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Securities and Exchange Commission  
Washington, D.C. 20549

**FORM 8-K/A**  
Amendment No. 2

Current Report  
Pursuant To Section 13 or 15(d) Of  
The Securities Exchange Act of 1934

Date of Report: September 17, 2012

**RICK'S CABARET INTERNATIONAL, INC.**

(Exact Name of Registrant As Specified in Its Charter)

Texas  
(State Or Other Jurisdiction of Incorporation)

001-13992  
(Commission File Number)

76-0037324  
(IRS Employer Identification No.)

10959 Cutten Road  
Houston, Texas 77066  
(Address of Principal Executive Offices, Including Zip Code)

(281) 397-6730  
(Issuer's Telephone Number, Including Area Code)

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**Explanatory Note**

This Amendment No. 2 to Form 8-K amends our Form 8-K originally filed with the Securities and Exchange Commission on September 20, 2012 and amended on October 19, 2012 (the Form 8-K, as amended, is hereinafter referred to as the "September Report"). We filed the September Report to report, among other things, the completion of the acquisition of certain adult cabarets (referred to as the "Foster Clubs" in the September Report). This Amendment No. 2 also amends our Form 8-K originally filed with the Securities and Exchange Commission on October 19, 2012 (the "October Report"). We filed the October Report to report, among other things, the completion of the acquisition of the real estate where the Foster Clubs are located (referred to as the "Real Estate Properties" in the October Report). As permitted by Items 9.01(a) (4) and 9.01(b)(2), we are filing this amendment to include the financial statements and pro forma financial information required by Items 9.01 (a) and 9.01(b) for the September Report and the October Report.

**ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS**

(a) Financial statements of businesses acquired.

The combined balance sheet of the Foster Clubs and Real Estate Properties (referred to as the "Jaguars Gold Clubs in the financial statements) as of December 31, 2011, and the related combined statement of operations, statement of changes in members' equity and statement of cash flows for the year ended December 31, 2011 required by this Item 9.01(a) are attached hereto as Exhibit 99.1 and are incorporated herein by reference.

(b) Pro forma financial information.

The unaudited pro forma financial information required by this Item 9.01(b) pursuant to Article 11 of Regulation S-X is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

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(d) Exhibits

Exhibit Number	Description
23.1	Consent of Whitley Penn LLP, independent auditors
99.1	<u>Financial Statements of Businesses Acquired</u> : (i) Report of Independent auditors (ii) Combined balance sheet of Jaguars Gold Clubs as of December 31, 2011, and the related combined statement of operations, statement of changes in members' equity and statement of cash flows for the year ended December 31, 2011
99.2	<u>Pro Forma Financial Information</u> : Unaudited pro forma condensed combined balance sheet as of June 30, 2012, and the unaudited pro forma condensed combined statement of operations for the nine months ended June 30, 2012 and the year ended September 30, 2011

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: November 30, 2012

By: /s/ Eric Langan

Eric Langan

President and Chief Executive Officer

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**Consent of Independent Auditors**

We consent to the incorporation by reference in the registration statement (No. 333-174207) on Form S-3 of Rick's Cabaret International, Inc. of our report dated November 30, 2012, with respect to the combined financial statements of Jaguars Gold Clubs as of and for the year ended December 31, 2011, which report appears in this Amendment No. 2 to Current Report on Form 8-K/A of Rick's Cabaret International, Inc.

/s/ Whitley Penn LLP  
Dallas, Texas  
November 30, 2012

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# **JAGUARS GOLD CLUBS**

## **COMBINED FINANCIAL STATEMENTS**

**Year Ended December 31, 2011**

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## **REPORT OF INDEPENDENT AUDITORS**

To the members of  
Jaguars Gold Clubs:

We have audited the accompanying combined balance sheet of Jaguars Gold Clubs as of December 31, 2011, and the related statements of operations, changes in members' equity (deficit), and cash flows for the year then ended. These combined financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these combined financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to, nor have we been engaged to perform, an audit of its internal control over financial reporting. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Jaguars Gold Clubs as of December 31, 2011, and the combined results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

