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JLM COUTURE INC
Form 10-Q
June 21, 2004

UNITED STATES
SECURITIES AND FORM 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 quarterly period ended April 30, 2004

OR

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

For the transition period from _____ to _____.

Commission file number 0-19000

JLM COUTURE, INC.

(Exact name of registrant as specified in its charter)

Delaware 13-3337553

(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

225 West 37th Street, New York, New York 10018

(Address of principal executive offices) (Zip Code)

(212) 921-7058

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year,
if changed since last report)
Indicate by check mark whether the registrant (1) has filed
all reports required to be filed by Section 13 or 15(d) of the
Exchange Act of 1934 during the preceding 12 months (or for such
shorter period that the registrant was required to file such
reports), and (2) has been subject to such filing requirements
for the past 90 days.

Yes No

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Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes [] No [x]

The number of shares outstanding of the issuer's common stock, par value \$.0002 per share, as of June 20, 2004 was 2,334,530.

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JLM COUTURE, INC.

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DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This report includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. For example, statements included in this report regarding the Company's financial position, business strategy and other plans and objectives for future operations, and assumptions and predictions about future product demand, supply, manufacturing, costs, marketing and pricing factors are all forward-looking statements. When the Company uses words like "intend," "anticipate," "believe," "estimate," "plan" or "expect," it is making forward-looking statements. The Company believes that the assumptions and expectations reflected in such forward-looking statements are reasonable, based on information available to it on the date hereof, but the Company cannot assure you that these assumptions and expectations will prove to have been correct or that the Company will take any action that it may presently be planning. The Company is not undertaking to publicly update or revise any forward-looking statement if it obtains new information or upon the occurrence of future events or otherwise.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To JLM Couture, Inc.

We have reviewed the accompanying condensed consolidated balance sheet of JLM Couture, Inc. and Subsidiaries as of April 30, 2004, and the related condensed consolidated statements of income for the three-month and six-month periods ended April 30, 2004 and 2003 and the related condensed consolidated statements of cash flows for the six-months periods ending April 30, 2004 and 2003. These financial statements are the responsibility of the Company's management.

We conducted our reviews in accordance with standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with standards of the Public Company Accounting Oversight Board, the objective of which is the expression of an opinion regarding the condensed consolidated financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the condensed consolidated interim financial statements referred to above for them to be in conformity with United States generally accepted accounting principles.

We have previously audited, in accordance with standards of the Public Company Accounting Oversight Board, the consolidated

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balance sheet as of October 31, 2003, and the related consolidated statements of income, shareholders' equity, and cash flows for the year then ended (not presented herein), and in our report dated January 21, 2004, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of October 31, 2003 is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it is derived.

GOLDSTEIN GOLUB KESSLER LLP
 New York, New York
 June 17, 2004

PART I. FINANCIAL INFORMATION

JLM COUTURE, INC. AND SUBSIDIARIES
 CONDENSED CONSOLIDATED BALANCE SHEETS

	April 30, 2004	October 31, 2003
	----- (Unaudited)	-----
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 669,720	\$ 1,219,063
Accounts receivable, net of allowance for doubtful accounts of \$301,000	4,700,120	3,610,523
Inventories, net	4,504,180	4,070,192
Prepaid expenses and other current assets	384,894	325,283
Deferred income taxes	9,800	20,000
Prepaid taxes	-	76,188
	-----	-----
Total current assets	10,268,714	9,321,249
Equipment and leasehold improvements, net of accumulated depreciation and amortization of \$572,970 at April 30, 2004 and \$515,333 at October 31, 2003	637,044	677,357
Goodwill	211,272	211,272
Samples, net of accumulated amortization of \$226,336 at April 30, 2004 and \$108,190 at October 31, 2003	196,774	247,120
Other Assets	94,416	94,416
	-----	-----
Total Assets	\$11,408,220	\$10,551,414
	=====	=====

See accompanying notes to condensed consolidated financial statements.

