelmina International. Approximately \$8,823,000 of the remaining cash was paid to acquire the equity interests of the remaining Wilhelmina Companies.

The purchase price was subject to certain post-closing adjustments, which were to be effected against a total of 19,229,746 shares of common stock (valued at approximately \$2,307,000 on February 13, 2009) (the “Restricted Shares”) that were held in escrow pursuant to the Acquisition Agreement. The Restricted Shares held in escrow were intended to support earn-out offsets and indemnification obligations of the Sellers. The Control Sellers were required to leave in escrow, through 2011, any stock “earned” following resolution of “core” adjustment, up to a total value of \$1,000,000. Losses at WAM and Wilhelmina Miami, respectively, could be offset against any positive earn-out with respect to the other company. Losses in excess of earn-out amounts could also result in the repurchase of the remaining shares of common stock held in escrow for a nominal amount. Working capital deficiencies could also reduce positive earn-out amounts.

After the closing, the parties became engaged in a dispute relating to a purchase price adjustment being sought by the Company in connection with the Wilhelmina Transaction and other related matters. On October 18, 2010, the Company, together with Newcastle Partners, L.P. (“Newcastle”) and the Control Sellers entered into a Global Settlement Agreement (the “Settlement Agreement”). Under the Settlement Agreement, (i) a total of 18,811,686 Restricted Shares were released to the Control Sellers, (ii) all the Company’s future earn-out obligations relating to the operating results of WAM under the Acquisition Agreement were cancelled and (iii) (A) approximately 39% (representing the amount that would otherwise be paid to Krassner L.P.) of the first \$2,000,000 of the Company’s earn-out obligations relating to the operating results of Wilhelmina Miami under the Acquisition Agreement (the “Miami Earnout”) was cancelled and (B) approximately 69% (representing the amounts that would otherwise be paid in the aggregate to Krassner L.P. and Lorex) of any such Miami Earnout obligation over \$2,000,000 was cancelled. With respect to any portion of the Miami Earnout that may become payable, the Company further agreed not to assert any setoff thereto in respect of (1) any negative closing net asset adjustment determined under the Acquisition Agreement or (2) any divisional loss in respect of WAM. The Company also reimbursed certain documented legal fees of the Control Sellers in the amount of \$300,000, which amount was recorded as settlement expense in the Company’s consolidated statement of operations

for the year ended December 31, 2010.

Pursuant to the Settlement Agreement, the parties agreed to dismiss the litigation then pending in the U.S. District Court, Southern District of New York concerning the Restricted Shares. The parties also agreed to customary mutual releases and further agreed to withdraw their respective indemnification claims under the Acquisition Agreement, except that the Company preserved indemnification rights with respect to certain specified matters.

Table of Contents

With respect to corporate governance matters, the Settlement Agreement required that (i) Newcastle and the Control Sellers concurrently enter into an amendment to that certain Mutual Support Agreement dated August 25, 2008 entered into in connection with the Wilhelmina Acquisition (the "Mutual Support Agreement"), which amendment provided for the addition of two (2) independent directors to the Company's board of directors, subject to a pre-determined selection process, and (ii) within six months following the execution of the Settlement Agreement, the board was required to evaluate and consider updates and/or clarifications to the bylaws, with such updates to address (a) the advance notice procedures for nominations and stockholder proposals, (b) the Company's fiscal year and (c) such other matters as the board of directors determines. The Company also agreed to enter into an amendment to its Rights Agreement (as defined on page 39) to, among other things, rescind the designation of the Control Sellers as Acquiring Persons thereunder.

