
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: September 5, 2008

RICK'S CABARET INTERNATIONAL, INC.

(Exact Name of Registrant As Specified in Its Charter)

Texas
(State Or Other Jurisdiction of Incorporation)

0-26958
(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)

ITEM 2.01

COMPLETION OF ACQUISITION OF ASSETS.

On September 5, 2008, our wholly owned subsidiary RCI Entertainment (Las Vegas), Inc. (the "Purchaser") completed the acquisition of certain assets (the "Purchased Assets") of DI Food & Beverage of Law Vegas, LLC, a Nevada limited liability company (the "Seller") pursuant to a Third Amended Asset Purchase Agreement (the "Third Amendment") between Purchaser, Rick's Cabaret International, Inc. ("Rick's"), Seller, and Harold Danzig ("Danzig"), Frank Lovaas ("Lovaas") and Dennis DeGori ("DeGori") who are all members of Seller. The Seller owned and operated an adult entertainment cabaret known as "Scores" (the "Club"), located at 3355 Procyon Street, Las Vegas, Nevada 89102 (the "Real Property"). A copy of the Third Amendment is attached hereto as Exhibit 10.1.

At Closing, Purchaser paid Seller an aggregate amount as follows (the "Purchase Price"):

- (i) \$12,000,000 payable by wire transfer;
- (ii) \$3,000,000 pursuant to a promissory note ("the Rick's Promissory Note"), executed by and obligating Rick's, bearing interest at eight percent (8%) per annum with a five (5) year amortization, with monthly payments of principal and interest, with the initial monthly payment due in April 2009 with a balloon payment of all then outstanding principal and interest due upon the expiration of two (2) years from the execution of the Rick's Promissory Note; and
- (iii) 200,000 shares of restricted common stock, par value \$0.01 of Rick's (the "Rick's Shares") issued to the Seller.

A copy of the Rick's Promissory Note is attached hereto as Exhibit 10.2.

As part of the transaction, we entered into a Lock-Up/Leak-Out Agreement with the Seller pursuant to which, on or after seven (7) months after the closing date, the Seller shall have the right, but not the obligation, to have Rick's purchase from Seller a total of 150,000 of the Rick's Shares ("Rick's Put Share") in an amount and at a rate of not more than 6,250 of the Rick's Put Shares per month (the "Monthly Shares") calculated at a price per share equal to \$20.00 per share ("Value of the Rick's Shares"). At our election during any given month, we may either buy the Monthly Shares or, if we elect not to buy the Monthly Shares from the Seller, then the Seller shall sell the Monthly Shares in the open market. Any deficiency between the amount which the Seller receives from the sale of the Monthly Shares and the Value of the Rick's Shares shall be paid by us within three (3) business days of the date of sale of the Monthly Shares during that particular month. Our obligation to purchase the Monthly Shares from the Seller shall terminate and cease at such time as the Seller has received a total of \$3,000,000 from the sale of the Rick's Shares and any deficiency. Under the terms of the Lock-Up/Leak-Out Agreement, Seller may not sell more than 25,000 Rick's Shares per 30-day period, regardless of whether the Seller "Puts" the Rick's Put Shares to Rick's or sells them in the open market or otherwise. A copy of the Lock-Up/Leak-Out Agreement is attached hereto as Exhibit 10.3.

Upon closing of the transaction, we entered a two-year Non-Compete Agreement with DeGori (the "DeGori Non-Compete Agreement") pursuant to which DeGori agreed not to compete with the Club by operating an establishment serving liquor and providing live female nude or semi-nude adult entertainment in Clark County, Nevada or in a radius of 25 miles of Clark County, Nevada; provided, however, that the Non-Competition Agreement specifically excluded the Penthouse Club and the Bada Bing Club located in Clark County, Nevada. We agreed to pay DeGori cash consideration of \$66,667 for entering into the Non-Competition Agreement. Additionally, at Closing, we also entered into a 12-month Consulting Agreement with DeGori (the "Consulting Agreement") for a total aggregate of \$133,333 in consulting fees payable in eighteen (18) equal monthly payments of \$7,407.38 per month with the first payment due October 15, 2008. A copy of the Degori Non-Compete Agreement is attached hereto as Exhibit 10.4. A copy of the Consulting Agreement is attached hereto as Exhibit 10.5.

Upon closing of the transaction, we entered a one-year Non-Compete Agreement with Lovaas (the “Lovaas Non-Compete Agreement”) pursuant to which Lovaas agreed not to compete with the Club by operating an establishment serving liquor and providing live female nude or semi-nude adult entertainment in Clark County, Nevada, or any of its surrounding counties; provided, however, that this Non-Competition Agreement shall specifically exclude the Penthouse Club and the Bada Bing Club located in Clark County, Nevada. A copy of the Lovaas Non-Compete Agreement is attached hereto as Exhibit 10.6.

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 press release related to this transaction is attached hereto as Exhibit 99.1.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits

Exhibit No.	Description
10.1	Third Amendment to Asset Purchase Agreement
10.2	Promissory Note
10.3	Lock-Up/Leak-Out Agreement
10.4	Non-Competition Agreement (DeGori)
10.5	Consulting Agreement (DeGori)
10.6	Non-Competition Agreement (Lovaas)
99.1	Press release dated September 5, 2008

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: September 8, 2008

By: /s/ Eric Langan
Eric Langan
President and Chief Executive Officer

EXECUTION VERSION

THIRD AMENDMENT TO ASSET PURCHASE AGREEMENT

This Third Amendment to Asset Purchase Agreement (the “Agreement”) is made and entered into this 4th day of September, 2008, by and among Rick’s Cabaret International, Inc., a Texas corporation (“Rick’s”), its wholly owned subsidiary, RCI Entertainment (Las Vegas), Inc., a Nevada corporation (the “Purchaser”), DI Food and Beverage of Las Vegas, LLC, a Nevada limited liability company (“DI Food” or “Seller”) and Harold Danzig (“Danzig”), Frank Lovaas (“Lovaas”) and Dennis DeGori (“DeGori”), who are all members of DI Food. Messrs. Danzig, Lovaas and DeGori are hereinafter collectively referred to herein as “Members”.

RECITALS

WHEREAS, Purchaser, Rick’s, Seller and the Members entered into an Asset Purchase Agreement dated April 17, 2008, (“Purchase Agreement”) for (i) the acquisition by Purchaser of all of the assets owned by the Seller which are associated or used in connection with the operation of an adult entertainment cabaret known as “SCORES” located at 3355 Procyon Street, Las Vegas, Nevada 89102 (the “Real Property” or the “Premises”), all as set forth in the Purchase Agreement; and (ii) the entering into an Option Agreement pursuant to which either the Purchaser or Seller may exercise the option to purchase the Real Property where SCORES is located; and

WHEREAS, Purchaser, Rick’s, Seller and the Members entered into an Amendment to the Asset Purchase Agreement dated June 8, 2008, amending Section 4.1 of the Purchase Agreement to change the Closing Date and Section 11.1 of the Purchase Agreement to change the Termination Date; and

WHEREAS, Purchaser, Rick’s, Seller and the Members entered into a Second Amendment to the Asset Purchase Agreement effective June 30, 2008, amending Section 3.1 of the Purchase Agreement to change the structure of the Purchase Price, amending Section 4.1 of the Purchase Agreement to change the Closing Date and amending Section 11.1 of the Purchase Agreement to change the Termination Date; and

WHEREAS, Purchaser, Rick’s, Seller and the Members have negotiated, in good faith, new terms and conditions of the Purchase Agreement and wish to amend and restate, in its entirety, the Purchase Agreement.

NOW, THEREFORE, in consideration of the premises, the mutual covenants and agreements and the respective representations and warranties herein contained, and on the terms and subject to the conditions herein set forth, the parties hereto, intending to be legally bound, hereby agree as follows:

The Purchase Agreement is hereby amended and restated in its entirety to read as follows, and the Exhibits to the Purchase Agreement shall be revised as necessary to conform to the amended and restated Purchase Agreement:

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the "Agreement") is made and entered into this 17th day of April, 2008, by and among Rick's Cabaret International, Inc., a Texas corporation ("Rick's"), its wholly owned subsidiary, RCI Entertainment (Las Vegas), Inc., a Nevada corporation (the "Purchaser"), DI Food and Beverage of Las Vegas, LLC, a Nevada limited liability company ("DI Food" or "Seller") and Harold Danzig ("Danzig"), Frank Lovaas ("Lovaas") and Dennis DeGori ("DeGori"), who are all members of DI Food. Messrs. Danzig, Lovaas and DeGori are hereinafter collectively referred to herein as "Members".

WHEREAS , DI Food presently owns and operates an adult entertainment cabaret known as "SCORES" (the "Business" or "SCORES") located at 3355 Procyon Street, Las Vegas, Nevada 89102 (the "Real Property" or the "Premises"); and

WHEREAS , DI Food presently has an option to purchase the Real Property where SCORES is located; and

WHEREAS , the Members own 100% of the membership interest of DI Food (the "Membership Interest"); and

WHEREAS , DI Food desires to sell, transfer and convey all of the assets owned by it which are associated or used in connection with the operation of SCORES to the Purchaser, including the option to purchase the Real Property on the terms and conditions set forth herein; and

WHEREAS , the Purchaser desires to purchase the assets from DI Food on the terms and conditions set forth herein.

NOW, THEREFORE , in consideration of the premises, the mutual covenants and agreements and the respective representations and warranties herein contained, and on the terms and subject to the conditions herein set forth, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE I PURCHASE AND SALE OF THE ASSETS

Section 1.1 Assets of Seller to be Transferred to Purchaser . On the Closing Date (as defined in Section 4.1 hereof), and subject to the terms and conditions set forth in this Agreement, Seller shall sell, convey, transfer and assign, or cause to be sold, conveyed, transferred and assigned to Purchaser free and clear of all liens and encumbrances, and Purchaser shall acquire all of the tangible and intangible assets and personal property of every kind and description and wherever situated of the business of SCORES from the Seller, including but not limited to, the following personal property of the Seller:

- (i) all of the tangible and intangible assets and personal properties of every kind and description and wherever situated of the business of SCORES, including, without limitation, inventories, furniture, fixtures, equipment (including office and kitchen equipment), computers and software, appliances, sign inserts, sound and lighting and telephone systems not incorporated into the building, telephone numbers, and other personal property of whatever kind and nature owned or leased by Seller, installed, located, situated or used in, on, or about, or in connection with the operation, use and enjoyment of the Premises and all other items on the subject Premises and used in connection with the operation of SCORES;

- (ii) all of Seller's inventory of supplies, accessories and any and all other items of personal property of whatever nature, sold by the Seller in the operation of SCORES (the "Inventory");
- (iii) all supplies (other than Inventory) and other "consumable supplies" used in connection with the operation of SCORES (the "Supplies");
- (iv) all of Seller's right, title, and interest, as lessee, of any and all equipment leased by Seller and located at SCORES (the "Leased Equipment");
- (v) all of Seller's right, title and interest under that certain Real Estate Lease and Option Agreement by and between Seller and SHE CAT, LLC (the "Lease Agreement"), a copy of which is attached hereto as Exhibit 1.1(v);
- (vi) all right, title, and interest of Seller to the use of the telephone numbers presently being used by the Business, including all rotary extensions thereto, and all advertisements in the "Yellow Pages", "City Directory" and other similar publications (the "Telephone Numbers") and after the Closing, Purchaser shall assume all expenses for the Telephone Numbers and advertising;
- (vii) all right, title and interest of Seller to all lists, whether written or in electronic form, of customers and accounts, contracts, sales information, and pricing lists of SCORES;
- (viii) copies of Seller's lists of suppliers, and any and all of books, records, papers, files, memoranda and other documents relating to or compiled in connection with the operation of SCORES which are requested by Purchaser (the "Records"); and
- (ix) to the extent transferable, any and all necessary permits and authorizations which are needed to conduct an adult entertainment business serving alcoholic beverages at SCORES which the Seller has the right to transfer and convey, including its sexually oriented business permit and license and all other licenses, consents, authorizations, accreditations, waivers and approvals (together with all government filings pertaining thereto), however designated, establishes, maintained or renewed and issued evidencing or authorizing the Seller, Seller's agent(s) or nominee(s) for the purpose of engaging in the business and/or operation of an adult cabaret nightclub business, gaming facility, restaurant, bar, lounge, sale of liquor or any other business currently operating or capable of being operated on the Premises however characterized.

All of the items set forth in this Section 1.1 are collectively referred to as the “Purchased Assets”.

Section 1.2 Excluded Assets. Specifically excluded from the Purchased Assets are the corporate seals, books, accounting records and records related to corporate governance of the Seller and those assets listed on Exhibit 1.2 (hereinafter collectively referred to as the “Excluded Assets”).

Section 1.3 Intent of the Parties. Although the Exhibits to this Agreement are intended to be complete, in the event such Exhibits fail to contain the description of any asset belonging to Seller which is used solely for the business of SCORES, such assets shall nonetheless be deemed transferred to Purchaser at the Closing.

ARTICLE II NO ASSUMPTION OF LIABILITIES

Section 2.1 Excluded Liabilities. Notwithstanding anything contained in this Agreement to the contrary, Purchaser shall have no obligation and is not assuming, and Seller shall retain, pay, perform, defend and discharge all of the liabilities and obligations of every kind whatsoever related or connected to the Purchased Assets or the business of SCORES arising or accruing prior to the Closing Date, whether disclosed or undisclosed, known or unknown on the Closing Date, direct or indirect, absolute or contingent, secured or unsecured, liquidated or unliquidated, accrued or otherwise, whether liabilities for taxes, liabilities of creditors, liabilities arising under any profit sharing, pension or other benefit under any plan of Seller, liabilities to any Governmental Agency (as hereinafter defined) or third parties, liabilities assumed or incurred by Seller by operation of law or otherwise (collectively, the “Excluded Liabilities”), including, but not limited to, (i) contractual liabilities arising from SCORES’ business or ownership of the Purchased Assets prior to the Closing Date, and (ii) any taxes owing by Seller, whether occurring before or after Closing and whether related to the business of SCORES, the Purchased Assets or otherwise and any Liens on the Purchased Assets relating to any such taxes.

Section 2.2 Taxes. Seller shall pay when due any sales, transfer, excise, or other taxes which may be imposed in any jurisdiction in connection with or arising from the sale and transfer of any of the Purchased Assets to Purchaser.

Section 2.3 Bulk Sales Laws. Seller acknowledges that any applicable provisions of any tax clearance or bulk sales laws pertaining to the transactions contemplated by this Agreement are being complied with and that Seller agrees to indemnify and hold harmless Purchaser from and against any and all liabilities arising out of or relating to any such tax clearance or bulk sales law. Any such liability shall be an Excluded Liability.

