
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: April 15, 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 OR DISPOSITION OF ASSETS.

On April 15, 2008, our wholly owned subsidiary, RCI Entertainment (Media Holdings), Inc., a Texas corporation ("RCI Media"), acquired 100% of the issued and outstanding common stock (the "ED Stock") of ED Publications, Inc., a Texas corporation ("ED"), 100% of the issued and outstanding common stock (the "TEEZE Stock") of TEEZE International, Inc., a Delaware corporation ("TEEZE") and 100% of the issued and outstanding membership interest (the "Membership Interest") of Adult Store RCI Media Magazine, LLC, a Georgia limited liability company (the "Acquisition").

ED Publications, Inc.

Under the terms of a Purchase Agreement between Don Waitt ("Waitt"), RCI Media and Rick's Cabaret International, Inc. ("Rick's") dated April 15, 2008 (the "ED Purchase Agreement"), we agreed to pay Waitt the following consideration for the purchase of the ED Stock:

- (i) \$300,000 cash at closing;
- (ii) \$200,000 cash payable in 6 months; and
- (iii) The issuance of 8,696 shares of restricted common stock valued at \$23.00 per share (the "Closing Shares").

Additionally, during the three (3) year period following the Closing Date (the "Earn Out Period"), Waitt shall be entitled to earn additional consideration (the "Additional Consideration") of up to \$2,000,000 (the "Maximum Amount") consisting of \$500,000 cash (the "Cash") and 65,217 shares of restricted common stock valued at \$23.00 per share (the "Earn Out Shares"), based upon the earnings before income tax, depreciation and amortization ("EBITDA") of RCI Media. RCI Media will pay the Maximum Amount of the Additional Consideration to the Seller if RCI Media's EBITDA during the three (3) year period following the Closing Date totals an aggregate of \$2,400,000. At the end of each twelve (12) month period after the Closing Date, RCI Media shall determine its EBITDA and shall pay to Waitt any such portion of the Additional Consideration as has been earned. The Closing Shares and Earn Out Shares are collectively referred to as the "Rick's Shares"). A copy of the ED Purchase Agreement is attached hereto as Exhibit 10.1.

At Closing, Waitt entered into a Lock-Up/Leak-Out Agreement with Waitt pursuant to which on or after one year after the closing date with respect to the Closing Shares, or on or after seven (7) months from the date of issuance with respect to the Earn Out Shares, if any, Waitt shall have the right, but not the obligation to have Rick's purchase from Waitt 5,000 Rick's Shares per month (the "Monthly Shares"), calculated at a price per share equal to \$23.00 per share ("Value of the Rick's Shares") until Waitt has received an aggregate of \$1,700,000 (i) from the sale of the Rick's Shares sold in the open market or in a private transaction or otherwise, and (ii) the payment of any deficiency (as defined in the ED Purchase Agreement) by Rick's. 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 Waitt, then Waitt shall sell the Monthly Shares in the open market. Any deficiency between the amount which Waitt 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 Waitt shall terminate and cease at such time as Waitt has received an aggregate total of \$1,700,000 from the sale of the Rick's Shares and any deficiency (as defined in the ED Purchase Agreement). A copy of the Lock-Up/Leak-Out Agreement with Waitt is attached hereto as Exhibit 10.2.

At Closing, Waitt also entered a three (3) year Employment Agreement with RCI Media (the "Employment Agreement") pursuant to which he will serve as President. The Employment Agreement extends through April 15, 2011, and provides for an annual base salary of \$250,000. Pursuant to the Employment Agreement, Mr. Waitt is also eligible to participate in all benefit plans maintained by us for salaried employees. Under the terms of the Employment Agreement, Mr. Waitt is bound to a confidentiality provision and cannot compete with us upon the expiration of the Employment Agreement. A copy of the Employment Agreement is attached hereto as Exhibit 10.3.

TEEZE/Adult Store RCI Media

Under the terms of a Purchase Agreement between John Cornetta ("Cornetta"), Waitt ("Waitt"), RCI Media and Rick's dated April 15, 2008 (the "TEEZE/ASB Purchase Agreement"), we agreed to pay the following consideration to Cornetta and Waitt for the purchase of the TEEZE Stock and the Membership Interest:

- (i) an aggregate of \$200,000 cash at closing; and
- (ii) the issuance of 6,522 shares of restricted common stock to each of Messrs. Waitt and Cornetta, for an aggregate of 13,044 shares of restricted common stock to be valued at \$23.00 per share (the "Rick's TEEZE Shares").

Pursuant to the TEEZE/ASB Purchase Agreement, on or after one year after the closing date, each of Messrs. Waitt and Cornetta shall have the right, but not the obligation to have Rick's purchase the Rick's TEEZE Shares calculated at a price per share equal to \$23.00 per share ("Value of the Rick's TEEZE Shares") until Messrs. Waitt and Cornetta have each received \$150,000 (i) from the sale of the Rick's TEEZE Shares sold by them, 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 defined in the TEEZE/ASB Purchase Agreement) by Rick's. At our election during any given month, we may either buy the Rick's TEEZE Shares or, if we elect not to buy the Rick's TEEZE Shares, then Cornetta and/or Waitt shall sell the Rick's TEEZE Shares in the open market. Any deficiency between the amount which Cornetta or Waitt receives from the sale of the Rick's TEEZE Shares and the Value of the Rick's TEEZE Shares shall be paid by us within three (3) business days of the date of sale of the Rick's TEEZE Shares during that particular month. Our obligation to purchase the Rick's TEEZE Shares shall terminate and cease at such time as Waitt and Cornetta have each received \$150,000 from the sale of the Rick's TEEZE Shares and any deficiency. A copy of the TEEZE/ASB Purchase Agreement is attached hereto as Exhibit 10.4.

At Closing, Cornetta entered a five year Non-Competition Agreement with us pursuant to which he agreed not to compete with us either directly or indirectly with TEEZE, ASB, RCI Media, Rick's or any of their affiliates by publishing any sexually oriented industry trade print publications, with the exception of a publication known as "Xcitement" which is currently owned and operated by Cornetta. A copy of the Non-Competition Agreement with Cornetta is attached hereto as Exhibit 10.5.

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

<u>Number</u>	<u>Description</u>
10.1	Purchase Agreement between Don Waitt, ED Publications, Inc., Rick's Cabaret International, Inc. and RCI Entertainment (Media Holdings), Inc. dated April 15, 2008
10.2	Lock-Up/Leak-Out Agreement with Don Waitt dated April 15, 2008
10.3	Employment Agreement with Don Waitt dated April 15, 2008
10.4	Purchase Agreement between John Cornetta, Don Waitt, TEEZE International, Inc., Adult Store Buyer Magazine, LLC, Rick's Cabaret International, Inc. and RCI Entertainment (Media Holdings), Inc. dated April 15, 2008
10.5	Non-Competition Agreement with John Cornetta dated April 15, 2008
99.1	Press release dated April 16, 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: April 18, 2008

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

PURCHASE AGREEMENT

This Purchase Agreement (the "Agreement") is made and entered into this 15th day of April, 2008, by and among Don Waitt ("Waitt" or "Seller"), ED Publications, Inc. , a Texas corporation ("ED" or the "Company") and Rick's Cabaret International, Inc., a Texas corporation ("Rick's"), and its wholly owned subsidiary, RCI Entertainment (Media Holdings), Inc., a Texas corporation (the "Buyer").

WHEREAS , Seller owns 100% of the issued and outstanding common stock of the Company (the "ED Stock"); and

WHEREAS , the Company owns and operates the publications listed on **Exhibit "A"** (the "Publications"); and

WHEREAS, the Company owns the rights to the trade show commonly known as Exotic Dancer Gentlemen's Club Owners Expo (hereinafter referred to as the "Exotic Dancer Trade Show"); and

WHEREAS , the Seller desires to sell 100% of the issued and outstanding ED Stock to Buyer on the terms and conditions set forth herein; and

WHEREAS, Buyer desires to purchase 100% of the issued and outstanding ED Stock from Seller 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 ED STOCK
AND EXOTIC DANCER TRADE SHOW

Section 1.1 Sale of the ED Stock. Subject to the terms and conditions set forth in this Agreement, on the Closing Date (as hereinafter defined) Seller hereby agrees to sell, transfer, convey and deliver to Buyer 1,000 shares of the Company which represents 100% of the issued and outstanding common stock of the Company free and clear of all encumbrances, and shall deliver to Buyer certificates representing the ED Stock, duly endorsed to Buyer or accompanied by duly executed stock powers in form and substance satisfactory to Buyer.

Section 1.2 Conveyance of Rights to Exotic Dancer Trade Show. Subject to the terms and conditions set forth in this Agreement, at the Closing (as hereinafter defined), the Company hereby agrees that it has all rights, agreements and contracts to the Exotic Dancer Trade Show and by the conveyance of the ED Stock to Buyer that the Company is transferring, conveying and delivering to Buyer all rights in and to the Exotic Dancer Trade Show.

Section 1.3 Purchase Price for the ED Stock. As consideration for the purchase of the ED Stock, Buyer shall pay to Seller as follows:

(a) Payment at the Closing or six months after Closing :

- (i) \$300,000 by cashier's check, certified funds or wire transfer at Closing;
- (ii) \$200,000 by cashier's check, certified funds or wire transfer payable six (6) months after Closing; and
- (iii) 8,696 shares of restricted common stock of Rick's at Closing.

(b) Earn Out Payment :

During the three (3) year period following the Closing Date (the "Earn Out Period"), the Seller shall be entitled to earn additional consideration (the "Additional Consideration") up to a maximum amount of \$2,000,000 (the "Maximum Amount"), consisting of \$500,000 cash (the "Cash") and 65,217 shares of restricted common stock of Rick's valued at \$23.00 per share (the "Earn Out Shares"), based upon the earnings before income tax, depreciation and amortization ("EBITDA") of the Buyer. Buyer will pay the Maximum Amount of the Additional Consideration to Seller, if the Buyer's EBITDA during the three (3) year period following the Closing Date totals an aggregate of \$2,400,000. At the end of each twelve (12) month period after the Closing Date (each such period hereinafter referred to as a "Twelve Month Anniversary"), the Buyer shall determine its EBITDA based upon the financial statements of the Buyer for such Twelve Month Anniversary. In the event that there is EBITDA during that Twelve Month Anniversary, then the Seller shall be entitled to receive a percentage of the Additional Consideration, up to the Maximum Amount of \$2,000,000, based upon the following formula: the amount of EBITDA during such Twelve Month Anniversary divided by \$2,400,000, to be paid 25% in Cash and 75% in the Earn Out Shares. By way of illustration only, if the EBITDA of the Buyer during the first Twelve Month Anniversary is \$1,200,000, then Buyer shall be entitled to Additional Consideration of \$1,000,000, payable \$250,000 in cash and 32,609 Earn Out Shares. The Earn Out Period shall terminate three (3) years after the Closing Date. In no event shall the Seller be entitled to any Additional Consideration in excess of the Maximum Amount.

The shares of common stock issued to the Seller at Closing and the Earn Out Shares, if any, issued to the Seller are hereinafter collectively referred to as the "Rick's Transaction Shares."

Section 1.4 Right of Seller to "Put" Rick's Transaction Shares.