Newcastle Financing Agreement

Concurrently with the execution of the Acquisition Agreement, Wilhelmina entered into a purchase agreement (the "Equity Financing Agreement") with Newcastle, which at that time owned 19,380,768 shares or approximately 36% of the outstanding common stock, for the purpose of obtaining financing to complete the transactions contemplated by the Acquisition Agreement. Pursuant to the Equity Financing Agreement, upon the closing of the Wilhelmina Transaction, Wilhelmina sold to Newcastle \$3,000,000 (12,145,749 shares) of common stock at \$0.247 per share, or approximately (but slightly higher than) the per share price applicable to the common stock issuable under the Acquisition Agreement. As a result, Newcastle now owns 34,064,466 shares of our common stock, or approximately 26% of our outstanding common stock. In addition, under the Equity Financing Agreement, Newcastle committed to purchase, at Wilhelmina's election at any time or times prior to six months following the closing, up to an additional \$2,000,000 (8,097,166 shares) of common stock on the same terms. Wilhelmina's election right expired on August 13, 2009. Upon the closing of the Equity Financing Agreement, Newcastle obtained certain demand and piggyback registration rights with respect to the common stock it holds, including the common stock issued under the Equity Financing Agreement, under a registration rights agreement between Newcastle and Wilhelmina.

Pre-Wilhelmina

We were formerly known as New Century Equity Holdings Corp. and Billing Concepts Corp. and were incorporated in the State of Delaware in 1996.

Until our acquisition of the Wilhelmina Companies in February 2009, during the prior three years, we were in a transition period during which we sought to redeploy our assets to enhance stockholder value by evaluating potential acquisition and merger candidates. During this transition period, our sole operating business represented an investment in ACP Investments, L.P. (d/b/a Ascendant Capital Partners) ("Ascendant"). Ascendant is a Berwyn, Pennsylvania based alternative asset management company whose funds have investments in long/short equity funds and which distributes its registered funds primarily through various financial intermediaries and related channels. We have not recorded any revenues in connection with our investment in Ascendant since July 2006.

Properties

Our 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. We occupy 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 us and NCM on October 1, 2006.

Table of Contents

The following table summarizes information with respect to the material facilities of Wilhelmina 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	June 30, 2016
Office for Miami-based operations – Miami, FL	2,100	October 1, 2012
Three model apartments – New York, NY	6,000	August 30, 2012
One model apartment – Los Angeles, CA	1,500	month to month
Four model apartments – Miami, FL	1,500	October 1, 2012

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

Legal Proceedings

We are engaged in various legal proceedings that are routine in nature and incidental to our business. None of these proceedings, either individually or in the aggregate, are believed, in our opinion, to have a material adverse effect on our consolidated financial position or our results of operations.

DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The following table sets forth information regarding the members of the board of directors and the executive officers of Wilhelmina. Our directors are elected to serve until the next annual meeting of stockholders and until their respective successors have been duly elected and qualified. Our executive officers are appointed by the board of directors and serve until their successors have been duly appointed and qualified. Additional information regarding our directors and executive officers, including their business experience for the past five years (and in some instances for prior years) and the key attributes, experience and skills that led the board of directors to conclude that each person should serve as a director is set forth below.

Name	Age	Position
Mark E. Schwarz	50	Chairman of the Board and Chief Executive Officer
Clinton Coleman	34	Director
James Dvorak	42	Director
Horst-Dieter Esch	67	Director
Brad Krassner	59	Director
Mark Pape	61	Director
James Roddey	78	Director
John Murray	42	Chief Financial Officer
Evan Stone	40	General Counsel and Secretary

Table of Contents

Mark E. Schwarz

Mr. Schwarz has served as a director and Chairman of the Board since June 2004 and as our Chief Executive Officer since April 2009. He previously served as our Interim Chief Executive Officer beginning in October 2007 and was formally appointed our Interim Chief Executive Officer effective in July 2008. He is the Chairman, Chief Executive Officer and Portfolio Manager of NCM, a private investment management firm he founded in 1993, which is the General Partner of Newcastle, a private investment firm. Mr. Schwarz has served as Executive Chairman of the Board of Hallmark Financial Services, Inc. (“Hallmark”), a specialty property and casualty insurer, since August 2006. He served as Chief Executive Officer and President of Hallmark from 2003 to August 2006. He currently serves as Chairman of the Board of Bell Industries, Inc., a company primarily engaged in providing computer systems integration services (“Bell Industries”), and Pizza Inn, Inc., an operator and franchisor of pizza restaurants (“Pizza Inn”). He also serves on the board of directors of SL Industries, Inc., a power and data quality products manufacturer. He previously served on the boards of directors of Nashua Corporation, a manufacturer of specialty papers, labels and printing supplies (“Nashua”), from 2001 to September 2009, MedQuist Inc., a provider of clinical documentation workflow solutions in support of electronic health records, from December 2007 to August 2009, WebFinancial Corporation, a holding company with subsidiaries operating in niche banking markets, from July 2001 to December 2008, and Vesta Insurance Group, Inc., a holding company for a group of insurance companies.