/s/ Whitley Penn LLP  
Dallas, Texas  
November 30, 2012

**JAGUARS GOLD CLUBS**  
**COMBINED BALANCE SHEET**  
**DECEMBER 31, 2011**

**Assets**

Current assets:

Cash	\$ 129,953
Accounts receivable, trade	63,067
Inventories	47,647
Prepaid expenses	18,241
Other	35,536
Total current assets	294,444

Property and equipment, net	8,773,776
Total assets	<u>\$ 9,068,220</u>

**Liabilities and Members' Equity (Deficit)**

Current liabilities:

Accounts payable and bank overdrafts	\$ 152,718
Accrued patron tax liability	3,497,950
Accrued liabilities	639,345
Accounts payable, related parties	121,549
Current maturities of long-term debt	1,028,525
Total current liabilities	5,440,087

Long-term debt, less current maturities	3,720,961
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Total liabilities	9,161,048
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Commitments and contingencies

Members' equity (deficit)	(92,828)
Total liabilities and members' equity (deficit)	<u>\$ 9,068,220</u>

See accompanying notes to Combined Financial Statements.

**JAGUARS GOLD CLUBS**  
**COMBINED STATEMENT OF OPERATIONS**  
**YEAR ENDED DECEMBER 31, 2011**

Revenues:	
Sales of alcoholic beverages	\$ 1,452,219
Sales of nonalcoholic beverages and other	1,723,824
Service revenues	10,274,680
Other	826,967
	<u>14,277,690</u>
Operating expenses:	
Cost of goods sold	1,022,830
Salaries and wages	2,308,334
Other general and administrative:	
Taxes and permits	2,286,650
Management fees paid to related parties	5,735,960
Legal and professional	475,278
Advertising and marketing	821,622
Utilities	291,555
Depreciation	413,011
Other	1,667,787
Total operating expenses	<u>15,023,027</u>
Loss from operations	(745,337)
Interest expense	<u>(539,079)</u>
Loss before state income taxes	(1,284,416)
State income taxes	<u>(79,324)</u>
Net loss	<u>\$ (1,363,740)</u>

See accompanying notes to Combined Financial Statements.

**JAGUARS GOLD CLUBS**  
**COMBINED STATEMENT OF CHANGES IN MEMBERS' EQUITY (DEFICIT)**  
**YEAR ENDED DECEMBER 31, 2011**

Balance at December 31, 2010	\$ 905,483
Member contributions	365,429
Net loss	<u>(1,363,740)</u>
Balance at December 31, 2011	<u><u>\$ (92,828)</u></u>

See accompanying notes to Combined Financial Statements.



**JAGUARS GOLD CLUBS**  
**COMBINED STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2011**

**Operating Activities**

Net loss	\$ (1,363,740)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation	413,011
Amortization of note discount	206,671
Changes in operating assets and liabilities:	
Accounts receivable	(33,689)
Inventories	(4,099)
Prepaid expenses and other assets	69,661
Accounts payable and accrued liabilities	1,511,484
Net cash provided by operating activities	<u>799,299</u>

**Investing Activities**

Purchases of property and equipment	(242,743)
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**Financing Activities**

Payments on debt	(885,374)
Member contributions	365,429
Net cash used in financing activities	<u>(519,945)</u>

Net increase in cash	36,611
Cash at beginning of year	<u>93,342</u>
Cash at end of year	<u><u>\$ 129,953</u></u>

**Supplemental Disclosures of Cash Flow Information**

Cash paid during the year for interest	<u><u>\$ 332,408</u></u>
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**Non-cash activities:**

Purchase of property and equipment with seller debt	<u><u>\$ 381,636</u></u>
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See accompanying notes to Combined Financial Statements.

