

RICKS CABARET INTERNATIONAL INC

FORM 8-K (Unscheduled Material Events)

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CIK	0000935419
Industry	Restaurants
Sector	Services
Fiscal Year	09/30

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: July 6, 2000

RICK'S CABARET INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

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

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

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

Item 2. Acquisition or Disposition of Assets

On July 6, 2000, we acquired the adult Internet web site www.XXXPassword.com from Voice Media, Inc. This web site had gross revenues in excess of \$3,000,000 for the 11 months ended May 31, 2000. Under the terms of the acquisition, we issued 700,000 restricted shares of our common stock to Voice Media, of which 250,000 shares will remain in escrow until certain earnings benchmarks are achieved. Voice Media will also be entitled to receive a cash earn-out amount from us of \$380,000 during the next six years. In addition, Voice Media could receive up to an additional cash earn out amount of \$925,000 if certain earnings benchmarks are achieved. Voice Media would receive the entire amount if the EBIDTA (earnings before interest, depreciation, taxes and amortization) of XXXPassword during the next 12 months exceeds \$1,200,000. The cash earn-out portion of the purchase price is payable only from up to 50% of the free cash flow from the web site, payable over six years. As part of the acquisition, Voice Media will continue to manage and market XXXPassword for us at a flat monthly fee. This transaction was the result of arm length negotiations between the parties. However, no appraisal was done.

Item 5. Other Events

In connection with our acquisition of XXXPassword, we increased the size of our Board of Directors to seven Directors and we appointed Ron Levi and Paul Lessor as Board members.

Ron Levi, age 49, has been a director and officer of National Telemedia Corporation since 1991. Since 1992, Mr. Levi has been a director and officer of Voice Media, Inc. Mr. Levi was appointed to our board in connection with our acquisition of certain assets of Voice Media, Inc. Voice Media, Inc. and the National Telemedia Corporation are global Internet media companies, focusing on Internet development and Electronic commerce applications for Web based entertainment products, including the development of proprietary technologies, industry-defining systems and marketing processes.

Paul Lesser, age 40, has been a director and officer of National Telemedia Corporation since 1991. Since 1992, Mr. Lesser has been a director and officer of Voice Media, Inc. Mr. Levi was appointed to our board in connection with our acquisition of certain assets of Voice Media, Inc. Voice Media, Inc. and the National Telemedia Corporation are global Internet media companies, focusing on Internet development and Electronic commerce applications for Web based entertainment products, including the development of proprietary technologies, industry-defining systems and marketing processes.

Item 7. Financial Statements and Exhibits

(a) The financial statements of the business acquired and the pro forma financial information that are required by this item will be filed by amendment no later than September 19, 2000.

(b) Exhibits

10.1	Asset Purchase Agreement with Voice Media
10.2	Escrow Agreement with Voice Media
10.3	Voting Agreement between Voice Media and Eric Langan
10.4	Management Agreement with Voice Media

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: July 10, 2000

By: /s/ Eric Langan

Eric Langan

President and Chief Accounting Officer

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement ("Agreement") is made this 6th day of July, 2000, by and between RCI INTERNET HOLDINGS, INC., a Texas corporation, ("RCI") with its principal place of business located at 505 North Belt, Suite 630, Houston, Texas 77060, RICK'S CABARET INTERNATIONAL, INC., a Texas corporation ("Rick's"), with its principal place of business located at 505 North Belt, Suite 630, Houston, Texas 77060, and VOICE MEDIA, INC., a Nevada corporation, whose address is 2533 North Carson Street, Suite 1091, Carson City, Nevada 89706 (the "Seller").

R E C I T A L S:

WHEREAS, the Seller is the owner of all of the tangible and intangible assets associated or used in connection with the operation of XXXpassword.com ("Password" or the "Site"); and

WHEREAS, Seller desires to sell and transfer all of the tangible and intangible assets associated or used in connection with the operation of Password; and

WHEREAS, RCI desires to acquire the assets of Seller, upon and subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements set forth herein and in reliance upon the representations and warranties contained herein, the parties hereto covenant and agree as follows:

**ARTICLE I
PURCHASE AND SALE OF ASSETS AND PROPERTY**

1.1 Assets of Seller to be Acquired by RCI (the "Purchased Assets"). On the Closing Date (as defined in Article IV hereof), and subject to the terms and conditions set forth in this Agreement, RCI agrees to purchase, accept and acquire from Seller, and Seller agrees to sell, transfer, assign, convey and deliver to RCI the following Purchased Assets:

1.1.1 the goodwill associated with or used in connection with the operation or business of Password (the "Goodwill");

1.1.2 to the extent their transfer is permitted pursuant to the terms thereof, all advertising and traffic agreements, contracts, agreements, licenses, commitments, arrangements, instruments and understandings which relate to the business and operation of Password exclusively;

1.1.3 any and all copies of records in Seller's possession relating to or compiled in connection with its business and operation of Password which are requested by RCI (the "Records").