With nearly 20 years of experience as an investment manager and a business executive, Mr. Schwarz brings significant leadership, financial expertise, operational skills and public company board of directors and executive experience to the board of directors. Through investments made by NCM and its affiliates, Mr. Schwarz has broad and substantial experience analyzing and advising public companies, including with respect to issues such as corporate governance, capital raising, capital allocation and general operational and business strategy, and has been closely involved in the operations of companies across a range of industries in both director and executive capacities. As our Chief Executive Officer, Mr. Schwarz is closely involved in all of our operations and activities.

Clinton Coleman

Mr. Coleman has served as a director since January 2011. He has served as the Chief Executive Officer of Bell Industries since January 2010, and has been a director since January 2007. Mr. Coleman has served as a Vice President of NCM since July 2005. Mr. Coleman previously served as the Interim Chief Executive Officer of Bell Industries from July 2007 to January 2010 and the Interim Chief Financial Officer of Pizza Inn from July 2006 to January 2007. Prior to joining NCM, Mr. Coleman served as a portfolio analyst with Lockhart Capital Management, L.P., an investment partnership, from October 2003 to June 2005. From March 2002 to October 2003, Mr. Coleman served as an associate with Hunt Investment Group, L.P., a private investment group. Previously, Mr. Coleman was an associate director with the Mergers & Acquisitions Group of UBS. Mr. Coleman is also a director of Pizza Inn and several privately held companies. During the past five years, Mr. Coleman also served as a director of Nashua.

Mr. Coleman brings to the board of directors extensive experience in investment management and the management of publicly traded and privately held companies engaged in a wide range of industries, including in capacities as director, chief executive officer and chief financial officer. As an investment banker and investment professional, Mr. Coleman also has a strong background analyzing and advising public companies, as well as significant transactional experience.

Table of Contents

James Dvorak

Mr. Dvorak has served as a director since January 2011. He has served as a Vice President of NCM since January 2008. Mr. Dvorak served as a consultant and subsequently a Senior Investment Analyst with Falcon Fund Management, a Dallas-based investment firm, from September 2006 to December 2007, and as a Vice President with Fagan Capital, an investment firm located in Irving, Texas, from 1999 to June 2006. Previously, Mr. Dvorak was with Koch Industries, a diversified energy, chemicals and materials provider, as Chief Financial Officer of a business unit and as a board member of a Koch affiliate. Mr. Dvorak has additional experience as a management consultant with Booz Allen & Hamilton in Chicago, Illinois.

Mr. Dvorak brings nearly 20 years of experience as a business executive and professional investor. As a management consultant, Mr. Dvorak was involved in business strategy evaluation and development, new business development, acquisition due diligence, and reorganizations of Fortune 500 businesses. As a financial executive and investment professional, Mr. Dvorak has developed strong skills in business development, financial and operational analysis, capital structure issues, capital allocation, and strategy development and evaluation.

Horst-Dieter Esch

Mr. Esch has served as a director since February 2010. He is a private investor and, since 2008, the Chairman of USA Team Handball, the national governing body for the Olympic sport of handball (“USA Team Handball”). From February 2009 through December 2009, Mr. Esch was a consultant to Wilhelmina. Mr. Esch was a principal owner and Chairman of Wilhelmina International and its affiliated companies prior to their sale to Wilhelmina in February 2009.

