

Edgar Filing: WHITNEY INFORMATION NETWORK INC - Form 10-Q

WHITNEY INFORMATION NETWORK INC

Form 10-Q

May 15, 2003

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Form 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934  
For the Quarter Ended March 31, 2003

Whitney Information Network, Inc.  
(Exact name of registrant as specified in its charter)

Colorado	0-27403	84-1475486
-----	-----	-----
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)
1612 Cape Coral Parkway, Suite A, Cape Coral, Florida 33904		
-----		
(Address of principal executive offices)		(Zip Code)

Registrant's telephone number, including area code (239) 542-8999

(Former name or former address, if changed since last report)

4818 Coronado Parkway, Cape Coral, Florida 33904

Securities registered under Section 12 (b) of the Exchange Act:  
NONE

Securities registered under Section 12 (g) of the Exchange Act:  
COMMON STOCK  
NO par value per share  
(Title of Class)

Check whether the Issuer (1) has filed all reports required to be filed by  
Section 13 or 15 (d) of the Exchange Act during the past 12 months (or for such  
shorter period that the Issuer was required to file such reports) and (2) has  
been subject to such filing requirements for the past 90 days. Yes X No

The Issuer had 8,102,874 and 8,096,624 common shares of common stock outstanding  
as of March 31, 2003 and December 31, 2002.

PART I

Item 1. Financial Statements

Whitney Information Network, Inc.  
Consolidated Financial Statements  
As of March 31, 2003 and December 31, 2002  
And for the Three Months Ended March 31, 2003 and 2002

Table of Contents  
-----

# Edgar Filing: WHITNEY INFORMATION NETWORK INC - Form 10-Q

Page

----

## Financial Statements

Consolidated Balance Sheets .....	F-1
Consolidated Statements of Operations .....	F-2
Consolidated Statements of Cash Flows .....	F-3
Notes to Consolidated Financial Statements .....	F-4

## WHITNEY INFORMATION NETWORK, INC. AND SUBSIDIARIES

### Consolidated Balance Sheets

	March 31, 2003	Decem 2
	-----	-----
	(Unaudited)	
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 15,785,501	\$ 12,
Accounts receivable	635,752	
Due from affiliates, net	119,896	
Prepaid advertising and other	1,099,349	
Inventory	296,820	
Deferred tax asset	1,112,000	
Deferred seminar expenses	3,993,177	2,
	-----	-----
Total current assets	23,042,495	16,
	-----	-----
Other assets		
Property and equipment, net	8,239,646	8,
Intangible assets, net	1,000,926	
Investment in foreign corporation	184,757	
Other assets	-	
	-----	-----
Total other assets	9,425,329	9,
	-----	-----
Total assets	\$ 32,467,824	\$ 26,
	=====	=====
<b>Liabilities and Stockholders' Deficit</b>		
Current liabilities		
Accounts payable	\$ 3,276,677	\$ 1,
Accrued seminar expenses	526,687	
Deferred revenue	30,419,038	24,
Accrued expenses	1,010,063	1,
Current portion of long-term debt	78,049	
Current portion of note payable-officer/stockholder	43,212	
	-----	-----
Total current liabilities	35,353,726	27,
Long-term debt, less current portion	1,606,408	1,

# Edgar Filing: WHITNEY INFORMATION NETWORK INC - Form 10-Q

Total liabilities	36,960,134	29,
Stockholders' deficit		
Common stock, no par value, 25,000,000 shares authorized, 8,102,874 and 8,096,624 shares issued and outstanding	961,456	
Paid-in capital	448,600	
Accumulated deficit	(5,902,366)	(4,
Total stockholders' deficit	(4,492,310)	(3,
Total liabilities and stockholders' deficit	\$ 32,467,824	\$ 26,
	=====	=====

See notes to consolidated financial statements.