**JAGUARS GOLD CLUBS**  
**Notes to Combined Financial Statements**  
**Year Ended December 31, 2011**

**A. Nature of Business**

Jaguars Gold Clubs (“the Companies”) is a combination of a group of nine nightclubs that offer live adult entertainment, as follows:

<u>Name of Entity</u>	<u>Location</u>
JGC Phoenix, LLC	Phoenix, AZ
JGC Edinburg, LLC	Edinburg, TX
JGC Harlingen, LLC	Harlingen, TX
JGC Lubbock Gold, LLC	Lubbock, TX
JGC Tye, LLC	Tye, TX
JGC Longview, LLC	Longview, TX
JGC Odessa Gold, LLC	Odessa, TX
Gold Suit, Inc.	El Paso, TX
JGC Beaumont, LLC	Beaumont, TX

The corporate office that manages the nightclubs is located in Dallas, Texas.

**B. Summary of Significant Accounting Policies**

A summary of the Companies’ significant accounting policies consistently applied in the preparation of the accompanying combined financial statements follows:

**Basis of Accounting**

The accounts are maintained and the combined financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**Principles of Combination**

The combined financial statements include the accounts of the above combined companies which are owned by the same members. Significant intercompany accounts and transactions have been eliminated in combination.

**Use of Estimates**

The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts in the combined financial statements and accompanying notes. Actual results could differ from these estimates and assumptions.

**JAGUARS GOLD CLUBS**  
**Notes to Combined Financial Statements**  
**Year Ended December 31, 2011**

**B. Summary of Significant Accounting Policies – continued**

**Cash and Cash Equivalents**

The Companies considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. At December 31, 2011, the Companies had no such investments. The Companies maintain deposits primarily in one financial institution. During 2011, these were covered by insurance provided by the U.S. Federal Deposit Insurance Corporation ("FDIC"). The Companies have not incurred any losses related to their cash on deposit with financial institutions.

**Accounts Receivable**

Accounts receivable, trade is comprised of credit card charges and ATM receivables, which are generally converted to cash in two to five days after a purchase is made. The Companies recognize allowances for doubtful accounts when, based on management judgment, circumstances indicate that accounts receivable will not be collected. There was no allowance for doubtful accounts as of December 31, 2011.

**Inventories**

Inventories include beverages, bar supplies, and merchandise. Inventories are carried at the lower of average cost, which approximates actual cost determined on a first-in, first-out ("FIFO") basis, or market.

**Property and Equipment**

Property and equipment is stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets for financial reporting purposes. Equipment and furniture and fixtures have estimated useful lives between five and seven years. Buildings have estimated lives of 39 years. Expenditures for major renewals and betterments that extend the useful lives are capitalized. Expenditures for normal maintenance and repairs are expensed as incurred. The cost of assets sold or abandoned and the related accumulated depreciation are eliminated from the accounts and any gains or losses are recognized in the accompanying combined statement of operations of the respective period.

**Revenue Recognition**

The Companies recognize revenue from the sale of beverages, food and merchandise, and services at the point-of-sale upon receipt of cash, check, or credit card charge.

**Advertising and Marketing**

Advertising and marketing expenses are primarily comprised of costs related to public advertisements and giveaways, which are used for promotional purposes. Advertising and marketing expenses are expensed as incurred and are included in operating expenses in the accompanying combined statement of operations.

**Income Taxes**

The Companies are organized as limited liability companies and an S Corporation for federal income tax purposes. As a result, income or losses are taxable or deductible to the member or stockholder rather than at the Company level; accordingly, no provision for income taxes is made in the accompanying combined financial statements. The Company is subject to Texas margin taxes which have been recorded in the accompanying combined statement of operations.

**JAGUARS GOLD CLUBS**  
**Notes to Combined Financial Statements**  
**Year Ended December 31, 2011**

**B. Summary of Significant Accounting Policies – continued**

**Sales and Liquor Taxes**

The Companies recognize sales and liquor taxes paid as revenues and an equal expense in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 605, *Revenue Recognition* . Total sales and liquor taxes aggregated approximately \$768,000 for the year ended December 31, 2011.