With over 21 years in the model management and artist management businesses, Mr. Esch brings deep experience in the Wilhelmina industry to the board of directors, together with strong leadership, business strategy and business development skills. Given his long time involvement in the modeling industry, Mr. Esch brings a valuable perspective and industry relationships to the board of directors. In addition, as a former principal owner, Chairman and an officer of the operating subsidiaries of Wilhelmina, Mr. Esch is strongly familiar with all aspects of their businesses.

Brad Krassner

Mr. Krassner has served as a director since February 2010. He is a private investor and, since 2001, has been the Chief Executive Officer of Rich Media Worldwide, a software development company that markets a proprietary “Realvu” ad serving technology. Mr. Krassner is also President of USA Team Handball. Mr. Krassner was a principal owner of, and consultant to, Wilhelmina International and its affiliated companies prior to their sale to Wilhelmina in February 2009.

With over 25 years in the entertainment and artist management businesses (including model management), Mr. Krassner brings deep experience in Wilhelmina’s industry to the board of directors, together with strong leadership and business strategy skills. In addition, Mr. Krassner has significant transactional, operational and public company experience through the various businesses that he owned or has been affiliated with, including Magicworks Entertainment Incorporated, a promoter and merchandiser of theatrical shows and other live entertainment that Mr. Krassner ran as Chief Executive Officer and took public in 1996. As a former principal owner of the operating subsidiaries of Wilhelmina, Mr. Krassner is strongly familiar with all aspects of their businesses.

Table of Contents

Mark Pape

Mr. Pape has served as a director since January 2011. He has served as the Chairman of the board of directors of H2Options, Inc., a start-up water conservation design/installation firm, since September 2009, and as the Chief Financial Officer of Oryon Technologies, LLC, a privately-held technology company, since October 2010. Mr. Pape served as a partner at Tatum LLC, an executive services firm, from August 2008 through November 2009. From November 2005 to December 2007, Mr. Pape served as Executive Vice President and Chief Financial Officer at Affirmative Insurance Holdings, Inc., a publicly-traded property and casualty insurance company specializing in non-standard automobile insurance, and served on its board of directors and audit committee from July 2004 to November 2005. Mr. Pape served as the Chief Financial Officer of HomeVestors of America, Inc., a franchisor of home acquisition services, from September 2005 to November 2005, as President and Chief Executive Officer of R.E. Technologies, Inc., a provider of software tools to the housing industry, from April 2002 to May 2005, and as Senior Vice President and Chief Financial Officer of LoanCity.com, a start up e-commerce mortgage bank, from May 1999 to June 2001. Mr. Pape was a member of the board of directors of Specialty Underwriters' Alliance, Inc., a publicly-traded specialty property and casualty insurance company, from July 2009 through November 2009.

With strong experience as a business executive, Mr. Pape brings significant leadership, operational skills and public company board of directors and executive experience to the board of directors. In addition, Mr. Pape's strong background in finance and financial services, including his significant transactional experience, bolsters Wilhelmina's experience in these areas and will be particularly helpful to Wilhelmina as it grows.

James Roddey

Mr. Roddey has served as a director since January 2011. He has served as Principal of ParenteBeard, LLP (including through its predecessor McCrory & McDowell LLC), a provider of financial, business and management consulting services, since September 2007. Mr. Roddey was a Partner at the Hawthorne Group, an investment and management company, from January 2004 to September 2007 (and previously from 1978 to 2000). Prior to the Hawthorne Group, from January 2000 to January 2004, Mr. Roddey served as the Chief Executive of Allegheny County, Pennsylvania. Mr. Roddey was a director of SEEC, Inc., a software provider for the insurance and financial services industry, from August 2005 to November 2008. Earlier in his career, Mr. Roddey served as President and a director of Turner Communications, Inc. and Rollins Communication, Inc. and, while associated with the Hawthorne Group, President and Chief Executive Officer of Pittsburgh Outdoor Advertising, Gateway Outdoor Advertising and International Sports Marketing, among other companies.