1.2 On the Closing Date (as defined in Article IV hereof), and subject to the terms and conditions set forth in this Agreement, the Seller agrees to transfer and assign to RCI, and RCI agrees to accept from Seller the following Intellectual Property which is used solely for the business of Password or are otherwise necessary for the ownership of Password (the "Intellectual Property"):

1.2.1 all proprietary rights held by Seller in the XXXPassword.com domain name (the "Domain Name");

1.2.2 all ownership rights held by Seller in the content and text, navigational devices, menu structures or arrangement, icons, operational instructions, scripts, commands, syntax, screen design and other designs and visual expressions contained on the Site, whether stored, encoded, recorded or written on disk, tape, film, memory device, paper or other media of any nature (the "Content"); and

1.2.3 all proprietary rights held by Seller in and to all trademarks and any applications therefor, tradenames and any applications therefor, tradedress, trademark registrations and any applications therefor, service marks, copyrights, copyright registrations and any applications therefor, slogans, logs, associated with or used in connection with the operation or business of Password exclusively, including all rights, title and interest in and to the following tradename and trademark XXXPassword and XXXPassword.com used in connection with the operation of the Site (the "Trademarks").

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

ARTICLE II EXCLUDED LIABILITIES

RCI shall have no obligation and shall not assume or agree to pay, perform or discharge, nor shall RCI be directly or indirectly responsible or obligated for, any debts, obligations, contracts, fines, or penalties or liabilities of Seller, wherever or however incurred, except for liabilities subsequent to the date of Closing which are expressly assumed, and the assumption of refund liabilities and credit card chargebacks for sales made from the Password website. All personal property taxes on the Purchased Assets will be paid in full by the Seller for all years prior to the Closing and the taxes for year of Closing will be pro rated to the Closing Date. Further, RCI shall not assume or be responsible for any of the liabilities or obligations of Seller or with respect to the business prior to the Closing Date, including any fines or penalties levied against Seller by any third party, and further including, without limitation, the following:

(i) Nonenumerated Liabilities. Any liability or obligation of Seller of any kind, known or unknown, contingent or otherwise, not resulting from any covenant, agreement or indemnity of RCI in this Agreement or the other agreements and instruments to be executed and delivered by RCI in connection with Agreement;

(ii) Taxes. Any liability or obligation of Seller for federal, state, or local income, franchise, property, sales or use or recapture taxes, assessments, and penalties, whether arising out of the transactions contemplated by this agreement or otherwise;

(iii) Violations of Law. Any liability or obligation resulting from violations of any applicable laws or regulations by Seller prior to the Closing Date or infringement of third party rights or interests prior to the Closing Date;

(iv) Employee Liabilities. Any employee liabilities relating to present and past employees of the business with respect to plans, programs, policies, commitments, and other benefit entitlements established or existing on or prior to the Closing (whether or not such liabilities are accrued or payable at the Closing, and whether or not such liabilities are contingent in nature);

(v) Litigation. Any litigation pending or threatened against Seller, the business or the Purchased Assets; and

(vi) Nontransferable Contracts and Agreements. Any liability or obligation associated with any contract, agreement, instrument, license or other right or obligation of Seller which is an asset of the business but which requires the consent of some third party to be assigned and/or transferred and with respect to which such consent of such third party has not been obtained.

ARTICLE III PURCHASE PRICE AND PAYMENT

3.1 Purchase Price. As consideration for the Purchased Assets, RCI shall pay to Seller as follows:

(i) 700,000 restricted shares of Rick's Cabaret International, Inc. ("Rick's") common stock, par value \$.01("Rick's Stock"), of which 250,000 shares are subject to that certain Escrow Agreement set forth in Section 4.2(ii) below; and

(ii) An Earn Out Amount of \$380,000 plus either (1) \$475,000 if the earnings before depreciation, amortization, interest and taxes ("EBITDA") of Password during the first full twelve-month period beginning on the Closing Date exceeds \$800,000 but is less than \$1,200,000 (but not otherwise) or (2) \$925,000 if the EBITDA of Password during the first full twelve-month period beginning on the Closing Date exceeds \$1,200,000.

The Earn Out Amount shall be paid in monthly amounts equal only to 50% of the Free Net Cash Flow (as defined below) of all Internet commerce generated by Password during the 6 year period from the Closing Date. If 50% of the Free Net Cash Flow of all Internet commerce generated by Password during the 6 year period from the Closing Date is less than the Earn Out Amount, then the excess of the Earn Out Amount shall not be paid. For purposes of this Agreement, the term "Free Net Cash Flow" shall be defined as cash proceeds less variable costs, overhead costs and payment of income taxes due. Cash Proceeds shall be the aggregate amount of all cash received from, without limitation, cash sales, credit or charge card sales, sales on open account or any combination of the same and other such sources less refunds and customer credits. Variable Costs shall be the aggregate amount of all charges or reduction of proceeds by the credit card processor/merchant bank and the cost paid to webmasters as a commission for traffic sent to the website. Without limitation, such processor/merchant bank costs shall include discounts, fees, chargebacks, fines and all other such costs. In the event that the third party processor/merchant bank shall require a reserve fund, for the purposes of this Agreement, said fund shall be considered a Variable Cost. To the extent reserve funds are recovered from the credit card processor/merchant bank and available for distribution, then such amount shall be deemed Cash Proceeds available for distribution. Overhead Costs shall be the aggregate amount of all charges for third party content licensing fees, bandwidth charges and the Management Fee as set forth in