- (a) On or after one (1) year from the date of Closing, or with respect to the Earn Out Shares, if any, on or after seven (7) months from the date of issuance by Rick's of the Earn Out Shares, the Seller shall have the right, but not the obligation, to have Rick's purchase from the Seller 5,000 Rick's Transaction Shares per month (the "Monthly Shares") calculated at a price per share equal to \$23.00 per share ("Value of the Shares") until the Seller has received an aggregate of \$1,700,000 (i) from the sale of the Rick's Transaction Shares sold by Seller, 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. The Seller shall notify Rick's during any given month of the Seller's 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 may 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 in the amount of the Deficiency. Rick's obligation under this Section 1.4 to purchase any of the Rick's Transaction Shares from the Seller shall terminate and cease at such time as the Seller has received an aggregate of \$1,700,000 (assuming all Earn Out Shares have been issued) from (i) the sale of the Rick's Transaction 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 by Rick's. The Seller agrees to provide monthly statements to Rick's as to the total number of Rick's Transaction Shares which Seller sold and the amount of proceeds derived therefrom. Nothing contained in this Section 1.4 shall limit or preclude the Seller from selling his Rick's Transaction Shares in the open market or require the Seller to "Put" his Rick's Transaction Shares to Rick's during any given month. In the event that Seller elects to sell his Rick's Transaction Shares pursuant to this Section 1.4 and any amount sold at prices less than \$23.00 per share shall be deemed to be sold at \$23.00 per share for purposes of this Section 1.4.
- (b) By entering into this Agreement, Rick's agrees to collateralize its obligations under Section 1.3(a)(ii) and Section 1.4(a) above by placing the ED Stock as collateral for the payment of its obligations due under Section 1.3(a)(ii) and for any Deficiency which it is obligated to pay the Seller pursuant to Section 1.4(a) above. In the event that (1) Rick's fails to pay its obligations due under Section 1.3(a)(ii) or (2) fails to pay the Deficiency, then the Seller shall provide written notice to Rick's of such failure to make such payment (the "Deficiency Notice"). If Rick's fails to pay the sum due pursuant to Section 1.3(a)(ii) or the Deficiency to Seller within ten (10) business days of receipt of the Deficiency Notice then the Seller may foreclose upon the collateral and take possession of the ED Stock.
- (c) Seller and Rick's will enter into an agreement which will provide that in the event that the Seller elects not to "Put" the Rick's Shares to Rick's as set forth in Section 1.4(a) above, that Sellers will not sell more than 10,000 Rick's Transaction Shares in any 30-day period and no more than 70,000 Rick's Transaction Shares in any 90-day period.

ARTICLE II CLOSING

Section 2.1 The Closing. The closing of the transactions provided for in this Agreement shall take place on or before April ___, 2008 (the "Closing Date"), or at such other time and place as agreed upon in writing among the parties hereto (the "Closing"). The parties have agreed further to close at the corporate office of Rick's located at 10959 Cutten Road, Houston, Texas 77066.

Section 2.2 Delivery and Execution. At the Closing: (a) the Seller shall deliver to Buyer certificates evidencing the ED Stock, free and clear of any liens, claims, equities, charges, options, rights of first refusal or encumbrances, duly endorsed to Buyer or accompanied by duly executed stock powers in form and substance satisfactory to Buyer against delivery by Buyer to the Seller of payment in an amount equal to the Purchase Price set forth in Section 1.3(a); and (b) the Related Transactions (as defined below) shall be consummated concurrently with the Closing.

Section 2.3 Related Transactions. At Closing:

- (a) the Seller will enter into a five (5) year covenant not to compete pursuant to the terms of which the Seller will agree not to compete, either directly or indirectly, with ED, Rick's or Buyer or any of its affiliates by publishing any sexually oriented industry publications; and
- (b) the Seller and Buyer will enter into a three (3) year Employment Agreement with an annual salary of \$250,000.

ARTICLE III REPRESENTATIONS AND WARRANTIES OF THE SELLER AND ED

The Seller and ED, jointly and severally, hereby represent and warrant to the Buyer as follows:

Section 3.1 Organization, Good Standing and Qualification.

- (a) ED (i) is duly organized, validly existing and in good standing under the laws of the state of Texas, (ii) ED has the requisite power and authority to own, operate and lease its properties and to carry on its business, and (iii) ED 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 the Seller or ED, respectively.

- (b) The authorized capital of ED consists of 1,000 shares of common stock, all of which are validly issued and outstanding to the Seller. There is no other class of capital authorized or issued by ED. All of the issued and outstanding ED Stock are owned by the Seller and are fully paid and non-assessable. None of the shares of ED Stock issued are in violation of any preemptive rights. ED has no obligation to repurchase, reacquire, or redeem any of its outstanding common stock. There are no outstanding securities convertible into or evidencing the right to purchase or subscribe for any common stock of ED, there are no outstanding or authorized options, warrants, calls, subscriptions, rights, commitments or any other agreements of any character obligating ED to issue any common stock or any securities convertible into or evidencing the right to purchase or subscribe for any common stock, and there are no agreements or understandings with respect to the voting, sale, transfer or registration of any common stock of ED.

Section 3.2 Ownership of the ED Stock. The Seller owns, beneficially and of record, all of the ED Stock free and clear of any liens, claims, equities, charges, options, rights of first refusal, or encumbrances. The Seller has the unrestricted right and power to transfer, convey and deliver full ownership of the ED Stock 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 ED Stock to Buyer as contemplated herein, Buyer 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 (except those imposed by applicable securities laws).

Section 3.3 Authorization. ED 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 ED 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 ED. This Agreement, when duly executed and delivered in accordance with its terms, will constitute legal, valid and binding obligations of ED enforceable against them 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.

The Seller 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 and for himself and his spouse (if applicable). All action on the part of the Seller necessary for the authorization, execution, delivery and performance of this Agreement by him has been taken and will be taken prior to Closing Date. This Agreement, when duly executed and delivered in accordance with its terms, will constitute legal, valid and binding obligations of the Seller 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 3.4 Consents. No consent of, approval by, order or authorization of, or registration, declaration or filing by ED or the Seller with any court or any governmental or regulatory agency or authority having jurisdiction over the ED, or any of their respective property or assets is required on the part of ED or the Sellers (a) in connection with the consummation of the transactions contemplated by this Agreement or (b) as a condition to the legality, validity or enforceability as against ED of this Agreement, excluding any registration, declaration or filing, the failure to effect which would not have a material adverse effect on the financial condition of ED.

Section 3.5 Acquisition of Stock for Investment. The Seller understands that any issuance of the Rick's Transaction Shares 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, and the Seller represents and warrants to the Buyer that the present intention of the Seller is to receive and hold the Rick's Transaction Shares for investment only and not with a view to the distribution or resale thereof.

Additionally, the Seller understand that any sale of any the Rick's Transaction Shares issued, under current law, will require either (a) the registration of the Rick's Transaction 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 Transaction 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."

Section 3.6 Access to Information. The Seller hereby confirms and represents that he (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 quarter ended December 31, 2007, as filed with the SEC; (b) has received a copy of Rick's Form 14C filed with the SEC on June 27, 2007; (c) has received a copy of the Forms 8-K filed with the SEC on February 13, 2008, March 7, 2008, April 3, 2008 and April 4, 2008, and the Forms 8-K/A filed on January 29, 2008, February 11, 2008, and March 18, 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. The Seller has asked such questions to representatives of Rick's about Rick's as he 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 3.6(a), (b) and (c) are hereafter collectively referred to as "SEC Reports".

Section 3.7 Purchase for Investment . The Seller is acquiring the Rick's Transaction Shares for his own accounts, for investment purposes only and not with view to any public resale or other distribution thereof. The Seller represents and warrants that he is an Accredited Investor as that term is defined in Rule 501(a) of Regulation D of the Securities Act of 1933, as amended. The Seller and his respective representatives have received, or have had access to, and have had sufficient opportunity to review, all books, records, financial information and other information which the Seller considers necessary or advisable to enable him to make a decision concerning its acquisition of the Rick's Transaction Shares, and that he possesses such knowledge and experience in financial and business matters so that he is capable of evaluating the merits and risks of his investment hereunder.

Section 3.8 No Default . ED is not (a) in violation of any provision of its Articles of Incorporation or Bylaws, (b) in default under any term or condition of any instrument evidencing, creating or securing any indebtedness of ED, and there has been no default in any material obligation to be performed by ED under any other contract, lease, agreement, commitment or undertaking to which it is a party or by which it or its assets or properties are bound, nor has ED waived any material right under any such contract, lease, agreement, commitment or undertaking.

Section 3.9 Taxes . ED has timely and accurately filed all federal, state, foreign and local tax returns and reports required to be filed prior to such dates and has 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 and any taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, creditor or independent contractor. ED has made adequate provision for the payment of all taxes accruable for all periods ending on or before the Closing Date to any taxing authority and are not delinquent in the payment of any tax or governmental charge of any nature. No assessments or notices of deficiency or other communications have been received by ED or 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. Neither ED nor the Seller has knowledge of any action by any taxing authority in connection with assessing additional taxes against or in respect of it for any past period. There are no agreements between ED and any taxing authority waiving or extending any statute of limitations with respect to any tax return.

Section 3.10 Financial Statements . The Seller has delivered to Buyer the financial information available relating to ED (the "Financial Information"). Such Financial Information is in accordance with the books and records of ED, and fairly represent the financial position of ED and the results of operations and changes in financial position of ED as of the dates and for the periods indicated. ED does not have, as of the date of the Financial Information, any material liability or obligation of any nature, whether absolute, accrued, continued or otherwise. As of the Closing Date, the Seller represents there have been no adverse changes in the financial condition or other operations, business, properties or assets of ED from that reflected in the latest Financial Information of ED as furnished pursuant to this Agreement.

Section 3.11 Labor Matters. ED is not a party or otherwise subject to any collective bargaining agreement with any labor union or association. Except as noted on **Exhibit 3.11**, ED is not a party to any written or oral contract, agreement or understanding for the employment of any officer, director or employee of ED. ED is not a party to any employee benefits plans (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended) or any other fringe or employee benefits plan, programs or arrangements.

Section 3.12 Compliance with Laws; Permits. ED is, and at all times prior to the date hereof have 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.

Section 3.13 No Conflicts. The execution and delivery by ED and the Seller of this Agreement does not, and the performance and consummation by ED and the Seller of the transactions contemplated hereby will not (i) conflict with the articles of incorporation or bylaws of ED; (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 ED is a party or by which the assets or properties of ED are bound; (iii) result in the creation of any encumbrance on any of the assets or properties of ED; or (iv) violate any law, rule, regulation or order applicable to ED or the Seller or any of the assets or properties of ED.

Section 3.14 Title to Properties; Encumbrances. ED has good and marketable title to all of the personal property and assets, that are used in the business that are material to the condition (financial or otherwise), business, operations or prospects of ED, including all Publications and the Exotic Dancer Trade Show, free and clear of all mortgages, claims, liens, security interests, charges, leases, encumbrances and other restrictions of any kind and nature, except (i) as disclosed in the Financial Statements of ED, (ii) statutory liens not yet delinquent, and (iii) such liens consisting of zoning or planning restrictions, imperfections of title, easements, pledges, charges and encumbrances, if any, as do not materially detract from the value or materially interfere with the present use of the property or assets subject thereto or affected thereby. ED does not own any real property.