With over 40 years in the media and advertising industries (including at leading companies such as Turner Communications and Rollins Communication), Mr. Roddey brings to our board of directors deep experience in an industry closely tied to Wilhelmina's business, as well as a number of relevant skills including leadership, finance and executive skills. Through investments made by the Hawthorne Group and the six other public company directorships he has held during his career, Mr. Roddey also has significant experience analyzing and advising public companies. In addition, Mr. Roddey has specific experience in talent representation, through his former association with International Sports Marketing.

John Murray

Mr. Murray has served as our Chief Financial Officer since June 2004. He also served as a director from February 2009 through January 2011. Mr. Murray has served as the Chief Financial Officer of NCM since January 2003. From 1995 until 2002, Mr. Murray was a Certified Public Accountant engaged in his own private practice in Dallas, Texas. From 1991 until 1995, Mr. Murray served as an accountant with Ernst & Young, LLP. Mr. Murray has been a Certified Public Accountant since 1992.

Table of Contents

Evan Stone

Mr. Stone has served as our General Counsel since April 2009 and as our Secretary since July 2008. He also served as a director from February 2009 through January 2011. Mr. Stone is a principal of Lee & Stone, LLP, a law firm providing services to the investment community, founded in July 2009. Mr. Stone served as Vice President and General Counsel of NCM from May 2006 to July 2009. Prior to joining NCM, from June 2003 to April 2006 and from 1997 to 1999, he served as a mergers and acquisitions attorney at the law firm Skadden, Arps, Slate, Meagher & Flom LLP in New York. In 2002, Mr. Stone served as Vice President, Corporate Development at Borland Software Inc., a provider of software application lifecycle products. From 2000 to 2001, Mr. Stone was a member of the investment banking department of Merrill Lynch & Co. Mr. Stone is currently a director of Applied Minerals Inc., a nanomaterials producer.

Director Independence

Annually, as well as in connection with the election or appointment of a new director to our board of directors, the board of directors considers the business and charitable relationships between it and each director and determines whether such director is “independent” under Nasdaq’s listing standards. Accordingly, the board of directors has determined that Mark Pape and James Roddey are independent under Nasdaq’s listing standards. Messrs. Schwarz, Esch and Krassner are not independent under Nasdaq’s listing standards. As of the date hereof, the board of directors has not made a determination regarding independence with respect to Messrs. Coleman and Dvorak. The Audit Committee is comprised of Messrs. Pape (Chairman) and Roddey, both of whom are independent under Nasdaq’s listing standards applicable to Audit Committee members. The Compensation Committee is also comprised of Messrs. Pape and Roddey. We do not have a separately-designated Nominating Committee at this time.

Arrangements Regarding Nominations for Election to the Board of Directors

We were required to nominate the following persons for election to the board of directors at our Annual Meeting of Stockholders held on February 5, 2009 (the “2009 Annual Meeting”) pursuant to the Acquisition Agreement: Mark E. Schwarz, Jonathan Bren, James Risher, one designee of Mr. Esch, one designee of Mr. Krassner and two designees of Newcastle. Mr. Esch’s initial designee was Dr. Hans-Joachim Boehlk, Mr. Krassner’s initial designee was Derek Fromm, and Newcastle’s initial designees were John Murray and Evan Stone. Each of Messrs. Schwarz, Bren, Risher, Fromm, Murray and Stone and Dr. Boehlk were elected to the board of directors at the 2009 Annual Meeting.

Pursuant to the Mutual Support Agreement, the Control Sellers and Newcastle agreed, effective upon the closing of the Wilhelmina Acquisition, that, among other things, each of the parties would (a) use their commercially reasonable efforts to cause their representatives serving on the board of directors to vote to nominate and recommend the election of their designees and, in the event the board of directors will appoint directors without stockholder approval, to use their commercially reasonable efforts to cause their representatives on the board of directors to appoint their designees to the board of directors, (b) vote their shares of common stock to elect their designees at any meeting of our stockholders or pursuant to any action by written consent in lieu of a meeting pursuant to which directors are to be elected to the board of directors, and (c) not to propose, and to vote their shares of common stock against, any amendment to our certificate of incorporation or bylaws, or the adoption of any other corporate measure, that frustrates or circumvents the provisions of the Mutual Support Agreement with respect to the election of their designees. The obligations of the parties under the Mutual Support Agreement terminate upon the earlier of (a) the written agreement of all of the parties or (b) the date on which two of the three groups of parties to the Mutual Support Agreement (Mr. Esch and his affiliates as one group, Mr. Krassner and his affiliates as another group, and Newcastle as another group) each owns less than 5% of the common stock outstanding.