ARTICLE III PURCHASE PRICE FOR THE PURCHASED ASSETS

Section 3.1 Purchase Price. As consideration for the purchase of the Purchased Assets, Purchaser shall pay to Seller an aggregate amount payable at Closing as follows:

- (i) \$12,000,000 payable by cashier's check, certified funds or wire transfer;
- (ii) \$3,000,000 pursuant to a promissory note ("the Rick's Promissory Note"), executed by and obligating Rick's, bearing interest at eight percent (8%) per annum with a five (5) year amortization, with monthly payments of principal and interest to commence upon the seventh month following the Closing, with a balloon payment of all then outstanding principal and interest due upon the expiration of two (2) years from the execution of the Rick's Promissory Note.
- (iii) 200,000 shares of restricted common stock, par value \$0.01 of Rick's (the "Rick's Shares") issued to the Seller.

Section 3.2 **Right of Seller to "Put" Shares.**

- (a) On or after seven (7) months from the date of Closing, the Seller shall have the right, but not the obligation, to have Rick's purchase from the Seller a total of 150,000 of the Rick's Shares (for purposes of this Section 3.2, the 150,000 Rick's Shares shall hereinafter be referred to as the "Rick's Put Share") in an amount and at a rate of not more than 6,250 of the Rick's Put Shares per month (the "Monthly Shares") calculated at a price per share equal to \$20.00 per share ("Value of the Rick's Shares") until the Seller has received an aggregate of \$3,000,000 from (i) the sale of the Rick's Put Shares, regardless of whether sold to Rick's, sold in the open market or in a private transaction or otherwise and (ii) the payment of any Deficiency (as hereinafter defined) by Rick's. Seller shall notify Rick's during any given month of its election to "Put" the Monthly Shares to Rick's during that particular month and Rick's shall have three (3) business days to elect to buy the Monthly Shares or instruct the Seller to sell the Monthly Shares in the open market. At Rick's election, during any given month, it may either buy the Monthly Shares or, if Rick's elects not to buy the Monthly Shares from Seller, then Seller shall sell the Monthly Shares in the open market and any deficiency between the amount which Seller receives from the sale of the Monthly Shares and the Value of the Rick's Shares (the "Deficiency") shall be paid by Rick's within three (3) business days after receipt of written notice from the Seller of the sale of the Monthly Shares which shall provide the written sales confirmation and the amount of the Deficiency. Rick's obligation under this Section 3.2(a) to purchase the Monthly Shares from Seller shall terminate and cease at such time as Seller has received an aggregate amount of \$3,000,000 from (i) the sale of the Rick's Put Shares, regardless of whether sold to Rick's, sold in the open market or in a private transaction or otherwise, and (ii) the payments of any Deficiency by Rick's. Seller agrees to provide monthly statements to Rick's as to the total number of Rick's Put Shares which Seller sold and the amount of proceeds derived therefrom. Except as set forth in Section 3.2(b) below, nothing contained in this Section 3.2(a) shall limit or preclude Seller from selling the Rick's Put Shares in the open market or require Seller to "Put" the Rick's Put Shares to Rick's during any given month.

- (b) Seller and Rick's will enter into a Lock-Up/Leak-Out Agreement which will provide that the Seller will not sell more than 25,000 Rick's Shares per 30-day period, regardless of whether the Seller "Puts" the Rick's Put Shares to Rick's or sells them in the open market or otherwise. In the event that the Seller elects to sell any of the Rick's Put Shares pursuant to this Section 3.2(b), then any amount sold at prices less than the Value of the Rick's Shares shall be deemed to be sold at \$20.00 for purposes of Section 3.2(a). The form of the Lock-Up/Leak-Out Agreement shall be as attached hereto as Exhibit 3.2(b) and made a part hereof.

The (i) \$12,000,000 cash payment (ii) the Rick's Promissory Note and (iii) the Rick's Shares are collectively referred to as the "Purchase Price".

Section 3.3 Payment into Escrow. As of the date of execution of this Agreement, the Purchaser shall have deposited \$250,000 into an escrow account (the "Escrow Amount") with Robert D. Axelrod, P.C. (the "Escrow Agent") pursuant to a written Escrow Agreement with the Seller and the Escrow Agent (the "Escrow Agreement"). The \$250,000 shall be held in escrow until the Closing as hereinafter defined.

In the event that the Closing occurs, the Escrow Amount will be paid by the Escrow Agent to the Seller and shall be credited against the cash portion of the Purchase Price as set forth in Section 3.1(i) above. The Escrow Agreement shall further provide that if the Purchaser, through no fault of Seller, does not complete the acquisition as provided for in this Agreement, that the Seller shall be entitled, as its sole, legal and equitable remedy, to receive and retain all of the Escrow Amount as and for its liquidated damages. The Escrow Agreement shall further provide that in the event that the Closing does not occur through no fault of Purchaser, then the Purchaser shall be entitled, in addition to any other remedies which it may have, to receive and retain all of the Escrow Amount.

Section 3.4 Pro Rata Payment of License Fees. In the event that the Purchaser does not complete and close the acquisition of the Purchased Assets by May 31, 2008, then the Purchaser and Seller agree that any licensing fees that are required to be renewed and paid for by he Seller after May 31, 2008, and prior to the Closing Date shall be pro rated for the applicable renewal period and the Purchaser will be required to reimburse the Seller at Closing for the pro rata portion of the term of the licensing fee that each of Purchaser and Seller shall have the use and benefit.

ARTICLE IV CLOSING

Section 4.1 The Closing. The closing of the transactions contemplated by this Agreement shall take place not later than September 8, 2008 (the "Closing Date"), at the offices of Lovaas & Lehtinen, a Professional Corporation, 3016 W. Charleston Blvd., Suite 210, Las Vegas, Nevada 89102, or at such other time and place as agreed upon among the parties hereto (the "Closing").

Section 4.2 Right to License Name. In the event that the Closing does not occur on or prior to May 6, 2008, then Rick's will agree, commencing on that date, to license its name for a period of ninety (90) days (or until the Closing Date if sooner) without charge to DI Food to use instead and in place of the name SCORES at the Premises.

Section 4.3 Delivery and Execution . At the Closing: (a) the Seller shall deliver to Purchaser all instruments of assignment and bills of sale necessary to transfer to Purchaser good and marketable title to the Purchased Assets free and clear of all liens, charges or encumbrances against delivery by Purchaser to the Seller of payment in an amount equal to the Purchase Price of the Purchased Assets being purchased by Purchaser in the manner set forth herein; (b) the Seller and Purchaser shall deliver the various certificates, instruments and documents (and shall take the required actions) referred to in Articles VII and VIII below; and (c) the Related Transaction (as defined below) shall be consummated concurrently with the Closing.

Section 4.4 Related Transaction . In addition to the purchase and sale of the Purchased Assets, the following actions shall take place contemporaneously at the Closing (the "Related Transaction"):

- (a) *Covenant Not to Compete* . At Closing certain members and managers of DI Food will enter into a Non-Competition Agreement as agreed to by the parties and attached hereto as Exhibit 4.4(a).
- (b) *Consulting Agreement* . At Closing, DeGori will enter into a Consulting Agreement with Rick's as evidenced by a Consulting Agreement as agreed to by the parties and attached hereto as Exhibit 4.4(b).

ARTICLE V REPRESENTATIONS AND WARRANTIES OF THE SELLER AND THE MEMBERS

The Seller and the Members, jointly and severally, hereby represent and warrant to Purchaser and Rick's as follows:

Section 5.1 Organization, Good Standing and Qualification.

- (i) The Seller (i) is an entity duly organized, validly existing and in good standing under the laws of the state of Nevada, (ii) has all requisite power and authority to own, operate and lease its properties and to carry on its business, and (iii) is duly qualified to transact business and is in good standing in all jurisdictions where its ownership, lease or operation of property or the conduct of its business requires such qualification, except where the failure to do so would not have a material adverse effect to Seller.
- (ii) The authorized capital of the Seller consists of 1,200 units of Membership Interest of which 1,200 units of Membership Interest are validly issued, fully paid and outstanding. There is no other class of capital authorized or issued by the Seller. The Members collectively own all of the Membership Interest. None of the Membership Interest issued are in violation of any preemptive rights. The Seller has no obligation to repurchase, reacquire, or redeem any of its outstanding Membership Interest. There are no outstanding securities convertible into or evidencing the right to purchase or subscribe for any Membership Interest of the Seller, there are no outstanding or authorized options, warrants, calls, subscriptions, rights, commitments or any other agreements of any character obligating the Seller to issue any Membership Interest or any securities convertible into or evidencing the right to purchase or subscribe for any Membership Interest, and there are no agreements or understandings with respect to the voting, sale, transfer or registration of any Membership Interest of the Seller.

Section 5.2 Ownership of the Purchased Assets . Seller owns all of the Purchased Assets free and clear of any liens, claims, equities, charges, options, rights of first refusal, or encumbrances. Seller has the unrestricted right and power to transfer, convey and deliver full ownership of the Purchased Assets without the consent or agreement of any other person and without any designation, declaration or filing with any governmental authority. Upon the transfer of the Purchased Assets to Purchaser as contemplated herein, Purchaser will receive good and valid title thereto, free and clear of any liens, claims, equities, charges, options, rights of first refusal, encumbrances or other restrictions.

Section 5.3 Authorization . The Seller has all requisite corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder and to consummate the transactions contemplated hereby. All action on the part of the Seller necessary for the authorization, execution, delivery and performance of this Agreement and all documents related to consummate the transactions contemplated herein have been taken or will be taken prior to the Closing Date by the Seller. This Agreement, when duly executed and delivered in accordance with its terms, will constitute legal, valid and binding obligations of the Seller enforceable against it in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization and other similar laws of general application affecting creditors' rights generally or by general equitable principles.

Each Member, individually, represents that he is a person of full age of majority, with full power, capacity, and authority to enter into this Agreement and perform the obligations contemplated hereby by for himself. All action on the part of such Member necessary for the authorization, execution, delivery and performance of this Agreement by him has been taken and will be taken prior to Closing. This Agreement, when duly executed and delivered in accordance with its terms, will constitute legal, valid and binding obligations of such Member enforceable against him in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization and other similar laws of general application affecting creditors' rights generally or by general equitable principles.

Section 5.4 Acquisition of the Rick's Shares . The Seller understands that the issuance by Rick's of the Rick's Shares (as referenced in Section 3.1 herein) will not have been registered under the Securities Act of 1933, as amended (the "Act"), or any state securities acts, and accordingly, are restricted securities.

The Seller understands that any sale of the "Rick's Shares, under current law, will require either (a) the registration of the Rick's Shares under the Act and applicable state securities acts; (b) compliance with Rule 144 of the Act; or (c) the availability of an exemption from the registration requirements of the Act and applicable state securities acts.

To assist in implementing the above provisions, the Seller hereby consents to the placement of the legend, or a substantially similar legend, set forth below, on all certificates representing ownership of the Rick's Shares acquired hereby until the Rick's Shares have been sold, transferred, or otherwise disposed of, pursuant to the requirements hereof. The legend shall read substantially as follows:

"THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY APPLICABLE STATE SECURITIES ACTS. THESE SECURITIES HAVE BEEN ACQUIRED FOR INVESTMENT, ARE RESTRICTED AS TO TRANSFERABILITY, AND MAY NOT BE SOLD, HYPOTHECATED, OR OTHERWISE TRANSFERRED WITHOUT COMPLIANCE WITH THE REGISTRATION AND QUALIFICATION PROVISIONS OF APPLICABLE FEDERAL AND STATE SECURITIES LAWS OR APPLICABLE EXEMPTIONS THEREFROM."

Seller further understands and agrees that Rick's may notify its transfer agent of the Lock-Up/Leak Out Agreement and the limitation on the number of the Rick's Shares that Seller may sell in any given month in accordance with the terms and conditions of the Lock-Up/Leak Out Agreement as described in Section 3.2(b) above.

Section 5.5 Seller's Access to Information. The Seller hereby confirms and represents that it (a) has received a copy of Rick's Form 10-KSB filed with the Securities and Exchange Commission (the "SEC") for the year ended September 30, 2007, and a copy of Rick's Form 10-QSB for the quarters ended December 31, 2007, March 31, 2008 and June 30, 2008, as filed with the SEC; (b) a copy of Rick's Form 14C filed with the SEC on June 27, 2007; (c) a copy of the Form 8-K's filed with the SEC on January 28, 2008, February 11, 2008, February 13, 2008, March 7, 2008, March 18, 2008, April 3, 2008, April 4, 2008, April 23, 2008, May 9, 2008, May 14, 2008, June 17, 2008, June 23, 2008 and Form 8-K/A's dated June 9, 2008 and July 2, 2008; (d) has been afforded the opportunity to ask questions of and receive answers from representatives of Rick's concerning the business and financial condition, properties, operations and prospects of Rick's; (e) has such knowledge and experience in financial and business matters so as to be capable of evaluating the relative merits and risks of the transactions contemplated hereby; (f) has had an opportunity to engage and is represented by an attorney of his choice; (g) has had an opportunity to negotiate the terms and conditions of this Agreement; (h) has been given adequate time to evaluate the merits and risks of the transactions contemplated hereby; and (i) has been provided with and given an opportunity to review all current information about Rick's. Seller has asked such questions to representatives of Rick's about Rick's as it desires to ask and all such questions have been answered to the full satisfaction of the Seller. The forms filed by Rick's with the SEC as set forth in Section 5.5(a), (b) and (c) are hereafter collectively referred to as "SEC Reports".

Section 5.6 Purchase for Investment. Seller acknowledges that it is an Accredited Investor as that term is defined in Rule 501 (a) of Regulation D of the Act, as amended. Seller and its representatives have received, or have had access to, and have had sufficient opportunity to review, all books, records, financial information and other information which Seller considers necessary or advisable to enable it to make a decision concerning its acquisition of the Rick's Shares, and that it possesses such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its investment hereunder.

Section 5.7 No Breaches; Consents . Except as set forth in Schedule 5.7, the execution, delivery, and performance of this Agreement and the transactions contemplated hereby by the Seller does not: (i) violate any provision of its Articles of Organization or Regulations, (ii) conflict with, violate, or constitute a breach of or a default under, (iii) result in the creation or imposition of any lien, claim, or encumbrance of any kind upon the Purchased Assets, or (iv) require any authorization, consent, approval, exemption, or other action by or filing with any third party or Governmental Authority under any provision of: (a) any applicable Legal Requirement, or (b) any credit or loan agreement, promissory note, or any other agreement or instrument to which the Seller is a party or by which the Purchased Assets may be bound or affected. For purposes of this Agreement, "Governmental Authority" means any foreign governmental authority, the United States of America, any state of the United States, and any political subdivision of any of the foregoing, and any agency, department, commission, board, bureau, court, or similar entity, having jurisdiction over the parties hereto or their respective assets or properties. For purposes of this Agreement, "Legal Requirement" means any law, statute, injunction, decree, order or judgment (or interpretation of any of the foregoing) of, and the terms of any license or permit issued by, any Governmental Authority.