Section 3.15 No Pending Transactions. Except for the transactions contemplated by this Agreement, neither ED nor the Seller is 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, merger, consolidation or recapitalization of ED, (ii) the sale of any of the assets of ED except in the ordinary course of business, (iii) the sale of any outstanding ED Stock, (iv) the acquisition by ED of any operating business or the capital stock of any other person or entity, (v) the borrowing of money by ED, whether secured or unsecured, or (vi) any agreement with any of the respective officers, managers or affiliates of ED.

Section 3.16 Contracts and Leases . Except as set forth in **Exhibit 3.1 6** , ED (i) does not have any leases of personal property relating to the assets of ED, whether as lessor or lessee; (ii) does not have any contractual or other obligations relating to the assets of ED, whether written or oral; and (iii) has not given any power of attorney to any person or organization for any purpose relating to the assets of ED. ED has provided Buyer access to each and every contract, lease or other document relating to the assets of ED to which they are subject or are a party or a beneficiary. To the knowledge of the Seller, such contracts, leases or other documents are valid and in full force and effect according to their terms and constitute a legal, valid and binding obligation of ED and the other respective parties thereto and are enforceable in accordance with their terms. The Seller does not have 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.

Section 3.17 [INTENTIONALLY LEFT BLANK]

Section 3.18 Books and Records . The books of account, minute books, stock record books or other records of ED that exist are accurate and complete and have been maintained in accordance with sound business practices and will be located at the offices of ED upon Closing.

Section 3.19 Insurance Policies . Copies of all insurance policies maintained by ED relating to the operation of its businesses have been delivered or made available to Buyer. The policies of insurance held by ED are in such amounts, and insure against such losses and risks, as ED 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 3.20 Pending Claims . There are no claims, suits, arbitrations, investigations, actions or other proceedings, whether judicial, administrative or otherwise, now pending or, to the best knowledge of ED or the Seller, 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 ED, or the transfer of the ED Stock by the Seller to Buyer under this Agreement, nor is there any basis known to ED or the Seller for any such action. No litigation is pending, or, to the knowledge of ED or the Seller, threatened against ED, or the assets or properties of ED 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 thereby or hereby. Neither ED nor the Seller 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 ED or the ED Stock to be transferred under this Agreement.

Section 3.21 No Liabilities . As of the Closing Date, ED shall not have any obligations or liability (contingent or otherwise) to any third party.

Section 3.22 Brokerage Commission . No broker or finder has acted for the ED or the Seller 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 ED or the Seller.

Section 3.23 Banks and Brokerage Accounts . **Exhibit 3.23** sets forth (a) a true and complete list of the names and locations of all banks, trust companies, securities brokers and other financial institutions at which ED has an account or safe deposit box or maintains a banking, custodial, trading or other similar relationship, and (b) a true and complete list and description of each such account, box and relationship, indicating in each case the account number and the names of the respective officers, employees, agents or other similar representatives of ED having signatory power with respect thereto.

Section 3.24 Disclosure . No representation or warranty of ED or the Seller contained in this Agreement (including the exhibits 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 IV REPRESENTATIONS AND WARRANTIES OF BUYER AND RICK'S

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

Section 4.1 Organization, Good Standing and Qualification . Buyer and Rick's (i) are duly organized, validly existing and in good standing under the laws of the state of Texas, (ii) have all requisite power and authority to carry on their respective business, and (iii) are duly qualified to transact business and are in good standing in all jurisdictions where their ownership, lease or operation of property or the conduct of their business requires such qualification, except where the failure to do so would not have a material adverse effect to Buyer or Rick's.

Section 4.2 Authorization . Buyer and Rick's are corporations duly organized in the state of Texas and have full power, capacity, and authority to enter into this Agreement and perform the obligations contemplated hereby. All action on the part of Buyer and Rick's necessary for the authorization, execution, delivery and performance of this Agreement by them have been or will be taken before Closing. This Agreement, when duly executed and delivered in accordance with its terms, will constitute legal, valid, and binding obligations of Buyer and Rick's enforceable against 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 4.3 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 Buyer or Rick's in connection with the execution and delivery by Buyer and 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 4.4 Disclosure . No representation or warranty of Buyer and Rick's contained in this Agreement (including the exhibits 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.

Section 4.5 Brokerage Commission . No broker or finder has acted for the Buyer 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 Buyer or Rick's.

ARTICLE V CONDITIONS TO CLOSING

The obligations of the parties to effect the transactions contemplated hereby are subject to the satisfaction at or prior to the Closing of the following conditions:

Section 5.1 Conditions to Obligations of Buyer and Rick's .

- (a) Representations and Warranties of ED and the Seller . The representations and warranties of ED and the Seller shall be true and correct on the Closing Date;
- (b) Covenants . All covenants, agreements and conditions contained in this Agreement to be performed by ED and the Seller on or prior to the Closing Date shall have been performed or complied with in all respects;
- (c) Delivery of Certificates . The Sellers and ED shall provide to Buyer certificates, dated as of the Closing Date and signed the Seller and by representatives of ED, respectively, to effect set forth in Section 5.1(a) and 5.1(b) for the purpose of verifying the accuracy of such representations and warranties and the performance and satisfaction of such covenants and conditions;
- (d) Resolutions . ED shall have delivered resolutions of ED which 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;
- (e) Delivery of ED Stock . The Seller shall deliver or cause to be delivered to Buyer (i) originally issued certificates representing the shares of ED Stock duly endorsed over to the Buyer in a form satisfactory to the Buyer;
- (f) Related Transactions . The Related Transactions set forth in Section 2.3 shall be consummated concurrently with the Closing;
- (g) Financial Records . The financial records of ED shall be maintained and exist in such a manner as to allow for a certified audit as determined by Rick's;
- (h) Liabilities . ED shall not have any liabilities as of the date of Closing;
- (i) Third-Party Consents . Any and all consents or waivers required from third parties relating to this Agreement or any of the other transactions contemplated hereby shall have been obtained;

- (j) Satisfactory Diligence. Buyer shall have concluded its due diligence investigation of ED and its assets and properties and all other matters related to the foregoing, and shall be satisfied, in its absolute and sole discretion, with the results thereof;
- (k) No Actions or Proceedings. No claim, action, suit, investigation or proceeding shall be pending or threatened before any court or governmental agency which presents a substantial risk of the restraint or prohibition of the transactions contemplated by this Agreement;
- (l) Government Approvals. All authorizations, permits, consents, orders, licenses or approvals of, or declarations or filings with, or expiration of waiting periods imposed by, any governmental entity necessary for the consummation of the transactions contemplated by this Agreement shall have been filed, occurred or been obtained; and
- (m) Appointment of Director and Officer; Resignations. At Closing, (i) Eric Langan shall have been appointed as the sole director of ED; and (ii) the Seller shall resign as a director of ED.

Section 5.2 Conditions to Obligations of ED and the Seller

- (a) Representations, Warranties and Agreements of Buyer and Rick's. The representations and warranties of Buyer and Rick's shall be true and correct on the Closing Date;
- (b) Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by the Buyer and Rick's on or prior to the Closing Date shall have performed or complied with in all respects;
- (c) Delivery of Certificates. Buyer and Rick's shall provide to ED and the Seller certificates dated as of the Closing Date and signed by a representative of the Buyer and Rick's to the effect set forth in Section 5.2(a) and 5.2(b) for the purpose of verifying the accuracy of such representations and warranties and the performance and satisfaction of such covenants and conditions;
- (d) Resolutions. Buyer and Rick's shall deliver resolutions, which 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;
- (e) Payment of Purchase Price. Buyer shall have (i) tendered the cash portion of the Purchase Price set forth in Section 1.3 and (ii) delivered the 8,696 shares of common stock of Rick's representing the stock portion of the Purchase Price to the Seller as set forth in Section 1.3 or shall deliver a letter of instruction to the transfer agent instructing the issuance of the shares to the Seller;
- (f) Related Transactions. The Related Transactions set forth in Section 2.3 shall be consummated concurrently with the Closing;

- (g) Third Party Consents . Any and all consents or waivers required from third parties relating to this Agreement or any of the other transactions contemplated hereby shall have been obtained;
- (h) No Actions or Proceedings . No claim, action, suit, investigation or proceeding shall be pending or threatened before any court or governmental agency which presents a substantial risk of the restraint or prohibition of the transactions contemplated by this Agreement; and
- (i) Government Approvals . All authorizations, permits, consents, orders or approvals of, or declarations or filings with, or expiration of waiting periods imposed by, any governmental entity necessary for the consummation of the transactions contemplated by this Agreement shall have been filed, occurred or been obtained.

ARTICLE VI INDEMNIFICATION

Section 6.1 Indemnification from the Seller . The Seller hereby agrees to and shall indemnify, defend (with legal counsel reasonably acceptable to Buyer), and hold Buyer, Rick's, their officers, directors, shareholders, employees, affiliates, parent, agents, legal counsel, successors and assigns (collectively, the "Buyer's 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) (collectively, "Indemnifiable Loss" or "Indemnifiable Losses") suffered or incurred by any or all of the Buyer's Group arising from: (a) any material misrepresentation by, or material breach of any covenant or warranty of the Seller or ED contained in this Agreement, or any exhibit, certificate, or other instrument furnished or to be furnished by the Seller or ED hereunder; (b) any nonfulfillment of any material agreement on the part of the Seller or ED under this Agreement; (c) from any liability or obligation due to any third party by ED and/or the Seller incurred prior to the Closing Date, including all damages resulting to the Buyer's Group from a breach by the Seller or ED of any contracts occurring prior to the Closing Date; or (d) any liabilities of ED incurred prior to the Closing Date.

Section 6.2 Indemnification from Buyer . Buyer agrees to and shall indemnify, defend (with legal counsel reasonably acceptable to Seller) and hold the Seller and his agents, legal counsel, successors and assigns, (collectively, the "Seller's 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 reasonable attorneys fees and costs of any suit related thereto) suffered or incurred by any or all of Seller's Group, arising from (a) any material misrepresentation by, or material breach of any covenant or warranty of Buyer or Rick's contained in this Agreement or any exhibit, certificate, or other agreement or instrument furnished or to be furnished by Buyer hereunder; (b) any nonfulfillment of any material agreement on the part of Buyer or Rick's under this Agreement; or (c) any liabilities of ED incurred subsequent to the Closing Date.

Section 6.3 Defense of Claims . If any lawsuit or enforcement action is filed against any party entitled to the benefit of indemnity hereunder, written notice thereof shall be given to the indemnifying party as promptly as practicable (and in any event not less than fifteen (15) days prior to any hearing date 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 actual 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. 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 6.4 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 individual's 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 6.5 Right to Offset . In the event that the Buyer or Rick's is entitled to indemnification in accordance with Section 6.1 and 6.3 hereof, including the payment by the Buyer of any debts or liabilities resulting from the purchase of the Company which were incurred prior to the Closing Date, then Buyer 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 6.6 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 "Indemnitee") 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 the expiration of the Survival Date shall not be barred hereunder.

