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HMG COURTLAND PROPERTIES INC
Form 10QSB
August 13, 2002

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

FORM 10-QSB

(Mark One)

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

For the Quarterly period ended June 30, 2002

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 1-7865

HMG/COURTLAND PROPERTIES, INC.

(Exact name of small business issuer as specified in its charter)

Delaware

59-1914299

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

1870 S. Bayshore Drive, Coconut Grove, Florida 33133

(Address of principal executive offices) (Zip Code)

305-854-6803

(Registrant's telephone number, including area code)

Not Applicable

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

Check whether the issuer (1) has filed all reports required to be filed
by Sections 13 or 15 (d) of the Securities Exchange Act of 1934 during the
preceding 12 months (or for such shorter period that the registrant was required
to file such reports), and (2) has been subject to such filing requirements for
the past 90 days.

Yes x No

APPLICABLE ONLY TO CORPORATE ISSUERS:
State the number of shares outstanding of each of the issuer's classes of common
equity, as of the latest practicable date.

1,089,135 Common shares were outstanding as of July 31, 2002.

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HMG/COURTLAND PROPERTIES, INC.

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Cautionary Statement. This Form 10-QSB contains certain statements relating to future results of the Company that are considered "forward-looking statements" within the meaning of the Private Litigation Reform Act of 1995. Actual results may differ materially from those expressed or implied as a result of certain risks and uncertainties, including, but not limited to, changes in political and economic conditions; interest rate fluctuation; competitive pricing pressures within the Company's market; equity and fixed income market fluctuation; technological change; changes in law; changes in fiscal, monetary, regulatory and tax policies; monetary fluctuations as well as other risks and uncertainties detailed elsewhere in this Form 10-QSB or from time-to-time in the filings of the Company with the Securities and Exchange Commission. Such forward-looking statements speak only as of the date on which such statements are made, and the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events.

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HMG/COURTLAND PROPERTIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(UNAUDITED)
June 30,
2002

ASSETS

Investment properties, net of accumulated depreciation:	
Commercial and industrial	\$2,800,322
Hotel and club facility	4,808,255
Yacht slips	550,900
Land held for development	1,854,318

Total investment properties, net	10,013,795
Cash and cash equivalents	2,656,072
Investments in marketable securities	3,344,459
Other investments	6,564,932
Investment in affiliate	2,863,454
Cash restricted pending delivery of securities	163,091
Loans, notes and other receivables	1,254,921
Notes and advances due from related parties	1,199,723
Deferred taxes	372,000
Other assets	205,244

TOTAL ASSETS	\$28,637,691

LIABILITIES

Mortgages and notes payable	\$8,646,905
Accounts payable and accrued expenses	230,519
Sales of securities pending delivery	118,621
Income taxes payable	144,174
Other liabilities	232,665

TOTAL LIABILITIES	9,372,884

Minority interests	401,498

STOCKHOLDERS' EQUITY

Preferred stock, \$1 par value; 2,000,000 shares authorized; none issued	
Excess common stock, \$1 par value; 500,000 shares authorized; none issued	
Common stock, \$1 par value; 1,500,000 shares authorized; 1,315,635 shares issued and outstanding	1,315,635
Additional paid-in capital	26,571,972
Undistributed gains from sales of properties, net of losses	38,905,406
Undistributed losses from operations	(45,981,840)

	20,811,173

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Less: Treasury stock, at cost (226,500 shares)	(1,659,114)
Notes receivable from exercise of stock options	(288,750)

TOTAL STOCKHOLDERS' EQUITY	18,863,309

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$28,637,691
	=====

See notes to condensed consolidated financial statements (unaudited)

(1)

HMG/COURTLAND PROPERTIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(UNAUDITED)

