

# Securities and Exchange Commission

Washington, D.C. 20549

## FORM 8-K

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

Date of Report: February 15, 2005

### **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)	(Commission File Number)	(IRS Employer Identification No.)

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

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

505 North Belt, Suite 630  
Houston, Texas 77060  
(281) 820-1181  
(Registrant's previous office/phone)

**ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.**

On February 13, 2005, we entered an Option to Purchase Agreement (the "Option Agreement") with Top Shelf, LLC, a North Carolina limited liability company ("Top Shelf") and the holder of Top Shelf's membership interests to purchase all of the issued and outstanding membership interests of Top Shelf which owns a nightclub known as "The Manhattan Club" located in Charlotte, North Carolina (the "Club"). The Option Agreement provides for a four-month option period and purchase price of \$1,000,000 which is payable with 180,000 shares of our common stock (the "Shares") and a seven year promissory note bearing interest at the rate of 7% (the "Note"). Subject to the completion of the transaction, we will be required to file a registration statement for the Shares. For purposes of calculating the purchase price, the Shares will be valued at the average closing price of our stock for the five (5) days preceding the effective date of the registration statement. If the value of the Shares declines subsequent to the effective date of the registration statement, then the Seller shall have the right to "put" the Shares back to us on terms and conditions to be negotiated by the parties and set forth in the definitive agreement. It was further agreed that once the Seller has received the value of the Shares, then his "put" rights will immediately terminate.

We intend to enter a Definitive Agreement upon satisfaction of certain conditions, including Rick's obtaining a temporary liquor license, Rick's obtaining a sexually oriented business license, and other conditions consistent with transactions of this type. However, the Option Agreement shall immediately terminate if we are denied a temporary liquor license by the North Carolina Liquor Authority. Under the Option Agreement, there are provisions for us to pay a Breakup Fee of \$200,000 under certain conditions if we fail to execute and close the transaction. The terms and conditions of the Stock Purchase Agreement were the result of extensive arm's length negotiations between the parties. A copy of the Option Agreement is attached hereto as Exhibit 10.1.

Additionally, on February 13, 2005, our wholly owned subsidiary, RCI Entertainment (North Carolina), Inc., a North Carolina corporation ("RCI North Carolina"), entered a Management Agreement (the "Management Agreement") with Top Shelf under which RCI North Carolina will manage, operate, maintain and market the Club. Under the Management Agreement, RCI North Carolina will operate the Club under the name "Rick's Cabaret" pursuant to a limited grant of license rights, and will receive one hundred percent (100%) of the net cash flow generated by the Club. A copy of the Management Agreement is attached hereto as Exhibit 10.2.

A copy of the press release related to this transaction is attached hereto as Exhibit 99.1.

**ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS**

(c) Exhibits

Exhibit Number	Description
10.1	Option to Purchase Agreement
10.2	Management Agreement
99.1	Press release dated February 15, 2005

## 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: February 15, 2005*

*By: /s/ Eric Langan*

-----

*Eric Langan*

*Chairman, President, Chief Executive*

*Officer and Acting Chief Accounting Officer*



## **OPTION TO PURCHASE AGREEMENT**

This Option to Purchase Agreement ("Option Agreement") is made and entered into on this 13th day of February, 2005, by and among RICK'S CABARET INTERNATIONAL, INC., a Texas corporation ("Rick's"), TOP SHELF ENTERTAINMENT, LLC, a North Carolina limited liability company ("Top Shelf") and TONY HEGE, being the registered and beneficial holder of all of the issued and outstanding membership interests of Top Shelf ("Hege").

### **W I T N E S S E T H:**

WHEREAS, Rick's desires to purchase, through a wholly owned subsidiary of Rick's (the "Purchaser"), all of the issued and outstanding membership interests of Top Shelf which owns an adult nightclub known as The Manhattan Club located at 5300 Old Pineville Road, Charlotte, North Carolina 28217 (the "Club" or "Manhattan Club"); and

WHEREAS, Hege, being the sole owner of the membership interests of Top Shelf desires to sell his membership interests in Top Shelf to Purchaser; and

WHEREAS, simultaneously with the execution hereof, Top Shelf has entered into a Management Agreement with RCI Entertainment (North Carolina), Inc., a North Carolina corporation ("RCI"), which is wholly owned by Rick's, to manage, operate, maintain and market the Club; and

