

RICKS CABARET INTERNATIONAL INC

FORM 8-K/A (Unscheduled Material Events)

Filed 5/28/1999 For Period Ending 3/29/1999

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CIK	0000935419
Industry	Restaurants
Sector	Services
Fiscal Year	09/30

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 1

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report: March 29, 1999

RICK'S CABARET INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

Texas	0-26958	76-0037324
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	Identification No.) (IRS Employer

505 North Belt, Suite 630
Houston, Texas 77060
(Address of principal executive offices, including zip code)

(281) 820-1181
(Registrant's telephone number, including area code)

Item 7. Financial Statements and Exhibits

Introduction

This Amendment No. 1 to Form 8-K sets forth pro forma financial information in connection with the Company's sale of certain assets. The sale of certain assets was reported on a Form 8-K dated March 29, 1999 and filed on April 6, 1999.

Financial Statements:

On March 29, 1999, Rick's Cabaret International, Inc. ("Rick's" or the "Company"), an investment partnership, headed by Eric Langan, President of the Company, and another investor, acquired all of Robert Watters' outstanding shares of stock of the Company. At the same time, the Company sold one of its subsidiaries, RCI Entertainment Louisiana, Inc., which operates a Rick's Cabaret in New Orleans, Louisiana, to Mr. Watters for the purchase price of \$2,200,000, consisting of \$1,057,327 in cash, a \$652,744 secured promissory note made by one of the purchasers of Mr. Watters' stock, a \$326,773 secured promissory note made by Mr. Watters, and the cancellation by Mr. Watters of the Company's \$163,156 debt to him. The following Unaudited Pro Forma Consolidated Balance Sheet as of December 31, 1998 gives effect to the transaction as if it had occurred at that date. The Unaudited Pro Forma Consolidated Statements of Operations for the three months ended December 31, 1998 and the year ended September 30, 1998 give effect to the transaction as if it had occurred as of the beginning of each period.

The Unaudited Pro Forma Consolidated Financial Statements are presented for informational purposes only and are not necessarily indicative of the results of operations that would have been achieved had the transaction been completed at the beginning of each period presented, nor are they indicative of the Company's future results of operations.

The Unaudited Pro Forma Consolidated Financial Statements should be read in conjunction with the historical financial statements of the Company and the related notes thereto.

RICK'S CABARET INTERNATIONAL, INC. AND SUBSIDIARIES
UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET
DECEMBER 31, 1998

ASSETS

	Historical			
	Rick's Cabaret International, Inc.	Less Rick's - N.O.	Adjustments	Pro Forma
Current assets:				
Cash	\$ 512,220	\$ 317,428	\$ 1,057,327	\$ 1,252,119
Accounts receivable	110,252	53,662	326,773	383,363
Land held	569,069			569,069
Inventories	96,174	35,726		60,448
Prepaid expenses	208,009	51,927		156,082
Total current assets	1,495,724	458,743	1,384,100	2,421,081
Property and equipment	11,791,310	2,716,644		9,074,666
Less accumulated depreciation	(1,308,266)	(171,444)		(1,136,822)
	10,483,044	2,545,200	-	7,937,844
Other assets:				-
Goodwill and other intangibles	3,092,444			3,092,444
Other	124,971	10,712		114,259
	3,217,415	10,712	-	3,206,703
	-			-
	\$ 15,196,183	\$ 3,014,655	\$ 1,384,100	\$13,565,628
	=====	=====	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:				
Current portion of long-term debt	713,811		-	713,811
Accounts payable and accrued expenses	1,915,955	354,261	(163,156)	1,398,538
Total current liabilities	2,629,766	354,261	(163,156)	2,112,349
Long-term debt, less current portion	5,680,174	808,385	(652,744)	4,219,045
Total liabilities	8,309,940	1,162,646	(815,900)	6,331,394
Commitments and contingencies	-	-		-
Minority interests	4,700	-		4,700
Stockholders' equity:				
Intercompany Preferred stock		1,286,002	1,286,002	-
Common stock	65,475			65,475
Additional paid-in capital	8,940,576			8,940,576
Retained earnings (deficit)	(2,124,508)	566,007	913,998	(1,776,517)
Total stockholders' equity	6,881,543	1,852,009	2,200,000	7,229,534
	\$ 15,196,183	\$ 3,014,655	\$ 1,384,100	\$13,565,628
	=====	=====	=====	=====

RICK'S CABARET INTERNATIONAL, INC. AND SUBSIDIARIES
 UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
 FOR THE THREE MONTHS ENDED DECEMBER 31, 1998