**Fair Value of Financial Instruments**

The Companies calculate the fair value of its assets and liabilities which qualify as financial instruments and includes this additional information in the notes to combined financial statements when the fair value is different than the carrying value of these financial instruments. The estimated fair value of accounts receivable, accounts payable and accrued liabilities approximate their carrying amounts due to the relatively short maturity of these instruments. The carrying value of short and long-term debt also approximates fair value since these instruments bear market rates of interest. None of these instruments are held for trading purposes.

**C. Property and Equipment**

Property and equipment consisted of the following:

Vehicles	\$	46,664
Equipment, furniture and fixtures		1,808,067
Land and buildings		8,139,307
		<u>9,994,038</u>
Less accumulated depreciation		(1,220,262)
	\$	<u><u>8,773,776</u></u>

**JAGUARS GOLD CLUBS**  
**Notes to Combined Financial Statements**  
**Year Ended December 31, 2011**

**D. Notes Payable**

Following is a summary of notes payable as of December 31, 2011:

Note payable to a bank, principal and interest at 7.9% payable \$30,287 monthly until August 2016, collateralized by land and building	\$ 1,392,777
Notes payable to an individual, principal and interest at 6% and 7% payable \$13,920 monthly until June 2014, at which time a \$200,000 balloon is due, then payable \$12,185 monthly, collateralized by land and building	1,178,472
Note payable to an individual, principal and interest at 7% payable \$21,298 monthly until March 2018, collateralized by land and building	1,736,690
Note payable to an individual, non interest-bearing, payable \$5,000 monthly until May 2014, collateralized by land and a parking lot	66,531
Note payable to an individual, principal, non interest-bearing, payable \$20,000 monthly until October 2013, collateralized by land and building	280,534
Note payable to an individual, non interest-bearing, payable \$35,000 monthly until June 2012, collateralized by land and a parking lot	94,482
	<u>4,749,486</u>
Less current maturities	1,028,525
Long-term debt	<u>\$ 3,720,961</u>

Carrying values in the table above include net unamortized debt discount of \$333,453 at December 31, 2011, which is amortized to interest expense over the terms of the related debt.

Future maturities of long-term debt consist of the following:

Year ended December 31:

2012	\$ 1,028,525
2013	758,120
2014	720,569
2015	649,036
2016	650,834
Thereafter	1,275,855
Unamortized discount	(333,453)
	<u>\$ 4,749,486</u>

**JAGUARS GOLD CLUBS**  
**Notes to Combined Financial Statements**  
**Year Ended December 31, 2011**

**E. Commitments and Contingencies**

*Litigation*

The Companies can be subjected to certain routine legal matters in the ordinary course of business. The Companies do not believe that the ultimate resolution of the matters will have a material impact on the Companies' financial position or results of operations.

*Texas Patron Tax*

Beginning January 1, 2008, the Companies' Texas clubs became subject to a new state law requiring each club to collect and pay a \$5 surcharge for every club visitor. A lawsuit was filed by the Texas Entertainment Association ("TEA"), an organization to which the Companies are a member, alleging the fee amounts to be an unconstitutional tax. On March 28, 2008, a State District Court Judge in Travis County, Texas ruled that the new state law violates the First Amendment to the United States Constitution and is therefore invalid. The judge's order enjoined the State from collecting or assessing the tax. The State appealed the Court's ruling. In Texas, when cities or the State give notice of appeal, it supersedes and suspends the judgment, including the injunction. Therefore, the judgment of the District Court cannot be enforced until the appeals are completed. Given the suspension of the judgment, the State gave notice of its right to collect the tax pending the outcome of its appeal but took no affirmative action to enforce that right. On June 5, 2009, the Court of Appeals for the Third District (Austin) affirmed the District Court's judgment that the Sexually Oriented Business ("S.O.B.") Fee violated the First Amendment to the U.S. Constitution but on August 26, 2011, the Texas Supreme Court reversed the judgment of the Court of Appeals, ruling that the SOB Fee does not violate the First Amendment to the U.S. Constitution, and remanded the case to the District Court to determine whether the fee violates the Texas Constitution.