Section 5.8 Pending Claims . Except as set forth in Schedule 5.8, there is no claim, suit, arbitration, investigation, action or other proceeding, whether judicial, administrative or otherwise, now pending or, to the best of the Seller's or Members' knowledge, threatened before any court, arbitration, administrative or regulatory body or any governmental agency which may result in any judgment, order, award, decree, liability or other determination which will or could reasonably be expected to have any effect upon the Seller, or the business of SCORES or the operation of SCORES after the Closing Date, nor is there any basis known to the Seller or Members for any such action. No litigation is pending, or, to the Seller's or Members' knowledge, threatened against the Seller, or the business of SCORES, or the Purchased Assets which seeks to restrain or enjoin the execution and delivery of this Agreement or any of the documents referred to herein or the consummation of any of the transactions contemplated hereby. Neither the Seller nor the Members is subject to any judicial injunction or mandate or any quasi-judicial or administrative order or restriction directed to or against them which would affect the Seller or the business of SCORES.

Section 5.9 Taxes . The Seller has timely and accurately prepared and filed all federal, state, foreign and local tax returns and reports required to be filed prior to such dates and have timely paid all taxes shown on such returns as owed for the periods of such returns, including all sales taxes and withholding or other payroll related taxes shown on such returns. The Seller is not delinquent in the payment of any tax or governmental charge of any nature. Neither the Seller nor the Members has knowledge of any liability for any tax to be imposed by any taxing authorities as of the date of this Agreement and as of the Closing that is not adequately provided for. No assessments or notices of deficiency or other communications have been received by the Seller with respect to any tax return which has not been paid, discharged or fully reserved against and no amendments or applications for refund have been filed or are planned with respect to any such return. None of the federal, state, foreign and local tax returns of the Seller have been audited by any taxing authority. Neither the Seller nor the Members has knowledge of any additional assessments, adjustments or contingent tax liability (whether federal or state) of any nature whatsoever, whether pending or threatened against the Seller for any period, nor of any basis for any such assessment, adjustment or contingency. There are no agreements between the Seller and any taxing authority, including, without limitation, the Internal Revenue Service, waiving or extending any statute of limitations with respect to any tax return.

Section 5.10 Financial Statements . Seller has delivered to Purchaser its unaudited income statement for the eleven months ending November 30, 2007 (the "Financial Statements"). Such Financial Statements are in accordance with the books and records of the Seller and fairly represent the financial position of the Seller and the results of operations as of the date indicated, in each case in conformity with generally accepted accounting principles applied on a consistent basis.

Section 5.11 No Material Adverse Change . Since the date of the Financial Statements, Seller has conducted its business in the ordinary course, consistent with past practice, and there has been no (i) change that has had or would reasonably be expected to have a material adverse effect upon the Purchased Assets or business or the financial condition or other operations of Seller or SCORES, (ii) acquisition or disposition of any material asset by Seller or any contract or arrangement therefore, otherwise than for fair value in the ordinary course of business, (iii) material change in Seller's accounting principles, practices or methods or (iv) incurrence of any material indebtedness.

Section 5.12 Labor Matters . The Seller is not a party or otherwise subject to any collective bargaining agreement with any labor union or association. There are no discussions, negotiations, demands or proposals that are pending or have been conducted or made with or by any labor union or association, and there are not pending or threatened against the Seller any labor disputes, strikes or work stoppages. To the best of Seller's and Members' knowledge, the Seller is in compliance with all federal and state laws respecting employment and employment practices, terms and conditions of employment and wages and hours, and, to its knowledge, is not engaged in any unfair labor practices.

Section 5.13 Compliance with Laws . The Seller is, and at all times prior to the date hereof, has been in compliance with all statutes, orders, rules, ordinances and regulations applicable to it or to the ownership of its assets or the operation of its businesses, except for failures to be in compliance that would not have a material adverse effect on the business, properties, condition (financial or otherwise) or prospects of the Seller. The Seller has no basis to expect, nor has it received any order or notice of any such violation or claim of violation of any such statute, order, rule, ordinance or regulation by the Seller. Schedule 5.13 sets forth all licenses and permits held by the Seller used in the operation of SCORES, all of which are in good standing and in effect as of the Closing Date. These licenses and permits represent all of the licenses and permits required by the Seller for the operation of SCORES.

Section 5.14 Title to Properties; Encumbrances . Except as set forth in Schedule 5.14, the Seller has good and marketable title to all of the Purchased Assets, which represent all of the assets, personal, tangible, and intangible, that are material to the condition (financial or otherwise), business, operations or prospects of SCORES, free and clear of all mortgages, claims, liens, security interests, charges, leases, encumbrances and other restrictions of any kind and nature.

Section 5.15 Contracts and Leases . Except as previously provided to Purchaser, the Seller does not (i) have any leases of personal property relating to the Purchased Assets, whether as lessor or lessee; (ii) have any contractual or other obligations relating to the Purchased Assets, whether written or oral; and (iii) have given any power of attorney to any person or organization for any purpose relating to the Purchased Assets or the business of SCORES. The Seller has previously provided to Purchaser or will provide to Purchaser prior to the Closing Date each and every contract, lease or other document relating to the Purchased Assets to which it is subject or is a party or a beneficiary. To Seller's and Members' knowledge, such contracts, leases or other documents are valid and in full force and effect according to their terms and constitute legal, valid and binding obligations of the Seller and the other respective parties thereto and are enforceable in accordance with their terms. Neither Seller nor the Members has any knowledge of any default or breach under such contracts, leases or other documents or of any pending or threatened claims under any such contracts, leases or other documents. Except for the consent to assign the Lease Agreement, neither the execution of this Agreement, nor the consummation of all or any of the transactions contemplated under this Agreement, will constitute a breach or default under any such contracts, leases or other documents which would have a material adverse effect on the Purchased Assets or the financial condition or operation of SCORES after the Closing.

Section 5.16 Lease Agreement for the Premises . The Seller is not presently and as of the Closing Date shall not be in default under the provisions of the Lease Agreement with SHE CAT, LLC and is, and shall be as of the Closing Date, in compliance with all terms and conditions thereof, including payment of all rent and that there are not any charges which the landlord, SHE CAT, LLC, claims against Seller and that the Lease Agreement and the option contained therein to purchase the Premises is, and shall be as of the Closing Date, in full force and effect.

Section 5.17 No Pending Transactions . Except for the transactions contemplated by this Agreement and the Related Transactions contemplated in Section 4.4 herein, the Seller is not a party to or bound by or the subject of any agreement, undertaking, commitment or discussions or negotiations with any person that could result in: (i) the sale of any of the Purchased Assets; (ii) the sale, merger, consolidation or recapitalization of the Seller; (iii) the acquisition by the Seller of any operating business or the capital stock of any other person or entity; (iv) the borrowing of money; (v) any agreement with any of the respective officers, managers or affiliates of the Seller; (vi) the expenditure of more than \$10,000, in the aggregate, or the performance by the Seller extending for a period more than one year from the date hereof, other than in the ordinary course of business; or (vii) the sale of any outstanding securities of the Seller.

Section 5.18 Insurance Policies . Copies of all insurance policies maintained by the Seller relating to the operation of SCORES has been delivered or made available to Purchaser. The policies of insurance held by the Seller are in such amounts, and insure against such losses and risks, as the Seller reasonably deems appropriate for its property and business operations. All such insurance policies are in full force and effect, and all premiums due thereon have been paid. Valid policies for such insurance will be outstanding and duly in force at all times prior to the Closing.

Section 5.19 No Default . Seller is not in default under any term or condition of any instrument evidencing, creating or securing any indebtedness of the Seller, and there has been no default in any material obligation to be performed by Seller under any other contract, lease, agreement, commitment or undertaking to which the Seller is a party or by which it or its assets or properties are bound, nor has Seller waived any material right under any such contract, lease, agreement, commitment or undertaking.

Section 5.20 Books and Records . The books of account, minute books, stock record books and other records of the Seller, all of which have been made available to Purchaser, are accurate and complete and have been maintained in accordance with sound business practices.

Section 5.21 Environmental . The Seller has not received any citation, directive, letter or other communication, written or oral, or any notice of any proceeding, claim or lawsuit relating to any environmental issue arising out of the ownership or occupation of the Premises, and there is no basis known to the Seller or the Members for any such action.

Section 5.22 Brokerage Commission . The Seller represents and warrants that it shall be responsible for any broker or finder's fee due or payable in connection with this Agreement or the transactions contemplated hereby, including any fees due Lasman Property Group, Inc. In the event of a claim for broker's or finder's fees or commissions in connection with the transactions contemplated hereby by any third party, then Seller shall indemnify, defend and hold harmless Purchaser and Rick's from same.

Section 5.23 Disclosure . No representation or warranty of the Seller or the Members contained in this Agreement (including the exhibits and schedules hereto) contains any untrue statement or omits to state a material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were made, not misleading.

ARTICLE VI REPRESENTATIONS AND WARRANTIES OF PURCHASER AND RICK'S

Purchaser and Rick's hereby represent and warrant to the Seller as follows:

Section 6.1 Organization, Good Standing and Qualification.

- (i) Purchaser (i) is an entity duly organized, validly existing and in good standing under the laws of the state of Nevada, (ii) has all requisite power and authority to carry on its business, and (iii) is duly qualified to transact business and is in good standing in all jurisdictions where its ownership, lease or operation of property or the conduct of its business requires such qualification, except where the failure to do so would not have a material adverse effect to Purchaser.
- (ii) Rick's (i) is an entity duly organized, validly existing and in good standing under the laws of the state of Texas, (ii) has all requisite power and authority to carry on its business, and (iii) is duly qualified to transact business and is in good standing in all jurisdictions where its ownership, lease or operation of property or the conduct of its business requires such qualification, except where the failure to do so would not have a material adverse effect to Rick's.

Section 6.2 Authorization. Purchaser is a corporation duly organized in the state of Nevada and has full power, capacity, and authority to enter into this Agreement and perform the obligations contemplated hereby. Rick's is a corporation duly organized in the state of Texas and has full power, capacity, and authority to enter into this Agreement and perform the obligations contemplated hereby. All action on the part of Purchaser and Rick's necessary for the authorization, execution, delivery and performance of this Agreement by it has been taken or will be taken prior to the Closing Date. This Agreement, when duly executed and delivered in accordance with its terms, will constitute legal, valid, and binding obligations of Purchaser and Rick's enforceable against each of them in accordance with its terms, except as may be limited by bankruptcy, insolvency, and other similar laws affecting creditors' rights generally or by general equitable principles.

Section 6.3 Consents. No permit, consent, approval or authorization of, or designation, declaration or filing with, any governmental authority or any other person or entity is required on the part of Purchaser or Rick's in connection with the execution and delivery by Purchaser or Rick's of this Agreement or the consummation and performance of the transactions contemplated hereby other than as may be required under the federal securities laws.

Section 6.4 Compliance with Filing Obligations. Rick's has filed with the SEC all reports, schedules and statements required to be filed by it under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and will, as of the Closing Date, have filed all reports required of it under the Exchange Act.

Section 6.5 No Conflicts. The execution and delivery of this Agreement by the Purchaser and Rick's does not, and the performance and consummation of the transactions contemplated hereby by the Purchaser and Rick's will not (i) conflict with the articles of incorporation or bylaws of the Purchaser or Rick's; (ii) conflict with or result in a breach or violation of, or default under, or give rise to any right of acceleration or termination of, any of the terms, conditions or provisions of any note, bond, lease, license, agreement or other instrument or obligation to which the Purchaser or Rick's is a party or by which the Purchaser's or Rick's assets or properties are bound; or (iii) result in the creation of any encumbrance on any of the assets or properties of the Purchaser or Rick's

Section 6.6 Brokerage Commission. No broker or finder has acted for the Purchaser or Rick's in connection with this Agreement or the transactions contemplated hereby, and no person is entitled to any brokerage or finder's fee or compensation in respect thereof based in any way on agreements, arrangements or understandings made by or on behalf of Purchaser or Rick's.

Section 6.7 Disclosure. No representation or warranty of the Purchaser or Rick's contained in this Agreement (including the exhibits and schedules hereto) contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were made, not misleading.

ARTICLE VII
CONDITIONS TO CLOSING OF
SELLER AND THE MEMBERS

Each obligation of Seller and the Members to be performed on the Closing Date shall be subject to the satisfaction of each of the conditions stated in this Article VII, except to the extent that such satisfaction is waived by Seller and the Members in writing.

Section 7.1 Representations and Warranties Correct . The representations and warranties made by Purchaser and Rick's contained in this Agreement shall be true and correct as of the Closing Date.

Section 7.2 Covenants . All covenants, agreements and conditions contained in this Agreement to be performed by Purchaser or Rick's on or prior to the Closing Date shall have been performed or complied with in all respects.

Section 7.3 Delivery of Certificate . Purchaser and Rick's shall provide to Seller certificates, dated the Closing Date and signed by the President of Purchaser and Rick's to the effect set forth in Section 7.1 and 7.2 for the purpose of verifying the accuracy of such representations and warranties and the performance and satisfaction of such covenants and conditions.

Section 7.4 Payment of Purchase Price . Purchaser shall have tendered the Purchase Price for the Purchased Assets as referenced in Section 3.1 to the Seller concurrently with the Closing.

Section 7.5 Related Transaction . The Related Transaction set forth in Section 4.4 and the Lock-Up/Leak Out Agreement set forth in Section 3.2(b) shall be consummated concurrently with the Closing.

Section 7.6 Assignment of Lease Agreement . The landlord under the Lease Agreement shall have agreed to an assignment of the Lease Agreement to the Purchaser. Purchaser and Rick's shall cooperate in any reasonable manner requested by DI Food to assist DI Food in procuring said assignment from Landlord.

Section 7.7 Corporate Resolutions . Purchaser and Rick's shall provide corporate resolutions of their Board of Directors which approve the transactions contemplated herein and authorize the execution, delivery and performance of this Agreement and the documents referred to herein to which it is or is to be a party dated as of the Closing Date.

Section 7.8 Absence of Proceedings . No action, suit or proceeding by or before any court or any governmental or regulatory authority shall have been commenced and no investigation by any governmental or regulatory authority shall have been commenced seeking to restrain, prevent or challenge the transactions contemplated hereby against Purchaser or Rick's.

ARTICLE VIII
CONDITIONS TO CLOSING OF
PURCHASER AND RICK'S

Each obligation of Purchaser and Rick's to be performed on the Closing Date shall be subject to the satisfaction of each of the conditions stated in this Article VIII, except to the extent that such satisfaction is waived by Purchaser and Rick's in writing.