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CONDENSED CONSOLIDATED BALANCE SHEETS

LIABILITIES AND SHAREHOLDERS' EQUITY

	April 30, 2004	October 31, 2003
	-----	-----
	(Unaudited)	
Current liabilities:		
Accounts payable	\$ 1,564,332	\$ 1,193,570
Accrued expenses and other current liabilities	742,326	917,630
Income taxes payable	187,812	-
	-----	-----
Total current liabilities	2,494,470	2,111,200
Deferred income taxes	615,000	615,000
	-----	-----
Total liabilities	3,109,470	2,726,200
	-----	-----
Shareholders' equity:		
Preferred stock - \$.0001 par value, authorized 1,000,000 shares; issued and outstanding- none		
Common stock - \$.0002 par value, authorized 10,000,000 shares; issued 2,344,530 at April 30, 2004 and October 31, 2003; Outstanding 1,912,694 at April 30, 2004 and October 31, 2003	465	465
Additional paid-in capital	3,679,542	3,679,542
Retained earnings	6,247,209	5,879,980
	-----	-----
	9,927,216	9,559,987
Less: Deferred compensation	(205,625)	(248,750)
Notes receivable and accrued interest	(265,960)	(317,960)
Treasury stock at cost: 431,836 shares at April 30, 2004 and October 31, 2003	(1,142,968)	(1,142,968)
Accumulated other comprehensive loss	(13,913)	(25,095)
	-----	-----
Total shareholders' equity	8,298,750	7,825,214
	-----	-----
Total Liabilities and Shareholders' Equity	\$11,408,220	\$10,551,414
	=====	=====

See accompanying notes to condensed consolidated financial statements.

JLM COUTURE, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE AND SIX MONTHS
ENDED APRIL 30, 2004 AND 2003
(Unaudited)

Three Months Ended

Six Months Ended

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	April 30,		April 30,	
	2004	2003	2004	2003
	-----	-----	-----	-----
Net sales	\$7,685,109	\$8,021,560	\$13,005,805	\$13,675,508
Cost of goods sold	4,673,257	4,713,779	7,938,884	7,954,475
	-----	-----	-----	-----
Gross profit	3,011,852	3,307,781	5,066,921	5,721,033
Selling, general and administrative expenses	2,414,247	2,620,927	4,419,418	4,686,541
	-----	-----	-----	-----
Operating income	597,605	686,854	647,503	1,034,492
Interest Income, net of interest expense of \$3,696 and \$4,961 for 2004 and 2003, respectively	1,078	1,131	4,726	3,998
	-----	-----	-----	-----
Income before provision for income taxes	598,683	687,985	652,229	1,038,490
Provision for income taxes	263,000	295,000	285,000	445,000
	-----	-----	-----	-----
Net income	\$ 335,683	\$ 392,985	\$ 367,229	\$ 593,490
	=====	=====	=====	=====
Net income per weighted average number of common shares:				
Basic	\$ 0.18	\$ 0.21	\$ 0.19	\$ 0.31
	=====	=====	=====	=====
Diluted	\$ 0.17	\$ 0.19	\$ 0.19	\$ 0.29
	=====	=====	=====	=====
Weighted average number of common shares outstanding:				
Basic	1,912,694	1,908,999	1,912,694	1,920,708
	=====	=====	=====	=====
Diluted	1,968,294	2,060,727	1,970,737	2,069,912
	=====	=====	=====	=====

See accompanying notes to condensed consolidated financial statements.

JLM COUTURE, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED
APRIL 30, 2004 and 2003
(Unaudited)

	2004	2003
	-----	-----
Cash Flows from Operating Activities:		
Net income	\$ 367,229	\$593,490
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation	57,637	44,585
Accrued interest on note receivable	(1,250)	-
Deferred compensation	43,125	43,125
Provision for doubtful accounts and trade discounts	-	50,000

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Changes in operating assets and liabilities:		
Increase in accounts receivable	(1,089,597)	(1,587,912)
(Increase) decrease in inventories	(433,988)	105,046
(Increase) decrease in prepaid expenses and other current assets	(59,611)	152,958
Decrease in prepaid taxes	76,188	-
Decrease (increase) in samples	50,346	(542)
Decrease (increase) in deferred income taxes	10,200	(44,875)
Increase in accounts payable	370,762	630,248
Decrease in accrued expenses and other current liabilities	(175,304)	(219,203)
Increase (decrease) in taxes payable	187,812	(175,200)
	-----	-----
Net cash used in Operating Activities	(596,451)	(408,280)
	-----	-----
Cash Flows From Investing Activities:		
Purchase of property and equipment	(17,324)	(154,822)
Net proceeds from notes receivable	53,250	-
	-----	-----
Net cash provided by (used in) Investing Activities	35,926	(106,947)
	-----	-----
Cash Flows from Financing Activities:		
Purchase of treasury stock	-	(214,261)
	-----	-----
Net cash used in Financing Activities	-	(214,261)
	-----	-----
Foreign currency translation	11,182	-
	-----	-----
Net decrease in cash	(549,343)	(729,488)
Cash, beginning of period	1,219,063	958,810
	-----	-----
Cash, end of period	\$ 669,720	\$ 229,322
	=====	=====

See accompanying notes to condensed consolidated financial statements.