WHEREAS, the Management Agreement provides that Top Shelf is responsible for any and all losses incurred during the term of the Management Agreement; and

WHEREAS, Top Shelf desires to avoid the risk of loss at the Club during the term of the Management Agreement; and

WHEREAS, Rick's, in consideration of entering into this Option Agreement is willing to assume the risk of loss at the Club during the term of the Management Agreement; and

WHEREAS, Hege, in consideration of Rick's assuming the risk of loss during the term of the Management Agreement, is willing to grant to Rick's this Option Agreement; and

WHEREAS, Rick's is willing to grant to Top Shelf limited license rights during the term of this Option Agreement; and

WHEREAS, Rick's and Hege have agreed upon the terms and conditions of this Option Agreement, as set forth below.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt

and sufficiency of which are hereby acknowledged, the parties hereto mutually agree as follows:

1. **OPTION TO PURCHASE.** In consideration of Rick's assuming any and all losses incurred by Top Shelf at the Club during the term of the Management Agreement, Hege hereby grants Rick's an option to purchase all of the issued and outstanding membership interests of Top Shelf, free and clear of any liens, claims or other encumbrances for the term set forth herein and to be more fully recited in the Definitive Agreement to be executed upon the exercise of this Option Agreement by Rick's as provided for in Section 10 hereof.

2. **THE PURCHASE PRICE.** The Purchaser shall acquire all of the membership interests of Top Shelf for \$1,000,000 (the "Purchase Price"), payable as follows:

(i) 180,000 shares of common stock of Rick's (the "Shares") to be valued as set forth below; and

(ii) the balance of the Purchase Price due, if any, after calculating the value of the Shares, shall be evidenced by a seven (7) year promissory note bearing simple interest of seven percent (7%) per annum (the "Promissory Note") payable in eighty-four (84) equal monthly payments, with the first payment due thirty (30) days from the Effective Date of the Rick's Registration Statement (as defined below). The Promissory Note shall be secured by the assets of the Purchaser.

For purposes of computing the valuation of the Shares for the Purchase Price, the Shares shall be valued at the average closing price of Rick's for the five

(5) days preceding the Effective Date of the Registration Statement (the "Value of the Shares") to be filed by Rick's as provided for in Section 3 below. In the event that the Value of the Shares exceeds \$1,000,000, then the Purchase Price shall be deemed to be paid in full and the Purchaser shall not issue a Promissory Note as contemplated in Section 2(ii) above. If, however, the Value of the Shares declines subsequent to the Effective Date of the Registration Statement, then Hege shall have the right to "put" the Shares back to the Purchaser on terms and conditions to be negotiated by the Purchaser and Hege and set forth in the Definitive Agreement. It is further agreed herein that once Hege has received the Value of the Shares, then his "put" rights shall immediately terminate.

3. **REGISTRATION RIGHTS.** Rick's agrees to file a Registration Statement under the Securities Act of 1933, as amended (the "Act") within thirty (30) days from the date of closing as set forth in the Definitive Agreement with the Securities and Exchange Commission ("SEC") on Form SB-2 or Form S-3 or other similar form (except on Form S-8 or Form S-4) to register for re-sale by Hege of the Shares. Rick's will use its best efforts to cause the Registration Statement to become effective under the Act (the "Effective Date"), as promptly as is practical and to keep the Registration Statement continuously effective under the Act for a period of the earlier of (i) two years from the

Effective Date or (ii) until all of the Shares which were registered for re-sale have been sold.

4. REPRESENTATIONS, WARRANTIES AND COVENANTS. The Definitive Agreement to be executed upon the exercise of the Option Agreement by Rick's will contain such representations, warranties, covenants, and indemnification provisions as are customarily contained in agreements governing transactions of this nature. Specifically, Hege will indemnify Rick's and the Purchaser from any liabilities of Top Shelf which exist or may exist prior to the date of execution of the Option Agreement. The Definitive Agreement will provide that Rick's will undertake to use its best efforts to file a Registration Statement as provided for in Section 3 hereof.