**ARTICLE VII
MISCELLANEOUS**

Section 7.1 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 7.2 Notices. Any notices or other communications required or permitted hereunder shall be sufficiently given if in writing and delivered in person, transmitted by facsimile transmission (fax) or sent by registered or certified mail (return receipt requested) or 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 the Seller: Don Waitt

- with a copy to: _____

- (b) if to Rick's, Buyer
 or ED: Rick's Cabaret International, Inc.
 Attn: Eric Langan, President
 10959 Cutten Road
 Houston, Texas 77066
 Fax: (281) 397-6765
- With a copy to: Robert D. Axelrod
 Axelrod, Smith & Kirshbaum
 5300 Memorial Drive, Suite 700
 Houston, Texas 77007
 Fax: (713) 552-0202

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, three (3) business days after dispatch.

Section 7.3 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 7.4 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 7.5 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 7.6 Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Texas, without regard to principles of conflict of laws. The parties agree that venue for purposes of construing or enforcing this Agreement shall be proper in Harris County, Texas.

Section 7.7 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 7.8 Costs and Expenses. Each party shall pay their own respective fees, costs and disbursements incurred in connection with this Agreement.

Section 7.9 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 7.10 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 7.11 Attorneys' Review. In connection with the negotiation and drafting of this Agreement, the parties represent and warrant to each other they have had the opportunity to be advised by attorneys of their own choice.

Section 7.12 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 7.13 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 (i) agree upon the text of a joint public announcement or statement to be made by all of such parties or (ii) obtain approval of the other parties hereto to the text of a public announcement or statement to be made solely 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 7.14 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 7.15 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.

{SIGNATURES ON FOLLOWING PAGE}

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

**RCI ENTERTAINMENT
(MEDIA HOLDINGS), INC.**

/s/ Eric Langan

By: Eric Langan, President

Date: April 15, 2008

RICK'S CABARET INTERNATIONAL, INC.

/s/ Eric Langan

By: Eric Langan, President

Date: April 15, 2008

ED PUBLICATIONS, INC.

/s/ Don Waitt

By: Don Waitt

Its: President

Date: April 15, 2008

SELLER

/s/ Don Waitt

Don Waitt, Individually

Date: April 15, 2008

LOCK-UP/LEAK-OUT AGREEMENT

THIS LOCK -UP/LEAK-OUT AGREEMENT (the “Agreement”) is made and entered into as of the 15th day of April, 2008, between **RICK ’S CABARET INTERNATIONAL, INC.** , a Texas corporation (“Rick’s”), and **DON WAITT** (“Holder” or “Waitt”).

WHEREAS , the parties entered into a Purchase Agreement dated April 15, 2008 (the “Purchase Agreement”), by and among Waitt, ED Publications, Inc. , a Texas corporation (the “Company”), Rick’s and its wholly owned subsidiary, RCI Entertainment (Media Holdings), Inc., a Texas corporation (the “Buyer”); and

WHEREAS , pursuant to the terms and condition of the Purchase Agreement, Waitt has agreed to sell to Buyer his ownership interest in the Company (the “Acquisition”); and

WHEREAS , under the terms of the Purchase Agreement, Waitt shall be entitled to receive 8,696 shares of common stock of Rick’s upon the Closing of the Purchase Agreement and has the right to earn out an additional 65,217 shares of common stock of Rick’s (the “Earn Out Shares”), which is conditioned upon, among other things, the execution and delivery of this Agreement; and

WHEREAS , the shares of common stock issued to Waitt at Closing and the Earn Out Shares, if any, issued to Waitt are hereinafter collectively referred to as the “Rick’s Transaction Shares”; and

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

WHEREAS, any capitalized terms not defined herein shall have the meaning set forth in the 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 he may not sell, pledge, hypothecate, transfer, assign or in any other manner dispose of the Rick's Transaction Shares for one year from the date hereof.
2.
 - (a) On or after one (1) year from the date of Closing, or with respect to the Earn Out Shares, if any, on or after seven (7) months from the date of issuance by Rick's of the Earn Out Shares, Waitt shall have the right, but not the obligation, to have Rick's purchase from Waitt 5,000 Rick's Transaction Shares per month (the "Monthly Shares") calculated at a price per share equal to \$23.00 per share ("Value of the Shares") until Waitt has received an aggregate of \$1,700,000 (i) from the sale of the Rick's Transaction Shares sold by Waitt, 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. Waitt shall notify Rick's during any given month of Waitt's 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 Waitt 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 Waitt, then Waitt may sell the Monthly Shares in the open market and any deficiency between the amount which Waitt receives from the sale of the Monthly Shares and the Value of the Shares (the "Deficiency") shall be paid by Rick's within three (3) business days after receipt of written notice from Waitt of the sale of the Monthly Shares which shall provide the written sales confirmation and the amount of the Deficiency. Rick's obligation to purchase any of the Rick's Transaction Shares from Waitt shall terminate and cease at such time as Waitt has received an aggregate of \$1,700,000 (assuming all Earn Out Shares have been issued) from (i) the sale of the Rick's Transaction 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 by Rick's. Waitt agrees to provide monthly statements to Rick's as to the total number of Rick's Transaction Shares which Waitt sold and the amount of proceeds derived therefrom. Nothing contained herein shall limit or preclude Waitt from selling his Rick's Transaction Shares in the open market or require Waitt to "Put" his Rick's Transaction Shares to Rick's during any given month. In the event that the Holder elects to sell the Rick's Transaction Shares pursuant to this Section 2(a), then any amount sold at prices less than the Value of the Shares shall be deemed to be sold at \$23.00 for purposes of this Section 2(a).
 - (b) In the event the Holder elects not to "Put" the Rick's Transaction Shares to Rick's, the Holder shall sell (i) not more than 10,000 Rick's Transaction Shares per 30-day period, and (ii) not more than 70,000 Rick's Transaction Shares per 90-day period regardless of whether the Holder "Puts" the Rick's Transaction Shares to Rick's or sells them in the open market, in a private transaction or otherwise.
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 Transaction 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 any shares of common stock of Rick's 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 his respective beneficial rights of ownership of the issued Rick's Transaction Shares, including the right to vote any issued Rick's Transaction Shares for any and all purposes.
6. The resale restrictions on the Rick's Transaction 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 Texas, 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 Lock-Up/Leak-Out Agreement as of the day and year first above written.

Date: April 15, 2008

RICK’S CABARET INTERNATIONAL, INC.

By: /s/ Eric Langan

Eric Langan, President

HOLDER

/s/ Don Waitt

DON WAITT

Number of Shares of Rick’s Common Stock Subject to
this Agreement:

8,696 shares of Rick’s Common Stock

65,217 Earn Out Shares, if issued

Lock-Up/Leak-Out Agreement – Page 4

EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement"), entered into effective as of the 15th day of April, 2008, by and between RCI Entertainment (Media Holdings), Inc., a Texas corporation (the "Company"), and **DON WAITT** ("Executive").

WITNESSETH:

WHEREAS, Company desires to employ Executive as provided herein; and

WHEREAS, Executive desires to accept such employment.

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. **Employment.** Company hereby employs Executive and Executive hereby accepts employment with Company upon the terms and conditions hereinafter set forth.

2. **Duties.** Subject to the power of the Board of Directors of Company to elect and remove officers, Executive will serve the Company as its President and will faithfully and diligently perform the services and functions relating to such office or otherwise reasonably incident to such office, provided that all such services and functions will be reasonable and within Executive's area of expertise. Executive will, during the term of this Agreement (or any extension thereof), devote his full business time, attention and skills and best efforts to the promotion of the business of Company. The foregoing will not be construed as preventing Executive from making investments in other businesses or enterprises provided that (a) Executive agrees not to become engaged in any other business activity that interferes with his ability to discharge his duties and responsibilities to Company and (b) Executive does not violate any other provision of this Agreement.

3. **Term.** Subject to the terms and conditions hereof, the term of employment of Executive will commence as of the date hereof (the "Commencement Date") and will end on that date in the year 2011, unless earlier terminated by either party pursuant to the terms hereof. The term of this Agreement is referred to herein as the "Term."

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

- (a) *Salary*. Commencing upon the date of this Agreement, Executive will be paid an annual base salary of \$250,000.00, payable bi-weekly (the "Salary"). At any time and from time to time the Salary may be increased for the remaining portion of the term if so determined by the Board of Directors of Company after a review of Executive's performance of his duties hereunder.
 - (b) *Bonus*. As further compensation, Executive will be eligible for bonuses as determined from time to time by the Board of Directors.
-

- (c) *Expenses.* Upon submission of a detailed statement and reasonable documentation, Company will reimburse Executive in the same manner as other executive officers for all reasonable and necessary or appropriate out-of-pocket travel and other expenses incurred by Executive in rendering services required under this Agreement.
- (d) *Benefits; Insurance.*
 - (i) Medical, Dental and Vision Benefits. During this Agreement, Executive and his dependents will be entitled to receive such group medical, dental and vision benefits as Company may provide to its other executives, provided such coverage is reasonably available, or be reimbursed if Executive is carrying his own similar insurance.
 - (ii) Benefit Plans. The Executive will be entitled to participate in any benefit plan or program of the Company which may currently be in place or implemented in the future.
 - (iii) Other Benefits. During the Term, Executive will be entitled to receive, in addition to and not in lieu of base salary, bonus or other compensation, such other benefits and normal perquisites as Company currently provides or such additional benefits as Company may provide for its executive officers in the future.
- (e) *Vacation .* Executive will be entitled to two weeks paid vacation each year of this Agreement.

5. **Confidentiality and Non-Competition.**

- (a) *Confidentiality.* In the course of the performance of Executive's duties hereunder, Executive recognizes and acknowledges that Executive may have access to certain confidential and proprietary information of Company or any of its affiliates. Without the prior written consent of Company, Executive shall not disclose any such confidential or proprietary information to any person or firm, corporation, association, or other entity for any reason or purpose whatsoever, and shall not use such information, directly or indirectly, for Executive's own behalf or on behalf of any other party. Executive agrees and affirms that all such information is the sole property of Company and that at the termination and/or expiration of this Agreement, at Company's written request, Executive shall promptly return to Company any and all such information so requested by Company.

The provisions of this Section 5 shall not, however, prohibit Executive from disclosing to others or using in any manner information that:

- (i) has been published or has become part of the public domain other than by acts, omissions or fault of Executive;

- (ii) has been furnished or made known to Executive by third parties (other than those acting directly or indirectly for or on behalf of Executive) as a matter of legal right without restriction on its use or disclosure;
 - (iii) was in the possession of Executive prior to obtaining such information from Company in connection with the performance of this Agreement; or
 - (iv) is required to be disclosed by law.
- (b) *Non-Competition.* Executive 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, partner, consultant, owner or part-owner of any corporation, partnership or any other type of business entity, directly or indirectly, own, manage, operate, control, be employed by, participate in, or be connected in any manner with the ownership, management, operation, or control of any media publication publishing any sexually oriented industry publication ("Adult Entertainment Business") or is in any business similar to or competitive with the Adult Entertainment Business presently conducted by the Company anywhere in the United States within a twenty (20) mile radius of any Adult Entertainment Business of the Company or any Adult Entertainment Business of the Company under construction, under contract, in development or leased by or to the Company, for a period of one year (the "Non-Compete Period") from the termination of this Agreement.

Executive agrees not to hire, solicit or attempt to solicit for employment by Executive or any company to which he may be involved, either directly or indirectly, any party who is an employee or independent contractor of the Company or any entity which is affiliated with the Company, or any person who was an employee or independent contractor of the Company or any entity which is affiliated with the Company within the one year period immediately following the termination of this Agreement.