Section 7 of the Management Agreement executed simultaneously herewith between RCI and National Telemedia Corp., an affiliate of Seller, in the form attached hereto as Exhibit "C". The parties hereto acknowledge that to the extent the specific identification of third party content costs is impractical, they agree to the allocation of the actual costs based on the percentage of Password sales to the combined sales of all websites of Seller benefiting from such third party content.

With respect to the payment of income taxes due, the parties agree to retain a reserve in an amount of the Cash Proceeds equal to 35%. In the event the federal tax liability for the corresponding fiscal year is determined to be less than the amount held in reserve, then such amount shall become available for distribution to the Seller and RCI.

Further, Seller agrees that to the extent there are any shortfalls to the Free Net Cash Flow in any given month that the Seller will pay such shortfall amount, in an amount not to exceed \$50,000, and be reimbursed prior to any further distribution from the Free Net Cash Flow.

ARTICLE IV THE CLOSING

4.1 Date and Time. The closing of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of Axelrod, Smith & Kirshbaum, 5300 Memorial Drive, Suite 700, Houston, Texas 77007 on July 6, 2000 or at such other time and on such date as the parties hereto shall mutually agree. For purposes of this Agreement, the date on which the Closing actually occurs is the "Closing Date".

4.2 Related Transactions. In addition to the consummation of the acquisition of the Purchased Assets, the following actions shall take place contemporaneously at the Closing:

(i) Rick's and Seller shall enter into an Escrow Agreement pursuant to which 250,000 shares of Rick's Stock shall be delivered in the name of the Seller to be held and distributed by the Escrow Agent in accordance with the terms of the Escrow Agreement in the form attached hereto as Exhibit "A"; and

(ii) The Seller will enter into a Voting Agreement with Eric Langan, President and Chief Executive Officer of Rick's, pursuant to which the Seller will authorize Eric Langan to vote the 250,000 shares of Rick's Stock held in escrow during the time that the shares are held in escrow pursuant to the Voting Agreement in the form attached hereto as Exhibit "B".

(iii) RCI and National Telemedia, Corp., an affiliate of Seller, shall enter into a Management Agreement pursuant to which National Telemedia, Corp. will maintain, manage and operate the XXXPassword.com website in accordance with the terms of the Management Agreement in the form attached hereto as Exhibit "C".

4.3 Closing Documents of Seller. At the Closing, Seller shall deliver or cause to be delivered to RCI the following:

(a) all instruments of assignment and bills of sale necessary to transfer to RCI good and marketable title to the Purchased Assets free and clear of all liens, charges or encumbrances;

(b) all documents necessary to transfer the domain name XXXPassword.com;

(c) officers certificate required by Section 9.2(c);

(d) resolutions of the Board of Directors as required by Section 9.2(d); and

(e) executed Escrow Agreement, Voting Agreement and Management Agreement as provided for in Section 4.2.

4.4 Closing Documents of RCI. At the Closing, RCI shall deliver or cause to be delivered to Seller, the following:

(a) officers certificate required by Section 9.1(c);

(b) resolutions of the Board of Directors as required by Section 9.1(d); and

(c) executed Escrow Agreement, Voting Agreement and Management Agreement as provided for in Section 4.2.

4.5 Closing Documents of Rick's. At the Closing, Rick's shall deliver or cause to be delivered to Seller, the following:

(a) either (i) certificates evidencing 700,000 shares of Rick's common stock, duly executed for issuance by Rick's to Voice Media, of which 250,000 shares will be immediately placed in escrow with the Escrow Agent pursuant to the Escrow Agreement referred to in Section 4.2(ii) or (ii) letter of instructions from a duly authorized officer of Rick's to American Securities Transfer, Inc. (Rick's's transfer agent), instructing the transfer agent to duly issue stock certificates evidencing the shares of Common Stock of Rick's to Voice Media, all as contemplated by this Agreement, in form and substance satisfactory to counsel for the Stockholders;

(b) officers certificate required by Section 9.1(e); and

(c) resolutions of the Board of Directors as required by Section 9.1(f).

(d) executed Escrow Agreement, Voting Agreement and Management Agreement as provided for in Section 4.2.

ARTICLE V REPRESENTATIONS AND WARRANTIES OF THE SELLER

The Seller hereby represents and warrants to RCI and Rick's as follows:

5.1 Organization and Capitalization of Seller. Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Nevada, with full power and authority and all necessary governmental and regulatory licenses, permits and authorizations to carry on the businesses in which it is engaged, to own the properties that it owns currently and to perform its obligations under this Agreement, is duly qualified or licensed to do business and is in good standing as a foreign corporation in all states or jurisdictions which the conduct of such business requires such qualification and which the failure to be so qualified or licensed would have a material adverse effect on the business of the Seller. All of such issued and outstanding shares of common stock of Seller are duly authorized, validly issued, fully paid and non-assessable.