5. NO THIRD PARTY NEGOTIATIONS. To induce Rick's to assume the risk of loss at the Club during the term of the Management Agreement and for RCI to simultaneously enter into the Management Agreement to manage and operate the Club, Top Shelf and Hege agree that until the exercise by Rick's of this Option Agreement or the termination hereof, they will not, either individually or collectively, offer to sell or solicit any offer to purchase or engage in any discussions or activities of any nature whatsoever, directly or indirectly, involving in any manner the actual or potential sale, transfer, encumbrance, pledge, collateralization or hypothecation of the membership interests of Top Shelf or any of its assets. Top Shelf and Hege hereby agree to advise Rick's of any contact from any third party regarding the acquisition or other investment in Top Shelf or of any contact which would relate to the transactions contemplated by this Option Agreement.

6. TOP SHELF'S OBLIGATIONS UNDER THIS OPTION TO PURCHASE. From the date hereof until the termination or expiration of this Option Agreement, Top Shelf shall: (i) provide Rick's full and complete access to inspect and appraise its assets and operating location (including the Manhattan Club) and will disclose and make available to Rick's or its representatives during regular business hours, all books, agreements, papers and records relating to the financial condition, ownership and operation of Top Shelf and the Manhattan Club as shall be reasonably requested; (ii) not make any material changes in the conduct of Top Shelf's or the Manhattan Club's business except as required by applicable law; (iii) not make any material capital expenditures or inventory purchases outside the ordinary course of business; (iv) not incur any trade payables or other liabilities outside the ordinary course of business and shall pay all trade payables and other liabilities coming due in the ordinary course of business; (v) maintain and not deplete in any material way the assets and goodwill of Top Shelf or the Manhattan Club; and (vi) without the prior written consent of Rick's, not disclose the terms of this Option Agreement to any third party unless required by law.

7. RICK'S OBLIGATIONS UNDER THIS OPTION AGREEMENT. From the date hereof until the termination of this Option Agreement, Rick's shall: (i) as soon as possible after the execution hereof, commence performance of its due diligence and commence preparation of the Definitive Agreement; and (ii) engage legal counsel of its choosing to commence work on the necessary licensing.

8. CONFIDENTIALITY. Rick's shall not disclose to any third party any information obtained pursuant to Paragraph 7 which is not otherwise generally available to the public or not already within its knowledge, except as is necessary in connection with the preparation of the Definitive Agreement relating to the exercise of the Option Agreement or the transactions contemplated thereby or as may be required by applicable law. Any public release of information with respect to the matters set forth herein relating to the exercise of the Option to Purchase will be made in the form and manner approved by the parties hereto and their respective counsel, provided however, if counsel for Rick's, a publicly traded entity, determines that a press release is required to be made that Rick's may do so without the consent and approval of Top Shelf but will give prior notice, if possible, of said release.

9. CONDITIONS PRECEDENT TO EXERCISE THE OPTION AGREEMENT BY RICK'S. Prior to the exercise of the Option Agreement by Rick's, the following conditions must be met:

(i) The Purchaser shall have obtained a temporary liquor license duly issued and approved by the North Carolina Liquor Authority which will allow for the sale of liquor by the Purchaser at the Manhattan Club;

(ii) The Purchaser shall have obtained a sexually oriented business license for the Manhattan Club issued by the appropriate city or county regulatory authority and it shall be in full force and effect;

(iii) The Purchaser shall have obtained all necessary permits and other authorizations which may be needed to conduct adult entertainment at the Manhattan Club, which will serve liquor; and

(iv) Approval of all of the aforesaid transactions and the exercise of the Option Agreement by the Board of Directors of Rick's.

10. EXECUTION OF DEFINITIVE AGREEMENT. Each of the parties hereto intend upon the exercise of the Option Agreement by Rick's that they will enter into a Definitive Agreement which will provide for the purchase of all of the outstanding membership interests of Top Shelf not later than twenty-one (21) days from the date of execution of the Definitive Agreement. Each party shall be responsible for their own expenses, including all legal and accounting fees with respect to the transactions contemplated hereby and contemplated by the execution of the Definitive Agreement upon the exercise of this Option Agreement.

11. GRANT OF LICENSE RIGHT. Rick's hereby grants to Top Shelf during the term of this Option Agreement only, the license rights to use and exploit, at the Manhattan Club's location in Charlotte, North Carolina, only the name "Rick's Cabaret" and all logos, trademarks and service marks attendant thereto. Top Shelf and Hege acknowledge that the license rights granted hereby will terminate upon the termination or



expiration of this Option Agreement and that neither Top Shelf nor Hege shall have any license rights granted hereunder subsequent to termination or expiration of this Option Agreement.