Executive acknowledges that he has carefully read and considered all provisions of this Agreement and agrees that:

- (i) Due to the nature of the Company's business, the foregoing covenants place no greater restraint upon Executive than is reasonably necessary to protect the business and goodwill of the Company;
- (ii) These covenants protect the legitimate interests of the Company and do not serve solely to limit the Company's future competition;
- (iii) This Agreement is not an invalid or unreasonable restraint of trade;
- (iv) A breach of these covenants by Executive would cause irreparable damage to the Company;
- (v) These covenants are reasonable in scope and are reasonably necessary to protect the Company's business and goodwill which the Company has established through its own expense and effort; and
- (vi) The signing of this Agreement is necessary as part of the consummation of the transactions described in the preamble.

6. **Indemnification.** The Corporation shall to the full extent permitted by law or as set forth in the Articles of Incorporation and the Bylaws of the Company, indemnify, defend and hold harmless Executive from and against any and all claims, demands, liabilities, damages, losses and expenses (including reasonable attorney's fees, court costs and disbursements) arising out of the performance by him of his duties hereunder except in the case of his willful misconduct.

7. **Termination.** This Agreement and the employment relationship created hereby will terminate (i) upon the death or disability of Executive under section 7(a) or 7(b); or (ii) with cause under Section 7(c).

- (a) *Disability.* The Company shall have the right to terminate the employment of the Executive under this Agreement for disability in the event Executive suffers an injury, illness, or incapacity of such character as to substantially disable him from performing his duties without reasonable accommodation by the Company hereunder for a period of more than one hundred eighty (180) consecutive days upon the Company giving at least thirty (30) days written notice of termination.
- (b) *Death.* This Agreement will terminate on the Death of the Executive.
- (c) *With Cause.* The Company may terminate this Agreement at any time because of (i) Executive's material breach of any term of the Agreement, (ii) the determination by the Board of Directors in the exercise of its reasonable judgment that Executive has committed an act or acts constituting a felony or other crime involving moral turpitude, dishonesty or theft or fraud; or (iii) Executive's gross negligence in the performance of his duties hereunder, provided, in each case, however, that the Company shall not terminate this Agreement pursuant to this Section 7(c) unless the Company shall first have delivered to the Executive, a notice which specifically identifies such breach or misconduct and the executive shall not have cured the same within fifteen (15) days after receipt of such notice.

8. **Obligations of Company Upon Termination.** In the event of the termination of Executive's employment pursuant to Section 7 (a), (b), or (c), Executive will be entitled only to the compensation earned by him hereunder as of the date of such termination (plus life insurance or disability benefits if applicable and provided for pursuant to Section 4(c)).

9. **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.

10. **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.

11. **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 Company: RCI Entertainment (Media Holdings), Inc.
10959 Cutten Road
Houston, Texas 77066
Attention: Eric Langan, CEO/President

If to Executive: Don Waitt

Notices delivered personally will be deemed communicated as of actual receipt.

12. **Entire Agreement .** This Agreement and the agreements contemplated hereby constitute 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 subject matter hereof.

13. **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.

14. **Arbitration.** If a dispute should arise regarding this Agreement the parties agree that all claims, disputes, controversies, differences or other matters in question arising out of this relationship shall be settled finally, completely and conclusively by arbitration in Houston, Texas in accordance with the Commercial Arbitration Rules of the American Arbitration Association (the "Rules"). The governing law of this Agreement shall be the substantive law of the State of Texas, without giving effect to conflict of laws. A decision of the arbitrator shall be final, conclusive and binding on the Company and Executive. Any arbitration held in accordance with this paragraph shall be private and confidential and no person shall be entitled to attend the hearings except the arbitrator, Executive, Executive's attorneys, a representative of the Company, the Company's attorneys, and advisors to or witnesses for any party. The matters submitted to arbitration, the hearings and proceedings and the arbitration award shall be kept and maintained in the strictest confidence by Executive and the Company and shall not be discussed, disclosed or communicated to any persons except as may be required for the preparation of expert testimony. On request of any party, the record of the proceeding shall be sealed and may not be disclosed except insofar, and only insofar, as may be necessary to enforce the award of the arbitrator and any judgement enforcing an award. The prevailing party shall be entitled to recover reasonable and necessary attorneys' fees and costs from the non-prevailing party and the determination of such fees and costs and the award thereof shall be included in the claims to be resolved by the arbitrator hereunder.

15. **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.

16. **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.

17. **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.

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

COMPANY:

RCI ENTERTAINMENT (MEDIA HOLDINGS), INC.

By: /s/ Eric Langan
Eric Langan, CEO/President

EXECUTIVE:

By: /s/ Don Waitt
Don Waitt

PURCHASE AGREEMENT

This Purchase Agreement (the "Agreement") is made and entered into this 15th day of April, 2008, by and among Don Waitt ("Waitt"), John Cornetta ("Cornetta"), TEEZE International, Inc., a Delaware corporation ("TEEZE"), Adult Store Buyer Magazine, LLC, a Georgia limited liability company ("ASB"), RCI Entertainment (Media Holdings), Inc., a Texas corporation (the "Buyer"), and Rick's Cabaret International, Inc., a Texas corporation ("Rick's"). Waitt and Cornetta are sometimes collectively referred to herein as "Sellers".

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

WHEREAS, the Sellers own 100% of the issued and outstanding common stock of TEEZE (the "TEEZE Stock") and 100% of the membership interest in ASB (the "Membership Interest"); and

WHEREAS, TEEZE owns and operates "TEEZE Magazine" and ASB owns and operates "Adult Store Buyers Magazine" (the "Publications"); and

WHEREAS, the Sellers desire to sell 100% of the issued and outstanding TEEZE Stock and 100% of the issued and outstanding Membership Interest of ASB to Buyer 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 TEEZE STOCK
AND THE MEMBERSHIP INTEREST

Section 1.1 Sale of the TEEZE Stock and Membership Interest. Subject to the terms and conditions set forth in this Agreement, at the Closing (as hereinafter defined) Sellers hereby agree to sell, transfer, convey and deliver to Buyer 100% of the issued and outstanding common stock of TEEZE and 100% of the issued and outstanding Membership Interest of ASB free and clear of all encumbrances, and shall deliver to Buyer certificates representing the TEEZE Stock and the ASB Membership Interest, duly endorsed to Buyer or accompanied by duly executed stock powers in form and substance satisfactory to Buyer.

Section 1.2 Purchase Price for the TEEZE Stock and Membership Interest. As consideration for the purchase of the TEEZE Stock and Membership Interest, Buyer shall pay to Sellers a total purchase price of \$500,000.00 (the "Purchase Price"), payable to the Sellers as follows:

- a. \$200,000 by cashier's check, certified funds or wire transfer at Closing (as hereinafter defined); and
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- b. The issuance of 6,522 shares of restricted common stock by Rick's to each of Messrs. Waitt and Cornetta, for an aggregate of 13,044 shares of restricted common stock (collectively, the "Rick's Shares") at Closing to be valued at \$23.00 per share.

Section 1.3 Right of Sellers to "Put" Shares. On or after one (1) year from the date of Closing, each of Messrs. Waitt and Cornetta shall have the right, but not the obligation, to have Rick's purchase the Rick's Shares from each of Messrs. Waitt and Cornetta calculated at a price per share equal to \$23.00 per share ("Value of the Rick's Shares") until Messrs. Waitt and Cornetta have each received \$150,000 from (i) the sale of the Rick's Shares sold by them, 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. Each Seller, individually, shall notify Rick's during any given month of his election to "Put" the Rick's Shares to Rick's during that particular month and Rick's shall have three (3) business days to elect to buy the Rick's Shares or instruct the respective Seller(s) to sell the Rick's Shares in the open market. At Rick's election, during any given month, it may either buy the Rick's Shares or, if Rick's elects not to buy the Rick's Shares from the respective Seller(s), then such Seller(s) shall sell the Rick's Shares in the open market and any deficiency between the amount which the Seller (s) receive from the sale of the Rick's 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 respective Seller(s) of the sale of the Rick's Shares which shall provide the written sales confirmation and the amount of the Deficiency. Rick's obligation under this Section 1.3 to purchase the Rick's Shares from any respective Seller shall terminate and cease at such time as such Seller has received an aggregate amount of \$150,000 from (i) the sale of the Rick's 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. Each of the Sellers, individually, agree to provide monthly statements to Rick's as to the total number of Rick's Shares which Seller sold and the amount of proceeds derived therefrom. Nothing contained in this Section 1.3 shall limit or preclude any Seller from selling their Rick's Shares in the open market or require any Seller to "Put" their Rick's Shares to Rick's during any given month. In the event that Sellers elect to sell their Rick's Shares pursuant to this Section 1.3, then any amount sold at prices less than \$23.00 shall be deemed to be sold at \$23.00 for purposes of Section 1.3.

ARTICLE II CLOSING

Section 2.1 The Closing. The closing of the transactions provided for in this Agreement shall take place on or before April 15, 2008 (the "Closing Date"), or at such other time and place as agreed upon in writing among the parties hereto (the "Closing"). The parties have agreed further to close at the corporate office of Rick's located at 10959 Cutten Road, Houston, Texas 77066.

Section 2.2 Delivery and Execution. At the Closing: (a) the Sellers shall deliver to Buyer certificates evidencing the TEEZE Stock and the Membership Interest of ASB, free and clear of any liens, claims, equities, charges, options, rights of first refusal or encumbrances, duly endorsed to Buyer or accompanied by duly executed stock powers in form and substance satisfactory to Buyer against delivery by Buyer to the Sellers of payment in an amount equal to the Purchase Price set forth in Section 1.2; and (b) the Related Transactions (as defined below) shall be consummated concurrently with the Closing.

Section 2.3 Related Transactions. At Closing, each of the Sellers will enter into a five (5) year covenant not to compete pursuant to the terms of which the Sellers will agree not to compete, either directly or indirectly, with TEEZE, ASB, Buyer, Rick's or any of their affiliates by publishing any sexually oriented industry trade print publications, with the exception of a publication known as "Xcitement" which is currently owned and operated by Cornetta.

ARTICLE III
REPRESENTATIONS AND WARRANTIES
OF THE SELLERS, TEEZE AND ASB

The Sellers, TEEZE and ASB, jointly and severally, hereby represent and warrant to the Buyer as follows:

Section 3.1. Organization, Good Standing and Qualification.