5.2 Authorization of Agreement. Seller has all requisite corporate power and authority to execute and deliver this Agreement and to perform its obligations here-under. The execution and delivery by Seller of this Agreement and the performance by Seller of its obligations hereunder (a) have been duly and validly authorized by all requisite corporate action and (b) will not violate its charter or bylaws or any order, writ, injunction, decree, statute, rule or regulations applicable to it or any of its properties or assets, or be in conflict with, result in a breach of or constitute a default under any note, bond, indenture, mortgage, lease, license, franchise agreement or other agreement, instrument or obligation, or result in the creation or imposition of any lien, charge or encumbrance of any kind or nature whatsoever upon any of the properties or assets of Seller. This Agreement and each and every agreement, document, exhibit and instrument to be executed, delivered and performed by the Seller in connection herewith constitute the valid and legally binding obligations of the Seller enforceable against it in accordance with their respective terms, except as enforceability may be limited by applicable equitable principles or by bankruptcy, insolvency, reorganization, moratorium, or similar laws from time to time in effect affecting the enforcement of creditors' rights generally.

5.3 Consents. No consent of, approval by, order or authorization of, or registration, declaration or filing by Seller with any court or any governmental or regulatory agency or authority having jurisdiction over Seller or any of its property or assets or any other person is required on the part of Seller in connection with the consummation of the transactions contemplated by 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 Seller or the operation of its business after the Closing.

5.4 Title to Purchased Assets. The Seller has and will transfer to RCI at Closing good and marketable title to all of the Purchased Assets, which are being sold to RCI under this Agreement, free and clear of all liens, claims, charges, encumbrances, restrictions or security interests. Seller is not a party to any contract or obligation whereby there has been granted to anyone an absolute or contingent right to purchase, obtain or acquire any rights in the Purchased Assets.

5.5 Material Agreements; Action. Exhibit 5.5, is an accurate and complete list of all contracts, agreements, commitments, understandings or proposed transactions, whether written or oral, to which Seller or Password or any of its subsidiaries is a party or by which it is bound that involve or relate to: (i) the ownership of the Password Internet domain "name" owned or operated by Seller; (ii) any banking relationship for processing of credit card charges or other charges by customers of the Password Internet domain site owned or operated by Seller; or (iii) covenants of Seller or any of its subsidiaries not to compete in any line of business or with any person in any geographical area or covenants of any other person not to compete with Seller or any of its subsidiaries in any line of business or in any geographical area. There have been made available to RCI and its representatives true and complete copies of all such agreements. All such agreements are in full force and effect and are the legal, valid and binding obligation of Seller or its subsidiaries, enforceable against them in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and remedies generally and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity). None of Seller or any of its subsidiaries is in default under any such agreements nor to the best of its knowledge, is any other party to any such agreements in default thereunder in any respect.

5.6 Contracts and Leases. Seller (i) has no leases of any personal property relating to the Purchased Assets, whether as lessor or lessee; (ii) has no contractual or other obligations relating to the Purchased Assets, whether written or oral; and (iii) has not given any power of attorney to any person or organization for any purpose relating to the Purchased Assets. Exhibit 5.6 sets forth a complete list, including any amendment of each domain name, lease or contract which are part of the Purchased Assets and Intellectual Property to be acquired by RCI. Seller has furnished RCI a copy of each contract, lease or other document relating to the Purchased Assets and Intellectual Property to which they are subject or are a party or a beneficiary, which is to be assumed or acquired by RCI. To Seller's knowledge, such contracts, leases or other documents are valid and in full force and effect according to their terms and each constitutes a legal, valid and binding obligation of Seller and the other respective parties thereto and is enforceable in accordance with their terms, and the Seller has no knowledge of any default or breach under such contract, lease or other document or of any pending or threatened claims under any such contract, lease or other document. Neither the signing or execution of this Agreement, nor the consummation of all or any of the transactions contemplated under this Agreement, will constitute a breach or default under any such contract, lease or other document.

5.7 Litigation. Except as disclosed in Exhibit 5.7, there is no suit, claim, arbitration, investigation, action or proceeding entered against, now pending or, to the Seller's knowledge, threatened against the Seller, the Purchased Assets or the Intellectual Property, before any court, arbitration, administrative or regulatory body or any governmental agency which may result in any judgment, order, award, decree, liability or other determination which will or could reasonably be expected to have any effect upon the Purchased Assets or the Intellectual Property, nor is there any basis known to Seller for any such action. No litigation is pending, or, to Seller's knowledge, threatened, against Seller, or its assets or properties which seeks to restrain or enjoin the execution and delivery of this Agreement or any of the documents referred to herein or the consummation of any of the transactions contemplated hereby or thereby. The Seller is not subject to any judicial injunction or mandate or any quasi-judicial or administrative order or restriction directed to or against it or which would affect the Purchased Assets.