12. **BREAKUP FEE.** In the event that (i) the lease for the Manhattan Club is in good standing with at least three years and eleven months remaining and an option to extend for five additional years; (ii) the liabilities of Top Shelf shall not exceed \$100,000 as of the date of execution of this Option Agreement; (iii) Top Shelf executes the Definitive Agreement as provided for in Section 10 hereof; and (iv) if Rick's or the Purchaser obtain the following:

(x) a temporary liquor license duly issued and approved by the North Carolina Liquor Authority which will allow for the sale of liquor by Rick's or the Purchaser at the Manhattan Club;

(y) a sexually oriented business license for the Manhattan Club issued by the appropriate city or county regulatory authority and it shall be in full force and effect; and

(z) all necessary permits and other authorizations which may be needed to conduct adult entertainment at the Manhattan Club, which will serve liquor, including a Certificate of Occupancy

then Rick's will pay, within ten (10) days, to Hege a Breakup Fee of \$200,000 if Rick's and the Purchaser fail for any reason to execute and close the Definitive Agreement calling for the acquisition of Top Shelf by the Purchaser.

13. **TERM OF OPTION AGREEMENT.** Rick's shall have the right to exercise this Option Agreement from the date of execution hereof and its right to exercise this Option Agreement shall remain in force and effect until the sooner of (i) four (4) months from the date of execution hereof or (ii) the execution of the Definitive Agreement which will provide for a closing not later than twenty-one (21) days from the date of execution thereof, provided however, that this Option Agreement shall immediately terminate if the Purchaser is denied a temporary liquor license by the North Carolina Liquor Authority which would allow for the sale of liquor by the Purchaser at the Manhattan Club.

14. **TERMINATION OF OPTION AGREEMENT.** Notwithstanding anything contained herein, Rick's shall have the right, at its sole discretion, to terminate this Option Agreement at any time during the term hereof by giving thirty (30) days written notice of such election to terminate to Top Shelf and Hege.

**{{{SIGNATURES ON FOLLOWING PAGE}}}**

IN WITNESS WHEREOF, the parties hereto have executed this Option Agreement as of the date first above written.

**TOP SHELF ENTERTAINMENT, LLC**

By: /s/ Tony Hege

-----  
Tony Hege

**TONY HEGE, INDIVIDUALLY**

/s/ Tony Hege

-----

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

By: /s/ Eric Langan

-----  
Eric Langan, President



## **MANAGEMENT AGREEMENT**

THIS MANAGEMENT AGREEMENT ("Agreement") is made and entered into on this 13th day of February, 2005 (the Effective Date), by and between TOP SHELF ENTERTAINMENT, LLC, a North Carolina limited liability company (the "Owner") and RCI ENTERTAINMENT (NORTH CAROLINA), INC., a North Carolina corporation (the "Manager").

### **W I T N E S S E T H :**

WHEREAS, the Owner owns a nightclub known as The Manhattan Club located at 5300 Old Pineville Road, Charlotte, North Carolina 28217 (the Club); and

WHEREAS, simultaneously with the execution hereof, the Owner has entered into an Option to Purchase Agreement ("Option Agreement") with Rick's Cabaret International, Inc., a Texas corporation ("Rick's"), pursuant to which Tony Hege ("Hege") as the sole owner of all of the membership interests in the Owner has granted to Rick's an option to purchase all of the membership interests owned by Hege in the Owner (the "Acquisition"); and

WHEREAS, the Manager is a wholly owned subsidiary of Rick's; and

WHEREAS, during the period of time until the Acquisition is completed, the Owner desires to retain the services of the Manager to act as its exclusive agent in the operation of the Club; and

WHEREAS, the Manager desires to provide such exclusive management services to the Owner; and

WHEREAS, the Owner and the Manager have agreed upon the terms and conditions upon which the Manager shall manage and operate the Club, as set forth below.

NOW THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto mutually agree as follows:

1. **APPOINTMENT AND ACCEPTANCE.** The Owner hereby appoints the Manager, and the Manager hereby accepts appointment, on the terms and conditions hereinafter provided, as the Owner's exclusive managing agent for the management, operation, maintenance and marketing of the Club.