- (a) TEEZE (i) is duly organized, validly existing and in good standing under the laws of the state of Delaware, (ii) ASB is duly organized, validly existing and in good standing under the laws of Georgia, (iii) TEEZE and ASB each have the requisite power and authority to own, operate and lease its properties and to carry on its business, and (iv) TEEZE and ASB are duly qualified to transact business and are in good standing in all jurisdictions where their 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 the Sellers, TEEZE or ASB, respectively.
- (b) The authorized capital of TEEZE consists of 1,500 shares of common stock all of which are validly issued and outstanding. Waitt owns 750 shares of TEEZE Stock and Cornetta owns 750 shares of TEEZE Stock. There is no other class of capital authorized or issued by TEEZE. All of the issued and outstanding TEEZE Stock of TEEZE are owned by the Sellers and are fully paid and non-assessable. None of the shares of TEEZE Stock issued are in violation of any preemptive rights. TEEZE has no obligation to repurchase, reacquire, or redeem any of its outstanding common stock. There are no outstanding securities convertible into or evidencing the right to purchase or subscribe for any common stock of TEEZE, there are no outstanding or authorized options, warrants, calls, subscriptions, rights, commitments or any other agreements of any character obligating TEEZE to issue any common stock or any securities convertible into or evidencing the right to purchase or subscribe for any common stock, and there are no agreements or understandings with respect to the voting, sale, transfer or registration of any common stock of TEEZE.
- (c) The authorized capital of ASB consist of 50% membership interest owned by John Cornetta and 50% membership interest owned by Don Waitt, all of which are validly issued and outstanding. There is no other class of capital authorized or issued by ASB. All of the issued and outstanding Membership Interest of ASB are owned by the Sellers and are fully paid and non-assessable. None of the Membership Interests issued are in violation of any preemptive rights. ASB 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 ASB, there are no outstanding or authorized options, warrants, calls, subscriptions, rights, commitments or any other agreements of any character obligating ASB 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 ASB.

Section 3.2 Ownership of the TEEZE Stock . The Sellers own, beneficially and of record, all of the TEEZE Stock free and clear of any liens, claims, equities, charges, options, rights of first refusal, or encumbrances. The Sellers have the unrestricted right and power to transfer, convey and deliver full ownership of the TEEZE Stock 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 TEEZE Stock to Buyer as contemplated herein, Buyer 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 (except those imposed by applicable securities laws).

Section 3.3 Ownership of the Membership Interest . The Sellers own, beneficially and of record, all of the Membership Interest of ASB free and clear of any liens, claims, equities, charges, options, rights of first refusal, or encumbrances. The Sellers have the unrestricted right and power to transfer, convey and deliver full ownership of the Membership Interest 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 Membership Interest to Buyer as contemplated herein, Buyer 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 (except those imposed by applicable securities laws).

Section 3.4 Authorization . TEEZE and ASB have 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 TEEZE and ASB 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 TEEZE and ASB. This Agreement, when duly executed and delivered in accordance with its terms, will constitute legal, valid and binding obligations of TEEZE and ASB enforceable against them 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 of the Sellers 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 and for himself and his spouse (if applicable). All action on the part of the Sellers necessary for the authorization, execution, delivery and performance of this Agreement by him has been taken and will be taken prior to Closing Date. This Agreement, when duly executed and delivered in accordance with its terms, will constitute legal, valid and binding obligations of the Sellers enforceable against each of them 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 3.5 Consents. No consent of, approval by, order or authorization of, or registration, declaration or filing by TEEZE, ASB, or the Sellers with any court or any governmental or regulatory agency or authority having jurisdiction over the TEEZE or ASB, or any of their respective property or assets is required on the part of TEEZE, ASB, or the Sellers (a) in connection with the consummation of the transactions contemplated by this Agreement or (b) as a condition to the legality, validity or enforceability as against TEEZE or ASB of this Agreement, excluding any registration, declaration or filing, the failure to effect which would not have a material adverse effect on the financial condition of TEEZE or ASB.

Section 3.6 Acquisition of Stock for Investment. Each of the Sellers understand that any issuance of the Rick's Shares (as referenced in Section 1.2 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, and each of the Sellers represents and warrants to the Buyer that the present intention of Sellers is to receive and hold the Rick's Shares for investment only and not with a view to the distribution or resale thereof.

Additionally, each of the Sellers understand that any sale of any the Rick's Shares issued, 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, each of the Sellers 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."

Section 3.7 Access to Information. Each of the Sellers hereby confirms and represents that they (a) have 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 quarter ended December 31, 2007, 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 Forms 8-K filed with the SEC on February 13, 2008, March 7, 2008, April 3, 2008 and April 4, 2008, and the Forms 8-K/A filed on January 29, 2008, February 11, 2008, and March 18, 2008; (d) have 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) have 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) have had an opportunity to engage and is represented by an attorney of his choice; (g) have had an opportunity to negotiate the terms and conditions of this Agreement; (h) have been given adequate time to evaluate the merits and risks of the transactions contemplated hereby; and (i) have been provided with and given an opportunity to review all current information about Rick's. The Sellers have asked such questions to representatives of Rick's about Rick's as they desire to ask and all such questions have been answered to the full satisfaction of each of the Sellers. The forms filed by Rick's with the SEC as set forth in Section 3.7(a), (b) and (c) are hereafter collectively referred to as "SEC Reports".

Section 3.8 Purchase for Investment . Each of the Sellers are acquiring the Rick's Shares for their own accounts, for investment purposes only and not with view to any public resale or other distribution thereof. Each of the Sellers represents and warrants that each is an Accredited Investor as that term is defined in Rule 501(a) of Regulation D of the Securities Act of 1933, as amended. Each of the Sellers, and their respective representatives have received, or have had access to, and have had sufficient opportunity to review, all books, records, financial information and other information which each of the Sellers consider necessary or advisable to enable him to make a decision concerning its acquisition of the Rick's Shares, and that each of them possesses such knowledge and experience in financial and business matters that each is capable of evaluating the merits and risks of his investment hereunder.

Section 3.9 No Default . Neither TEEZE nor ASB is (a) in violation of any provision of its Articles of Incorporation, Bylaws, Articles of Organization or Regulations or (b) in default under any term or condition of any instrument evidencing, creating or securing any indebtedness of TEEZE or ASB, and there has been no default in any material obligation to be performed by TEEZE or ASB under any other contract, lease, agreement, commitment or undertaking to which either of them is a party or by which they or their assets or properties are bound, nor has TEEZE or ASB waived any material right under any such contract, lease, agreement, commitment or undertaking.

Section 3.10 Taxes . TEEZE and ASB have timely and accurately 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 and any taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, creditor or independent contractor. TEEZE and ASB have made adequate provision for the payment of all taxes accruable for all periods ending on or before the Closing Date to any taxing authority and are not delinquent in the payment of any tax or governmental charge of any nature. No assessments or notices of deficiency or other communications have been received by TEEZE, ASB or the Sellers 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 TEEZE, ASB or either of the Sellers has knowledge of any action by any taxing authority in connection with assessing additional taxes against or in respect of it for any past period. There are no agreements between TEEZE or ASB and any taxing authority waiving or extending any statute of limitations with respect to any tax return.

Section 3.11 Financial Statements. The Sellers have delivered to Buyer the financial information available relating to TEEZE and ASB, respectively (the "Financial Information"). Such Financial Information, are in accordance with the books and records of TEEZE and ASB, and fairly represent the financial position of TEEZE and ASB, and the results of operations and changes in financial position of TEEZE and ASB as of the dates and for the periods indicated. Neither TEEZE nor ASB has, as of the date of the Financial Information, any material liability or obligation of any nature, whether absolute, accrued, continued or otherwise. As of the Closing Date, the Sellers represent there have been no adverse changes in the financial condition or other operations, business, properties or assets of TEEZE or ASB, respectively, from that reflected in the latest Financial Information of TEEZE and ASB as furnished pursuant to this Agreement.

Section 3.12 Labor Matters. Neither TEEZE nor ASB is a party or otherwise subject to any collective bargaining agreement with any labor union or association. Neither TEEZE nor ASB is a party to any written or oral contract, agreement or understanding for the employment of any officer, director or employee of TEEZE or ASB. Neither TEEZE nor ASB is a party to any employee benefits plans (as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended) or any other fringe or employee benefits plan, programs or arrangements.

Section 3.13 Compliance with Laws; Permits. TEEZE and ASB are, and at all times prior to the date hereof have been in compliance with all statutes, orders, rules, ordinances and regulations applicable to each of them or to the ownership of their respective assets or the operation of their respective businesses.

Section 3.14 No Conflicts. The execution and delivery by TEEZE, ASB and the Sellers of this Agreement does not, and the performance and consummation by TEEZE, ASB and the Sellers of the transactions contemplated hereby will not (i) conflict with the articles of incorporation, organization, bylaws or regulations of TEEZE or ASB; (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 TEEZE or ASB is a party or by which the assets or properties of TEEZE or ASB are bound; (iii) result in the creation of any encumbrance on any of the assets or properties of TEEZE or ASB; or (iv) violate any law, rule, regulation or order applicable to TEEZE, ASB or the Sellers or any of the assets or properties of TEEZE or ASB.

Section 3.15 Title to Properties; Encumbrances. TEEZE and ASB have good and marketable title to all of the personal property and assets, that are used in the business that are material to the condition (financial or otherwise), business, operations or prospects of TEEZE and ASB, free and clear of all mortgages, claims, liens, security interests, charges, leases, encumbrances and other restrictions of any kind and nature, except (i) as disclosed in the Financial Statements of TEEZE and ASB, (ii) statutory liens not yet delinquent, and (iii) such liens consisting of zoning or planning restrictions, imperfections of title, easements, pledges, charges and encumbrances, if any, as do not materially detract from the value or materially interfere with the present use of the property or assets subject thereto or affected thereby. Neither TEEZE nor ASB owns any real property.

Section 3.16 No Pending Transactions . Except for the transactions contemplated by this Agreement, none of TEEZE, ASB or the Sellers is 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, merger, consolidation or recapitalization of TEEZE or ASB, (ii) the sale of any of the assets of TEEZE or ASB except in the ordinary course of business, (iii) the sale of any outstanding TEEZE Stock or outstanding Membership Interest of ASB, (iv) the acquisition by TEEZE or ASB of any operating business or the capital stock of any other person or entity, (v) the borrowing of money by TEEZE or ASB, whether secured or unsecured, or (vi) any agreement with any of the respective officers, managers or affiliates of TEEZE or ASB.

Section 3.17 Contracts and Leases . Neither TEEZE nor ASB (i) has any leases of personal property relating to the assets of TEEZE or ASB, whether as lessor or lessee; (ii) has any contractual or other obligations relating to the assets of TEEZE or ASB, whether written or oral; and (iii) have given any power of attorney to any person or organization for any purpose relating to the assets of TEEZE or ASB. TEEZE and ASB have provided Buyer access to each and every contract, lease or other document relating to the assets of TEEZE and ASB to which they are subject or are a party or a beneficiary. To the knowledge of each of the Sellers, such contracts, leases or other documents are valid and in full force and effect according to their terms and constitutes a legal, valid and binding obligation of TEEZE and ASB and the other respective parties thereto and are enforceable in accordance with their terms. None of the Sellers have 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.

Section 3.18 No Default . Neither TEEZE nor ASB is (a) in violation of any provision of its articles of incorporation, organization, bylaws or regulations or (b) in default under any term or condition of any instrument evidencing, creating or securing any indebtedness of TEEZE or ASB. Further, there has been no default in any material obligation to be performed by TEEZE or ASB under any other contract, lease, agreement, commitment or undertaking to which it is a party or by which it or its assets or properties are bound, nor has TEEZE or ASB waived any material right under any such contract, lease, agreement, commitment or undertaking.

Section 3.19 Books and Records . The books of account, minute books, stock record books or other records of TEEZE and ASB that exist are accurate and complete and have been maintained in accordance with sound business practices and will be located at the offices of TEEZE and ASB upon Closing.