F-1

## WHITNEY INFORMATION NETWORK, INC. AND SUBSIDIARIES

### Consolidated Statements of Operations

	For the Thr Ma
	2003
	(Unaudited)
Sales	\$ 13,303,839
Expenses	
Direct course expenses	7,574,372
Advertising and sales expense	4,540,615
General and administrative expense	3,836,939
Total expenses	15,951,926
Income (loss) from operations	(2,648,087)
Other income (expense)	
Interest and other income	146,918
Interest expense	(22,210)
Income (loss) before income taxes	(2,523,379)
Income tax benefit	1,112,000
Net income (loss)	\$ (1,411,379)
	=====

# Edgar Filing: WHITNEY INFORMATION NETWORK INC - Form 10-Q

Basic income (loss) per share	\$ (0.17)
Weighted average shares outstanding	8,099,152
Diluted income (loss) per common share	\$ (0.15)
Diluted weighted average common shares outstanding	9,624,077

See notes to consolidated financial statements.

F-2

## WHITNEY INFORMATION NETWORK, INC. AND SUBSIDIARIES

### Consolidated Statements of Cash Flows

	For the Three Months March 31,	
	2003	
	(Unaudited)	
Cash flows from operating activities		
Net income (loss)	\$ (1,411,379)	\$
Adjustments to reconcile net income (loss) to net cash provided by operating activities		
Depreciation and amortization	232,172	
Deferred tax asset	(1,112,000)	
Changes in assets and liabilities		
Accounts receivable	(127,833)	
Prepaid advertising and other	(402,908)	
Income taxes receivable and prepayments	-	
Inventory	66,735	
Deferred seminar expenses	(1,085,763)	
Other assets	27,128	
Accounts payable	1,514,063	
Accrued seminar expense	463,065	
Deferred revenue	5,869,609	
Accrued expenses	(115,599)	
	5,328,669	
Net cash provided by operating activities	3,917,290	
Cash flows from investing activities		
Note receivable	-	
Purchases of property and equipment	(67,313)	
Loans to affiliates, net	(115,807)	

## Edgar Filing: WHITNEY INFORMATION NETWORK INC - Form 10-Q

Net cash used in investing activities	(183,120)
	-----
Cash flows from financing activities	
Principal payments on note payable - officer/stockholder	(15,842)
Payments of principal on long-term debt	(25,004)
Proceeds from exercise of stock options	11,624
	-----
Net cash used in financing activities	(29,222)
	-----
Net increase in cash and cash equivalents	3,704,948
Cash and cash equivalents, beginning of period	12,080,553
	-----
Cash and cash equivalents, end of period	\$ 15,785,501
	=====

### Supplemental cash flow information:

Cash paid for interest was \$22,210 and \$11,600 for the three months ended March 31, 2003 and 2002, respectively.

See notes to consolidated financial statements.

F-3

### WHITNEY INFORMATION NETWORK, INC. AND SUBSIDIARIES

#### Supplemental disclosure of non-cash activity:

During 2003, the Company issued 2,500 shares of common stock, valued at \$10,000, in exchange for assets the Company recorded as intangible assets.

See notes to consolidated financial statements.

F-4

### WHITNEY INFORMATION NETWORK, INC. AND SUBSIDIARIES

#### Notes to Consolidated Financial Statements

#### Note 1 - Significant Accounting Policies

The accompanying consolidated financial statements are unaudited and reflect all adjustments (consisting only of normal recurring adjustments), which are, in the opinion of management, necessary for a fair presentation of the financial position and operating results for the interim periods. The consolidated financial statements should be read in conjunction with the financial statements and notes thereto contained in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission April 15, 2003, which includes audited financial statements for the years ended December 31, 2002 and 2001. The results of operations for the three months ended March 31, 2003, may not be indicative of the results of operations for the year ended December 31, 2003.

#### Recently Issued Accounting Pronouncements

## Edgar Filing: WHITNEY INFORMATION NETWORK INC - Form 10-Q

In December 2002, the FASB issued SFAS No. 148 "Accounting for Stock-Based Compensation- Transition and Disclosure". This statement amends SFAS No. 123, "Accounting for Stock-Based Compensation" to provide alternative methods of transition for an entity that voluntarily changes to the fair value method of accounting for stock-based compensation. In addition, SFAS 148 amends the disclosure provision of SFAS 123 to require more prominent disclosure about the effects of an entity's accounting policy decisions with respect to stock-based employee compensation on reported net income. The effective date for this Statement is for fiscal years ended after December 15, 2002.