2. **OBLIGATIONS OF MANAGER.** The Manager shall render the following services and shall perform the following duties for the Owner in a faithful, diligent and efficient manner:

(a) IN GENERAL. The Manager shall be solely and exclusively responsible for all management, operational, marketing, and maintenance activities with respect to the Club, including, but not limited to, such activities as are more specifically described below.

(b) ADVERTISING. The Manager shall advertise and promote the Club with the goal of maximizing profitability of the Club and consistent with budgetary constraints.

(c) MANAGEMENT. The Manager shall manage, operate, market, and maintain the Club, including, but not limited to, arranging for and supervising the day-to-day operations of the Club and improvements to the Club.

(i) To make or cause to be made in the name of and at the expense of the Owner such ordinary repairs or alterations to the Club as may be necessary;

(ii) To make or cause to be made in the name of and at the expense of the Owner such modifications, improvements or expansions of the Club as may be necessary or helpful, provided, however, that the Manager shall make no improvements in excess of \$25,000 in any calendar month without the prior written approval of the Owner; and

(iii) To request, demand, collect, receive and give receipts for any and all charges which become due from the operation of the Club and to make all payments required for the expenses of managing, operating, marketing or maintaining the Club as and when they become due. All sums of money collected by the Manager from the operation of the Club shall be deposited by the Manager in a bank account to be designated by the Manager and approved by the Owner and opened in the name of the Club, with signatory powers to the Manager. The Manager shall make appropriate disbursements from this bank account for the payment of expenses as set forth above.

(d) ACCOUNTING. The Manager shall maintain a comprehensive system of records, books and accounts regarding the operation of the Club. All records shall be subject to examination by the Owner, or its authorized agents, attorneys and accountants at all reasonable hours. No later than the twentieth (20th) day of each month, with respect to the preceding month, the Manager shall render a statement of receipts and disbursements, a schedule of accounts

receivable and payable, together with a reconciled bank statement as of the last day of the month.

(e) EMPLOYEES. The Manager shall hire such employees as shall be reasonably necessary for the operation of the Club. The Manager shall determine the number of employees necessary for the operation of the Club, the compensation to be paid to such employees, the policies and procedures applicable to the employment of such employees and the term of employment of such employees.

(f) RISK OF LOSS. Any losses incurred during the term of this Agreement shall be paid for and borne by the Owner. The Owner hereby acknowledges that the Manager is not responsible for any losses incurred in connection with the management, operation, maintenance and marketing of the Club during the term of this Agreement.

3. AGENCY RELATIONSHIP. Everything done by the Manager under the provisions of this Agreement shall be done as agent of the Owner, and all obligations or expenses incurred thereunder shall be for the account, on behalf, and at the expense of the Owner. Any payments to be made by the Manager hereunder shall be made out of such sums as are made available to the Manager by the Owner, and it is agreed that the Manager shall not be obligated to expend its own funds for any payments which the Manager is authorized to make hereunder.

4. TERM OF AGREEMENT. This Agreement shall be effective from the date of execution hereof and shall remain in full force and effect until the closing of the Acquisition as provided for in the Option Agreement executed simultaneously herewith or until the Option Agreement is terminated or expires as provided for therein.

5. COMPENSATION OF MANAGER. The Manager shall be entitled to receive as compensation for its management of the Club a fee computed and payable monthly, not later than the 20th day of each month in an amount equal to one hundred percent (100%) of the Net Cash Flow, if any. For purposes of this Agreement, the term "Net Cash Flow" means the aggregate amount of all cash received with respect to the Club from cash sales and receipts, credit or charge card sales and receipts, or sales on open account, or any combination of the same, using a cash receipts and disbursements method of accounting, less (i) refunds; (ii) fees and charges payable to the companies issuing the credit or charge card(s) approved by the Owner in connection with such credit or charge card sales; (iii) bank charges assessed against the Owner for insufficient funds or other uncollectible checks received from users of the Club; (iv) insufficient funds or other uncollectible checks received from users of the Club; and (v) costs of maintenance, advertising and operation of the Club.