Section 8.1 Representations and Warranties Correct . The representations and warranties made by the Seller and the Members shall be true and correct as of the Closing Date.

Section 8.2 Covenants . All covenants, agreements and conditions contained in this Agreement to be performed by the Seller and the Members on or prior to the Closing Date shall have been performed or complied with in all respects.

Section 8.3 Delivery of Certificate . Seller and the Members shall provide to Purchaser and Rick's certificates, dated the Closing Date and signed by the President/Manager of the Seller and the Members, respectively, to the effect set forth in Section 8.1 and 8.2 for the purpose of verifying the accuracy of such representations and warranties and the performance and satisfaction of such covenants and conditions.

Section 8.4 Delivery of Purchased Assets . The Seller shall have delivered to Purchaser all instruments of assignment and bills of sale necessary to transfer to Purchaser good and marketable title to the Purchased Assets.

Section 8.5 Corporate Resolutions . The Seller shall provide to Purchaser resolutions of the Seller which approves all of the transactions contemplated herein and authorizes the execution, delivery and performance of this Agreement and the documents referred to herein to which it is or is to be a party dated as of the Closing Date.

Section 8.6 Ownership of Purchased Assets . The Seller shall own not less than 100% of the Purchased Assets, which represent all of the assets, personal, tangible and intangible that are required and material to the condition (financial or otherwise), business, operations or prospects of SCORES.

Section 8.7 Consents; Transfer of Licenses . Purchaser shall possess all necessary permits, zoning classifications and other authorizations, whether city, county, state or federal, which may be needed or necessary to conduct adult topless entertainment with the sale of alcoholic beverages on the Premises, without any interruption, and all such permits, zoning classifications and authorizations shall be in good order, without any administrative actions pending or concluded that may challenge or present an obstacle to the continued performance of adult topless entertainment or sale of alcoholic beverages at SCORES. All necessary transfers of licenses and leases required for the continued operation of SCORES shall have been obtained. The sexually oriented business license of SCORES shall be in full force and effect.

Section 8.8 Related Transactions . The Related Transactions set forth in Section 4.4 and the Lock-Up/Leak Out Agreement set forth in Section 3.2(b) shall be consummated concurrently with the Closing.

Section 8.9 No Assumption of Liabilities . Neither the Purchaser nor Rick's shall assume any liabilities as of the date of Closing.

Section 8.10 Assignment of Lease Agreement . The landlord under the Lease Agreement shall have agreed to an assignment of the Lease Agreement to the Purchaser. Purchaser and Rick's shall cooperate in any reasonable manner requested by DI Food to assist DI Food in procuring said assignment from Landlord.

Section 8.11 Satisfactory Diligence . Purchaser and Rick's shall have concluded their due diligence investigation of the Seller and the business of SCORES and their respective assets and properties and all other matters related to the foregoing, and shall be satisfied, in its sole discretion, with the results thereof.

Section 8.12 Absence of Proceedings . No action, suit or proceeding by or before any court or any governmental or regulatory authority shall have been commenced and no investigation by any governmental or regulatory authority shall have been commenced seeking to restrain, prevent or challenge the transactions contemplated hereby or seeking judgments against the Seller or any of its assets.

Section 8.13 Board Approval . The Board of Directors of Purchaser and Rick's shall have approved all of the transactions contemplated hereby and shall have authorized the execution, delivery and performance of all agreements and documents referred to herein to which it is or is to be a party.

ARTICLE IX COVENANTS OF THE SELLER AND THE MEMBERS

Section 9.1 Stand Still . To induce Purchaser and Rick's to proceed with this Agreement, the Seller and the Members agree that until the Closing Date or the termination of this Agreement, no representative of the Seller or the Members will 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 any of the Purchased Assets. The Seller and the Members hereby agree to advise the Purchaser and Rick's of any contact from any third party regarding the acquisition of the Purchased Assets or other investment in the Seller, or of any contact which would relate to the transactions contemplated by this Agreement.

Section 9.2 Access; Due Diligence . Between the date of this Agreement and the Closing Date or the termination of this Agreement, Seller and the Members shall (a) provide Purchaser and Rick's and their authorized representatives full access to all assets, plants, offices, warehouse and other facilities and properties of Seller and SCORES, and to the books and records of Seller and SCORES; (b) permit the Purchaser and Rick's to make inspections thereof; and (c) cause the officers, managers, members and advisors of Seller to furnish the Purchaser and Rick's with such financial and operating data and other information with respect to the business and properties of Seller and to discuss with the Purchaser and Rick's and their authorized representatives the affairs of Seller as the Purchaser and Rick's may from time to time reasonably request.

Section 9.3 Preservation of Business. Subsequent to the execution of this Agreement, and prior to the Closing Date of this Agreement, the Seller will carry on its business and operate the Seller and SCORES in substantially the same manner as it has heretofore consistent with past practices, and:

- (a) The Seller will not authorize, declare, pay or effect any dividends or liquidate or distribute any common stock of the Seller or other equity interest or undertake any direct or indirect redemption, purchase or other acquisition of any equity interest of the Seller;
- (b) The Seller will not make any changes in its condition (financial or otherwise), liabilities, assets, or its business, or the business of SCORES, or in any of its business relationships, including relationships with suppliers or customers, that, when considered individually or in the aggregate, might reasonably be expected to have a material adverse effect on the Seller;
- (c) The Seller shall perform in all material respects all of its obligations under material contracts, leases and other documents relating to or affecting any of its assets, property or its business or the business of SCORES;
- (d) The Seller will not sell, lease, transfer or assign any of its assets, tangible or intangible, other than inventory for a fair consideration, and in the ordinary course of business;
- (e) The Seller will not accelerate, terminate, modify or cancel any agreement, contract, lease or license (or series of related agreements, contracts, leases and licenses) involving more than \$10,000 to which the Seller is a party, absent the consent of the Purchaser;
- (f) The Seller will not make any loans to any person or entity, or guarantee any loan, absent the consent of the Purchaser;
- (g) The Seller will not waive or release any right or claim held by the Seller, absent the consent of the Purchaser;
- (h) The Seller will operate its business and the business of SCORES in the ordinary course and consistent with past practices so as to preserve its business organization intact, to retain the services of its employees and to preserve its goodwill and relationships with suppliers, creditors, customers, and others having business relationships with it;

- (i) The Seller will not issue any note, bond or other debt security or create, incur or assume, or guarantee any indebtedness for borrowed money or capitalized lease obligations, absent the consent of the Purchaser;
- (j) The Seller will not delay or postpone the payment of accounts payable and other liabilities outside the ordinary course of business;
- (k) The Seller will not enter into any employment agreements or enter into any other transaction with, any of its members, managers and employees;
- (l) The Seller will not make any change in any method, practice, or principle of accounting involving the Seller's business or the assets of the Seller;
- (m) The Seller will not issue, sell or otherwise dispose of any of its capital stock or create, sell or dispose of any options, rights, conversion rights or other agreements or commitments of any kind relating to the issuance, sale or disposition of any of its equity interests;
- (n) The Seller will not reclassify, split up or otherwise change any of its common stock or capital structure;
- (o) The Seller will not be a party to any merger, consolidation or other business combination; and
- (p) The Seller will not agree to take any action described in this Section 9.3.

ARTICLE X INDEMNIFICATION

Section 10.1 Indemnification from Seller and the Members. Seller and the Members, jointly and severally, hereby agree to and shall indemnify, defend (with legal counsel reasonably acceptable to Purchaser and Rick's), and hold Purchaser and Rick's, its officers, directors, shareholders, employees, affiliates, agents, legal counsel, successors and assigns (collectively, the "Purchaser Group") harmless at all times after the date of this Agreement, from and against any and all actions, suits, claims, demands, debts, liabilities, obligations, losses, damages, costs, expenses, penalties or injury (including reasonable attorneys' fees and costs of any suit related thereto) suffered or incurred by any of the Purchaser Group arising from: (a) any misrepresentation by, or breach of any covenant or warranty of the Seller or the Members contained in this Agreement, or any exhibit, certificate, or other instrument furnished or to be furnished by Seller or the Members hereunder; (b) any nonfulfillment of any agreement on the part of Seller or the Members under this Agreement; (c) any liability or obligation due to any third party by the Seller or the business of SCORES arising or incurred at or prior to the Closing Date; (d) any suit, action, proceeding, claim or investigation against any of the Purchaser Group which arises from or which is based upon or pertaining to the conduct or the operation or liabilities of Seller or the business of SCORES at or prior to the Closing Date; or (e) any suit, action, proceeding, claim or investigation against any of the Purchaser Group arising out of or resulting from any claims by SHE CAT, LLC that the Seller failed to fulfill any of its obligations under the Lease Agreement at any time prior to the effective date of the Assignment and Assumption of Real Estate Lease and Option and Amendments Thereto.

Section 10.2 Indemnification from Purchaser and Rick's . Purchaser and Rick's agree to and shall indemnify, defend (with legal counsel reasonably acceptable to the Seller) and hold each Member and Seller and its members, managers, employees, affiliates, agents, legal counsel, successors and assigns (collectively, the "Seller Group") harmless at all times after the date of the Agreement from and against any and all actions, suits, claims, demands, debts, liabilities, obligations, losses, damages, costs, expenses, penalties or injury (including reasonably attorney's fees and costs of any suit related thereto) suffered or incurred by any of the Seller Group, arising from (a) any misrepresentation by, or breach of any covenant or warranty of Purchaser or Rick's contained in this Agreement or any exhibit, certificate, or other agreement or instrument furnished or to be furnished by Purchaser or Rick's hereunder; (b) any nonfulfillment of any agreement on the part of Purchaser or Rick's under this Agreement; or (c) any suit, action, proceeding, claim or investigation against any of the Seller Group which arises from or which is based upon or pertaining to Purchaser's conduct or the operation of the business of SCORES subsequent to the Closing Date.

Section 10.3 Defense of Claims . If any lawsuit enforcement action or any attempt to collect on an alleged liability is filed against any party entitled to the benefit of indemnity hereunder, written notice thereof shall be given to the indemnifying party within ten (10) business days after receipt of notice or other date by which action must be taken; provided that the failure of any indemnified party to give timely notice shall not affect rights to indemnification hereunder except to the extent that the indemnifying party demonstrates damage caused by such failure. After such notice, the indemnifying party shall be entitled, if it so elects, to take control of the defense and investigation of such lawsuit or action and to employ and engage attorneys of its own choice to handle and defend the same, at the indemnifying party's cost, risk and expense; and such indemnified party shall cooperate in all reasonable respects, at its cost, risk and expense, with the indemnifying party and such attorneys in the investigation, trial and defense of such lawsuit or action and any appeal arising therefrom; provided, however, that the indemnified party may, at its own cost, participate in such investigation, trial and defense of such lawsuit or action and any appeal arising therefrom, but the fees and expenses of such counsel shall be at the expense of such indemnified party, except to the extent that (i) the employment thereof has been specifically authorized by the indemnifying party in writing, (ii) the indemnifying party has failed after a reasonable period of time to assume such defense and to employ counsel or (iii) in such action there is, in the reasonable opinion of such separate counsel, a material conflict on any material issue between the position of the indemnifying party and the position of such indemnified party, in which case the indemnifying party shall be responsible for the reasonable fees and expenses of no more than one such separate counsel. The indemnifying party shall not, without the prior written consent of the indemnified party, effect any settlement of any proceeding in respect of which any indemnified party is a party and indemnity has been sought hereunder unless such settlement of a claim, investigation, suit, or other proceeding only involves a remedy for the payment of money by the indemnifying party and includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding.

Section 10.4 Default of Indemnification Obligation . If an entity or individual having an indemnification, defense and hold harmless obligation, as above provided, shall fail to assume such obligation, then the party or entities or both, as the case may be, to whom such indemnification, defense and hold harmless obligation is due shall have the right, but not the obligation, to assume and maintain such defense (including reasonable counsel fees and costs of any suit related thereto) and to make any settlement or pay any judgment or verdict as the individual or entities deem necessary or appropriate in such individuals or entities absolute sole discretion and to charge the cost of any such settlement, payment, expense and costs, including reasonable attorneys = fees, to the entity or individual that had the obligation to provide such indemnification, defense and hold harmless obligation and same shall constitute an additional obligation of the entity or of the individual or both, as the case may be.

Section 10.5 Right to Offset . In the event that the Purchaser or Rick's is entitled to indemnification in accordance with Section 10.1 and 10.3 hereof, including the payment by the Purchaser of any debts or liabilities resulting from the purchase of the Purchased Assets which were incurred prior to the Closing Date, then Purchaser or Rick's shall have the right to offset any such amount from any obligations that are then due and payable to the Seller.

Section 10.6 Survival of Representations and Warranties . The respective representations, warranties and indemnities given by the parties to each other pursuant to this Agreement shall survive the Closing for a period ending twenty-four (24) months from the Closing Date ("Survival Date"). Notwithstanding anything to the contrary contained herein, no claim for indemnification may be made against the party required to indemnify (the "Indemnitor") under this Agreement unless the party entitled to indemnification (the "Indemnatee") shall have given the Indemnitor written notice of such claim as provided herein on or before the Survival Date. Any claim for which notice has been given prior to the expiration of the Survival Date shall not be barred hereunder.

ARTICLE XI MISCELLANEOUS

Section 11.1 Termination of Agreement . This Agreement shall terminate and be of no force and effect and all other agreements executed herewith shall be of no force and effect if: (i) the transactions contemplated by this Agreement, including the sale of the Purchased Assets are not consummated on or before September 8, 2008, unless all of the parties hereto agree in writing to extend the Agreement or (ii) all of the parties agree in writing to terminate this Agreement sooner.

Section 11.2 Amendment; Waiver . Neither this Agreement nor any provision hereof may be amended, modified or supplemented unless in writing, executed by all the parties hereto. Except as otherwise expressly provided herein, no waiver with respect to this Agreement shall be enforceable unless in writing and signed by the party against whom enforcement is sought. Except as otherwise expressly provided herein, no failure to exercise, delay in exercising, or single or partial exercise of any right, power or remedy by any party, and no course of dealing between or among any of the parties, shall constitute a waiver of, or shall preclude any other or further exercise of, any right, power or remedy.