Table of Contents

On November 18, 2009 and November 19, 2009, respectively, Dr. Boehlk and Mr. Fromm resigned as directors. Messrs. Esch and Krassner later designated themselves as their respective designees pursuant to the Mutual Support Agreement. On February 4, 2010, the board of directors appointed Messrs. Esch and Krassner to serve as directors.

On October 18, 2010, Newcastle and the Control Sellers entered into an Amendment to the Mutual Support Agreement (the “MSA Amendment”) for the purpose of providing a procedure for the nomination, election and removal of independent members of the board of directors.

Pursuant to the MSA Amendment, the parties agreed (a) to cause their representatives serving on the board of directors to vote to nominate and recommend the election of (i) one individual (the “NP Independent Representative”) selected by Messrs. Esch and Krassner from a list of at least four Qualifying Unaffiliated Individuals (as defined below) pre-approved by Newcastle (two of whom are required to be Enhanced QUIs (as defined below)) and (ii) one individual (the “Seller Independent Representative” and together with the NP Independent Representative, the “Independent Designees”) selected by Newcastle from a list of at least four Qualifying Unaffiliated Individuals pre-approved by Messrs. Esch and Krassner (two of whom are required to be Enhanced QUIs) and, in the event the board of directors will appoint directors without stockholder approval, to cause their representatives on the board of directors to appoint applicable Independent Designee(s) to the board of directors (including to fill any vacancy caused by the death, incapacity, resignation or removal of an applicable Independent Designee), (b) to vote their shares of common stock to elect the Independent Designees at any meeting of our stockholders or pursuant to any action by written consent in lieu of meeting pursuant to which directors are to be elected to the board of directors, and (c) to vote against and not to propose the removal of either Independent Designee unless both parties vote for such removal.

For purposes of the MSA Amendment, (a) a “Qualifying Unaffiliated Individual” generally means an individual that (i) meets the director independence standards of Nasdaq, (ii) is not an affiliate of the parties or Wilhelmina or a holder of 5% or more of any class of equity interests in the parties or any of their affiliates (other than Wilhelmina) and (iii) has or maintains no Economic Relationship (as defined below) with any of the parties, Wilhelmina or any affiliate thereof, (b) an individual is generally considered to have an “Economic Relationship” with another person if such individual (or any affiliate thereof) receives (or has received in the prior five years) a material direct financial benefit from such other person (e.g., material salary or fees, material contractual payments under a commercial contract, equity or debt investment proceeds, etc.), (c) an “Enhanced QUI” generally means an individual that (i) meets the Qualifying Unaffiliated Individual standard and, in addition, (ii) is not a Close Long Time Personal Friend (as defined below) of the party pre-approving such individual, (d) a “Close Long Time Personal Friend” of a pre-approving party generally means an individual who has had Meaningful Social Contact (as defined below) on at least a monthly basis for at least ten months out of every year starting 1990 or earlier up to the present with Messrs. Krassner or Esch (if Messrs. Krassner and Esch are the pre-approving parties) or with Messrs. Schwarz, Murray or Stone (if Newcastle is the pre-approving party), and (e) “Meaningful Social Contact” generally means in-person, pre-arranged (between the relevant principals and the Close Long Time Personal Friend) social contact that is one-on-one or involves a group of no more than 10 people and which (i) focuses principally on non-professional and non-business related topics and (ii) occurs in a non-professional setting (e.g., residential setting, restaurant, etc.); provided that, without limitation, (A) any spontaneous contact (e.g., “running into” each other) in any location (whether or not occurring with frequency) and (B) contact occurring in larger group social setting or event not organized by a relevant principal or the Close Long Time Personal Friend or spouse of either or Close Long Time Personal Friend of both (e.g., a party at a third party’s home or club, a class, football game, concert, etc.) are expressly excluded as “Meaningful Social Contact.”