5.8 Taxes. Seller has 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. No assessments or notices of deficiency or other communications have been received by 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. There is no dispute or claim concerning any tax liability of Seller either claimed or raised by any authority in writing as to which Seller or its directors or officers has knowledge. There are no agreements between Seller and any taxing authority, including, without limitation, the Internal Revenue Service, waiving or extending any statute of limitations with respect to any tax return.

5.9 Financial Statements. The calculation of EBITDA previously delivered to RCI, through the period ended May 31, 2000, was prepared in accordance with the principles and procedures employed in prior periods by Seller, consistently applied with the principles and procedures employed in prior periods by Seller (the "EBITDA Calculation"). The EBITDA Calculation has been provided to and reviewed by the accountants for Buyer.

5.10 Conduct of Business.

(a) Ordinary Course of Business. Since May 31, 2000 (the "EBITDA Calculation Date") Seller has operated the business of Password in the ordinary course consistent with past practices.

(b) No Material Adverse Change. Since the EBITDA Calculation Date, there has been no material adverse change in the business or the assets of Password or in the financial condition, or operations of the business of Password.

(c) Absence of Particular Events. Since the EBITDA Calculation Date, Password has not: (i) suffered any damage or destruction adversely affecting the business or involving the assets in an amount in excess of Five Thousand Dollars (\$5,000.00); (ii) increased the compensation payable or to become payable to employees of Seller involved in the business; (iii) incurred any liability or obligation relating to the business other than in the ordinary course consistent with past practice; (iv) made any change in any method, practice, or principle of accounting involving the business or assets; (v) paid, loaned, or advanced any material monetary amount or other asset to, or sold, transferred, or leased any asset to, any employee involved in the business except for normal compensation involving salary and benefits; or (vi) agreed to take any action described in this Section 5.10(c).

(d) Absence of Joint Ventures, etc. Seller is not a party to any joint venture or other similar agreement or arrangement that involves any sharing of profits of the business or the assets of Password.

5.11 Compliance with Laws. To Seller's best knowledge, Seller is and at all times prior to the date hereof has been, in compliance with all statutes, orders, rules, and regulations applicable to it or to the ownership of its assets or the operation of its business, except for failures to be in compliance that would not have a material adverse effect on the business, properties, condition (financial or otherwise) or prospects of Seller, and Seller has no basis to expect to receive, and have not received, any order or notice of any such violation or claim of violation of any such statute, order, rule, ordinance or regulation.

5.12 Intellectual Property.

(a) Seller owns, has good and marketable title to, and has full right to use and transfer to RCI, all of the Intellectual Property free and clear of any material liens, mortgages, judgments, or other encumbrances of any kind, and no rights or licenses of any kind respecting the Intellectual Property have been granted to any third party. There are no outstanding, or, to the best knowledge of the Seller, threatened claims of infringement against Seller respecting the use of any of the Intellectual Property in connection with the operations or business of the Seller or Password and it has no knowledge of any trademark, service mark, trade name, assumed name, copyright, patent, trade secret, contractual or other rights of any third party which may be violated or infringed by the use of any of the Intellectual Property in connection with Seller's operations or business.

(b) Seller warrants that Buyer shall have access to and the right to use the Content provided pursuant to this Agreement which is owned by Seller and Seller warrants that with respect to Content licensed from third parties, to Seller's best knowledge, Buyer shall have the right to access and use of such Content.

5.13 No Default. Seller is not in material default under any term or condition of any instrument evidencing, creating or securing any material indebtedness of Seller, and there has been no default in any material obligation to be performed by Seller under any other agreement to which it is a party or by which it or its assets or properties are bound.

5.14 Password Indebtedness. Seller has delivered to RCI true and complete copies of all documents related to any indebtedness of Password (the "Password Indebtedness") and made available to RCI all correspondence concerning the status of the Password Indebtedness.

5.15 Pending Claims. There is no claim, suit, action or proceeding, whether judicial, administrative or otherwise, pending or, to the best of Seller's knowledge, threatened that would preclude or restrict the performance of this Agreement by Seller.

5.16 Absence of Change. The Seller has no knowledge of any present or future condition or state of facts or circumstances which would materially and adversely affect the business of Password.

5.17 Disclosure. No representation or warranty of 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.

5.18 No Brokerage Commission. No broker or finder has acted for 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 the Seller.

5.19 Acquisition of Stock for Investment. The Seller understands that the issuance of common stock of Rick's has not been registered under the Securities Act of 1933, as amended (the "Act"), or any state securities acts, and Seller represents and warrants to RCI and Rick's that its present intention is to receive and hold the common stock of Rick's for investment only and not with a view to the distribution or resale thereof. The Seller further acknowledges that it has had access to information regarding RCI and Rick's and its operations, and that Seller has such knowledge and experience in financial and business matters so as to be capable of evaluating the relative merits and risks of an investment in Rick's.