	Historical			
	Rick's Cabaret International, Inc.	Less Rick's N.O.	Pro Forma Adjustments	Pro Forma
Revenues:				
Sales	\$ 3,317,969	\$ 1,253,128	\$ -	\$2,064,841
Operating expenses:				
Cost of goods sold	487,859	197,754		290,105
Salaries and wages	1,004,943	238,863	(37,500)	728,580
Other general and administrative:				
Taxes and permits	288,696	38,790		249,906
Charge card fees	57,507	33,797		23,710
Rent	135,155	75,696		59,459
Legal and accounting	142,108	4,704		137,404
Advertising	198,423	60,641		137,782
Other	577,471	154,694		422,777
	2,892,162	804,939	(37,500)	2,049,723
Income (loss) from operations	425,807	448,189	37,500	15,118
Other income (expense)				
Gain on sale of nightclub	-	-	347,991	347,991
Interest expense	(142,733)	(17,856)	13,054	(111,823)
Net income	\$ 283,074	\$ 430,333	\$ 398,545	\$ 251,286
Net income (loss) per common share	\$ 0.04			\$ 0.04
Weighted average shares outstanding	6,507,403			6,507,403

RICK'S CABARET INTERNATIONAL, INC. AND SUBSIDIARIES
 UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
 FOR THE YEAR ENDED SEPTEMBER 30, 1998

	Historical			
	Rick's Cabaret International, Inc.	Less Rick's N.O.	Pro Forma Adjustments	Pro Forma
Revenues:				
Sales	\$ 7,831,531	\$ 3,991,104	\$ -	\$3,840,427
Operating expenses:				
Cost of goods sold	1,102,556	639,533		463,023
Salaries and wages	2,653,558	1,041,160	(150,000)	1,462,398
Other general and administrative:				
Taxes and permits	831,388	302,049		529,339
Charge card fees	160,474	77,240		83,234
Rent	395,038	273,506		121,532
Legal and accounting	355,186	-		355,186
Advertising	488,224	299,296		188,928
Other	2,065,934	743,384		1,322,550
	8,052,358	3,376,168	(150,000)	4,526,190
Income (loss) from operations	(220,827)	614,936	150,000	(685,763)
Other income (expense)				
Gain on sale of nightclub	-	-	347,991	347,991
Interest expense	(384,037)	(82,278)	19,581	(282,178)
Net income (loss)	\$ (604,864)	\$ 532,658	\$ 517,572	\$ (619,950)
Net income (loss) per common share	\$ (0.14)			\$ (0.14)
Weighted average shares outstanding	4,338,034			4,338,034

RICK'S CABARET INTERNATIONAL, INC. AND SUBSIDIARIES
UNAUDITED PRO FORMA CONSOLIDATED
FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

On March 29, 1999, Rick's Cabaret International, Inc. ("Rick's" or the "Company"), an investment partnership, headed by Eric Langan, President of the Company, and another investor, acquired all of Robert Watters' outstanding shares of stock of the Company. At the same time, the Company sold one of its subsidiaries, RCI Entertainment Louisiana, Inc. ("Rick's New Orleans"), which operates a Rick's Cabaret in New Orleans, Louisiana, to Mr. Watters for the purchase price of \$2,200,000, consisting of \$1,057,327 in cash, a \$652,744 secured promissory note made by one of the purchasers of Mr. Watters' stock, a \$326,773 secured promissory note made by Mr. Watters, and the cancellation by Mr. Watters of the Company's \$163,156 debt to him. The following Unaudited Pro Forma Consolidated Balance Sheet as of December 31, 1998 gives effect to the transaction as if it had occurred at that date. The Unaudited Pro Forma Consolidated Statements of Operations for the three months ended December 31, 1998 and the year ended September 30, 1998 give effect to the transaction as if it had occurred as of the beginning of each period.

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2. PRO FORMA ADJUSTMENTS

Pro forma adjustments are as follows:

1. A gain on sale of Rick's New Orleans of \$347,991 was recorded.
2. A reduction in management salaries (Mr. Watters) in the amount of \$150,000 for the year ended September 30, 1998, and \$37,500 for the three months ended December 31, 1998 was recognized.

2. PRO FORMA ADJUSTMENTS (CONTINUED)

3. A reduction in interest expense in the amount of \$13,054 and \$19,581 for the year ended September 30, 1998 and the three months ended December 31, 1998, respectively, was recorded to reflect the receipt of the secured promissory note which will be offset against a similar note payable to the maker of such note.

Exhibits: None

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report on Form 8-K to be signed on its behalf by the undersigned hereunto duly authorized.

RICK'S CABARET INTERNATIONAL, INC.

Date: May 25, 1999

/s/ Eric Langan

Eric Langan, President

End of Filing

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