REVENUES	Three months ended June 30,	
	2002	2001
	----	----
Real estate rentals and related revenue	\$410,311	\$370,787
Marina revenues	113,410	117,927
Net (loss) gain from investments in marketable securities	(558,614)	(53,539)
Net (loss) gain from other investments	(69,611)	(5,214)
Interest and dividend income	72,216	130,900
	-----	-----
Total Revenues	(32,288)	560,861
EXPENSES		
Other operating expenses:		
Rental and other properties	143,732	130,238
Marina expenses	82,606	109,352
Depreciation and amortization	151,823	146,498
Advisor's base fee	165,000	165,000
General and administrative	52,404	46,033
Professional fees and expenses	38,370	81,446
Directors' fees and expenses	12,465	17,421
	-----	-----
Total operating expenses	646,400	695,988
Interest expense	134,897	188,246
Minority partners' interests in operating (loss) gains of consolidated entities	(19,121)	(10,592)
	-----	-----
Total expenses	762,176	873,642
	-----	-----

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(Loss) income before sales of properties and income taxes	(794,464)	(312,781)
Gain on sales of properties, net	362,943	528,959
(Loss) income before income taxes	(431,521)	216,178
(Benefit from) provision for income taxes	(131,000)	138,000
Net (loss) income	(\$300,521)	\$78,178
Net (Loss) Income Per Common Share:		
Basic and diluted	(\$0.28)	\$0.07
Weighted average common shares outstanding	1,089,135	1,089,135

See notes to condensed consolidated financial statements (unaudited)

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HMG/COURTLAND PROPERTIES, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(UNAUDITED)

	Six mon
	Ju
	2002

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net (loss) income	(\$478,881)
Adjustments to reconcile net (loss) income to net cash used in operating activities:	
Depreciation and amortization	303,698
Net loss (gain) from other investments	38,114
Gain on sales of properties, net	(370,638)
Net loss (gain) from marketable securities	755,175
Minority partners' interest in operating (losses) gains	(31,857)
Changes in assets and liabilities:	
Decrease in other assets and other receivables	59,660
Net proceeds from sales and redemptions of securities	1,804,557
Decrease in restricted cash	267,040
(Decrease) increase in sales of securities pending delivery	(267,943)
Increased investments in marketable securities	(1,095,883)
Increase (decrease) in accounts payable and accrued expenses	10,500
(Decrease) increase in current income taxes payable	(75,000)
(Increase) decrease in deferred taxes	(233,000)

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(Decrease) increase in other liabilities	(149,660)

Total adjustments	1,014,763

Net cash provided by operating activities	535,882

 CASH FLOWS FROM INVESTING ACTIVITIES:	
Aquisitions and improvements of properties	
Net proceeds from disposals of properties	532,499
(Increase) decrease in notes and advances from related parties	(253,851)
Increase in mortgage loans and notes receivables	
Decrease in mortgage loans and notes receivables	14,658
Distributions from other investments	81,024
Contributions to other investments	(599,251)
Net proceeds from sales and redemptions of securities	
Increased investments in marketable securities	

Net cash (used in) provided by investing activities	(224,921)

 CASH FLOWS FROM FINANCING ACTIVITIES:	
Repayment of mortgages and notes payables	(222,982)
Net distributions to minority partners	(30,443)

Net cash used in financing activities	(253,425)

 Net increase in cash and cash equivalents	 57,536
 Cash and cash equivalents at beginning of the period	 2,598,536

 Cash and cash equivalents at end of the period	 \$2,656,072
	=====
 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:	
Cash paid during the period for interest	\$170,000
	=====
Cash paid during the period for income taxes	\$1,000
	=====

See notes to condensed consolidated financial statements (unaudited)

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HMG/COURTLAND PROPERTIES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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In the opinion of the Company, the accompanying unaudited condensed consolidated financial statements prepared in accordance with instructions for Form 10QSB, include all adjustments (consisting only of normal recurring accruals) which are necessary for a fair presentation of the results for the periods presented. Certain information and footnote disclosures normally included in the financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. It is suggested that these condensed consolidated financial statements be read in conjunction with the Company's Annual Report for the year ended December 31, 2001. The balance sheet as of December 31, 2001 was derived from audited financial statements as of that date. The results of operations for the six months ended June 30, 2002 are not necessarily indicative of the results to be expected for the full year. Certain balances have been reclassified to conform with the current period presentation.