6. LIMITED GRANT OF LICENSE RIGHTS. Manager and Owner acknowledge that during the term of this Agreement only, that Rick's has granted to the Owner the license rights to use and exploit, at the Club's location in Charlotte, North Carolina, only, the name "Rick's Cabaret" and all

logos, trademarks and service marks attendant thereto. The Owner acknowledges that the license rights granted in the Option Agreement executed simultaneously herewith and acknowledged hereunder will terminate upon the termination of this Agreement or the termination or expiration of the Option Agreement.

7. **BINDING AGREEMENT; ASSIGNMENT.** This Agreement shall inure to the benefit of and constitute a binding obligation upon the contracting parties and their respective successors, assigns and legal representatives, but this Agreement and the rights and obligations may not be assigned or delegated without the prior written consent of the parties hereto and any permitted assignee hereunder must agree to assume and discharge the duties and obligations of his assignor hereunder.

8. **SOLE AGREEMENT; AMENDMENT.** Except for the Option Agreement, this Agreement contains all of the oral and written agreements and all of the representations and arrangements between the parties hereto, and any rights which the parties may have had under any previous oral arrangements are hereby cancelled and terminated, and no representations or warranties are made or implied other than those expressly set forth herein. This Agreement may only be modified by the written agreement signed by or on behalf of all of the parties hereto.

9. **TIME.** Time shall be deemed to be of the essence of this Agreement whenever time limits are imposed herein for the performance of any obligations by any of the parties hereto, or whenever the accrual of any rights to either of the parties hereto depends on the passage of time.

10. **REMEDIES CUMULATIVE.** The rights, options, elections and remedies of any of the parties contained in this Agreement shall be cumulative; and no one of them shall be construed as excluding any other or any right, priority or remedy provided by this Agreement or law.

11. **NO WAIVER.** None of the terms, conditions, covenants, or provisions of this Agreement can be waived by either party except by appropriate written instruments. The waiver by either party of any breach of any term, condition, covenant or provision herein contained shall not be deemed a waiver of the same of any other term, condition, covenant or provision herein contained, or of any subsequent breach of the same or any other term, condition, covenant or provision herein contained.

12. **GOVERNING LAW; VENUE.** This Agreement shall be governed by, and its provisions construed to be in compliance with, the laws of the State of Texas, and in the event any provision of this Agreement cannot be so construed without rendering such provision inoperable, such provision (i) shall be void and of no effect and (ii) shall be deemed to be severable, and this Agreement shall remain in full force and effect as though such provision had not been included herein. The parties agree that venue for purposes of construing or enforcing this Agreement shall be proper in Harris County, Texas.

13. NOTICES. Any notice required or permitted under this Agreement shall be given in writing effectively given upon personal delivery or upon deposit with the United States Post Office, by registered or certified mail, postage prepaid. The mailing addresses of the parties for notice purposes are as follows:

a. If to the Manager, addressed to:

RCI Entertainment (North Carolina), Inc. Attn: Eric Langan 10959 Cutten Road Houston, Texas 77066

b. If to the Owner, addressed to:

Top Shelf Entertainment, LLC 5300 Old Pineville Road Charlotte, North Carolina 28217

14. INVALIDITY OF PROVISIONS. The invalidity or an enforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

15. MISCELLANEOUS.

(a) Any words used herein in the singular shall be deemed to include the plural, any words used herein in the plural shall be deemed to include the singular, as the context requires. Pronouns used herein, whether masculine, feminine or neuter, shall be interpreted as the context requires.

(b) This Agreement shall not be construed to have created any rights or benefits for, or be deemed to inure to the benefit if, any person or entity not a party hereto. Further, this Agreement shall not be deemed to have made the Owner and the Manager partners for any purposes. The rights and powers of the Manager hereunder are to be strictly construed and limited to the specific matters hereinabove set forth.

(c) This Agreement may be executed in multiple counterparts on the day and date first hereinabove written, and each executed counterpart hereof shall be deemed to be an original for all purposes.

**[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]**



IN WITNESS WHEREOF, the parties hereto have executed this Management Agreement as of the date first above written.