Section 3.20 Insurance Policies . Copies of all insurance policies maintained by TEEZE and ASB relating to the operation of their respective businesses have been delivered or made available to Buyer. The policies of insurance held by TEEZE and ASB are in such amounts, and insure against such losses and risks, as TEEZE and ASB reasonably deem appropriate for their respective 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 3.21 Pending Claims. There are no claims, suits, arbitrations, investigations, actions or other proceedings, whether judicial, administrative or otherwise, now pending or, to the best knowledge of TEEZE, ASB or either of the Sellers, 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 TEEZE and/or ASB, or the transfer of the TEEZE Stock or the Membership Interest by the Sellers to Buyer under this Agreement, nor is there any basis known to TEEZE, ASB, or either of the Sellers for any such action. No litigation is pending, or, to the knowledge of TEEZE, ASB, or either of the Sellers, threatened against TEEZE or ASB, or the assets or properties of TEEZE and ASB 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 thereby or hereby. None of TEEZE, ASB or either of the Sellers 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 TEEZE, ASB, or the TEEZE Stock and the Membership Interest to be transferred under this Agreement.

Section 3.22 No Liabilities. As of the Closing Date, neither TEEZE nor ASB shall have any obligations or liability (contingent or otherwise) to any third party.

Section 3.23 Brokerage Commission. No broker or finder has acted for the TEEZE, ASB or the Sellers 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 TEEZE, ASB or the Sellers.

Section 3.24 Banks and Brokerage Accounts. **Exhibit 3.24** sets forth (a) a true and complete list of the names and locations of all banks, trust companies, securities brokers and other financial institutions at which TEEZE and ASB have an account or safe deposit box or maintains a banking, custodial, trading or other similar relationship, and (b) a true and complete list and description of each such account, box and relationship, indicating in each case the account number and the names of the respective officers, employees, agents or other similar representatives of TEEZE or ASB having signatory power with respect thereto.

Section 3.25 Disclosure. No representation or warranty of TEEZE, ASB or the Sellers contained in this Agreement (including the exhibits 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 IV REPRESENTATIONS AND WARRANTIES OF BUYER AND RICK'S

Buyer and Rick's hereby represent and warrant to TEEZE, ASB and the Sellers as follows:

Section 4.1 Organization, Good Standing and Qualification. Buyer and Rick's (i) are duly organized, validly existing and in good standing under the laws of the state of Texas, (ii) have all requisite power and authority to carry on their respective businesses, and (iii) are duly qualified to transact business and are in good standing in all jurisdictions where their ownership, lease or operation of property or the conduct of their business requires such qualification, except where the failure to do so would not have a material adverse effect to Buyer or Rick's.

Section 4.2 Authorization. Buyer and Rick's are each corporations duly organized in the state of Texas and have full power, capacity, and authority to enter into this Agreement and perform the obligations contemplated hereby. All action on the part of Buyer and Rick's necessary for the authorization, execution, delivery and performance of this Agreement by them has been or will be taken before Closing. This Agreement, when duly executed and delivered in accordance with its terms, will constitute legal, valid, and binding obligations of Buyer and Rick's enforceable against Buyer and Rick's 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 4.3 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 Buyer or Rick's in connection with the execution and delivery by Buyer 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 4.4 Disclosure. No representation or warranty of Buyer or Rick's contained in this Agreement (including the exhibits 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.

Section 4.5 Brokerage Commission. No broker or finder has acted for the Buyer 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 Buyer or Rick's.

ARTICLE V CONDITIONS TO CLOSING

The obligations of the parties to effect the transactions contemplated hereby are subject to the satisfaction at or prior to the Closing of the following conditions:

Section 5.1 Conditions to Obligations of Buyer and Rick's.

- (a) Representations and Warranties of TEEZE, ASB and the Sellers. The representations and warranties of TEEZE, ASB and the Sellers shall be true and correct on the Closing Date;

- (b) Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by TEEZE, ASB and the Sellers on or prior to the Closing Date shall have been performed or complied with in all respects;
- (c) Delivery of Certificates. The Sellers, TEEZE and ASB shall provide to Buyer and Rick's certificates, dated as of the Closing Date and signed by each of the Sellers and by representatives of TEEZE and ASB, respectively, to effect set forth in Section 5.1(a) and 5.1(b) for the purpose of verifying the accuracy of such representations and warranties and the performance and satisfaction of such covenants and conditions;
- (d) Resolutions. TEEZE and ASB shall have delivered resolutions of TEEZE and ASB which 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;
- (e) Delivery of TEEZE Stock and Membership Interest. The Sellers shall deliver or cause to be delivered to Buyer and Rick's (i) originally issued certificates representing the shares of TEEZE Stock and (ii) the originally issued certificate representing the Membership Interest of ASB duly endorsed over to the Buyer in a form satisfactory to the Buyer and Rick's;
- (f) Related Transaction. The Related Transaction set forth in Section 2.3 shall be consummated concurrently with the Closing;
- (g) Financial Records. The financial records of TEEZE and ASB shall be maintained and exist in such a manner as to allow for a certified audit as determined by Rick's;
- (h) Liabilities. Neither TEEZE nor ASB shall have any liabilities as of the date of Closing;
- (i) Third-Party Consents. Any and all consents or waivers required from third parties relating to this Agreement or any of the other transactions contemplated hereby shall have been obtained;
- (j) Satisfactory Diligence. Buyer and Rick's shall have concluded their due diligence investigation of TEEZE and ASB and their respective assets and properties and all other matters related to the foregoing, and shall be satisfied, in its absolute and sole discretion, with the results thereof;
- (k) No Actions or Proceedings. No claim, action, suit, investigation or proceeding shall be pending or threatened before any court or governmental agency which presents a substantial risk of the restraint or prohibition of the transactions contemplated by this Agreement;
- (l) Government Approvals. All authorizations, permits, consents, orders, licenses or approvals of, or declarations or filings with, or expiration of waiting periods imposed by, any governmental entity necessary for the consummation of the transactions contemplated by this Agreement shall have been filed, occurred or been obtained; and

- (m) Appointment of Manager/Officer/Resignations. At Closing, (i) Eric Langan shall have been appointed as President/Chief Executive Officer and sole director of TEEZE and Manager of ASB; and (ii) each of the Sellers shall resign any and all officer, director and/or manager positions held in TEEZE and/or ASB, respectively.

Section 5.2 Conditions to Obligations of TEEZE, ASB and the Sellers

- (a) Representations, Warranties and Agreements of Buyer and Rick's. The representations and warranties of Buyer shall be true and correct on the Closing Date;
- (b) Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by the Buyer and Rick's on or prior to the Closing Date shall have performed or complied with in all respects;
- (c) Delivery of Certificates. Buyer and Rick's shall provide to TEEZE, ASB and the Sellers certificates dated as of the Closing Date and signed by a representative of the Buyer and Rick's to the effect set forth in Section 5.2(a) and 5.2(b) for the purpose of verifying the accuracy of such representations and warranties and the performance and satisfaction of such covenants and conditions;
- (d) Resolutions. Buyer and Rick's shall deliver resolutions of the Buyer and Rick's, which 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;
- (e) Payment of Purchase Price. (i) Buyer shall have tendered the cash portion of the Purchase Price set forth in Section 1.2(a), and (ii) Rick's shall have delivered the Rick's Shares representing the stock portions of the Purchase Price to the Sellers as set forth in Section 1.2(b) or shall deliver a letter of instruction to the transfer agent instructing the issuance of the Rick's Shares to the Sellers;
- (f) Related Transactions. The Related Transaction set forth in Section 2.3 shall be consummated concurrently with the Closing;
- (g) Third Party Consents. Any and all consents or waivers required from third parties relating to this Agreement or any of the other transactions contemplated hereby shall have been obtained;
- (i) No Actions or Proceedings. No claim, action, suit, investigation or proceeding shall be pending or threatened before any court or governmental agency which presents a substantial risk of the restraint or prohibition of the transactions contemplated by this Agreement; and

- (j) Government Approvals. All authorizations, permits, consents, orders or approvals of, or declarations or filings with, or expiration of waiting periods imposed by, any governmental entity necessary for the consummation of the transactions contemplated by this Agreement shall have been filed, occurred or been obtained.

ARTICLE VI INDEMNIFICATION

Section 6.1 Indemnification from the Sellers. Each of the Sellers, jointly and severally, hereby agree to and shall indemnify, defend (with legal counsel reasonably acceptable to Buyer), and hold Buyer, Rick's, their officers, directors, shareholders, employees, affiliates, parent, agents, legal counsel, successors and assigns (collectively, the "Buyer's 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) (collectively, "Indemnifiable Loss" or "Indemnifiable Losses") suffered or incurred by any or all of the Buyer's Group arising from: (a) any material misrepresentation by, or material breach of any covenant or warranty of the Sellers, ASB or TEEZE contained in this Agreement, or any exhibit, certificate, or other instrument furnished or to be furnished by the Sellers, ASB or TEEZE hereunder; (b) any nonfulfillment of any material agreement on the part of the Sellers, ASB or TEEZE under this Agreement; or (c) from any liability or obligation due to any third party by TEEZE, ASB, and/or the Sellers incurred prior to the Closing Date, including all damages resulting to the Buyer's Group from a breach by either of the Sellers, ASB or TEEZE of any contracts occurring prior to the Closing Date; or (d) any liabilities of TEEZE or ASB incurred prior to the Closing Date.

Section 6.2 Indemnification from Buyer and Rick's. Buyer and Rick's agree to and shall indemnify, defend (with legal counsel reasonably acceptable to Company) and hold the Sellers and their agents, legal counsel, successors and assigns, (collectively, the "Sellers' 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 reasonable attorneys fees and costs of any suit related thereto) suffered or incurred by any or all of Sellers' Group, arising from (a) any material misrepresentation by, or material breach of any covenant or warranty of Buyer or Rick's contained in this Agreement or any exhibit, certificate, or other agreement or instrument furnished or to be furnished by Buyer or Rick's hereunder; (b) any nonfulfillment of any material agreement on the part of Buyer or Rick's under this Agreement; or (c) any liabilities of ASB or TEEZE incurred subsequent to the Closing Date.

Section 6.3 Defense of Claims. If any lawsuit or enforcement action is filed against any party entitled to the benefit of indemnity hereunder, written notice thereof shall be given to the indemnifying party as promptly as practicable (and in any event not less than fifteen (15) days prior to any hearing date 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 actual 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. 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 6.4 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 individual's 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 6.5 Right to Offset. In the event that the Buyer or Rick's is entitled to indemnification in accordance with Section 6.1 and 6.3 hereof, including the payment by the Buyer of any debts or liabilities resulting from the purchase of the Company which were incurred prior to the Closing Date, then Buyer 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 6.6 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 the expiration of the Survival Date shall not be barred hereunder

ARTICLE VII MISCELLANEOUS

Section 7.1 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 7.2 Notices. Any notices or other communications required or permitted hereunder shall be sufficiently given if in writing and delivered in person, transmitted by facsimile transmission (fax) or sent by registered or certified mail (return receipt requested) or 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 Waitt: Don Waitt

- with a copy to: _____

- (b) if to Cornetta: John Cornetta

- with a copy to: _____

- (c) if to Buyer, Rick's, Rick's Cabaret International, Inc.
 TEEZE or ASB: Attn: Eric Langan, President
 10959 Cutten Road
 Houston, Texas 77066
 Fax: (281) 397-6765
- with a copy to: Robert D. Axelrod
 Axelrod, Smith & Kirshbaum, P.C.
 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, (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, three (3) business days after dispatch.