Section 11.3 Notices. Any notices or other communications required or permitted hereunder shall be sufficiently given if in writing and delivered in person or sent by registered or certified mail (return receipt requested) or nationally recognized overnight delivery service, postage pre-paid, addressed as follows, or to such other address as such party may notify to the other parties in writing:

(a) If to DI Food: Attn: Frank Lovaas

(b) If to the Members: _____

with a copy to: Aaron Lovaas
Lovaas & Lehtinen, P.C.
3016 W. Charleston Blvd., Suite 210
Las Vegas, Nevada 89102

(c) if to Purchaser or Rick's: Rick's Cabaret International, Inc.
Attn: Eric Langan, President/CEO
10959 Cutten Road
Houston, Texas 77066

with a copy to: Robert D. Axelrod
Axelrod, Smith & Kirshbaum
5300 Memorial Drive, Suite 700
Houston, Texas 77007

A notice or communication will be effective (i) if delivered in person or by overnight courier, on the business day it is delivered and (ii) if sent by registered or certified mail, three (3) business days after dispatch.

Section 11.4 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

Section 11.5 Assignment; Successors and Assigns.. Except as otherwise provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors and permitted assigns of the parties hereto. No party hereto may assign its rights or delegate its obligations under this Agreement without the prior written consent of the other parties hereto, which consent will not be unreasonably withheld.

Section 11.6 Public Announcements. The parties hereto agree that prior to making any public announcement or statement with respect to the transactions contemplated by this Agreement, the party desiring to make such public announcement or statement shall consult with the other parties hereto and exercise their best efforts to agree upon the text of a public announcement or statement to be made by the party desiring to make such public announcement; provided, however, that if any party hereto is required by law to make such public announcement or statement, then such announcement or statement may be made without the approval of the other parties.

Section 11.7 Entire Agreement . This Agreement and the other documents delivered pursuant hereto constitute the full and entire understanding and agreement between the parties with regard to the subject matter hereof and thereof and supersede and cancel all prior representations, alleged warranties, statements, negotiations, undertakings, letters, acceptances, understandings, contracts and communications, whether verbal or written among the parties hereto and thereto or their respective agents with respect to or in connection with the subject matter hereof.

Section 11.8 Choice of Law . This Agreement shall be governed by, and construed in accordance with, the laws of the State of Nevada, without regard to principles of conflict of laws. In any action between or among any of the parties, whether arising out of this Agreement or otherwise, each of the parties irrevocably consents to the exclusive jurisdiction and venue of the federal and state courts located in Clark County, Nevada.

Section 11.9 Execution . This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “.pdf” signature page were an original thereof.

Section 11.10 Costs and Expenses . Each party shall pay their own respective fees, costs and disbursements incurred in connection with this Agreement.

Section 11.11 Section Headings . The section and subsection headings in this Agreement are used solely for convenience of reference, do not constitute a part of this Agreement, and shall not affect its interpretation.

Section 11.12 Attorney Review - Construction . In connection with the negotiation and drafting of this Agreement, the parties represent and warrant to each other that they have had the opportunity to be advised by attorneys of their own choice and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments hereto.

Section 11.13 No Third-Party Beneficiaries . Nothing in this Agreement will confer any third party beneficiary or other rights upon any person or any entity that is not a party to this Agreement.

Section 11.14 Validity. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provisions of this Agreement, which shall remain in full force and effect.

Section 11.15 Further Assurances. Each party covenants that at any time, and from time to time, after the Closing Date, it will execute such additional instruments and take such actions as may be reasonably be requested by the other parties to confirm or perfect or otherwise to carry out the intent and purposes of this Agreement.

Section 11.16 Exhibits Not Attached. Any exhibits not attached hereto on the date of execution of this Agreement shall be deemed to be and shall become a part of this Agreement as if executed on the date hereof upon each of the parties initialing and dating each such exhibit, upon their respective acceptance of its terms, conditions and/or form.

Section 11.17 Gender. All personal pronouns used in this Agreement shall include the other genders, whether used in the masculine, feminine or neuter gender and the singular shall include the plural and vice versa, wherever appropriate.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

IN WITNESS WHEREOF, the undersigned have executed this Stock Purchase Agreement to become effective as of the date first set forth above.

RICK'S CABARET INTERNATIONAL, INC.

/s/ Eric Langan

By: Eric Langan, President

Date: 9-4-08

RCI ENTERTAINMENT (LAS VEGAS), INC.

/s/ Eric Langan

By: Eric Langan, President

Date: 9-4-08

DI FOOD AND BEVERAGE OF LAS VEGAS, LLC

/s/ Dennis DeGori

By: Dennis DeGori, Manager

Date: 9-4-08

/s/ Harold Danzig

Harold Danzig, Individually,

Member of DI Food and Beverage of Las Vegas, LLC

Date: 9-4-08

/s/ Frank Lovaas

Frank Lovaas, Individually,

Member of DI Food and Beverage of Las Vegas, LLC

Date: 9-4-08

/s/ Dennis DeGori

Dennis DeGori, Individually,

Member of DI Food and Beverage of Las Vegas, LLC

Date: 9-4-08

**8% PROMISSORY NOTE
OF
RICK'S CABARET INTERNATIONAL, INC.**

FOR VALUE RECEIVED, RICK'S CABARET INTERNATIONAL, INC., a Texas corporation with its principal office located at 10959 Cutten Road, Houston, Texas 77066 (the "**Company**"), unconditionally promises to pay to **DI Food and Beverage of Las Vegas, LLC** , a Nevada limited liability company, whose address is 3355 Procyon Street, Las Vegas, Nevada 89102, or the registered assignee, upon presentation of this 8% Promissory Note (the "**Note**") by the registered holder hereof (the "**Holder**") at the office of the Company, the principal sum of \$3,000,000 (the "**Principal Amount**"), together with any accrued and unpaid interest thereon, subject to the terms and conditions set forth below, on September 1, 2010 (the "**Maturity Date**"), if not sooner paid. The date of execution and issuance of this Note is September 5, 2008 (" **Original Issue Date** ").

The following terms shall apply to this Note:

1. **Schedule for Payment of Principal and Interest .**

The Company shall pay to the Holder seventeen (17) equal monthly installments of \$60,829.18 of principal plus interest on the Principal Amount outstanding hereunder, in cash, in arrears, at the rate of eight percent (8%) per annum from the Original Issuance Date, commencing with the first monthly payment due April 5, 2009 and subsequent monthly payments thereafter due on the first day of each successive month through August 5, 2010, with a final payment of \$2,443,717.46 being due and payable on September 5, 2010, being the Maturity Date of this Note representing the then total outstanding principal and interest due on the Note.

The payment schedule of this Note is based upon a five (5) year amortization, with a two (2) year balloon payment.

2. **Payment .** Payment of any sums due to the Holder under the terms of this Note shall be made in United States Dollars by check or wire transfer at the option of the Company. Payment shall be made at the address last appearing on the records of the Company as designated in writing by the Holder hereof from time to time. If any payment hereunder would otherwise become due and payable on a day on which banks are closed or permitted to be closed in Houston, Texas, such payment shall become due and payable on the next succeeding day on which banks are open and not permitted to be closed in Houston, Texas (" **Business Day** "). The forwarding of such funds shall constitute a payment of outstanding principal and/or interest hereunder and shall satisfy and discharge the liability for principal and interest on this Note to the extent of the sum represented by such payment. The Company may prepay this Note in any amount at any time before the Maturity Date without penalty or premium .

3. **Representations and Warranties of the Company.** The Company represents and warrants to the Holder that:

(a) **Organization.** The Company is validly existing and in good standing under the laws of the state of Texas and has the requisite power to own, lease and operate its properties and to carry on its business as now being conducted. The Company is duly qualified to do business and is in good standing in each jurisdiction in which the character or location of the properties owned or leased by the Company or the nature of the business conducted by the Company makes such qualification necessary or advisable, except where the failure to do so would not have a material adverse effect on the Company.

(b) **Power and Authority.** The Company has the requisite power to execute, deliver and perform this Note, and to consummate the transactions contemplated hereby. The execution and delivery of this Note by the Company and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of the Company. This Note has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company and is enforceable against the Company in accordance with its terms except (i) that such enforcement may be subject to bankruptcy, insolvency, moratorium or similar laws affecting creditors' rights and (ii) that the remedy of specific performance and injunctive and other forms of equitable relief are subject to certain equitable defenses and to the discretion of the court before which any proceedings therefor may be brought.

4. **Events of Defaults and Remedies.** The following are deemed to be an event of default (" **Event of Default** ") hereunder: (i) the failure by the Company to pay any installment of interest on the Note as and when due and payable and the continuance of any such failure for 10 days, (ii) the failure by the Company to pay all or any part of the principal on the Note when and as the same becomes due and payable, as set forth above, and the continuance of any such failure for 10 days, (iii) the failure by the Company to observe or perform any other covenant or agreement contained in the Note and the continuance of such failure for a period of 30 days after written notice is given to the Company by the Holder, (iv) the assignment by the Company for the benefit of creditors, or an application by the Company to any tribunal for the appointment of a trustee or receiver of a substantial part of the assets of the Company, or the commencement of any proceedings relating to the Company under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debts, dissolution or other liquidation law of any jurisdiction; or the filing of such application, or the commencement of any such proceedings against the Company and an indication of consent by the Company to such proceedings, or the appointment of such trustee or receiver, or an adjudication of the Company bankrupt or insolvent, or approval of the petition in any such proceedings, and such order remains in effect for 60 days; or (v) a default in the payment of principal or interest when due which extends beyond any stated period of grace applicable thereto or an acceleration for any other reason of maturity of any indebtedness for borrowed money of the Company with an aggregate principal amount in excess of \$750,000 and (vi) final unsatisfied judgments not covered by insurance aggregating in excess of \$750,000, at any one time rendered against the Company and not stayed, bonded or discharged within 75 days.

If an Event of Default occurs and is continuing (other than an Event of Default specified in clause (iv) above with respect to the Company), then in every such case, unless the Principal Amount of the Note shall have already become due and payable, the Holder of the Note then outstanding, by notice in writing to the Company (an "Acceleration Notice"), may declare all principal and accrued and unpaid interest thereon to be due and payable immediately. If an Event of Default specified in clause (iv) above occurs with respect to the Company, all principal and accrued and unpaid interest thereon will be immediately due and payable on the Note without any declaration or other act on the part of the Holder. The Holder may rescind such acceleration if the existing Event of Default has been cured or waived.

5. **No Personal Liability of Shareholders, Officers, Directors.** No recourse shall be had for the payment of the principal or the interest on this Note, or for any claim based thereon, or otherwise in respect thereof, or based on or in respect of any Note supplemental thereto, against any incorporator, stockholder, officer, or director (past, present, or future) of the Company, whether by virtue of any constitution, statute, or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability being by the acceptance hereof, and as part of the consideration for the issue hereof, expressly waived and released.

6. **Listing of Registered Holder of Note.** This Note will be registered as to principal in the Holder's name on the books of the Company at its principal office in Houston, Texas, after which no transfer hereof shall be valid unless made on the Company's books at the office of the Company, by the Holder hereof, in person, or by attorney duly authorized in writing, and similarly noted hereon.

7. **Waiver of Demand, Presentment, Etc.** The Company hereby expressly waives demand and presentment for payment, notice of nonpayment, protest, notice of protest, notice of dishonor, notice of acceleration or intent to accelerate, bringing of suit and diligence in taking any action to collect amounts called for hereunder and shall be directly and primarily liable for the payment of all sums owing and to be owing hereunder, regardless of and without any notice, diligence, act or omission as or with respect to the collection of any amount called for hereunder.

8. **Attorney's Fees.** The Company agrees to pay all costs and expenses, including without limitation reasonable attorney's fees, which may be incurred by the Holder in collecting any amount due under this Note.

9. **Enforceability.** In case any provision of this Note is held by a court of competent jurisdiction to be excessive in scope or otherwise invalid or unenforceable, such provision shall be adjusted rather than voided, if possible, so that it is enforceable to the maximum extent possible, and the validity and enforceability of the remaining provisions of this Note will not in any way be affected or impaired thereby.

10. **Intent to Comply with Usury Laws .** In no event will the interest to be paid on this Note exceed the maximum rate provided by law. It is the intent of the parties to comply fully with the usury laws of the State of Nevada; accordingly, it is agreed that notwithstanding any provisions to the contrary in this Note, in no event shall such Note require the payment or permit the collection of interest (which term, for purposes hereof, shall include any amount which, under Nevada law, is deemed to be interest, whether or not such amount is characterized by the parties as interest) in excess of the maximum amount permitted by the laws of the State of Nevada. If any excess of interest is unintentionally contracted for, charged or received under this Note, or in the event the maturity of the indebtedness evidenced by the Note is accelerated in whole or in part, or in the event that all of part of the Principal Amount or interest of this Note shall be prepaid, so that the amount of interest contracted for, charged or received under this Note, on the amount of the Principal Amount actually outstanding from time to time under this Note shall exceed the maximum amount of interest permitted by the applicable usury laws, then in any such event (i) the provisions of this paragraph shall govern and control, (ii) neither the Company nor any other person or entity now or hereafter liable for the payment thereof, shall be obligated to pay the amount of such interest to the extent that it is in excess of the maximum amount of interest permitted by such applicable usury laws, (iii) any such excess which may have been collected shall be either applied as a credit against the then unpaid principal amount thereof or refunded to the Company at the Holder's option, and (iv) the effective rate of interest shall be automatically reduced to the maximum lawful rate of interest allowed under the applicable usury laws as now or hereafter construed by the courts having jurisdiction thereof. It is further agreed that without limitation of the foregoing, all calculations of the rate of interest contracted for, charged or received under the Note which are made for the purpose of determining whether such rate exceeds the maximum lawful rate of interest, shall be made, to the extent permitted by applicable laws, by amortizing, prorating, allocating and spreading in equal parts during the period of the full stated term of the Note evidenced thereby, all interest at any time contracted for, charged or received from the Company or otherwise by the Holders in connection with this Note.

11. **Governing Law; Consent to Jurisdiction .** All questions concerning the construction, validity, enforcement and interpretation of this Note shall be governed by and construed and enforced in accordance with the internal laws of the State of Nevada, without regard to the principles of conflict of laws thereof. Each party agrees that all legal proceedings concerning the interpretation, enforcement and defense of the Note (whether brought against a party hereto or its respective Affiliates, directors, officers, shareholders, employees or agents) shall be commenced in the state or federal courts sitting in the Clark County, Nevada (the "Clark County Courts"). Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the Clark County Courts for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of such Clark County Courts, or that such Clark County Courts are improper or inconvenient venue for such proceeding. If either party shall commence an action or proceeding to enforce any provisions of this Note, then the prevailing party in such action or proceeding shall be reimbursed by the other party for its attorney's fees and other costs and expenses incurred in the investigation, preparation and prosecution of such action or proceeding.

12. **Amendment and Waiver**. Any waiver or amendment hereto shall be in writing signed by the Holder. No failure on the part of the Holder to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by the Holder of any right hereunder preclude any other or further exercise thereof or the exercise of any other rights. The remedies herein provided are cumulative and not exclusive of any other remedies provided by law.