The TEA appealed the Texas Supreme Court's decision to the U.S. Supreme Court (regarding the constitutionality of the fee under the First Amendment of the U.S. Constitution), but the U.S. Supreme Court denied the appeal on January 23, 2012. On June 28, 2012, the District Court in Travis County held a hearing on TEA Texas Constitutional claims. On July 9, 2012, the District Court entered an order finding that the tax was a constitutional occupations tax. The Court denied the remainder of TEA's constitutional claims. TEA will appeal this decision of the District Court to the Third Court of Appeals. The Companies have not made any payments of these taxes and plan not to make any such payments while the case is pending in the courts. However, the Companies will continue to accrue and expense the potential tax liability on the combined financial statements, so any ultimate negative ruling will not have any effect on the combined statement of operations and will only affect the Companies' combined balance sheet. If the decision is ultimately found in the Companies' favor, as the Companies believe it will be, then the Companies will have a one-time gain of the entire amount previously expensed.

As of December 31, 2011, the Companies have approximately \$3.5 million in accrued liabilities for this tax. Patron tax expense amounted to \$1.1 million in 2011.

**JAGUARS GOLD CLUBS**  
**Notes to Combined Financial Statements**  
**Year Ended December 31, 2011**

**F. Income Taxes**

Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 740 prescribes a comprehensive model for the financial statement recognition, measurement, presentation, and disclosure of uncertain tax positions taken or expected to be taken in income tax returns. In accordance with FASB ASC 740, the Companies must determine whether it is more likely than not that a tax position will be sustained upon examination based on the technical merits of the position. The Companies believe they have no such uncertain positions.

The Companies file income tax returns in the United States federal jurisdiction. At December 31, 2011, tax returns related to fiscal years ended December 31, 2008 through December 31, 2010, remain open to possible examination by the tax authorities. No tax returns are currently under examination by any tax authorities. The Companies did not incur any penalties or interest related to its federal tax returns during the year ended December 31, 2011.

**G. Acquisition**

On October 17, 2011, the Companies acquired the assets of a nightclub in Beaumont, Texas for \$650,000, payable \$150,000 in cash and \$500,000 payable with a non interest-bearing note. The debt discount on the note was \$195,072 at inception. The purchase price was allocated \$272,957 to building and \$181,971 to land. There was no goodwill recorded in the transaction. The results of operations of this entity are included in the Companies’ combined results of operations since October 17, 2011. This acquisition was made to further the Companies’ growth objective of acquiring nightclubs that will quickly contribute to the Companies’ cash flow. Proforma results of operations have not been provided, as the amounts were not deemed material to the consolidated financial statements.

**H. Related Party Transactions**

The Companies’ management group pays various costs on behalf of the Companies and the Companies reimburse the management group for such costs. At December 31, 2011, the Companies owed payables of approximately \$102,000, which were due to the management group. The Companies also owe amounts to various related parties totaling approximately \$20,000 as of December 31, 2011.

**I. Subsequent Events**

Effective September 17, 2012, the Companies sold their nine operating nightclubs and two other licensed locations to a subsidiary of Rick’s Cabaret International, Inc. (“Rick’s”), which operates live adult entertainment nightclubs. Rick’s Cabaret International, Inc. is a publicly traded company. The purchase transaction was closed on September 17, 2012, completing the acquisition of nine of the eleven nightclubs. The acquisitions of the remaining two clubs, which are located in Longview and Beaumont, were closed on September 30, 2012 and October 12, 2012, respectively. In a separate transaction, which closed on October 16, 2012, the Companies sold the real estate associated with the nightclubs to Rick’s.

In preparing the combined financial statements, the Companies have evaluated all subsequent events and transactions for potential recognition or disclosure through November 30, 2012, the date the combined financial statements were available for issuance.