Section 7.3 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 7.4 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 7.5 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 7.6 Jurisdiction . This Agreement shall be governed by, and construed in accordance with, the laws of the State of Texas, without regard to principles of conflict of laws. The parties agree that venue for purposes of construing or enforcing this Agreement shall be proper in Harris County, Texas.

Section 7.7 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 7.8 Costs and Expenses . Each party shall pay their own respective fees, costs and disbursements incurred in connection with this Agreement.

Section 7.9 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 7.10 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 7.11 Attorneys' Review . In connection with the negotiation and drafting of this Agreement, the parties represent and warrant to each other they have had the opportunity to be advised by attorneys of their own choice.

Section 7.12 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 7.13 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 (i) agree upon the text of a joint public announcement or statement to be made by all of such parties or (ii) obtain approval of the other parties hereto to the text of a public announcement or statement to be made solely 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 7.14 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 7.15 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.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

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

**RCI ENTERTAINMENT
(MEDIA HOLDINGS), INC.**

/s/ Eric Langan

By: Eric Langan, President

Date: April 15, 2008

RICK'S CABARET INTERNATIONAL, INC.

/s/ Eric Langan

By: Eric Langan, President

Date: April 15, 2008

TEEZE PUBLICATIONS, INC.

/s/ Don Waitt

By: Don Waitt

Its: President

Date: April 15, 2008

ADULT STORE BUYER MAGAZINE, LLC

/s/ John Cornetta

By: John Cornetta

Its: Manager

Date: April 15, 2008

THE SELLERS

/s/ Don Waitt

Don Waitt, Individually

Date: April 15, 2008

/s/ John J. Cornetta

John Cornetta, Individually

Date: April 15, 2008

EXECUTION VERSION

NON-COMPETITION AGREEMENT

This Non-Competition Agreement dated April 15, 2008 (the "Non-Competition Agreement"), is by and among Rick's Cabaret International, Inc., Texas corporation, ("Rick's") and John Cornetta ("Cornetta").

WITNESSETH:

WHEREAS, the parties entered into a Purchase Agreement dated April 15, 2008 (the "Purchase Agreement"), between Cornetta, Don Waitt, TEEZE International, Inc., a Delaware corporation ("TEEZE"), Adult Store Buyer Magazine, LLC, a Georgia limited liability company ("ASB"), RCI Entertainment (Media Holdings), Inc., a Texas corporation ("RCI Media") and Rick's Cabaret International, Inc., a Texas corporation ("Rick's") pursuant to which RCI Media would acquire 100% of the issued and outstanding common stock of TEEZE (the "TEEZE Stock") and 100% of the issued and outstanding membership interest in ASB (the "Membership Interest") from Cornetta and Waitt (the "Transaction"); and

WHEREAS, pursuant to the terms and condition of the Purchase Agreement, Cornetta has agreed to sell to RCI Media his ownership interest in TEEZE and ASB (the "Acquisition"); and

WHEREAS, Cornetta will benefit from the Transaction; and

WHEREAS, in connection with the Transaction, RCI Media and Rick's have agreed to pay Cornetta cash and certain other consideration, as more fully described in the Purchase Agreement; and

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

WHEREAS, Cornetta agree to enter into this Non-Competition Agreement in consideration of acts on the part of RCI Media and Rick's as contemplated by the Transaction; and

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

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. **Covenants.** From and after the date of this Non-Competition Agreement through and including the five (5) year period immediately following the date of this Non-Competition Agreement (such five (5) year period, the "Restricted Period"), Cornetta shall not compete with Rick's or any of Rick's subsidiaries or affiliates, including, but not limited to, RCI Media, and shall not either individually or jointly, directly or indirectly, whether for compensation or not, alone or in association with any other person or entity, without the express written consent of Rick's:

- (a) Own or share in the earnings of, carry on, manage, operate, control, be engaged in, render services to, solicit customers for, participate in or otherwise be connected with, any business engaged in the operation publishing any sexually oriented industry trade print publications, with the exception of a publication known as "Xcitement" which is currently owned and operated by Cornetta; or
- (b) Solicit or induce, or attempt to solicit or induce, any employee, independent contractor, or agent or consultant of Rick's or RCI Media to leave his or her employment or terminate his or her agreement or relationship with Rick's or the RCI Media.

2. **Acknowledgments and Agreements of Cornetta**. Cornetta acknowledges and agrees that:

- (a) Due to the nature of Rick's business, the foregoing covenants place no greater restraint upon Cornetta than is reasonably necessary to protect the business and goodwill of Rick's;
- (b) These covenants protect a legitimate interest of Rick's and do not serve solely to limit Rick's future competition;
- (c) This Non-Competition Agreement is not an invalid or unreasonable restraint of trade;
- (d) A breach of these covenants by Cornetta would cause irreparable damage to Rick's;
- (e) These covenants will not preclude Cornetta from becoming gainfully employed following the closing of the Purchase Agreement;
- (f) These covenants are reasonable in scope and are reasonably necessary to protect Rick's business and goodwill and valuable and extensive trade which Rick's have established through their 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) Cornetta 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 Media.

3. **Remedies, Injunction**. In the event of an actual breach of any provisions of this Non-Competition Agreement by Cornetta, Cornetta agrees that Rick's shall be entitled to a temporary restraining order, preliminary injunction and/or permanent injunction restraining and enjoining Cornetta from violating the provisions herein. Nothing in this Non-Competition Agreement shall be construed to prohibit Rick's from pursuing any other available remedies for such breach or threatened breach, including the recovery of damages from Cornetta. Cornetta further agrees that, for the purpose of any such injunction proceeding, it shall be presumed that Rick's legal remedies would be inadequate and that Rick's would suffer irreparable harm as a result of any violation of the provisions of this Non-Competition Agreement by Cornetta.

4. **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. Cornetta 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.

5. **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
Or RCI Media:

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 Cornetta:

John Cornetta
5961 Live Oak Parkway, Suite A
Norcross, GA 30092

with a copy to:

Christopher P. Berney, Esq.
1720 Peachtree St. NW, #150
Norcross, Georgia 30092

- (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 Texas, without regard to principles of conflict of laws.
- (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 Cornetta not to compete with Rick’s.
- (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 under this Non-Competition Agreement shall inure to the benefit of and be binding upon the successors and assigns of Rick’s. The rights of Cornetta 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 Cornetta.
- (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 APPEAR ON THE FOLLOWING PAGE.]

IN WITNESS WHEREOF, this Non-Competition Agreement has been executed as of the 15th day of April, 2008.

RICK'S CABARET INTERNATIONAL, INC.

By: /s/ Eric Langan
Eric Langan, President

/s/ John Cornetta
John Cornetta, Individually

Non-Competition Agreement - Page 5

**FOR IMMEDIATE RELEASE****RICK'S CABARET INTERNATIONAL, INC. ANNOUNCES PURCHASE OF EXOTIC DANCER MAGAZINE AND THREE-YEAR EMPLOYMENT AGREEMENT WITH PUBLISHER DON WAITT**

HOUSTON – (April 16, 2008) – **Rick's Cabaret International, Inc.** (NASDAQ/GM:RICK), the premier operator of upscale gentlemen's clubs, has purchased **ED Publications, Inc.**, the leading trade magazine serving the multi-billion dollar adult nightclubs industry. As part of the transaction Rick's Cabaret has also acquired two industry trade shows, two other industry trade publications and more than 25 industry websites owned by the Clearwater, FL companies.

Rick's Cabaret paid \$1.2 million for the publisher of *Exotic Dancer*, *TEEZE* and *Adult Store Buyer* (*ASB*) magazines. The purchase agreement provides for an additional earn-out of up to \$2 million over the next three years, based on certain performance benchmarks of the media division. **Don Waitt**, owner of ED Publications and a principal of the TEEZE/ASB group, joins Rick's Cabaret under a three-year agreement as President of its new media division, **RCI Entertainment Media Holdings, Inc.**

At closing, Rick's Cabaret issued 21,740 shares of restricted common stock (valued at \$23 per share) and paid \$500,000 in cash and will pay an additional \$200,000 six months after closing. An additional 65,217 shares of restricted common stock and an additional \$500,000 in cash could be paid for the earn-out if the performance benchmarks are achieved.

"In addition to their strong cash flow, the acquisition of these preeminent trade publications will enable Rick's Cabaret to create new marketing synergies with major industry product suppliers and new national advertising opportunities," said **Eric Langan**, President and CEO of the company. "It also provides us with additional diversification of our revenue and income streams while remaining within our core competency."

"After 17 years operating the adult nightclub industry's only national trade magazine and industry convention, I look forward to being associated with Rick's Cabaret, which as a major industry player has an infrastructure in place that will allow us to take the service we offer to a much higher level," said Mr. Waitt. "We have very exciting new media ventures and national promotions in the works that will benefit Rick's Cabaret and the industry as a whole, as well as broaden the appeal of adult nightclub entertainment to consumers."

The two groups have combined revenues of over \$2 million per year and earnings before income tax, depreciation and amortization (EBITDA) of approximately \$670,000. The company believes this will add earnings of approximately \$.05 per share on an annualized basis.

Founded in 1991, *Exotic Dancer* is the only national business magazine serving the 3,800 adult nightclubs in North America, which have annual revenues in excess of \$2 billion, according to **AVN Media Network**. ED Publications currently publishes the **Annual VIP Guide** of adult nightclubs, touring entertainers and industry vendors, and *Club Bulletin*, a bimonthly news magazine for the owners and operators of adult nightclubs. ED Publications also produces the annual **Gentlemen's Club Owners Expo**, the only national convention for the adult nightclub and feature entertainment industries, and offers the exclusive **ED VIP Club Card** honored at more than 850 adult nightclubs.

Gentlemen's Club Owners Expo brings together over 3,000 adult nightclub executives, feature entertainers, vendors and other industry professionals for a unique, three-day convention that features a 450-booth tradeshow, three days of panel sessions with First Amendment attorneys and marketing and promotions experts, nightly networking parties and the annual **Adult Nightclub & Exotic Dancer Awards Show**, the only national awards show of its kind.

Adult Store Buyer (ASB) is a bimonthly industry trade magazine similar in content and format to ED's *Club Bulletin*. It is read by the owners and operators of more than 10,000 stores that sell adult videos, DVDs, toys and novelties, and the vendors who supply the products.

TEEZE is also a bimonthly industry trade magazine, distributed to the owners and operators of more than 7,500 stores and boutiques that sell lingerie and erotic apparel and the vendors who supply the products.

ASB and TEEZE also produce an annual convention and tradeshow for the retail lingerie and adult store industry called **StorErotica**. The 2nd Annual StorErotica show will be held in conjunction with the 2008 Gentlemen's Club Owners Expo August 24-28, 2008 at the **Mandalay Bay Resort & Casino** in Las Vegas.

The media group also operates a variety of websites including **StripClubs4Sale.com**, the largest database of adult nightclubs for sale in the United States. A site member has access to the owners and brokers selling the clubs and details such size, years in operation and financial information.

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@rick s.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