2. RECENT ACCOUNTING PRONOUNCEMENTS.

In July, 2001, the Financial Accounting Standard Board issued Statements on Financial Accounting Standards (SFAS) No. 141 (Business Combinations) and 142 (Goodwill and Other Intangible Assets). SFAS No. 141 among other things eliminates the use of the pooling of interest method of accounting for business combination. Under the provision of SFAS No. 142, goodwill will no longer be amortized, but will be subject to a periodic test for impairment based upon fair value. SFAS No. 141 is effective for all business combinations initiated after June 30, 2001. SFAS No. 142 must be adopted in the first quarter of fiscal years beginning after December 15, 2001. The adoption of these statements did not have a material impact on the Company's financial statements.

In August 2001, the FASB issued SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets. This Statement addresses financial accounting and reporting for the impairment or disposal of long-lived assets. This Statement supersedes FASB Statement No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of, and the accounting and reporting provisions of APB Opinion No. 30, Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions, for the disposal of a segment of a business (as previously defined in that Opinion). This Statement also amends ARB No. 51, Consolidated Financial Statements, to eliminate the exception to consolidation for a subsidiary for which control is likely to be temporary. The provisions of this Statement were effective for financial statements issued for fiscal years beginning after December 15, 2001, and interim periods within those fiscal years, with early application encouraged. The provisions of this Statement generally are to be applied prospectively. The adoption of SFAS No. 144 did not have a material impact on the Company's financial statements.

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(Unaudited)

3. GAIN ON SALES OF PROPERTIES

For the three months ended June 30, 2002 Grove Isle Yacht Club Associates (GIYCA) sold 3 yacht slips located in Miami, Florida resulting in a net gain to the Company of approximately \$77,000. For the six months ended June 30, 2002 GIYCA has sold 4 yacht slips resulting in a net gain to the Company of approximately \$85,000.

In May 2002, HMG Fieber Associates sold its property located in Watertown, New York, resulting in a net gain to the Company of approximately \$57,000.

In April 2002, Courtland Investments sold approximately 50 acres of vacant land located in Middleborough, Massachusetts, resulting in a net gain to the Company of approximately \$229,000.

4. INVESTMENTS IN MARKETABLE SECURITIES

Investments in marketable securities consist primarily of large capital corporate equity and debt securities in varying industries with readily determinable fair values. These securities are stated at market value, as determined by the most recent traded price of each security at the balance sheet date. Effective in December 2001, management determined that the classification of its entire marketable securities portfolio as trading (versus available for sale, as defined by accounting principles generally accepted in the United States of America) would be more consistent with the Company's overall current investment objectives and activities. As a result, beginning December 31, 2001, all unrealized gains and losses on the Company's marketable securities portfolio were recorded in the statement of operations. As of June 30, 2001, gross unrealized gains and losses on available for sale securities were approximately \$677,000 and \$1,165,000, respectively, and a net unrealized loss of approximately \$488,000 was recorded in accumulated comprehensive income in stockholders' equity.

Net (loss) gain from investments in marketable securities for the three and six months ended June 30, 2002 and 2001 is summarized below:

Description	Three Months Ended June 30,		Six Months E
	2002	2001	2002
Net realized gain from sales of securities	\$159,479	\$51,353	\$100,387
Unrealized net loss in trading securities	(515,860)	--	(652,338)
Net change in sales of securities pending delivery	(202,233)	(104,892)	(203,224)
Total net (loss) gain	(\$558,614)	(\$53,539)	(\$755,175)

For the three months ended June 30, 2002 net realized gain from sales of marketable securities of approximately \$159,000 consisted of approximately \$338,000 of gross gains net of \$179,000 of gross losses. For the six months ended June 30, 2002 net realized gain from sales of marketable securities of approximately \$100,000 consisted of approximately \$501,000 of gross gains net of \$401,000 of gross losses.

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HMG/COURTLAND PROPERTIES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Continued)
(Unaudited)

The net change in unrealized loss of marketable securities for the three and six months ended June 30, 2002 was an additional net loss of approximately \$515,000 and \$652,000, respectively.

Net change in sales of securities pending delivery represents the changes in the market value of those securities and the delivery of securities to realize gain or loss from these transactions.