RICK'S CABARET INTERNATIONAL, INC.  
UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

On August 3, 2012, Jaguars Acquisition, Inc. ("JAI"), a wholly owned subsidiary of Rick's Cabaret International, Inc. ("Rick's"), entered into a Purchase Agreement (the "Purchase Agreement") with Bryan S. Foster and 13 entities owned by him (the "Companies"), to acquire nine operating adult cabarets and two other licensed locations under development (collectively, the "Foster Clubs"). Ten of the clubs are located in Texas, including clubs in Tye (near Abilene), Lubbock (two clubs), Odessa (two clubs), El Paso, Harlingen, Longview, Edinburg and Beaumont, and one club is located in Phoenix, Arizona. On September 17, 2012, the parties entered into an Amendment to Purchase Agreement, whereby the Beaumont acquisition will be effected through an asset purchase rather than a stock purchase. The Amendment also made minor changes to certain representations and warranties within the Purchase Agreement.

On September 17, 2012, JAI and its subsidiaries closed the transactions contemplated by the Purchase Agreement, as amended, and completed the acquisitions of nine of the 11 Foster Clubs. The acquisitions of the remaining two clubs, which are located in Beaumont and Longview, was completed shortly after final permitting had been obtained from the local jurisdictions, at which time the closing documents for those two clubs were released. Longview was closed on September 28, 2012 and Beaumont on October 12, 2012. As consideration for the purchase of the Foster Clubs, JAI and its subsidiaries paid to Foster and the Companies at closing \$3,500,000 cash and \$22,000,000 pursuant to a secured promissory note (the "Club Note"). The Club Note bears interest at the rate of 9.5% per annum, is payable in 144 equal monthly installments and is secured by the assets purchased from the Companies. Upon closing of the Real Estate Agreement (as defined below), JAI and its subsidiaries paid Foster an additional \$500,000 cash.

At closing of the Purchase Agreement, Mr. Foster entered into a five-year non-competition agreement providing for him to not compete with us or our subsidiaries by owning, participating or operating an establishment featuring adult entertainment within a radius of 50 miles of the location of any of the adult clubs owned by our subsidiaries, excluding the adult cabaret located at 11327 Reeder Road, Dallas, Texas, 75229.

In connection with the Purchase Agreement, our wholly owned subsidiary, Jaguars Holdings, Inc. ("JHI"), entered into a Commercial Contract (the "Real Estate Agreement"), which agreement provides for JHI to purchase the real estate where the Foster Clubs are located. The transactions contemplated by the Real Estate Agreement closed on October 16, 2012. The purchase price of the real estate was \$10.1 million and was paid with \$355,000 in cash, \$9.1 million in mortgage notes and an agreement to make a one-time payment of \$650,000 in twelve years. The notes bears interest at the rate of 9.5%, are payable in 143 equal monthly installments and are secured by the real estate properties.

The unaudited pro forma condensed combined financial statements have been prepared to give effect to Rick's acquisition of certain assets and entities in the Purchase Agreement ("Jaguars" or "the Seller").

The pro forma condensed balance sheet gives effect to the Jaguars acquisition as if it had occurred on June 30, 2012, combining the balance sheets of Rick's and Jaguars as of that date. The pro forma condensed statements of operations for the nine months ended June 30, 2012 and for the year ended September 30, 2011 give effect to the acquisition as if it had occurred on October 1, 2011 and October 1, 2010, respectively, combining the results of Rick's for the nine months ended June 30, 2012 and the year ended September 30, 2011 with those of Jaguars for the nine months ended June 30, 2012 and for the year ended December 31, 2011.

The pro forma statements of operations for the year ended September 30, 2011 and the nine months ended June 30, 2012 include appropriate adjustments for amortization, interest and other items related to the transaction. The pro forma adjustments are based on preliminary appraisal results, estimates, available information and certain assumptions that management deems appropriate. The pro forma financial information is unaudited and does not purport to represent the results that would have been obtained had the transactions occurred at October 1, 2010 or 2011, as assumed, nor does it purport to present the results which may be obtained in the future.