13. **Restrictions Against Transfer or Assignment**. Except as otherwise provided herein, the provisions hereof shall inure to the benefit of and be binding upon, the successors and permitted assigns of the parties hereto. No party hereto may assign its rights or delegate its obligations under this Note without the prior written consent of the other party hereto.

14. **Notices**. All notices and other communications provided for herein shall be in writing and shall be deemed to have been duly given if delivered personally, transmitted by facsimile transmission (fax) or sent by registered or certified mail, return receipt requested, postage prepaid, or overnight air courier guaranteeing next day delivery:

(a) If to the Company, to it at the following address:

10959 Cutten Road
Houston, Texas 77066
Attn: Eric Langan
(fax) 281-397-6765

(b) With a copy to:

Robert D. Axelrod
Axelrod, Smith & Kirshbaum
5300 Memorial Drive, Ste. 700
Houston, Texas 77007
(fax) 713-552-0202

(c) If to registered Holder, then to the address listed on the front of this Note, unless changed, by notice in writing as provided for herein.

A notice or communication will be effective (i) if delivered in person or by overnight courier, on the business day it is delivered, (ii) if transmitted by telecopier, on the business day of actual confirmed receipt by the addressee thereof, and (iii) if sent by registered or certified mail, the date of actual receipt by the party to whom such notice is required to be given.

IN WITNESS WHEREOF, Ricks Cabaret International, Inc. has caused this Note to be duly executed in its corporate name by the manual signature of its President.

Dated: September 5, 2008.

Rick's Cabaret International, Inc.

/s/ Eric Langan

Eric Langan

President and Chief Executive Officer

EXECUTION VERSION

LOCK-UP/LEAK-OUT AGREEMENT

THIS **LOCK-UP/LEAK-OUT AGREEMENT** (the "Agreement") is made and entered into as of the 4th day of September, 2008, between **RICK'S CABARET INTERNATIONAL, INC.**, a Texas corporation ("Rick's"), and **DI FOOD AND BEVERAGE OF LAS VEGAS, LLC**, a Nevada limited liability company ("Holder").

WHEREAS, the Holder has agreed to sell, transfer and convey all of the assets owned by it which are associated or used in connection with the operations of an adult entertainment cabaret known as SCORES located at 3355 Procyon Street, Las Vegas, Nevada 89102, to RCI Entertainment (Las Vegas), Inc., a Nevada corporation (the "Purchaser"), pursuant to the terms and conditions of the Asset Purchase Agreement by and among Rick's, the Purchaser, the Holder, and Harold Danzig, Frank Lovaas and Dennis DeGori, who are all members of the Holder dated April 17, 2008, as amended by the Third Amendment to Asset Purchase Agreement, dated September 4, 2008 (the "Amended and Restated Purchase Agreement"); and

WHEREAS, under the terms of the Amended and Restated Purchase Agreement, the Holder shall be entitled to receive 200,000 shares of common stock of Rick's ("Rick's Shares") upon the Closing of the Amended and Restated Purchase Agreement ("Closing Date"), which is conditioned upon, among other things, the execution and delivery of this Agreement; and

WHEREAS, the Holder has agreed to enter into this Agreement and to restrict the sale, assignment, transfer, conveyance, or hypothecation of the Rick's Shares, all on the terms set forth below; and

WHEREAS, any capitalized terms not defined herein shall have the meaning set forth in the Amended and Restated Purchase Agreement.

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

1. The Holder agrees it may not sell, pledge, hypothecate, transfer, assign or in any other manner dispose of the Rick's Shares for six (6) months from the date hereof.
2. (a) Thereafter, on or after seven (7) months from the Closing Date, the Holder shall have the right, but not the obligation, to have Rick's purchase from the Holder a total of 150,000 of the Rick's Shares (for purposes of this Section 2(a), the 150,000 Rick's Shares shall hereinafter be referred to as the "Rick's Put Share") in an amount and at a rate of not more than 6,250 of the Rick's Put Shares per month (the "Monthly Shares") calculated at a price per share equal to \$20.00 per share ("Value of the Rick's Shares") until the Holder has received an aggregate of \$3,000,000 from (i) the sale of the Rick's Put Shares, regardless of whether sold to Rick's, sold in the open market or in a private transaction or otherwise and (ii) the payment of any Deficiency (as hereinafter defined) by Rick's. Holder shall notify Rick's during any given month of its election to "Put" the Monthly Shares to Rick's during that particular month and Rick's shall have three (3) business days to elect to buy the Monthly Shares or instruct the Holder to sell the Monthly Shares in the open market. At Rick's election, during any given month, it may either buy the Monthly Shares or, if Rick's elects not to buy the Monthly Shares from Holder, then Holder shall sell the Monthly Shares in the open market and any deficiency between the amount which Holder receives from the sale of the Monthly Shares and the Value of the Rick's Shares (the "Deficiency") shall be paid by Rick's within three (3) business days after receipt of written notice from the Holder of the sale of the Monthly Shares which shall provide the written sales confirmation and the amount of the Deficiency. Rick's obligation under this Section 2(a) to purchase the Monthly Shares from Holder shall terminate and cease at such time as Holder has received an aggregate amount of \$3,000,000 from (i) the sale of the Rick's Put Shares, regardless of whether sold to Rick's, sold in the open market or in a private transaction or otherwise, and (ii) the payments of any Deficiency by Rick's. Holder agrees to provide monthly statements to Rick's as to the total number of Rick's Put Shares which Holder sold and the amount of proceeds derived therefrom. Except as set forth in Section 2(b) below, nothing contained in this Section 2(a) shall limit or preclude Holder from selling the Rick's Put Shares in the open market or require Holder to "Put" the Rick's Put Shares to Rick's during any given month.

(b) The Holder will not sell more than 25,000 Rick's Shares per 30-day period, regardless of whether the Holder "Puts" the Rick's Put Shares to Rick's or sells them in the open market or otherwise. In the event that the Holder elects to sell any of the Rick's Put Shares pursuant to this Section 2(b), then any amount sold at prices less than the Value of the Rick's Shares shall be deemed to be sold at \$20.00 for purposes of Section 2(a).

3. The Holder acknowledges and agrees that Rick's may advise its Transfer Agent of this Agreement and issue a stop transfer order to the Transfer Agent to ensure that any sale of the Rick's Shares by the Holder is in accordance with the terms and conditions hereof.
4. The Holder agrees that it will not engage in any short selling of shares of Rick's common stock during the term of this Agreement.
5. Except as otherwise provided in this Agreement or any other agreements between the parties, the Holder shall be entitled to its respective beneficial rights of ownership of the Rick's Shares, including the right to vote the Rick's Shares for any and all purposes.
6. The resale restrictions on the Rick's Shares set forth in this Agreement shall be in addition to all other restrictions on transfer imposed by applicable United States and state securities laws, rules and regulations.
7. If either Rick's or the Holder fails to fully adhere to the terms and conditions of this Agreement, it shall be liable to the other party for any damages suffered by the other party by reason of any such breach of the terms and conditions hereof. Rick's and the Holder agree that in the event of a breach of any of the terms and conditions of this Agreement by Rick's or the Holder, that in addition to all other remedies that may be available in law or in equity to Rick's or the Holder, as the case may be, a preliminary and permanent injunction and an order of a court requiring Rick's or the Holder to cease and desist from violating the terms and conditions of this Agreement and specifically requiring Rick's or the Holder to perform their obligations hereunder is fair and reasonable by reason of the inability of the parties to this Agreement to presently determine the type, extent or amount of damages that Rick's or the Holder may suffer as a result of any breach or continuation thereof. In the event of default hereunder, the non-defaulting party shall be entitled to recover reasonable attorney's fees incurred in the enforcement of this Agreement.

8. This Agreement sets forth the entire understanding of the parties hereto with respect to the subject matter hereof, and may not be amended except by a written instrument executed by the parties hereto.
9. This Agreement shall be governed by, and construed in accordance with, the laws of the state of Nevada, without regard to principles of conflict of laws.
10. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “.pdf” signature page were an original thereof.

IN WITNESS WHEREOF , the undersigned have duly executed and delivered this Agreement as of the day and year first above written.

Dated: September 4 , 2008

RICK’S CABARET INTERNATIONAL, INC.

By: /s/ Eric Langan
Eric Langan, President

HOLDER:

DI FOOD AND BEVERAGE OF LAS VEGAS, LLC

By: /s/ Dennis DeGori
Dennis DeGori, Manager

Number of Rick’s Shares Subject to this Agreement:

200,000 shares of Rick’s Shares

NON-COMPETITION AGREEMENT

This Non-Competition Agreement dated September 4, 2008 (the "Non-Competition Agreement"), is by and among Rick's Cabaret International, Inc., a Texas corporation, ("Rick's"), its wholly owned subsidiary, RCI Entertainment (Las Vegas), Inc., a Nevada corporation (the "Buyer") and Dennis DeGori ("DeGori"), a Nevada resident (sometimes collectively referred to as the "Parties").

WITNESSETH:

WHEREAS , the parties entered into an Asset Purchase Agreement dated April 17, 2008 , as subsequently amended (the "Asset Purchase Agreement"), between the Buyer, Rick's, D.I. Food and Beverage of Las Vegas, LLC, a Nevada limited liability company (the "Seller") and Harold Danzig ("Danzig"), Frank Lovaas ("Lovaas") and DeGori pursuant to which Buyer will acquire substantially all of the assets of Seller in accordance with the terms and conditions thereof (the "Transaction"); and

WHEREAS , Seller owns and operates an adult entertainment cabaret known as "SCORES" ("SCORES" or the "Business"), located at 3355 Procyon Street, Las Vegas, Nevada 89102 (the "Real Property"); and

WHEREAS , pursuant to the terms and conditions of the Asset Purchase Agreement, Seller has agreed to sell to Buyer all of the assets related to the Business (the "Acquisition"); and

WHEREAS , DeGori is a member of the Seller and will benefit from the Transaction; and

WHEREAS , in connection with the Transaction, Buyer has agreed to pay Seller consideration as more fully described in the Asset Purchase Agreement; and

WHEREAS , Buyer and Rick's require that DeGori enter into this Non-Competition Agreement as a condition to Buyer and Rick's entering into the Transaction; and

WHEREAS , Buyer and Rick's have agreed to pay to DeGori, upon the execution hereof, an additional cash consideration of \$66,667 (the "Cash Consideration") for entering into this Non-Competition Agreement; and

WHEREAS , DeGori agrees to enter into this Non-Competition Agreement in consideration of acts and payments on the part of Buyer and Rick's as contemplated by the Transaction and by this Non-Competition Agreement; and

WHEREAS , all terms not defined herein shall have the meaning set forth in the Asset Purchase Agreement.

NOW, THEREFORE , in consideration of the premises, the closing of the Transaction, the Cash Consideration and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Definitions . "Proprietary and confidential information" means information that is kept as confidential including, but not limited to (i) financial information, consisting of financial cost, and sales data and other information of SCORES; (ii) personnel information of SCORES; (iii) and lists, whether written or in electronic form, of customers and accounts, contracts, sales information, pricing lists, vendor and supplier lists of SCORES. Proprietary and confidential information shall not include information available to the public through no fault of DeGori or information required to be disclosed by court order. Proprietary and confidential information under this Agreement is also not intended to, nor shall it include (a) information DeGori knew or possessed prior to his affiliation with SCORES; (b) information DeGori obtained through other business operations; (c) information not specific to SCORES, but used by DeGori in other business operations, including, but not limited to Scores (Chicago), the Penthouse Club and/or Scores (Los Angeles); or (d) other general industry knowledge possessed by DeGori by virtue of his experience in the nightclub/adult entertainment business.

By way of illustration only, proprietary and confidential information is meant to cover written or electronic lists of customers and accounts, contracts, sales information, pricing lists, vendor and supplier lists that are in the possession of or maintained by SCORES. The Parties acknowledge that DeGori is not allowed to remove, replicate or maintain such any such lists after the Transition (except for purposes relating to his Consulting Agreement). The Parties further acknowledge, however, that DeGori may possess such information through his other businesses and/or through his general knowledge of the industry and that such knowledge and/or information is not considered proprietary and confidential information for SCORES under this Agreement. The Parties further acknowledge that DeGori may possess information relating to SCORES that is combined with information relating to other business operations of which he is a member (e.g. comparative financial information). DeGori is not required by virtue of this Agreement to turn over or destroy such information, provided it is not used in violation of this Agreement.

2. Non-Disclosure and Confidentiality Covenants . DeGori acknowledges that the proprietary and confidential information of SCORES, as it exists from time to time, is valuable to SCORES' business. Additionally, DeGori acknowledges that the business goodwill and business contacts of SCORES are being sold, transferred and conveyed to the Buyer and will become the sole property of the Buyer and are among the most valuable business assets being sold, transferred and conveyed to Buyer. Buyer acknowledges that an inseparable, but indeterminate amount of business goodwill and business contacts are possessed by DeGori individually and not by SCORES and that DeGori is not, and cannot, transfer such goodwill and contacts entirely without losing his ability to work in the nightclub/adult entertainment industry. Therefore, in consideration of the mutual promises herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and to protect the foregoing valuable property of SCORES, DeGori expressly covenants and agrees as follows:

DeGori will not:

- (1) Disclose, directly or indirectly, proprietary and confidential information, or any part thereof, to any person, firm, corporation, association or other entity for any reason or purpose whatsoever; or
- (2) Directly or indirectly use any of the SCORE's proprietary and confidential information.

3. **Covenant Not to Compete.** For a period of twenty-four (24) months after the date of execution of this Non-Competition Agreement (the "Term"), DeGori specifically agrees that he will not, for himself, on behalf of or in conjunction with any person, firm, corporation or entity (either as principal, employee, shareholder, member, director, officer, partner, consultant, owner or part owner of any corporation, partnership or any type of business entity), directly or indirectly, whether for compensation or not, compete with Buyer or the club known as SCORES by owning or sharing in the earnings of, carrying on, managing, operating, controlling, being engaged in, rendering services to, soliciting customers for, participating in or otherwise being connected with, any business engaged in the operation of an establishment providing live female nude or semi-nude adult entertainment in Clark County, Nevada or in a radius of 25 miles of Clark County, Nevada; provided, however, that this Non-Competition Agreement shall specifically exclude the Penthouse Club and Bada Bing Club located in Clark County, Nevada.