JLM COUTURE, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED
APRIL 30, 2004 and 2003
(Unaudited)

Supplemental Disclosures of Cash Flow Information:

	2004	2003
	-----	-----
Cash paid during the period for:		
Interest	\$12,841	\$ 9,360
	=====	=====
Income taxes	-	\$520,000
	=====	=====

See accompanying notes to condensed consolidated financial statements.

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JLM COUTURE, INC. AND SUBSIDIARIES
 NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 (Unaudited)

Note 1. Basis of Presentation

The condensed consolidated balance sheet as of April 30, 2004, the condensed consolidated statements of income for the three and six month periods ended April 30, 2004 and 2003 and the condensed consolidated statements of cash flows for the six month periods ended April 30, 2004 and 2003 have been prepared by the Company, without audit. In the opinion of management, all adjustments necessary to present fairly the financial position, results of operations and cash flows, as of April 30, 2004 and for all periods presented have been made. The results of operations are not necessarily indicative of the results to be expected for the full year.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been omitted. It is suggested that these financial statements be read in conjunction with the financial statements and notes thereto included in the Company's Form 10-K/A for its fiscal year ended October 31, 2003, which was filed with the Securities and Exchange Commission.

Sales for the three and six month period ended April 30, 2003, have been reclassified to include shipping charges billed to customers.

The Company has elected to apply Accounting Principles Board ("APB") Opinion No. 25, Accounting for Stock Issued to Employees, and related interpretations in accounting for its stock options issued to employees (intrinsic value) and has adopted the disclosure-only provisions of Statement of Financial Accounting Standards ("SFAS") No. 123, Accounting for Stock-Based Compensation. Had the Company elected to recognize compensation cost based on the fair value of the options granted at the grant date as prescribed by SFAS No. 123, the Company's net income and income per common share would have been as follows:

JLM COUTURE, INC. AND SUBSIDIARIES
 NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 (Unaudited)

Three months ended April 30,	2004	2003
Net income - as reported	\$335,683	\$392,985
Deduct: Total stock-based employee compensation expense determined under fair value based method for		

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all awards, net of related tax effects	11,475	14,416

Net income - pro forma	\$334,208	\$378,569
=====		
Basic income per share - as reported	\$ 0.18	\$ 0.21
=====		
Basic income per share - pro forma	\$ 0.17	\$ 0.20
=====		
Diluted income per share - as reported	\$ 0.17	\$ 0.19
=====		
Diluted income per share - pro forma	\$ 0.16	\$ 0.18
=====		

Six months ended April 30,	2004	2003

Net income - as reported	\$367,229	\$593,490
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects		
	27,991	23,790

Net income - pro forma	\$339,238	\$569,700
=====		
Basic income per share - as reported	\$ 0.19	\$ 0.31
=====		
Basic income per share - pro forma	\$ 0.18	\$ 0.30
=====		
Diluted income per share - as reported	\$ 0.19	\$ 0.29
=====		
Diluted income per share - pro forma	\$ 0.17	\$ 0.28
=====		

JLM COUTURE, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 2. Inventories

Inventories are stated at the lower of cost (first in, first out) or market and include material, labor and overhead.

Inventories consisted of the following:

	April 30, 2004	October 31, 2003
	-----	-----
Raw materials	\$3,206,957	\$3,319,321
Work-in-process	691,259	180,816
Finished goods	605,964	570,055
	-----	-----
	\$4,504,180	\$4,070,192

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Raw materials are shown net of \$150,000 obsolescence reserve at April 30, 2004 and October 31, 2003.

Note 3. Revolving Line of Credit

The Company has an available line of credit of up to \$1,250,000 with a financial institution. Borrowings are collateralized by the Company's cash, accounts receivable, securities, deposits and general intangibles. At April 30, 2004 and October 31, 2003 the Company had no outstanding balances under the revolving line of credit.

JLM COUTURE, INC. AND SUBSIDIARIES NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Critical Accounting Policies

The preparation of our condensed consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and judgments that affect the reported amounts of assets and liabilities, net sales and expenses, and the related disclosures. We base our estimates on historical experience, our knowledge of economic and market factors and various other assumptions that we believe to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. We believe the following critical accounting policies are affected by significant estimates, assumptions and judgments used in the preparation of our condensed consolidated financial statements.