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**RICK'S CABARET INTERNATIONAL, INC.**  
**UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET**  
**June 30, 2012**  
**(IN THOUSANDS, EXCEPT SHARE INFORMATION)**

	<u>Rick's</u>	<u>Jaguar's</u>	<u>Pro Forma Adjustment</u>	<u>Pro Forma Combined</u>
<b>ASSETS</b>				
<b>CURRENT ASSETS:</b>				
Cash and cash equivalents	\$ 9,652	\$ 203	\$ (4,653)	\$ 5,202
Accounts receivable:				
Trade	1,455	51	(51)	1,455
Employees	491	13	(13)	491
Marketable securities	1,041	-	-	1,041
Inventories	1,441	48	(31)	1,458
Prepaid expenses and other current assets	5,075	44	(44)	5,075
<b>Total current assets</b>	<u>19,155</u>	<u>359</u>	<u>(4,792)</u>	<u>14,722</u>
Property and equipment, net	79,818	8,478	2,066	90,362
Goodwill and indefinite lived intangibles	67,737	-	25,055	92,792
Definite lived intangibles, net	846	-	450	1,296
Other	1,819	3	(3)	1,819
<b>Total assets</b>	<u>\$ 169,375</u>	<u>\$ 8,840</u>	<u>\$ 22,776</u>	<u>\$ 200,991</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
<b>CURRENT LIABILITIES:</b>				
Accounts payable and accrued liabilities	\$ 14,878	\$ 5,411	\$ (5,411)	\$ 14,878
Current portion of long-term debt	6,121	841	(841)	6,121
<b>Total current liabilities</b>	<u>20,999</u>	<u>6,252</u>	<u>(6,252)</u>	<u>20,999</u>
Long-term debt less current portion	37,364	3,396	28,220	68,980
Deferred tax liability	23,192	-	-	23,192
Other	821	-	-	821
<b>Total liabilities</b>	<u>82,376</u>	<u>9,648</u>	<u>21,968</u>	<u>113,992</u>
<b>COMMITMENTS AND CONTINGENCIES</b>				
<b>TEMPORARY EQUITY</b> - Common stock ,subject to put rights (461,740 shares)				
	551	-	-	551
<b>STOCKHOLDERS' EQUITY:</b>				
Preferred stock, \$.10 par, 1,000,000 shares authorized; none outstanding	-	-	-	-
Common stock, \$.01 par, 15,000,000 shares authorized; 9,272,237 outstanding	97	-	-	97
Additional paid-in capital	61,522	-	-	61,522
Accumulated other comprehensive income	36	-	-	36
Retained earnings	21,487	(808)	808	21,487
Total Rick's permanent stockholders' equity	83,142	(808)	808	83,142
Noncontrolling interests	3,306	-	-	3,306
<b>Total permanent stockholders' equity</b>	<u>86,448</u>	<u>(808)</u>	<u>808</u>	<u>86,448</u>
<b>Total liabilities and stockholders' equity</b>	<u>\$ 169,375</u>	<u>\$ 8,840</u>	<u>\$ 22,776</u>	<u>\$ 200,991</u>

**RICK'S CABARET INTERNATIONAL, INC.**  
**UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS**  
**NINE MONTHS ENDED JUNE 30, 2012**  
**(IN THOUSANDS, EXCEPT PER SHARE INFORMATION)**

	<u>Rick's</u>	<u>Jaguar's</u>	<u>Pro Forma Adjustment</u>		<u>Pro Forma Combined</u>
<b>Total revenue</b>	\$ 71,353	\$ 10,877	\$ -		\$ 82,230
Operating expenses:					
Cost of goods sold	9,601	845	-		10,446
Salaries and wages	15,461	1,790	-		17,251
Depreciation and amortization	3,708	298	233	B	4,239
Other general and administrative	29,723	8,650	(4,438)	E	33,935
<b>Total operating expenses</b>	<u>58,493</u>	<u>11,583</u>	<u>(4,205)</u>		<u>65,871</u>
Operating income	12,860	(706)	4,205		16,359
Interest expense	(3,178)	(342)	(1,908)	C	(5,428)
Income tax expense	(3,366)	-	(437)	D	(3,803)
Other	(192)	-	-		(192)
<b>Net income</b>	<u>\$ 6,124</u>	<u>\$ (1,048)</u>	<u>\$ 1,860</u>		<u>\$ 6,936</u>
Net income per share:					
Basic	<u>\$ 0.63</u>				<u>\$ 0.71</u>
Diluted	<u>\$ 0.63</u>				<u>\$ 0.71</u>
Weighted average shares outstanding:					
Basic	<u>9,710</u>				<u>9,710</u>
Diluted	<u>9,717</u>				<u>9,717</u>