The adoption of this statement did not have a material effect on the consolidated financial statements as the Company continues to account for stock based compensation under the intrinsic value approach, and follows the pro-forma disclosure requirements of SFAS 123, as amended by SFAS 148.

### Note 2 - Related Party Transactions

The Company has rented its headquarters location in Cape Coral, Florida, since 1992 from the Chairman of the Board and pays rent on annual leases. Rentals under the related party lease were \$15,148 and \$18,462 for the three months ended March 31, 2003 and 2002, respectively. The Company leases approximately 8,700 square feet presently.

MRS Equity Corp. provides certain products and services for Whitney Information Network, Inc. and Whitney Information Network, Inc. provides MRS Equity Corp. with payroll services including leased employees. Whitney Information Network, Inc. provided payroll services to MRS Equity Corp. in the amounts of \$59,570 and \$29,381 for the three months ended March 31, 2003 and 2002, respectively. MRS Equity Corp. provided Whitney Information Network, Inc. with \$164,400 and \$136,650 for product costs for the three months ended March 31, 2003 and 2002, respectively. MRS Equity Corp. is a 100 percent subsidiary of Equity Corp. Holdings, Inc. of which the Chairman of the Board of Whitney Information Network, Inc. owns a controlling interest.

During 2003 and 2002, Whitney Information Network made payments of \$31,375 and \$49,999, respectively, for registration fees and commissions to Whitney Leadership Group, Inc. The Chairman of the Board of Whitney Information Network, Inc. is the President and Chief Operating Officer of Whitney Leadership Group, Inc.

F-5

## WHITNEY INFORMATION NETWORK, INC. AND SUBSIDIARIES

### Notes to Consolidated Financial Statements

United States Fiduciary Corp. is a company that provides telemarketing services for Whitney Information Network, Inc. The Chairman of the Board of Directors and the Chief Financial Officer were members of the board of directors of United States Fiduciary Corp. During 2003 and 2002, Whitney Information Network, Inc. paid \$0 and \$121,115, respectively, in commission payments to United States Fiduciary Corp.

RAW, Inc. is a company owned by the Chairman of the Board of Whitney Information Network, Inc., which buys, sells and invests in real property.

Those items above that are reasonably expected to be collected within one year are shown as current and those that are not expected to be collected during the next year are shown as non-current.

## Edgar Filing: WHITNEY INFORMATION NETWORK INC - Form 10-Q

The following balances are due from related parties:

	March 31, 2003 ----- (Unaudited)	December 31, 2002 -----
Due from Whitney Leadership Group	\$ 68,641	\$
Due from RAW, Inc.	4,089	4,089
Due from MRS Equity Corp	47,166	
	-----	-----
	\$ 119,896	\$ 4,089
	=====	=====

### Note 3 - Commitments and Contingencies

#### Litigation

The Company is not involved in any material asserted or unasserted claims and actions arising out of the normal course of its business that in the opinion of the Company, based upon knowledge of facts and advice of counsel, will result in a material adverse effect on the Company's financial position.

#### Other

The Company carries liability insurance coverage, which it considers sufficient to meet regulatory and consumer requirements and to protect the Company's employees, assets and operations.

The Company, in the ordinary course of conducting its business, is subject to various state and federal requirements. In the opinion of management, the Company is in compliance with these requirements.

F-6

## WHITNEY INFORMATION NETWORK, INC. AND SUBSIDIARIES

### Notes to Consolidated Financial Statements

#### Note 4 - Income Taxes

As of March 31, 2003 and December 31, 2002, the Company has net operating loss (NOL) carryforwards for tax purposes of approximately \$7,175,000 and \$3,600,000, respectively, which expire in the years 2003 through 2022.