Allowances for Doubtful Accounts

We maintain an allowance for doubtful accounts for losses that we estimate will arise from our customers' inability to make required payments. We make our estimates of the uncollectability of our accounts receivable by analyzing historical bad debts, specific customer creditworthiness and current economic trends. The allowance for doubtful accounts was \$301,000 at April 30, 2004 and October 31, 2003.

Inventory Valuation

We regularly assess the valuation of our inventories and write down those inventories which are obsolete or in excess of our forecasted usage to their estimated realizable value. Our estimates of realizable value are based upon our analyses and assumptions including, but not limited to, forecasted sales levels by product, expected product lifecycle, product development plans and future demand requirements. If market conditions are less favorable than our forecasts or actual demand

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JLM COUTURE, INC. AND SUBSIDIARIES NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

from our customers is lower than our estimates, we may be required to record additional inventory write-downs. If demand is higher than expected, we may sell our inventories that had previously been written down. At April 30, 2004 and October 31, 2003 we maintained an obsolescence reserve of \$150,000.

Impairment of Goodwill

In determining the recoverability of goodwill, assumptions must be made regarding estimated future cash flows and other factors to determine the fair value of the asset. If these estimates or their related assumptions change in the future, the Company may be required to record charges not previously recorded. Effective November 1, 2002, the Company adopted Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets". Under the provisions of SFAS No. 142, the cost of certain intangibles will no longer be subject to amortization but was reviewed for potential impairment during the first six months of Fiscal 2004 and on an annual basis thereafter. The Company concluded, as of April 30, 2004, that there was no impairment to goodwill, and, pursuant to SFAS 142, goodwill is no longer being amortized.

Revenue Recognition

Revenue is recognized when persuasive evidence of an arrangement exists, the product has been delivered, the rights and risks of ownership have passed to the customer, the price is fixed and determinable, and collection of the resulting receivable is reasonably assured. For arrangements which include customer acceptance provisions, revenue is not recognized until the terms of acceptance are met. Reserves for sales returns and allowances are estimated and provided for at the time revenue is recognized.

JLM COUTURE, INC. AND SUBSIDIARIES

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

Results of Operations

Six months ended April 30, 2004 as compared to six months ended April 30, 2003.

For the first six months of the Company's fiscal year ending October 31, 2004 ("Fiscal 2004"), revenues decreased to \$13,005,805 from \$13,675,508, a decrease of 5% over the same period a year ago. The Company believes the decrease was due to reduced demand for the Company's products in the current economic

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environment as there is a nationwide trend towards simpler weddings. In addition, the temporary increase in the number of weddings subsequent to September 11, 2001 has subsided. Also, brides-to-be purchase their wedding gowns 10 to 12 months in advance of their wedding. As such, the decrease in sales is reflective of the slower economy of one year ago. Gross profit as a percentage of sales decreased to 39% from 42%. The lower margin was a result of the current year's product mix which included a higher percentage of lower margin bridesmaids' gowns as compared to last year when the Company sold more bridal gowns. This product mix reduced gross margin by 1.5%. Additionally, despite the reduced sales level, production salaries and other costs were \$225,000 higher than last year as the Company added a new designer and associated staff in the latter part of Fiscal 2003. Selling, general and administrative expenses were \$4,419,418, a reduction of \$267,123 from last year's \$4,686,541 primarily due to a charge of \$208,000 for the canceling of certain stock options in the prior period.

For three months ended April 31, 2004 as compared to three months ended April 31, 2003.

For the quarter ended April 30, 2004 ("Fiscal 2004"), revenues decreased to \$7,685,109 from \$8,021,560, a decrease of 4% over the same period a year ago. This decrease was due to reduced demand for the Company's products in the current economic environment as there is a nationwide trend towards simpler weddings. In addition, the temporary increase in the

JLM COUTURE, INC. AND SUBSIDIARIES

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations. (Continued)

number of weddings subsequent to September 11, 2001 has subsided. Also, brides-to-be purchase their wedding gowns 10 to 12 months in advance of their wedding. As such, the decrease in sales is reflecting of the slower economy of one year ago. Gross profit as a percentage of sales decreased to 39% from 41%. The lower margin was a result of the current year's product mix which included a higher percentage of lower margin bridesmaids gowns as compared to last year when the Company sold more bridal gowns. This product mix reduced gross margin by 2.5%. Additionally, despite the reduced sales level, production salaries and other costs were \$100,000 higher than last year as the Company added a new designer and associated staff in the latter part of Fiscal 2003. Selling, general and administrative expenses were \$2,414,247 a reduction of \$206,680 from \$2,620,927 in the second quarter of Fiscal 2003. This is primarily due to a charge of \$208,000 for the canceling of certain stock options in the prior period.