Additionally, the Seller understands that any sale by the Seller of any of the common stock of Rick's received under this Agreement, will under current law, require either (a) the registration of the common stock of Rick's 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. The Seller hereby agrees to execute, deliver, furnish or otherwise provide to Rick's an opinion of counsel reasonably acceptable to Rick's prior to any subsequent transfer of the common stock of Rick's, that such transfer will not violate the registration requirements of the federal or state securities acts. The Seller further agrees to execute, deliver, furnish or otherwise provide to Rick's any documents or instruments as may be reasonably necessary or desirable in order to evidence and record the common stock of Rick's acquired hereby.

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 common stock of Rick's acquired hereby until the common stock of Rick's has 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 MUST BE 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."

In addition, the Seller consents to Rick's placing a "stop transfer notation" in its corporate records concerning the transfer of the common stock of Rick's acquired by the Seller.

ARTICLE VI REPRESENTATIONS AND WARRANTIES OF RCI

RCI hereby represents and warrants to Seller as follows:

6.1 Organization of RCI. RCI is a corporation duly organized, validly existing and in good standing in the laws of the state of Texas, with full power and authority to carry on the businesses in which it is engaged, to own the properties that it owns currently and will own at the Closing, and to perform its obligations under this Agreement, is duly qualified or licensed to do business and is in good standing as a foreign corporation in all states or jurisdictions which the conduct of such business requires such qualification and which the failure to be so qualified or licensed would have a material adverse effect on the business of RCI. The authorized capital stock of RCI consists of 1,000 shares of common stock, \$.01 par value, of which 1,000 shares are validly issued and outstanding. All of such issued and outstanding shares of common stock of RCI are duly authorized, validly issued, fully paid and non-assessable.

6.2 Authorization of Agreement. RCI has all requisite corporate power and authority to execute and deliver this Agreement and to perform its obligations here-under. The execution and delivery by RCI of this Agreement and the performance by RCI of its obligations hereunder (a) have been duly and validly authorized by all requisite corporate action and (b) will not violate its charter or bylaws or any order, writ, injunction, decree, statute, rule or regulations applicable to it or any of its properties or assets, or be in conflict with, result in a breach of or constitute a default under any note, bond, indenture, mortgage, lease, license, franchise agreement or other agreement, instrument or obligation, or result in the creation or imposition of any lien, charge or encumbrance of any kind or nature whatsoever upon any of the properties or assets of RCI. This Agreement and each and every agreement, document, exhibit and instrument to be executed, delivered and performed by RCI in connection herewith constitute the valid and legally binding obligations of RCI enforceable against it in accordance with their respective terms, except as enforceability may be limited by applicable equitable principles or by bankruptcy, insolvency, reorganization, moratorium, or similar laws from time to time in effect affecting the enforcement of creditors' rights generally.

6.3 Consents. No consent of, approval by, order or authorization of, or registration, declaration or filing by RCI with any court or any governmental or regulatory agency or authority having jurisdiction over RCI or any of its property or assets or any other person is required on the part of RCI in connection with the consummation of the transactions contemplated by 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 RCI or the operation of its business after the Closing and except for any filing under the federal or state securities laws.

6.4 Disclosure. No representation or warranty of RCI 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.

6.5 Litigation. No Litigation is pending, or, to RCI's knowledge, threatened, against RCI, or its assets or properties which seeks to restrain or enjoin the execution and delivery of this Agreement or any of the documents referred to herein or the consummation of any of the transactions contemplated hereby or thereby. There are no judgments or outstanding orders, injunctions, decrees, stipulations or awards against RCI or any of its assets or properties.

6.6 Brokerage Commission. No broker or finder has acted for RCI 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 RCI.

6.7 No Default. RCI is not in material default under any term or condition of any instrument evidencing, creating or securing any material indebtedness of RCI, and there has been no default in any material obligation to be performed by RCI under any other agreement to which it is a party or by which it or its assets or properties are bound.

6.8 Pending Claims. There is no claim, suit, action or proceeding, whether judicial, administrative or otherwise, pending or, to the best of RCI's knowledge, threatened that would preclude or restrict the performance of this Agreement by RCI.

**ARTICLE VII
REPRESENTATIONS AND WARRANTIES OF RICK'S**

Rick's hereby represents and warrants to Seller as follows:

7.1 Organization of Rick's. Rick's is a corporation duly organized, validly existing and in good standing in the laws of the state of Texas, with full power and authority to carry on the businesses in which it is engaged, to own the properties that it owns currently and will own at the Closing, and to perform its obligations under this Agreement, is duly qualified or licensed to do business and is in good standing as a foreign corporation in all states or jurisdictions which the conduct of such business requires such qualification and which the failure to be so qualified or licensed would have a material adverse effect on the business of Rick's. The authorized capital stock of Rick's consists of (i) 15,000,000 shares of common stock, \$.01 par value of which 3,699,178 shares are validly issued and outstanding, and (ii) 1,000,000 shares of preferred stock \$.10 par value, none of which are issued and outstanding. All of such issued and outstanding shares of common stock of Rick's are duly authorized, validly issued, fully paid and non-assessable.