Deferred tax liabilities and assets are determined based on the difference between the financial statement assets and liabilities and tax basis assets and liabilities using the tax rates in effect for the year in which the differences occur. The measurement of deferred tax assets is reduced, if necessary, by the amount of any tax benefits that based on available evidence, are not expected to be realized.

The accompanying balance sheets include the following:

Edgar Filing: WHITNEY INFORMATION NETWORK INC - Form 10-Q

	March 31, 2003	December 2002
	----- (Unaudited)	-----
Deferred tax asset from NOL carryforward	\$ 2,677,000	\$ 1,300,000
Deferred tax liability from deferred expense/revenue recognition	(1,565,000)	(1,100,000)
	-----	-----
Total deferred tax asset	1,112,000	1,200,000
Valuation allowance for deferred tax asset	-	(1,100,000)
	-----	-----
Net deferred tax asset	\$ 1,112,000	\$ 1,100,000
	=====	=====

Note 5 - Stockholders' Equity and Transactions

Stock Based Compensation Plans

The Company's stock option plans provide for the granting of stock options to key employees. Under the terms and conditions of the plans, any time between the grant date and two years of service, the employee may purchase up to 25% of the option shares. After three years of continuous service, the employee may purchase all remaining option shares. All options expire ten years from the date of the grant.

F-7

WHITNEY INFORMATION NETWORK, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

The following table presents the activity for options outstanding:

	Options Related To A Plan	Weighted Average Exercise Price
	-----	-----
Outstanding - December 31, 2000	1,093,650	\$ 1.94
Granted	10,000	\$ 1.70
Forfeited/canceled	(181,850)	\$ (1.94)
	-----	
Outstanding - December 31, 2001	921,800	\$ 1.94
Granted	651,750	\$ 1.81
Forfeited/canceled	(141,000)	\$ (1.98)
Exercised	(26,375)	\$ (2.13)
	-----	
Outstanding - December 31, 2002	1,406,175	\$ 1.93
Granted	152,500	\$ 3.70
Forfeited/canceled	(30,000)	\$ (2.29)
Exercised	(3,750)	\$ (3.10)
	-----	



# Edgar Filing: WHITNEY INFORMATION NETWORK INC - Form 10-Q

Outstanding - March 31, 2003 1,524,925      \$      2.11  
-----

The following table presents the composition of options outstanding and exercisable:

Range of Exercise Prices	Number of Options	Price*	Life*
-----	-----	-----	-----
\$ 1.70	10,000	\$ 1.70	8.49
\$ 1.75	45,000	\$ 1.75	7.10
\$ 1.81	330,225	\$ 1.81	9.00
\$ 1.88	288,800	\$ 1.88	6.43
\$ 2.00	683,400	\$ 2.00	7.12
\$ 3.10	15,000	\$ 3.10	9.43
\$ 3.70	152,500	\$ 3.70	9.92
	-----		
\$1.70 to \$3.70	1,524,925	2.11	7.70
=====	=====	=====	=====

\*Price and Life reflect the weighted average exercise price and weighted average remaining contractual life, respectively.

The Company has adopted the disclosure-only provisions of Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation." Accordingly, no compensation cost has been recognized for the stock option plans. Had compensation cost for the Company's option plan been determined based on the fair value at the grant date for awards consistent with the provisions of SFAS No. 123, the Company's net income (loss) and basic income (loss) per common share would have been changed to the pro forma amounts indicated below:

F-8

## WHITNEY INFORMATION NETWORK, INC. AND SUBIDIARIES

### Notes to Consolidated Financial Statements

	For the Three Months Ended March 31,	
	2003	2002
	-----	-----
Net income (loss) - as reported	\$ (1,411,379)	\$ 3,371,041
Net income (loss) - pro forma	\$ (1,689,524)	\$ 3,371,041
Basic income (loss) per common share - as reported	\$ (.17)	\$ 0.43
Basic income (loss) per common share - pro forma	\$ (.21)	\$ 0.43

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions used:

For the Periods Ended

# Edgar Filing: WHITNEY INFORMATION NETWORK INC - Form 10-Q

	March 31,	
	2003	2002
Approximate risk free rate	6.00%	6.00%
Average expected life	10 years	10 years
Dividend yield	0%	0%
Volatility	20%	154%
Estimated fair value of total options granted	\$278,145	\$ 0

## Note 6 - Income (Loss) Per Share

The following table sets forth the computation for basic and diluted earnings per share:

	For the Periods Ended March 31,	
	2003	2002
Numerator for diluted income (loss) per common share	\$ (1,411,379) =====	\$ 3,371, =====
Denominator for basic earnings per share - weighted average shares	8,099,152	7,878,
Effect of dilutive securities - convertible debt, options and warrants	1,524,925 -----	-----
Denominator for diluted earnings per share - adjusted weighted average shares	9,624,077 =====	7,878, =====
Diluted income (loss) per common share	\$ (.15) =====	\$ =====

Where the inclusion of potential common shares is anti-dilutive, such shares are excluded from the computation.

F-9

## WHITNEY INFORMATION NETWORK, INC. AND SUBIDIARIES

### Notes to Consolidated Financial Statements

#### Note 7 - Business Segment Information

The Company and its subsidiaries operate primarily in only one business segment. The Company's revenues are generated through the sale of real estate seminars, programs and products. Only approximately 2.3% of the Company's revenues are generated relating to investment trading related programs and products. The Company and each of its subsidiaries either directly participate in the real estate market or provide services to one of the subsidiaries.

## Edgar Filing: WHITNEY INFORMATION NETWORK INC - Form 10-Q

The Company does maintain operations in foreign countries outside the United States. The following provides both revenues and long-lived asset values by location for the period ending March 31, 2003.

Location	For the Period Ended March 31, 2003	
	Revenues	Long-Lived Assets
United States	\$ 10,592,087	\$ 8,340,821
Canada	907,388	17,316
United Kingdom	1,804,364	70,970
Costa Rica	-	811,465
	\$ 13,303,839	\$ 9,240,572

### Note 8 - Subsequent Event

In February 2003, the Company entered into an agreement with one of its officers to purchase all of the outstanding shares of Equity Corp. Holdings, Inc. which owns MRS Equity Corp. The purchase price was \$250,000. In addition, the Company also assumed a \$4,750,000 note payable due to the Company's Chairman of the Board and majority shareholder. This liability arose from the officers' redemption of 90% ownership of Equity Corp. Holdings, Inc. of the Chairman of the Board and majority shareholder in June 2002.

In February 2003, the Company entered into an agreement with the Company's Chairman of the Board and majority shareholder to purchase all of the outstanding shares of Whitney Leadership Group, Inc. The purchase price for this transaction was \$1,200,000.

The Company expects these transactions to close in May 2003. Both agreements are subject to a number of contingencies, including due diligence and a fairness opinion acceptable to the Company's legal counsel.

F-10

### ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

The following discussion should be read in conjunction with the consolidated financial statements and notes thereto.

None of the Company's business is subject to seasonal fluctuations.

**Revenues:** Total revenue for the three months ended March 31, 2003 was \$13,303,839, a decrease of \$2,149,179 or 13.9% compared to the same period in 2002 of \$15,453,018. The advance training courses sold exceeded the advance training courses attended by \$5,869,609, and consequently, this excess revenue amount was required to be deferred to future periods. In addition, during the year 2001, the Company changed its policy regarding contract expirations and began recognizing revenue at the time when contracts expire.

**Advertising and Sales Expense:** Advertising and sales expense, of which

## Edgar Filing: WHITNEY INFORMATION NETWORK INC - Form 10-Q

advertising represents approximately 60% of these expenses for the three months ended March 31, 2003, was \$4,540,615, an increase of \$1,466,348 or 47.7% compared to the same period in 2002. The increase in Advertising and Sales expense is due to an increase in media buys due to the expansion in the number of events being held by the Teach Me To Trade division, and by the increased events in the United Kingdom. Also advertising and sales expenses increased due to recognizing those expenses that gave rise to the deferred revenues this period and conversely, the company was not able to recognize those revenues which were deferred to future periods under Generally Accepted Accounting Principles.