Liquidity and Capital Resources

The Company's working capital increased to \$7,798,244 at April 30, 2004 from \$7,210,049 at October 31, 2003. This increase was due primarily to the net income for the period as adjusted for non cash charges to income such as depreciation and amortization of

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property and equipment and deferred compensation.

During the six months ended April 30, 2004, the Company used \$596,451 for operations as compared to \$408,280 of cash in the year earlier primarily due to the decrease in net income. Cash provided by investing activities was \$35,926 in the current period compared to cash used of \$106,947 a year earlier. Last year, the Company expanded its production facilities and the change is primarily due to the purchase of property and equipment for the expansion in the prior period. The Company did not use any cash for financing activities in the current six month period, as compared to last year when the Company repurchased \$214,261 of treasury stock.

Safe Harbor Statement

Statements which are not historical facts, including statements about the Company's confidence and strategies and its

JLM COUTURE, INC. AND SUBSIDIARIES

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations. (Continued)

expectations about new and existing products, technologies and opportunities, market and industry segment growth, demand and acceptance of new and existing products are forward looking statements that involve risks and uncertainties. These include, but are not limited to, product demand and market acceptance risks; the impact of competitive products and pricing; the results of financing efforts; the loss of any significant customers of any business; the effect of the Company's accounting policies; the effects of economic conditions and trade, legal, social, and economic risks, such as import, licensing, and trade restrictions; the results of the Company's business plan and the impact on the Company of its relationship with its lenders.

JLM COUTURE, INC. AND SUBSIDIARIES

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

Not applicable.

Item 4. Controls and Procedures.

The Company maintains "disclosure controls and procedures," as such term is defined in Rules 13a-14(c) and 15d-14(c) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that are designed to ensure that information required to be disclosed in its reports, pursuant to the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to its management, including its Chief Executive Officer and Principal Accounting

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Officer, as appropriate, to allow timely decisions regarding the required disclosures. In designing and evaluating the disclosure controls and procedures, management has recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurances of achieving the desired control objectives, and management necessarily is required to apply its judgment in evaluating the cost benefit relationship of possible controls and procedures.

The Company's Chief Executive Officer and Principal Accounting Officer (its principal executive officer and principal accounting officer, respectively) have evaluated the effectiveness of its "disclosure controls and procedures" as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on their evaluation, the principal executive officer and principal financial officer concluded that its disclosure controls and procedures are effective. There were no significant changes in its internal controls or in other factors that could significantly affect these controls subsequent to the date the controls were evaluated.

JLM COUTURE, INC. AND SUBSIDIARIES

Item 5. Other Information.

In April 2004, Jim Hjelm informed the Company that he wished to resign and work for another bridal manufacturer. Mr. Hjelm had not been involved in the management of the Company for over ten years. The Company believes Mr. Hjelm's resignation will have no adverse effect on the Company since Mr. Hjelm had not designed any bridal or bridesmaids lines for the Company for several years. Mr. Hjelm's contract with the Company expired in February 2001. Mr. Hjelm's primary responsibility at the Company was to represent the Jim Hjelm collection in the marketplace from time to time. The Company owns the federally registered trademarks "Jim Hjelm", "Jim Hjelm, A Private Collection" and "Jim Hjelm Occasions", and is committed to continuing to support the Jim Hjelm brand name in the marketplace.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits.

3.1 Certificate of Incorporation of the Company as amended dated December 30, 1994, incorporated by reference to Exhibit 3.1 of the Company's annual Report on Form 10-KSB filed for its fiscal year ended October 31, 1995 ("1995 10-K").

3.2 The Company's By-Laws are incorporated by reference to Exhibit 3.03 of Registration Statement No. 33-10278 NY filed on Form S-18

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("Form S-18").

31.1 Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2 Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.1 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.2 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

JLM COUTURE, INC.
Registrant

By: /s/ Joseph L. Murphy

Joseph L. Murphy,
President
(Duly authorized officer)

Dated: June 21, 2004