7.2 Authorization of Agreement. Rick's has all requisite corporate power and authority to execute and deliver this Agreement and to perform its obligations here-under. The execution and delivery by Rick's of this Agreement and the performance by Rick's of its obligations hereunder (a) have been duly and validly authorized by all requisite corporate action and (b) will not violate its charter or bylaws or any order, writ, injunction, decree, statute, rule or regulations applicable to it or any of its properties or assets, or be in conflict with, result in a breach of or constitute a default under any note, bond, indenture, mortgage, lease, license, franchise agreement or other agreement, instrument or obligation, or result in the creation or imposition of any lien, charge or encumbrance of any kind or nature whatsoever upon any of the properties or assets of Rick's. This Agreement and each and every agreement, document, exhibit and instrument to be executed, delivered and performed by Rick's in connection herewith constitute the valid and legally binding obligations of Rick's enforceable against it in accordance with their respective terms, except as enforceability may be limited by applicable equitable principles or by bankruptcy, insolvency, reorganization, moratorium, or similar laws from time to time in effect affecting the enforcement of creditors' rights generally.

7.3 Consents. No consent of, approval by, order or authorization of, or registration, declaration or filing by Rick's with any court or any governmental or regulatory agency or authority having jurisdiction over Rick's or any of its property or assets or any other person is required on the part of Rick's in connection with the consummation of the transactions contemplated by 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 Rick's or the operation of its business after the Closing and except for any filing under the federal or state securities laws.

7.4 Disclosure. No representation or warranty of 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.

7.5 Brokerage Commission. No broker or finder has acted for 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 Rick's.

7.6 Nasdaq Compliance. As of the date hereof, the shares of common stock of Rick's are listed for trading on the Nasdaq SmallCap Market. To the best of Rick's knowledge, no action is pending or threatened by Nasdaq against Rick's that would result in the shares of Rick's common stock being delisted from the Nasdaq SmallCap Market. Rick's will use its best efforts to maintain its listing on the Nasdaq SmallCap Market.

7.7 No Default. Rick's is not in material default under any term or condition of any instrument evidencing, creating or securing any material indebtedness of Rick's, and there has been no default in any material obligation to be performed by Rick's under any other agreement to which it is a party or by which it or its assets or properties are bound.

7.8 Pending Claims. There is no claim, suit, action or proceeding, whether judicial, administrative or otherwise, pending or, to the best of Rick's knowledge, threatened that would preclude or restrict the performance of this Agreement by Rick's.

ARTICLE VIII COVENANT OF VOICE MEDIA

Voice Media covenants and agrees that it shall continue to advertise, market, distribute and promote the Site consistent with its past practices, including the marketing and distribution of the Site through its use of the webmaster affiliate programs of the Seller.

ARTICLE IX CONDITIONS TO CLOSING

9.1 Conditions to the Obligations of Seller. The obligations of Seller to consummate the transactions contemplated hereby shall be subject to the satisfaction, on or before the Closing Date, of each and every one of the following conditions, unless waived, in whole or in part, by Seller for purposes of consummating such transaction.

(a) The representations and warranties of RCI and Rick's set forth in this Agreement shall be true and correct in all material respects on the Closing Date;

(b) RCI and Rick's shall have performed and complied with all agreements, obligations, covenants and conditions required by this Agreement to be performed or complied with on or prior to the Closing Date;

(c) The Seller shall have received a certificate, dated the Closing Date and signed by the President of RCI to the effect set forth in Section 9.1 (a) and 9.1(b) for the purpose of verifying the accuracy of such representations and warranties and the performance and satisfaction of such covenants and conditions;

(d) The Seller shall have received corporate resolutions of the Board of Directors of RCI, certified by an officer of RCI, 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) The Seller shall have received a certificate, dated the Closing Date and signed by the President of Rick's to the effect set forth in Section 9.1(a) and 9.1(b) for the purpose of verifying the accuracy of such representations and warranties and the performance and satisfaction of such covenants and conditions;

(f) The Seller shall have received corporate resolutions of the Board of Directors of Rick's, certified by an officer of 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;

(g) The related transactions as set forth in Section 4.2 shall be consummated concurrently with the Closing;

(h) The Board of Directors of Rick's shall have appointed two additional directors to its Board of Directors as selected by Seller; and

(i) No action, suit or proceeding by or before any court or any governmental or regulatory authority shall have been commenced and no investigation by any governmental or regulatory authority shall have been commenced seeking to restrain, prevent or challenge the transactions contemplated hereby or seeking judgments against RCI or Rick's.

9.2 Conditions to the Obligations of RCI and Rick's. The obligations of RCI and Rick's to effect the transactions contemplated hereby shall be subject to the satisfaction, on or before the Closing Date, of each and every one of the following conditions, unless waived, in whole or in part, by RCI and Rick's for purposes of consummating such transaction.