4. **Covenant of Non-Solicitation and Employment of Employees and Independent Contractors.** During the Term hereof and within Clark County, Nevada and a radius of 25 miles of Clark County, Nevada, DeGori agrees not to solicit or induce or attempt to solicit or induce any employee, independent contractor, or agent or consultant of Buyer, or SCORES to leave his or her employment or terminate his or her agreement or relationship or independent contractor relationship with the Buyer or SCORES. The Parties acknowledge that some SCORES employees, independent contractors, agents and/or consultants have long-standing relationships with DeGori and that it is conceivable, although currently not contemplated by or known to DeGori, that such persons may contact DeGori seeking employment. In such an event, and expressly provided that DeGori does not initiate contact with such a person, it is not a breach of this Agreement for such employees to be hired at Penthouse Club and Bada Bing Club, provided however, if DeGori is contacted by an existing employee of SCORES or Buyer for employment then he shall not encourage, induce or take any steps or actions to cause such person to be employed and will notify the Buyer immediately upon such contact.

5. **Acknowledgments and Agreements of DeGori.** DeGori acknowledges and agrees that:

- (a) Due to the nature of Rick's and Buyer's business, the foregoing covenants place no greater restraint upon DeGori than is reasonably necessary to protect the business and goodwill of Rick's or the Buyer;
- (b) These covenants protect a legitimate interest of Rick's and the Buyer and do not serve solely to limit Rick's and the Buyer's future competition;

- (c) This Non-Competition Agreement is not an invalid or unreasonable restraint of trade;
- (d) A breach of these covenants by DeGori would cause irreparable damage to Rick's and Buyer;
- (e) These covenants will not preclude DeGori from becoming gainfully employed following the closing of the Asset Purchase Agreement;
- (f) These covenants are reasonable in scope and are reasonably necessary to protect Rick's and the Buyer's business and goodwill and valuable and extensive trade which Rick's has established through its own expense and effort;
- (g) The signing of this Non-Competition Agreement is necessary as part of the consummation of the Transaction previously discussed; and
- (h) DeGori has carefully read and considered all provisions of this Non-Competition Agreement and agrees that all of the restrictions set forth are fair and reasonable and are reasonably required for the protection of the interests of Rick's and the Buyer.

6. **Remedies, Injunction** . In the event of an actual breach of any provisions of this Non-Competition Agreement by DeGori, DeGori agrees that Rick's and the Buyer shall be entitled to a temporary restraining order, preliminary injunction and/or permanent injunction restraining and enjoining DeGori from violating the provisions herein. Nothing in this Non-Competition Agreement shall be construed to prohibit Rick's or Buyer from pursuing any other available remedies for such breach, including, without limitation, the recovery of damages, including actual, indirect, incidental, consequential or punitive damages or lost or imputed profits from DeGori. DeGori further agrees that, for the purpose of any such injunction proceeding, it shall be presumed that Rick's and the Buyer's legal remedies would be inadequate and that Rick's and the Buyer would suffer irreparable harm as a result of any violation of the provisions of this Non-Competition Agreement by DeGori.

7. **Severability** . In the event that any of the provisions of this Non-Competition Agreement are held to be invalid or unenforceable in whole or in part, those provisions to the extent enforceable and all other provisions shall nevertheless continue to be valid and enforceable as though the invalid or unenforceable parts had not been included in this Non-Competition Agreement. In the event that any provision relating to the time period or scope of a restriction shall be declared by a court of competent jurisdiction to exceed the maximum time period or scope such court deems reasonable and enforceable, then the time period or scope of the restriction deemed reasonable and enforceable by the court shall become and shall thereafter be the maximum time period or the applicable scope of the restriction. DeGori further agrees that such covenants and/or any portion thereof are severable, separate and independent, and should any specific restriction or the application thereof, to any person, firm, corporation, or situation be held to be invalid, that holding shall not affect the remainder of such provisions or covenants.

8. **General Provisions** .

- (a) *Notices*. Any notices to be given hereunder by either party to the other may be effected either by personal delivery in writing or by mail, registered or certified, postage prepaid with return receipt requested or by a recognized overnight delivery service. Mailed notices shall be addressed to the parties at the addresses set forth below, but each party may change their address by written notice in accordance with this Paragraph (a). Notices delivered personally shall be deemed communicated as of actual receipt; mailed notices shall be deemed communicated as of three (3) days after mailing; and overnight delivery service shall be deemed delivered one (1) day after depositing with the overnight delivery service.

If to Rick's or Buyer: Eric Langan, President
10959 Cutten Road
Houston, Texas 77066

With a copy to: Mr. Robert D. Axelrod
Axelrod, Smith & Kirshbaum
5300 Memorial Drive, Suite 700
Houston, Texas 77007

If to DeGori: Dennis DeGori

With a copy to: Trent P. Cornell
Stahl Cowen
55 West Monroe Street
Suite 1200
Chicago, Illinois 60603

- (b) *Law Governing Non-Competition Agreement and Venue.* This Non-Competition Agreement shall be governed by, and construed in accordance with, the laws of the State of Nevada, without regard to principles of conflict of laws. In any action between the Parties, each of the Parties consents to the exclusive jurisdiction and venue of the federal and state courts located in Clark County, Nevada.
- (c) *Execution .* This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “.pdf” signature page were an original thereof.

- (d) *Contract Terms to be Exclusive.* This Non-Competition Agreement contains the sole and entire agreement between the parties and shall supersede any and all other agreements between the parties with respect to the agreement of DeGori not to compete with Rick's or the Buyer or SCORES.
- (e) *Waiver or Modification Ineffective Unless in Writing.* It is further agreed that no waiver or modification of this Non-Competition Agreement or of any covenant, condition, or limitation herein contained shall be valid unless in writing and duly executed by the party to be charged therewith and that no evidence of any waiver or modification shall be offered or received in evidence in any proceeding or litigation between the parties hereto arising out of or affecting this Non-Competition Agreement, or the rights or obligations of any party hereunder, unless such waiver or modification is in writing, duly executed as aforesaid.
- (f) *Assignment.* The rights and benefits of Rick's and the Buyer under this Non-Competition Agreement shall inure to the benefit of and be binding upon the successors and assigns of Rick's and the Buyer. The rights of DeGori hereunder are personal and nontransferable except that the rights and benefits hereof shall inure to the benefit of the heirs, executors and legal representatives of DeGori.
- (g) *Binding Effect.* Except as otherwise provided herein, this Non-Competition Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, this Non-Competition Agreement has been executed as of the 4th day of September, 2008.

RICK'S CABARET INTERNATIONAL, INC.

By: /s/ Eric Langan
Eric Langan, President

RCI ENTERTAINMENT (LAS VEGAS), INC.

By: /s/ Eric Langan
Eric Langan, President

/s/ Dennis DeGori
Dennis DeGori, Individually

CONSULTING AGREEMENT

This Consulting Agreement (the "Agreement") is by and between **RICK'S CABARET INTERNATIONAL, INC.**, a Texas corporation ("Rick's") and **DENNIS DEGORI** ("Consultant" or "DeGori"), a Nevada resident.

W I T N E S S E T H:

WHEREAS, the parties entered into an Asset Purchase Agreement dated April 17, 2008, as subsequently amended (the "Asset Purchase Agreement"), between the Buyer, Rick's, DI Food and Beverage of Las Vegas, LLC, a Nevada limited liability company (the "Seller") and Harold Danzig ("Danzig"), Frank Lovaas ("Lovaas") and DeGori pursuant to which Buyer will acquire substantially all of the assets of Seller in accordance with the terms and conditions thereof (the "Transaction"); and

WHEREAS, as part of the Asset Purchase Agreement, Rick's required that DeGori enter into a Non-Competition Agreement ("Non-Competition Agreement") as a condition to Buyer and Rick's entering into the Transaction; and

WHEREAS, as a further part of the Asset Purchase Agreement and the entering into the Non-Competition Agreement, Rick's desires for Consultant to provide management consulting services to Rick's; and

WHEREAS, as a further part of the Asset Purchase Agreement and the entering into the Non-Competition Agreement, DeGori desires to provide consulting services as provided for herein to Rick's.

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

1. **Service.** Rick's hereby engages Consultant and Consultant hereby accepts engagement with Rick's upon the terms and conditions hereinafter set forth.

2. **Duties.**

(a) Subject to the power of the Chief Executive Officer of Rick's, Consultant will serve Rick's as a Nightclub Management Consultant. In general, the scope of the Consultant's duties shall be to provide advice, direction and assistance to Rick's with respect to (a) improving club earnings; (b) formulating recommendations for new systems and procedures to improve club revenues and day to day club operations; (c) evaluating and targeting for reduction of club operational expenses; (d) evaluating club operations through onsite inspections and analysis and providing reports thereon; (e) improving day to day customer service; (f) improving day to day customer relationships; and (g) increasing market awareness of the name "Rick's". The nature and content of any actions, reports, decisions or obligations undertaken in connection with the advice or assistance provided by the Consultant are solely the obligation of Rick's.

(b) It is understood by and between the Parties that Consultant will provide services to Rick's as set forth above, but that these services shall not require Consultant to have the duties or obligations of an employee of Rick's with respect to scheduling or reporting to anyone other than Rick's Chief Executive Officer. It is further understood that Consultant operates, owns, owns an interest in and/or provides services for other nightclub/adult entertainment establishments inside and outside the State of Nevada. As such, while Consultant will use his best efforts to provide services to Rick's under this Agreement, it is understood that he shall not be required to have a set schedule, to provide services at any location without prior notification of at least seven days, to consult over holidays or to otherwise be required to unreasonably provide services to Buyer to the exclusion of his other business obligations.

3. **Term**. Subject to the terms and conditions hereof, the term of engagement of Consultant will be twelve (12) months from the execution hereof and will terminate on September 4, 2009 (the "Term"), unless earlier terminated by either party pursuant to the terms hereof.

4. **Compensation and Benefits During the Engagement Term**.

(a) *Compensation*. Rick's shall pay to Consultant eighteen (18) equal monthly payments of \$7,407.38 per month for a total amount equal to \$133,333 for the Term of this Agreement. The consulting fee shall be due on the 15th day of each month with the first payment due October 15, 2008.

(b) *Expenses*. If previously approved in writing by Rick's Chief Executive Officer, Rick's will reimburse Consultant for any out of pocket expenses reasonably and necessarily incurred by the Consultant in rendering services required under this Agreement. Consultant will be required to provide a detailed statement and reasonable documentation to Rick's prior to any reimbursement.

(c) *Intellectual Property*. It is agreed by the Parties that all intellectual property rights and other intangible assets, including, without limitation, tradenames, trademarks, servicemarks, corporate names, logos and any existence or possible combination or derivation of any and all of the same during the term of this Agreement shall remain the sole property of Rick's.

5. **Termination**. This Agreement and the engagement created hereby will terminate upon any of the following events:

(a) *Disability*. Rick's shall have the right to terminate the engagement of the Consultant under this Agreement for disability in the event Consultant suffers an injury, illness, or incapacity of such character as to substantially disable him from performing his duties without reasonable accommodation by Rick's hereunder for a period of more than sixty (60) consecutive days upon Rick's giving at least thirty (30) days written notice of termination.

(b) *Death*. This Agreement will terminate on the Death of the Consultant.

- (c) *Breach of Non-Competition Agreement.* Rick's may terminate this Agreement for any breach of the Non-Competition Agreement executed simultaneously herewith between Rick's, Buyer and Consultant.
- (d) *With Cause .* Rick's may terminate this Agreement for cause defined as:
- (i) embezzlement or wrongful diversion of funds of Rick's or any of its affiliates;
 - (ii) Abandonment by Consultant of his responsibilities and duties as set forth herein, provided Consultant's responsibilities and duties are reasonable and consistent with Paragraph 2 (b) above;
 - (iv) other material breach of this Agreement by Consultant that remains uncured for a period of at least ten (10) days following written notice from Rick's; or
 - (v) conviction of Consultant with entry of a plea of *nolo contendere* or equivalent plea of a felony in a court of competent jurisdiction, or any other crime or offense involving moral turpitude.
- (e) *Without Cause .* Consultant may terminate this Agreement without cause; and
- (f) *Without Cause by Rick's .* Rick's may terminate this Agreement without cause. In the event that Rick's terminates this Agreement without cause, then the Non-Competition Agreement shall terminate contemporaneously, provided, however, that in no event can the Non-Competition Agreement be terminated less than six months after the date of the Transaction, regardless of whether Rick's terminates this Agreement without cause less than six months from the date of the Transaction.

In the event that this Agreement and the engagement created hereby terminates pursuant to Section 5(a), (b), (c), (d), (e) or (f) above, then Rick's shall not be obligated to make any further payment under this Agreement to the Consultant.

6. **Waiver of Breach.** The waiver by any party hereto of a breach of any provision of this Agreement will not operate or be construed as a waiver of any subsequent breach by any party.

7. **Costs.** If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party will be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any other relief to which he or it may be entitled.

8. **Notices.** Any notices, consents, demands, requests, approvals and other communications to be given under this Agreement by either party to the other will be deemed to have been duly given if given in writing and personally delivered or within two days if sent by mail, registered or certified, postage prepaid with return receipt requested, as follows:

If to Rick's: Rick's Cabaret International, Inc.
10959 Cutten Road
Houston, Texas 77066
Attention: Eric Langan, President

If to Consultant: Dennis DeGori

9. **Entire Agreement** . This Agreement constitutes the entire agreement of the parties regarding the subject matter hereof, and supersede all prior agreements and understanding, both written and oral, among the parties, or any of them, with respect to the agreement of DeGori consulting with Rick's.

10. **Severability** . If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during this Agreement, such provision will be fully severable and this Agreement will be construed and enforced as if such illegal, invalid or unenforceable provision never comprised a part hereof; and the remaining provisions hereof will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom. Furthermore, in lieu of such illegal, invalid or unenforceable provision there will be added automatically as part of this Agreement a provision as similar in its terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

11. **Captions** . The captions in this Agreement are for convenience of reference only and will not limit or otherwise affect any of the terms or provisions hereof.

12. **Gender and Number** . When the context requires, the gender of all words used herein will include the masculine, feminine and neuter and the number of all words will include the singular and plural.

13. **Counterparts and Facsimiles** . This Agreement may be executed in multiple counterparts and in any number of counterparts, each of which shall be deemed an original but all of which taken together shall constitute and be deemed to be one and the same instrument and each of which shall be considered and deemed an original for all purposes. This Agreement shall be effective with the facsimile signature of any of the parties set forth below and the facsimile signature shall be deemed as an original signature for all purposes and the Agreement shall be deemed as an original for all purposes.

14. **Law Governing Non-Competition Agreement** . This Agreement shall be governed by, and construed in accordance with, the laws of the State of Nevada, without regard to principles of conflict of laws. In any action between the Parties, each of the Parties consents to the exclusive jurisdiction and venue of the federal and state courts located in Clark County, Nevada.

15. **Contract Terms to be Exclusive** . This Agreement contains the sole and entire agreement between the parties and shall supersede any and all other agreements between the parties with respect to the agreement of DeGori consulting with Rick's.

16. **Binding Effect** . Except as otherwise provided herein, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF , the parties hereto have duly executed this Agreement effective as of the day and year first above written.