**RICK'S CABARET INTERNATIONAL, INC.**  
**UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS**  
**YEAR ENDED SEPTEMBER 30, 2011**  
**(IN THOUSANDS, EXCEPT PER SHARE INFORMATION)**

	<u>Rick's</u>	<u>Jaguar's</u>	<u>Pro Forma Adjustment (A)</u>	<u>Pro Forma Combined</u>
<b>Total revenue</b>	\$ 83,491	\$ 14,278	\$ -	\$ 97,769
Operating expenses:				
Cost of goods sold	10,427	1,023	-	11,450
Salaries and wages	18,329	2,308	-	20,637
Depreciation and amortization	3,904	413	309 B	4,626
Other general and administrative	32,037	11,358	(5,736) E	37,659
<b>Total operating expenses</b>	<u>64,697</u>	<u>15,102</u>	<u>(5,427)</u>	<u>74,372</u>
Operating income	18,794	(824)	5,427	23,397
Interest expense	(4,289)	(539)	(2,341) C	(7,169)
Income tax expense	(5,403)	-	(603) D	(6,006)
Other	<u>(1,256)</u>	<u>-</u>	<u>-</u>	<u>(1,256)</u>
Net income	<u>\$ 7,846</u>	<u>\$ (1,363)</u>	<u>\$ 2,483</u>	<u>\$ 8,966</u>
Net income per share:				
Basic	<u>\$ 0.79</u>			<u>\$ 0.90</u>
Diluted	<u>\$ 0.79</u>			<u>\$ 0.90</u>
Weighted average shares outstanding:				
Basic	<u>9,930</u>			<u>9,930</u>
Diluted	<u>9,932</u>			<u>9,932</u>

\* The Jaguar financial statements are for the year ended December 31, 2011.

RICK'S CABARET INTERNATIONAL, INC.  
NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS  
(Continued)

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET ADJUSTMENT

DESCRIPTION	Amounts in thousands
Total consideration:	
Cash	\$ 4,450
Issuance of Promissory Note	31,616
	<u>\$ 36,066</u>

(A) Records the Jaguars acquisition, including: payment of \$4.4 million in cash and a Promissory Note issued aggregating \$31.6 million.

This acquisition was accounted for as a purchase with the total consideration preliminarily allocated to the assets assumed as follows:

Allocation:	
Current assets	\$ 17
Property & equipment	10,544
Non-compete agreement	450
Licenses	5,923
Goodwill	19,132
	<u>\$ 36,066</u>

The foregoing allocations are based on estimated fair values and are subject to adjustment. Fair values of assets acquired were determined based on management's valuation.

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UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS ADJUSTMENTS

- (B) Records adjustment to amortization expense to reflect increase for new basis of identifiable intangible assets including non-compete agreement and goodwill. Non-compete agreement is amortized straight-line over the one and two year lives. Goodwill is considered to have an indefinite life and is not amortized. Also records adjustment to depreciation expense for the new buildings purchased in the transaction.
- (C) Records adjustment to interest expense to reflect interest on Rick's \$31.6 million Promissory Notes related to the acquisition and reduce interest expense for Jaguars debt which would have been paid off.
- (D) Records income tax expense on Jaguars net loss and pro forma adjustments.
- (E) Reduces corporate and rent costs which will not exist in the new entity.
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