**OWNER:**

**TOP SHELF ENTERTAINMENT, LLC**

*By: /s/ Tony Hege*

-----  
*Name: Tony Hege*

**MANAGER:**

**RCI ENTERTAINMENT (NORTH CAROLINA), INC.**

*By: /s/ Eric Langan*

-----  
*Name: Eric Langan*  
*Title: President*



**RICK'S  
CABARET**

**FOR IMMEDIATE RELEASE**

**RICK'S CABARET INTERNATIONAL, INC. PLANS TO ACQUIRE NEW GENTLEMEN'S CLUB IN CHARLOTTE, NC**

HOUSTON - (February 15, 2005) -- RICK'S CABARET INTERNATIONAL, INC. [RICK: NASDAQ], which operates upscale gentlemen's clubs, said today it has entered into a OPTION AGREEMENT TO ACQUIRE a 30,000 square foot nightclub in CHARLOTTE, NC. The club will offer adult entertainment for men seven days a week and will also present a male review for women five nights a week in an adjoining self-contained 8,000 square foot club.

RICK'S CABARET CEO ERIC LANGAN said his company has begun operating the former THE MANHATTAN CLUB (5300 Old Pineville Road, Charlotte) under a management and licensing agreement. The venue, which was the site of the highly successful CLUB 2000 for many years, has been renamed RICK'S CABARET.

The option agreement calls for Rick's Cabaret to acquire TOP SHELF LLC, for \$1,000,000 through the issuance of 180,000 shares of restricted common stock and a seven-year promissory note. The acquisition is expected to be completed within twelve weeks, after approval of licenses and authorizations required to run the business and other conditions consistent with transactions of this type.

Rick's Cabaret said that if the closing takes place as expected, it anticipates income from the new club should be accretive to earnings in the 2005 fiscal year, since start up costs will be limited chiefly to marketing expenses, signage and some interior modifications.

This is the second major acquisition announced this year by Rick's Cabaret, which on January 18th purchased the former Paradise Club in midtown New York City. When remodeling is completed in mid 2005, it will become RICK'S CABARET-NYC and will be the company's flagship location, catering to local businessmen, professionals, business travelers, tourists and sports fans visiting nearby Madison Square Garden.

Mr. Langan said: "The Charlotte club was completely renovated within the last year and is a first class venue for a premiere men's club. The club is in an ideal location, equidistant to nearby Charlotte Douglas International Airport, downtown and major office parks. The addition is consistent with our expansion strategy to acquire existing clubs in locations that meet our growth and income targets, and are receptive to the upscale club formula we have developed. We will bring in management from some of our other

locations initially to convert the club to our standards. We are also excited about the opportunity to offer a fun male review program for the ladies in a comfortable setting. "

#### **ABOUT RICK'S CABARET**

Rick's Cabaret International, Inc. ([www.ricks.com](http://www.ricks.com)) operates upscale adult nightclubs serving primarily businessmen and professionals that offer live adult entertainment and high quality restaurant and bar operations. The company owns, operates or licenses eleven adult nightclubs in New York City, New Orleans, Houston, Minneapolis, Charlotte and other cities under the names "Rick's Cabaret," "XTC," "Club Onyx" and "Hummers." No sexual contact is permitted at any of these locations. Rick's Cabaret also owns an adult Internet membership Web site, [www.couplestouch.com](http://www.couplestouch.com), and a network of nine online auction sites for adult products under the flagship URL [www.naughtybids.com](http://www.naughtybids.com). Rick's Cabaret common stock is traded on the NASDAQ SmallCap market under the symbol RICK. For further information contact [ir@ricks.com](mailto:ir@ricks.com).

#### **FORWARD-LOOKING STATEMENTS:**

This press release may contain forward-looking information within the meaning of Section 21E of the Securities Exchange Act of 1934 that involves significant risks and uncertainties, and is subject to the safe harbors created by this section. Important factors that could cause actual results for Rick's Cabaret to differ materially from those indicated in this press release include the risks and uncertainties as to the future operational and financial results of our Web sites, conditions relevant to real estate transactions, the future operational performance of our partners, the laws governing the operation of adult entertainment businesses, competitive and economic factors, dependence on key personnel and the ability to manage operations. Rick's Cabaret has no obligation to update or revise the forward-looking statements to reflect the occurrence of future events or circumstances. Please refer to the documents Rick's Cabaret files from time to time with the Securities and Exchange Commission, in particular the most recent quarterly reports on Form 10-QSB and annual report on Form 10-KSB, which are available at the company's website, [www.ricks.com](http://www.ricks.com).

Contact for further information: Allan Priaulx, 212-338-0050, [ir@ricks.com](mailto:ir@ricks.com)