5. OTHER INVESTMENTS

As of June 30, 2002, the Company has committed to invest approximately \$11 million in other investments primarily in private capital funds, of which approximately \$9.1 million has been funded. The carrying value of other investments is approximately \$6.6 million.

During the three months ended June 30, 2002 the Company took an additional write down on one of its venture capital funds of approximately \$63,000. The fund written down was focused on internet related businesses and had been substantially written down as of December 31, 2001. This further write down brings the carrying value of this fund to \$25,000, its estimated net realizable value. No further valuation adjustments were considered necessary for the six months ended June 30, 2002.

As a further diversification of the Company's investments in private capital funds, during the three months ended March 31, 2002, \$800,000 was committed to purchase limited partnership interests in two private capital funds. Both funds seek to maximize total return on capital through investments in the debt securities of undervalued or financially troubled companies. Both commitments (one for \$500,000 and the other for \$300,000) are in funds managed by experienced general partners each with over \$6 billion under management in funds and accounts focused on investments in distressed companies and related investment opportunities. The commitment of \$300,000 will seek to deploy 50% of its assets in Asian investments (primarily Japan and Korea).

6. ADVISORY AGREEMENT

On March 22, 2002, the Board of Directors approved, subject to shareholder approval, the amendment and renewal of the Advisory Agreement between the Company and the Advisor for a term commencing January 1, 2003, and expiring December 31, 2003.

The sole amendment to the Advisory Agreement that is being proposed at the Annual Meeting (to be held on September 20, 2002) is the increase in the remuneration of the Advisor to increase the Advisor's current regular compensation monthly fee from \$55,000 to \$75,000, or \$660,000 to \$900,000 annually. All other terms of the existing Advisory Agreement will remain the same. The increase in remuneration of the Advisor is being proposed by the Board after taking into account the increased costs of the Advisor in managing the affairs of the Company, the economic factors impacting the real estate industry and competitive conditions in today's market place. The amendment and renewal

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was approved unanimously by the Directors unaffiliated with the Advisor.

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

RESULTS OF OPERATIONS

The Company reported a net loss of approximately \$300,000 (or \$.28 per share) and \$479,000 (or \$.44 per share) for the three and six months ended June 30, 2002, respectively. This is as compared with net income of approximately \$78,000 (or \$.07 per share) and \$914,000 (or \$.84 per share) for the three and six months ended June 30, 2001, respectively. Total revenues for the three and six months ended June 30, 2002, as compared with the same periods in 2001, decreased by approximately \$593,000 (or 106%) and \$1.2 million (or 74%), respectively. Total expenses for the three and six months ended June 30, 2002, as compared with the same periods in 2001, decreased by approximately \$111,000 (or 13%) and \$179,000 (or 10%), respectively. Gain on sales of properties for the three and six months ended June 30, 2002 was approximately \$363,000 and \$371,000, respectively. This is as compared with gains of \$529,000 and \$1.8 million for the three and six months ended June 30, 2001, respectively.

REVENUES

Rentals and related revenues for the three and six months ended June 30, 2002 were approximately \$410,000 and \$815,000, respectively. This is as compared with approximately \$371,000 and \$709,000 for the same comparable periods in 2001, respectively. These increases of approximately \$39,000 (or 11%) and \$106,000 (or 15%) for the three and six-month comparable periods was due to increased rent from the Company's Grove Isle hotel property in accordance with changes in the Consumer Price Index and increased rent from the Company's Fashion Square shopping center due to an additional tenant added in the fourth quarter of 2001.

Net loss from investments in marketable securities for the three and six months ended June 30, 2002 was approximately \$559,000 and \$755,000, respectively. This is as compared with a net loss of approximately \$54,000 for the same comparable three month period in 2002 and a net gain of approximately \$235,000 for the same comparable six month period in 2002. See discussion in Note 4 to Condensed Consolidated Financial Statements.