Table of Contents

Pursuant to the MSA Amendment, the parties agreed to an annual selection process with respect to the Independent Designees. Under the MSA Amendment, a list of pre-approved nominees meeting the applicable standards (a) was required to be delivered to the other party (i) with respect to the 2011 Annual Meeting of Stockholders (the “2011 Annual Meeting”), no later than the date that was one week from the date of execution of the MSA Amendment and (ii) with respect to the next Annual Meeting of Stockholders for 2011, no later than February 15, 2011, and (b) is required to be delivered to the other party with respect to each Annual Meeting of Stockholders thereafter, no later than the date that is 75 calendar days prior to the mailing date of the proxy statement for the prior year’s annual meeting. The MSA Amendment also contains procedures for the re-nomination of Independent Designees who were previously appointed or elected to the board of directors in lieu of the annual selection process. On December 9, 2010, the parties agreed by mutual consent to delay the selection date for the Independent Designees for the 2011 Annual Meeting to December 21, 2010.

Mark Pape (selected from a list pre-approved by Newcastle) and James Roddey (selected from a list pre-approved by Messrs. Esch and Krassner) were selected as the Independent Designees for the 2011 Annual Meeting. In connection with our upcoming annual meeting of stockholders, in lieu of the annual selection process, each of Newcastle and Messrs. Esch and Krassner, respectively, determined to re-nominate Mr. Pape and Mr. Roddey as the Independent Designees to the board of directors.

In addition to the obligations set forth above, the parties also agreed under the MSA Amendment (a) to vote against and not to propose (i) any amendment to the certificate of incorporation or bylaws or the adoption of any other corporate measure that (A) reduces or fixes the size of the board of directors below seven directors or increases or fixes the size of the board of directors in excess of seven directors or (B) provides that directors shall be elected other than on an annual basis and (b) not to seek to advise, encourage or influence (or form, join or in any way participate in any “group” or act in concert with) any other person with respect to the voting of any Wilhelmina voting securities inconsistent with the foregoing. Pursuant to the MSA Amendment, the parties also agreed that, beginning with the 2011 Annual Meeting and so long as the Mutual Support Agreement remains in effect, the parties will cause their representatives on the board of directors to vote to maintain the size of the board of directors at seven directors, unless otherwise agreed to by the respective board of directors designees of the parties.

Effective upon the date of the 2011 Annual Meeting, Newcastle designated Messrs. Coleman and Dvorak as its designees pursuant to the Mutual Support Agreement (replacing Messrs. Murray and Stone).

Although Wilhelmina is not a party to the Mutual Support Agreement, the board of directors unanimously approved the nomination of each of the designees thereunder for election to the board of directors at the 2011 Annual Meeting.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth information with respect to compensation earned by our Chief Executive Officer, Chief Financial Officer and General Counsel for each of the last two years. We refer to these executive officers as our “named executive officers.”

Table of Contents

Name and Principal Position	Year	Salary(\$)	Bonus(\$)	All Other Compensation(\$)	Total(\$)
Mark E. Schwarz	2011	150,000	-	-	150,000
Chief Executive Officer	2010	175,000	-	-	175,000
John Murray	2011	200,000	-	-	200,000
Chief Financial Officer	2010	204,166	75,000 (1)	-	279,166
Evan Stone	2011	125,000	-	-	125,000
General Counsel and Secretary	2010	145,833	-	-	145,833

(1) Represents a cash bonus paid to Mr. Murray.

Employment Agreements and Arrangements

Messrs. Schwarz, Murray and Stone are employed on an “at will” basis and do not have employment, severance or change in control agreements with Wilhelmina.