RICK'S CABARET INTERNATIONAL, INC.:

By: /s/ Eric Langan
Eric Langan, President
Dated: 9-4-08

CONSULTANT:

By: /s/ Dennis DeGori
Dennis DeGori
Dated: 9-4-08

NON-COMPETITION AGREEMENT

This Non-Competition Agreement dated September 4, 2008 (the "Non-Competition Agreement"), is by and among Rick's Cabaret International, Inc., a Texas corporation, ("Rick's"), its wholly owned subsidiary, RCI Entertainment (Las Vegas), Inc., a Nevada corporation (the "Buyer") and Frank Lovaas ("Lovaas").

WITNESSETH:

WHEREAS , the parties entered into an Asset Purchase Agreement dated April 17, 2008 , as subsequently amended (the "Asset Purchase Agreement"), between the Buyer, Rick's, DI Food and Beverage of Las Vegas, LLC, a Nevada limited liability company (the "Seller") and Harold Danzig ("Danzig"), Dennis DeGori ("DeGori") and Lovaas pursuant to which Buyer will acquire substantially all of the assets of Seller in accordance with the terms and conditions thereof (the "Transaction"); and

WHEREAS , Seller owns and operates an adult entertainment cabaret known as "SCORES" ("SCORES" or the "Business"), located at 3355 Procyon Street, Las Vegas, Nevada 89102 (the "Real Property"); and

WHEREAS , pursuant to the terms and condition of the Asset Purchase Agreement, Seller has agreed to sell to Buyer all of the assets related to the Business (the "Acquisition"); and

WHEREAS , Lovaas is a member of the Seller and will benefit from the Transaction; and

WHEREAS , in connection with the Transaction, Buyer has agreed to pay Seller consideration as more fully described in the Asset Purchase Agreement; and

WHEREAS , Buyer and Rick's require that Lovaas enter into this Non-Competition Agreement as a condition to Buyer and Rick's entering into the Transaction; and

WHEREAS , Lovaas agrees to enter into this Non-Competition Agreement in consideration of acts and payments on the part of Buyer and Rick's as contemplated by the Transaction and by this Non-Competition Agreement; and

WHEREAS , all terms not defined herein shall have the meaning set forth in the Asset Purchase Agreement.

NOW, THEREFORE , in consideration of the premises, the closing of the Transaction and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Definitions.** "Trade Secrets and other proprietary and confidential information" mean and consist of, for example, and not intending to be inclusive, (i) methods of doing business; (ii) financial information, consisting of financial cost, and sales data and other information of SCORES; (iii) personnel information of SCORES; (iv) lists, whether written or in electronic form, of customers and accounts, contracts, sales information, pricing lists, vendor and supplier lists of SCORES; and (v) other information of a confidential nature of SCORES which must remain confidential for the continuing success of SCORES and of the Buyer. Confidential information shall not include information available to the public through no fault of Lovaas or information required to be disclosed by court order.

2. **Non-Disclosure and Confidentiality Covenants.** Lovaas acknowledges that the SCORE = s Trade Secrets and other proprietary and confidential information of SCORES, as they may exist from time to time, are valuable, special and unique assets of the SCORES's business. Additionally, Lovaas acknowledges that the business goodwill and business contacts of SCORES are being sold, transferred and conveyed to the Buyer and will become the sole property of the Buyer and are among the most valuable business assets being sold, transferred and conveyed to Buyer. Therefore, in consideration of the mutual promises herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and to protect the foregoing valuable property of SCORES, Lovaas expressly covenants and agrees as follows:

Lovaas will not:

- (1) Disclose, directly or indirectly, the SCORE's Trade Secrets and other proprietary and confidential information, or any part thereof, to any person, firm, corporation, association or other entity for any reason or purpose whatsoever; or
- (2) Directly or indirectly use any of the SCORE's Trade Secrets and other proprietary and confidential information, or any part thereof, for his own purpose or for his own benefit in any activity of any nature whatsoever.

3. **Covenant Not to Compete.** For a period of twelve (12) months after the date of execution of this Non-Competition Agreement (the "Term"), Lovaas specifically agrees that he will not, for himself, on behalf of or in conjunction with any person, firm, corporation or entity (either as principal, employee, shareholder, member, director, officer, partner, consultant, owner or part owner of any corporation, partnership or any type of business entity), directly or indirectly, whether for compensation or not, compete with Rick's or Buyer or any of Rick's subsidiaries or affiliates, or the club known as SCORES by owning or sharing in the earnings of, carrying on, managing, operating, controlling, being engaged in, rendering services to, soliciting customers for, participating in or otherwise being connected with, any business engaged in the operation of an establishment providing live female nude or semi-nude adult entertainment in Clark County, Nevada, or any of its surrounding counties; provided, however, that this Non-Competition Agreement shall specifically exclude the Penthouse Club and the Bada Bing Club located in Clark County, Nevada.

4. **Covenant of Non-Solicitation and Employment of Employees and Independent Contractors.** During the Term hereof, Lovaas agrees not to solicit or induce or attempt to solicit or induce any employee, independent contractor, or agent or consultant of Buyer, Rick's or SCORES or any entity which is affiliated with the Buyer, Rick's or SCORES to leave his or her employment or terminate his or her agreement or relationship or independent contractor relationship with the Buyer, Rick's or SCORES or any entity which is affiliated with any of them.

5. **Acknowledgments and Agreements of Lovaas.** Lovaas acknowledges and agrees that:
- (a) Due to the nature of Rick's and Buyer's business, the foregoing covenants place no greater restraint upon Lovaas than is reasonably necessary to protect the business and goodwill of Rick's or the Buyer;
 - (b) These covenants protect a legitimate interest of Rick's and the Buyer and do not serve solely to limit Rick's and the Buyer's future competition;
 - (c) This Non-Competition Agreement is not an invalid or unreasonable restraint of trade;
 - (d) A breach of these covenants by Lovaas would cause irreparable damage to Rick's and Buyer;
 - (e) These covenants will not preclude Lovaas from becoming gainfully employed following the closing of the Asset Purchase Agreement;
 - (f) These covenants are reasonable in scope and are reasonably necessary to protect Rick's and the Buyer's business and goodwill and valuable and extensive trade which Rick's has established through its own expense and effort;
 - (g) The signing of this Non-Competition Agreement is necessary as part of the consummation of the Transaction previously discussed; and
 - (h) Lovaas has carefully read and considered all provisions of this Non-Competition Agreement and agrees that all of the restrictions set forth are fair and reasonable and are reasonably required for the protection of the interests of Rick's and the Buyer.

6. **Remedies, Injunction.** In the event of an actual breach of any provisions of this Non-Competition Agreement by Lovaas, Lovaas agrees that Rick's and the Buyer shall be entitled to a temporary restraining order, preliminary injunction and/or permanent injunction restraining and enjoining Lovaas from violating the provisions herein. Nothing in this Non-Competition Agreement shall be construed to prohibit Rick's or Buyer from pursuing any other available remedies for such breach, including, without limitation, the recovery of damages, including actual, indirect, incidental, consequential or punitive damages or lost or imputed profits from Lovaas. Lovaas further agrees that, for the purpose of any such injunction proceeding, it shall be presumed that Rick's and the Buyer's legal remedies would be inadequate and that Rick's and the Buyer would suffer irreparable harm as a result of any violation of the provisions of this Non-Competition Agreement by Lovaas.

7. **Severability.** In the event that any of the provisions of this Non-Competition Agreement are held to be invalid or unenforceable in whole or in part, those provisions to the extent enforceable and all other provisions shall nevertheless continue to be valid and enforceable as though the invalid or unenforceable parts had not been included in this Non-Competition Agreement. In the event that any provision relating to the time period or scope of a restriction shall be declared by a court of competent jurisdiction to exceed the maximum time period or scope such court deems reasonable and enforceable, then the time period or scope of the restriction deemed reasonable and enforceable by the court shall become and shall thereafter be the maximum time period or the applicable scope of the restriction. Lovaas further agrees that such covenants and/or any portion thereof are severable, separate and independent, and should any specific restriction or the application thereof, to any person, firm, corporation, or situation be held to be invalid, that holding shall not affect the remainder of such provisions or covenants.

8. **General Provisions .**

- (a) *Notices.* Any notices to be given hereunder by either party to the other may be effected either by personal delivery in writing or by mail, registered or certified, postage prepaid with return receipt requested or by a recognized overnight delivery service. Mailed notices shall be addressed to the parties at the addresses set forth below, but each party may change their address by written notice in accordance with this Paragraph (a). Notices delivered personally shall be deemed communicated as of actual receipt; mailed notices shall be deemed communicated as of three (3) days after mailing; and overnight delivery service shall be deemed delivered one (1) day after depositing with the overnight delivery service.

If to Rick's or Buyer: Eric Langan, President
10959 Cutten Road
Houston, Texas 77066

With a copy to: Mr. Robert D. Axelrod
Axelrod, Smith & Kirshbaum
5300 Memorial Drive, Suite 700
Houston, Texas 77007

If to Lovaas: Frank Lovaas

With a copy to: Aaron Lovaas
Lovaas & Lehtinen, P.C.
3016 W. Charleston Blvd., Suite 210
Las Vegas, Nevada 89102

- (b) *Law Governing Non-Competition Agreement and Venue.* This Non-Competition Agreement shall be governed by, and construed in accordance with, the laws of the State of Nevada, without regard to principles of conflict of laws. In any action between the Parties, each of the Parties consents to the exclusive jurisdiction and venue of the federal and state courts located in Clark County, Nevada.

- (c) *Execution* . This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “.pdf” signature page were an original thereof.
- (d) *Contract Terms to be Exclusive.* This Non-Competition Agreement contains the sole and entire agreement between the parties and shall supersede any and all other agreements between the parties with respect to the agreement of Lovaas not to compete with Rick’s or the Buyer or SCORES.
- (e) *Waiver or Modification Ineffective Unless in Writing.* It is further agreed that no waiver or modification of this Non-Competition Agreement or of any covenant, condition, or limitation herein contained shall be valid unless in writing and duly executed by the party to be charged therewith and that no evidence of any waiver or modification shall be offered or received in evidence in any proceeding or litigation between the parties hereto arising out of or affecting this Non-Competition Agreement, or the rights or obligations of any party hereunder, unless such waiver or modification is in writing, duly executed as aforesaid.
- (f) *Assignment.* The rights and benefits of Rick’s and the Buyer under this Non-Competition Agreement shall inure to the benefit of and be binding upon the successors and assigns of Rick’s and the Buyer. The rights of Lovaas hereunder are personal and nontransferable except that the rights and benefits hereof shall inure to the benefit of the heirs, executors and legal representatives of Lovaas.
- (g) *Binding Effect.* Except as otherwise provided herein, this Non-Competition Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, this Non-Competition Agreement has been executed as of the 4th day of September, 2008.

RICK'S CABARET INTERNATIONAL, INC.

By /s/ Eric Langan
Eric Langan, President

RCI ENTERTAINMENT (LAS VEGAS), INC.

By: /s/ Eric Langan
Eric Langan, President

/s/ Frank Lovaas
Frank Lovaas, Individually



FOR IMMEDIATE RELEASE

RICK'S CABARET INTERNATIONAL, INC. COMPLETES PURCHASE OF SCORES-LAS VEGAS NIGHTCLUB, WITH RENEGOTIATED TERMS

HOUSTON – (September 5, 2008) – **Rick's Cabaret International, Inc.** (NASDAQ: RICK), the nation's premier operator of upscale gentlemen's clubs, said today it has completed its purchase of the **Scores-Las Vegas** adult nightclub after renegotiating terms of the acquisition.

"We are thrilled to have completed this purchase with more favorable terms including \$6 million less debt than would have been incurred under the earlier agreement," said **Eric Langan, President and CEO of Rick's Cabaret**. "The acquisition gives us the finest club in the most exciting entertainment market in the country. We will operate the facility under the Rick's Cabaret brand, which is an important step in our national branding strategy. The deal is immediately accretive and we estimate it will add 20 to 25 cents in annualized earnings per share."

Under the final terms of the purchase agreement Rick's Cabaret acquired the club and an option to purchase the land where it is located for \$12 million in cash, a two-year \$3 million promissory note at eight percent interest with the initial payment due in April 2009, and issuance of 200,000 restricted shares of Rick's Cabaret common stock.

The agreement contains a "put" clause under which the seller, **DI Food & Beverage of Las Vegas, LLC**, shall have the right after seven months to have Rick's Cabaret purchase up to 6,250 shares per month at a price equal to \$20 per share, until 150,000 of the shares have been purchased for an aggregate of \$3 million.

"The final terms for the purchase of this club are more attractive to us than those we negotiated earlier," said Mr. Langan. He said the \$3 million promissory note does not include a convertible feature and any sale of shares by DI Food & Beverage is strictly controlled through a lock-up and leak-out agreement that limits sales to no more than 25,000 shares in any 30-day period.

Under terms of the original agreement to purchase Scores-Las Vegas, Rick's Cabaret had agreed to pay \$16 million in cash and sign a \$5 million convertible debenture bearing four percent interest. The original agreement was later amended to reflect a cash payment of \$12 million, a \$5 million convertible debenture bearing four percent interest, and a non-convertible promissory note for \$4 million at eight percent interest.

About Rick's Cabaret : Rick's Cabaret International, Inc. (NASDAQ: RICK) operates upscale adult nightclubs serving primarily businessmen and professionals that offer live adult entertainment, restaurant and bar operations. The company owns, operates or licenses adult nightclubs in New York City, Miami, Philadelphia, New Orleans, Charlotte, Dallas, Houston, Minneapolis and other cities under the names "Rick's Cabaret," "XTC," "Club Onyx" and "Tootsie's Cabaret". Sexual contact is not permitted at these locations. Rick's Cabaret also owns the adult Internet membership Web site, couplestouch.com, and a network of online adult auction sites under the flagship URL naughtybids.com. Rick's Cabaret common stock is traded on NASDAQ under the symbol RICK. For further information contact ir@ricks.com.

Forward-looking Statements : This document contains forward-looking statements that involve a number of risks and uncertainties that could cause the company's actual results to differ materially from those indicated in this document, including the risks and uncertainties associated with operating and managing an adult business, the business climates in New York City and elsewhere, the success or lack thereof in launching and building the company's businesses in New York City and elsewhere, risks and uncertainties related to the operational and financial results of our Web sites, conditions relevant to real estate transactions, and numerous other factors such as laws governing the operation of adult entertainment businesses, competition and dependence on key personnel. Rick's has no obligation to update or revise the forward-looking statements to reflect the occurrence of future events or circumstances. For further information visit www.ricks.com < <http://www.ricks.com/> >.

Contact: Allan Priaulx, 212-338-0050, ir@ricks.com