Net loss from other investments for the three and six months ended June 30, 2002 was approximately \$70,000 and \$38,000, respectively. This is as compared with a net loss of approximately \$5,000 for the same three-month comparable period in 2001 and a net gain of approximately \$144,000 for the same six-month comparable period in 2001. The decrease of approximately \$65,000 for the three-month comparable periods was primarily attributable to a valuation write-down of a venture capital fund as discussed in Note 5 to Condensed Consolidated Financial Statements. The decrease of approximately \$182,000 for the six-month comparable periods was the result of non-recurring gains due to distributions from investments in the second quarter of 2001.

Interest and dividend income for the three and six months ended June 30, 2002 was approximately \$72,000 and \$151,000, respectively. This is as compared with approximately \$131,000 and \$231,000 for the same comparable periods in 2001, respectively. These decreases of approximately \$59,000 (or 45%) and \$80,000 (or 35%) for the three and six month comparable periods,

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respectively, were primarily attributable to decreased dividend income from investments in marketable securities.

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Management's Discussion and Analysis of Financial
Condition and Results of Operations
(continued)

EXPENSES

Rental and other properties expenses for the three and six months ended June 30, 2002 were approximately \$144,000 and \$292,000, respectively. This is as compared with approximately \$130,000 and \$261,000 for the same comparable periods in 2001. These increases of approximately \$14,000 (or 11%) and \$31,000 (or 12%) for the three and six-month comparable periods, respectively, were primarily the result of increased insurance expense at the Grove Isle hotel property of approximately \$30,000 partially offset by lower operating costs at HMG Fieber properties. The property insurance at the Grove Isle hotel property is paid by the tenant and accordingly a corresponding insurance revenue amount is included in rental and related revenues. Changes in insurance costs for this property do not impact the Company's net income.

Marina expenses for the three and six months ended June 30, 2002 were approximately \$83,000 and \$173,000, respectively. This is as compared with approximately \$109,000 and \$220,000 for the same periods in 2001. These decreases of approximately \$26,000 (or 24%) and \$47,000 (or 21%) for the three and six-month comparable periods in 2001, respectively, were primarily attributable to lower insurance costs as a result of the elimination of windstorm coverage for the marina slips in 2002. The Company believes that in light of the increased cost of this insurance (approximately 100% from 2001) and the large deductibles now required, it is more effective to self insure the marina slips for this particular peril, other coverage is still maintained on this property.

Professional fees and expenses for the three and six months ended June 30, 2002 were approximately \$38,000 and \$79,000, respectively. This is as compared with approximately \$81,000 and \$116,000 for the same periods in 2001. These decreases of approximately \$43,000 (or 53%) and \$37,000 (or 32%) for the three and six-month comparable periods in 2001, respectively, were primarily attributable to lower legal fees relating to the Company's proxy filing.

Interest expense for the three and six months ended June 30, 2002 was approximately \$135,000 and \$272,000, respectively. This is as compared with approximately \$188,000 and \$388,000, respectively, for the same comparable periods in 2001. These decreases of approximately \$53,000 (or 28%) and \$116,000 (or 30%) for the three and six-month comparable periods, respectively, were primarily attributable to decreased interest rates on bank loans and on amounts due to affiliate (T.G.I.F. Texas, Inc.).

Benefit from income taxes for the three and six months ended June 30, 2002 was approximately \$131,000 and \$306,000, respectively, consisting of \$145,000 of deferred benefit net of \$14,000 of current provision for the three months ended June 30, 2002 and \$233,000 of deferred benefit and \$73,000 of current benefit for the six months ended June 30, 2002. The increase in benefits from the prior year provisions is due primarily to non recurring gain on sales of properties in 2001.

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Management's Discussion and Analysis of Financial
Condition and Results of Operations
(continued)

EFFECT OF INFLATION:

Inflation affects the costs of operating and maintaining the Company's investments and the availability and terms of financing. In addition, rentals under certain leases are based in part on the lessee's sales and tend to increase with inflation, and certain leases provide for periodic adjustments according to changes in predetermined price indices.