Potential Payments Upon Termination or Change in Control

We have no plans or other arrangements in respect of remuneration received or that may be received by our executive officers to compensate such officers in the event of termination of employment (as a result of resignation, retirement or change in control) or other events following a change in control.

Outstanding Equity Awards at Fiscal Year-End Table

The following table sets forth certain information regarding equity awards held by the named executive officers as of December 31, 2011.

Name	Option Awards		Option Exercise Price(\$)	Option Expiration Date
	Number of Securities Underlying Unexercised Options Exercisable(#)	Unexercisable(#)		
Mark E. Schwarz	-	-	-	-
John Murray	50,000	0	0.28	06/18/14
Evan Stone	-	-	-	-

Table of Contents

Director Compensation

For the fiscal year ended December 31, 2011, each of our non-employee directors was entitled to compensation consisting of \$28,000 in fees, stock options to purchase 100,000 shares of common stock, or a combination of cash and options. Each of our non-employee directors elected to receive their annual compensation for 2011 all in cash.

For the fiscal year ended December 31, 2011, Mark Pape earned an annual cash retainer of \$2,500 for his service as the Chairman of the Audit Committee and \$1,000 for his service as a member of the Compensation Committee. In addition, James Roddey earned an annual cash retainer of \$1,500 for his service as the Chairman of the Compensation Committee and \$2,000 for his service as a member of the Audit Committee.

The following table sets forth information with respect to compensation earned by or awarded to each non-employee director who served on the board of directors during the year ended December 31, 2011.

Name	Fees Earned or Paid in Cash(\$)	All Other Compensation(\$)	Total(\$)
Horst-Dieter Esch	28,000	-	28,000
Brad Krassner	28,000	-	28,000
Clinton Coleman(1)	21,000	-	21,000
James Dvorak(1)	21,000	-	21,000
Mark Pape(1)	24,500	-	24,500
James Roddey(1)	24,500	-	24,500

(1) _____ Elected to the board of directors in January 2011.

Table of Contents

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information regarding the number of shares of our common stock beneficially owned as of February 3, 2012 by:

- each person who is known by us to beneficially own 5% or more of our common stock;
- each of our directors and named executive officers; and
- all of our directors and executive officers as a group.

As of February 3, 2012, 129,440,752 shares of our common stock were outstanding. Unless otherwise indicated, the common stock beneficially owned by a holder includes shares owned by a spouse, minor children and relatives sharing the same home, as well as entities owned or controlled by such holders, and also includes options to purchase shares of our common stock exercisable within 60 days of February 3, 2012. Except as otherwise set forth below, the address of each of the persons or entities listed in the table is c/o Wilhelmina International, Inc., 200 Crescent Court, Suite 1400, Dallas, Texas 75201.

Name of Beneficial Owner	Common Stock		(1)
	Shares	%	
5% or Greater Stockholders			
Newcastle Partners, L.P.(2)	34,064,466(3)	26.3	
Lorex Investments AG(4)	28,677,115(5)	22.2	
Krassner Family Investments Limited Partnership(6)	29,759,077(7)	23.0	
Directors and Named Executive Officers			
Mark E. Schwarz	34,064,466(8)	26.3	
Clinton Coleman	0	-	
James Dvorak	0	-	
Horst-Dieter Esch	29,177,115(9)	22.5	
Brad Krassner	30,094,319(10)	23.2	
Mark Pape	0	-	
James Roddey	0	-	
John Murray	50,000	(11)	*
Evan Stone	0	-	
All directors and executive officers as a group (nine persons)	93,385,900(12)	72.1	

* Less than 1%

(1)Based on 129,440,752 shares of common stock outstanding as of February 3, 2012. With the exception of shares that may be acquired by employees pursuant to our 401(k) retirement plan, a person is deemed to be the beneficial owner of common stock that can be acquired within 60 days of February 3, 2012, upon the exercise of options. Each beneficial owner's percentage ownership of common stock is determined by assuming that options that are held by such person, but not those held by any other person, and that are exercisable within 60 days of February 3, 2012 have been exercised.

Table of Contents