General and Administrative expenses increased to \$3,836,939 an increase of \$885,446, or 30% over the comparable period in 2002 of \$2,951,493. This increase is due primarily to increased personnel hired in the quarter to handle the increase in the Company's volume, and management bonuses issued for the first quarter of 2003 which approximated \$650,000.

Seminar expenses increased proportionately in comparison with the increase in sales for the first quarter of 2003 to \$7,574,372 an increase of \$1,426,169 or 23.2% over the prior comparable period in 2002. This increase is consistent with the increase in sales.

Net Loss for the three months ending March 31, 2003 was \$1,411,379 as compared with a net income of \$3,371,041 for the three months ending March 31, 2002, a decrease of \$4,782,420 or 141.9% or  $-\$.17$  per share as compared to  $\$.43$  per share for the prior period. The decrease is directly attributable to the increase in deferred revenues in 2003 over the prior period, the decrease in the amount of revenue recognized due to expirations, increased general and administrative expenses and a proportionate increase in advertising expenses.

Earnings (Loss) Before Interest, Taxes, Depreciation and Amortization (EBITDA) for the three months ended March 31, 2003 and 2002 was (\$1,303,915) and \$3,474,777 respectively. EBITDA is defined as net income (loss) before income taxes, and interest, plus depreciation and amortization. Net (loss) income per share was  $-\$.15$  for the three months ending March 31, 2003 as compared to net income of  $\$.43$  per share for the prior year period ending March 31, 2002.

More than 24,000 new students register for one or more of the Company's programs each month. The Company's success can also be attributed to the fact that a large percentage of its gross annual revenue can be attributed to repeat business, a factor that also indicates students find its training is effective.

### Liquidity and Capital Resources

The Company's capital requirements consist primarily of working capital, capital expenditures and acquisitions. Historically, the Company has funded its working capital and capital expenditures using cash and cash equivalents on hand. Cash increased by \$3,704,948 to \$15,785,501, compared to an increase of \$4,597,947 in the previous comparable period in 2002.

The Company's cash provided by operating activities was \$3.92 million and \$5.00 million for the three months ended March 31, 2003 and 2002, respectively. In the first quarter 2002, cash flows from advanced training programs were positively impacted by the increased collection efforts by the sales associates accompanying the instructors and trainers at the training locations.

The Company's cash used in investing activities was \$183,120 and \$366,227 for the three months ended March 31, 2003 and 2002, respectively. The Company's investing activities for the three months ended March 31, 2003 and 2002 were primarily attributable to the purchase of office property and equipment and

## Edgar Filing: WHITNEY INFORMATION NETWORK INC - Form 10-Q

related party transactions described in the accompanying financial statements.

The following reflects our commitments for capital expenditures, debt and other commitments.

	Capital Expenditures	Debt/(1)/	Operating Lease Commitments	Total
	-----	-----	-----	-----
2003	--	121,261	82,995	204,256
2004	--	861,073	89,952	951,025
2005	--	352,341	88,547	440,888
2006	--	356,405	73,359	429,764
2007	--	60,784	--	60,784
Thereafter	--	938,305	--	938,305
	-----	-----	-----	-----
Total	--	2,609,169	334,853	3,025,022

(1) Includes the debt associated with the Company's purchase of two related party companies.

### FORWARD-LOOKING STATEMENTS

Certain information included in this report contains forward-looking statements made pursuant to the Private Securities Litigation Reform Act of 1995 ("Reform Act"). Such statements are based on current expectations and involve a number of known and unknown risks and uncertainties that could cause the actual results and performance of the Company to differ materially from any expected future results or performance, expressed or implied, by the forward-looking statements. In connection with the safe harbor provisions of the reform act, the Company has identified important factors that could cause actual results to differ materially from such expectations, including operating uncertainty, acquisition uncertainty, uncertainties relating to economic and political conditions and uncertainties regarding the impact of regulations, changes in government policy and competition. Reference is made to all of the Company's SEC filings, including the Company's Report on Form 10SB, incorporated herein by reference, for a description of certain risk factors. The Company assumes no responsibility to update forward-looking information contained herein.