LIQUIDITY, CAPITAL EXPENDITURE REQUIREMENTS AND CAPITAL RESOURCES

The Company's material commitments in 2002 primarily consist of maturities of debt obligations of approximately \$3.7 million and commitments to fund private capital investments of approximately \$1.9 million due upon demand. The funds necessary to meet these obligations are expected to be available from the proceeds of sales of properties or investments, refinancing, distributions from investments and available cash. The majority of maturing debt obligations for 2002 is a note payable to the Company's 49% owned affiliate, T.G.I.F. Texas, Inc. ("TGIF") of approximately \$3.6 million. This amount is due on demand. The obligation due to TGIF will be paid with funds available from distributions from its investment in TGIF and from available cash.

MATERIAL COMPONENTS OF CASH FLOWS

For the six months ended June 30, 2002, net cash provided by operating activities was approximately \$536,000. Included in this amount are net proceeds from sales of marketable securities of approximately \$1.8 million less purchases of marketable securities of approximately \$1.1 million.

For the six months ended June 30, 2002, net cash used in investing activities was approximately \$225,000. This was comprised primarily of contributions to other investments of approximately \$599,000 and increased notes and advances to related parties of approximately \$254,000 less proceeds from sales of properties of \$532,000 and distributions from other investments of approximately \$81,000.

For the six months ended June 30, 2001, net cash used in financing activities was approximately \$253,000 consisting of repayments of mortgages and notes payable of \$223,000 and distributions to minority partners of \$30,000.

RECENT ACCOUNTING PRONOUNCEMENTS.

In July, 2001, the Financial Accounting Standard Board issued Statements on Financial Accounting Standards (SFAS) No. 141 (Business Combination) and 142 (Goodwill and Other Intangible Assets). SFAS No. 141 among other things eliminates the use of the pooling of interest method of accounting for business combination. Under the provision of SFAS No. 142, goodwill will no longer be amortized, but will be subject to a periodic test for impairment based upon fair value. SFAS No. 141 is effective for all business combinations initiated after June 30, 2001. SFAS No. 142 must be adopted in the first quarter of fiscal years beginning after December 15, 2001. The adoption of these statements did not have a material impact on the Company's financial statements.

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Management's Discussion and Analysis of Financial
Condition and Results of Operations
(continued)

In August 2001, the FASB issued SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets. This Statement addresses financial accounting and reporting for the impairment or disposal of long-lived assets. This Statement supersedes FASB Statement No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of, and the accounting and reporting provisions of APB Opinion No. 30, Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions, for the disposal of a segment of a business (as previously defined in that Opinion). This Statement also amends ARB No. 51, Consolidated Financial Statements, to eliminate the exception to consolidation for a subsidiary for which control is likely to be temporary. The provisions of this Statement were effective for financial statements issued for fiscal years beginning after December 15, 2001, and interim periods within those fiscal years, with early application encouraged. The provisions of this Statement generally are to be applied prospectively. The adoption of SFAS No. 144 did not have a material impact on the Company's financial statements.

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PART II. OTHER INFORMATION

Item 1. Legal Proceedings

No items to report.

Item 6. Exhibits and Reports on Form 8-K

- (a) There were no reports on Form 8-K filed for the quarter ended June 30, 2002.

(11)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the

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Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HMG/COURTLAND PROPERTIES, INC.

Dated: August 13, 2002

/s/ Lawrence Rothstein
Lawrence Rothstein
President, Treasurer and Secretary
Principal Financial Officer

Dated: August 13, 2002

/s/ Carlos Camarotti
Carlos Camarotti
Vice President - Finance and Controller
Principal Accounting Officer

(12)

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of HMG/Courtland Properties, Inc. (the "Company") on Form 10-QSB for the period ending June 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Maurice Wiener, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13 or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all

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material respects, the financial condition and results of operations of the Company for the periods indicated in the Report.

/s/ Maurice Wiener

Maurice Wiener, Chief Executive Officer
HMG/Courtland Properties, Inc.

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of HMG/Courtland Properties, Inc. (the "Company") on Form 10-QSB for the period ending June 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Lawrence Rothstein, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13 or 15(d) of the Securities Exchange Act of 1934; and

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

/s/ Lawrence Rothstein

Lawrence Rothstein, Chief Financial Officer
HMG/Courtland Properties, Inc.