### Item 4. CONTROLS AND PROCEDURES

The Company, under the supervision of the chief executive and financial officer, has conducted an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures within 90 days of the filing date of this quarterly report. Based upon the results of this evaluation, the Company believes that they maintain proper procedures for gathering, analyzing and disclosing all information in a timely fashion that is required to be disclosed in its Exchange Act reports. There have been no significant changes in the Company's controls subsequent to the evaluation date.

## PART II

### ITEM 1. LEGAL PROCEEDINGS

The Company is not a party defendant in any material pending or threatened litigation and to its knowledge, no action, suit or proceedings has been threatened against its officers and its directors.

## Edgar Filing: WHITNEY INFORMATION NETWORK INC - Form 10-Q

### ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

The rights of the holders of the Company's securities have not been modified nor have the rights evidenced by the securities been limited or qualified by the issuance or modification of any other class of securities.

### ITEM 3. DEFAULTS UPON SENIOR SECURITIES

There are no senior securities issued by the Company.

### ITEM 4. SUBMISSION OF MATTERS TO VOTE OF SECURITY HOLDERS

No matter was submitted during the three months ended March 31, 2003 to a vote of security holders, through the solicitation of proxies or otherwise.

### ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a)	Exhibit No.	Description
	-----	-----
	10.1	Stock Purchase Agreement for the Whitney Information Network, Inc.'s purchase of Whitney Leadership Group, Inc.
	10.2	Stock Purchase Agreement for the Whitney Information Network, Inc.'s purchase of Equitycorp Holdings, Inc.
	99.1	Certification of the Chief Executive Officer and Chief Financial Officer of Whitney Information Network, Inc. Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
	99.2	Certification of the Chief Executive Officer and Chief Financial Officer of Whitney Information Network, Inc. Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

#### (b) Reports on Form 8-K

No reports were filed on Form 8-K during the quarter ended March 31, 2003

### SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

WHITNEY INFORMATION NETWORK, INC.

Dated: May 15, 2003

By: /s/ Russell A. Whitney

-----  
Russell A. Whitney  
President

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

## Edgar Filing: WHITNEY INFORMATION NETWORK INC - Form 10-Q

Signature -----	Title -----	Date ----
/s/Russell A. Whitney ----- Russell A. Whitney	President/Director/Chairman/  Chief Executive Officer	May 15, 2012
/s/Richard S. Simon ----- Richard S. Simon	Secretary/Treasurer/Chief Financial Officer/  Principal Accounting Officer and Director	May 15, 2012

Certification Pursuant to 18 U.S.C. Section 1350, As Adopted  
Pursuant to Section 302 of The Sarbanes-Oxley Act of 2002

I, Russell A. Whitney, the Chief Executive Officer of Whitney Information Network, Inc. (the "Company"), certify that:

1. I have reviewed this quarterly report on Form 10-Q of the Company;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
  - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
  - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
  - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
  - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

## Edgar Filing: WHITNEY INFORMATION NETWORK INC - Form 10-Q

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Dated: May 15, 2002

/s/ Russell A. Whitney

-----

Name: Russell A. Whitney

Title: Chief Executive Officer

Certification Pursuant to 18 U.S.C. Section 1350, As Adopted  
Pursuant to Section 302 of The Sarbanes-Oxley Act of 2002

I, Ronald S. Simon, the Chief Financial Officer of Whitney Information Network, Inc. (the "Company"), certify that:

1. I have reviewed this quarterly report on Form 10-Q of the Company;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
  - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
  - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
  - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
  - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and



## Edgar Filing: WHITNEY INFORMATION NETWORK INC - Form 10-Q

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Dated: May 15, 2002

/s/ Ronald S. Simon

-----

Name: Ronald S. Simon

Title: Chief Financial Officer