(a) The representations and warranties of Seller set forth herein shall be true and correct in all material respects on the Closing Date with the same force and effect as if they had been made on the Closing Date;

(b) Seller shall have performed and complied with all agreements, obligations, covenants and conditions required by this Agreement to be performed or complied with by Seller on or prior to the Closing;

(c) RCI and Rick's shall have received a certificate, dated the Closing Date and signed by the President of the Seller to the effect set forth in Section 9.2(a) and 9.2(b) for the purpose of verifying the accuracy of such representations and warranties and the performance and satisfaction of such covenants and conditions;

(d) RCI and Rick's shall have received corporate resolutions of the Board of Directors of Seller, certified by an officer of Seller, 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) As of May 31, 2000, the (i) Gross Revenues of XXXPassword.com for the preceding full five (5) months shall exceed \$1,250,000 and (ii) the EBITDA derived from XXXPassword.com for the five (5) month period, shall be in excess of \$167,000;

(f) The related transactions set forth in Section 4.2 shall be consummated concurrently with the Closing; and

(g) Seller shall have delivered to RCI all instruments of assignment and bills of sale necessary to transfer to RCI good and marketable title to the Purchased Assets;

(h) No action, suit or proceeding by or before any court or any governmental or regulatory authority shall have been commenced and no investigation by any governmental or regulatory authority shall have been commenced seeking to restrain, prevent or challenge the transactions contemplated hereby or seeking judgments against Seller.

ARTICLE X INDEMNIFICATION

10.1 Indemnification from the Seller. The Seller agrees to and shall indemnify, defend (with legal counsel reasonably acceptable to RCI), and hold RCI, Rick's and their officers, directors, shareholders, employees, agents, affiliates, and assigns harmless at all times after the date of this Agreement, from and against and in respect of, any liability, claim, deficiency, loss, damage, penalty or injury, and all reasonable costs and expenses

(including reasonable attorneys' fees and costs of any suit related thereto)

suffered or incurred by RCI or Rick's arising from (a) any misrepresentation by, or breach of any covenant or warranty of Seller contained in this Agreement, or any Exhibit, certificate, or other instrument furnished or to be furnished by Seller hereunder, or any claim by a third party (regardless of whether the claimant is ultimately successful) which if true would be such a misrepresentation or breach; (b) any nonfulfillment of any agreement on the part of Seller under this Agreement, or from any material misrepresentation in or material omission from, any certificate or other instrument furnished or to be furnished to RCI or Rick's hereunder; and (c) any suit, action, proceeding, claim or investigation, pending or threatened against or affecting RCI or Rick's which arises from, which arose from, or which is based upon or pertaining to Seller's conduct or operation of the business of the Seller or Seller's ownership, possession or use of the Purchased Assets and employment of employees, and any other matter or state of facts relating to the transactions contemplated herein existing prior to Closing.

10.2 Indemnification from RCI. RCI agrees to and shall indemnify, defend (with legal counsel reasonably acceptable to Seller) and hold Seller, its officers, directors, shareholders, employees, agents, affiliates and assigns harmless at all times after the date of Closing from and against, and in respect of any liability, claim, deficiency, loss, damage, or injury, and all reasonable costs and expenses (including reasonable attorneys' fees and costs of any suit related thereto) suffered or incurred by Seller, from (a) any

misrepresentation by, or breach of any covenant or warranty of, RCI contained in this Agreement or any Exhibit, certificate, or other agreement or instrument furnished or to be furnished by RCI hereunder, or any claim by a third party (regardless of whether the claimant is ultimately successful), which if true, would be such a misrepresentation or breach; (b) any nonfulfillment of any agreement on the part of RCI under this Agreement, or from any misrepresentation in or omission from, any certificate or other agreement or instrument furnished or to be furnished to Seller hereunder; and (c) any suit, action, proceeding, claim or investigation against Seller which arises from or which is based upon or pertaining to RCI's conduct or operation of the business of RCI or RCI's ownership, possession or use of the Purchased Assets and employment of employees, and any other matter or state of facts relating to the transactions contemplated herein subsequent to Closing.

10.3 Indemnification from Rick's. Rick's agrees to and shall indemnify, defend (with legal counsel reasonably acceptable to Seller) and hold Seller, its officers, directors, shareholders, employees, agents, affiliates and assigns harmless at all times after the date of Closing from and against, and in respect of any liability, claim, deficiency, loss, damage, or injury, and all reasonable costs and expenses (including reasonably attorneys' fees and costs of any suit related thereto) suffered or incurred by Seller, from (a) any misrepresentation by, or breach of any covenant or warranty of, Rick's contained in this Agreement or any Exhibit, certificate, or other agreement or instrument furnished or to be furnished by Ricks hereunder, or any claim by a third party (regardless of whether the claimant is ultimately successful), which if true, would be such a misrepresentation or breach or (b) any nonfulfillment of any agreement on the part of Ricks under this Agreement, or from any misrepresentation in or omission from, any certificate or other agreement or instrument furnished or to be furnished to Seller hereunder.

10.4 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, if the indemnifying party shall acknowledge in writing to such indemnified party that this Agreement applies with respect to such lawsuit or action, then 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.

10.5 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.

ARTICLE XI MISCELLANEOUS

11.1 Notices. All notices and other communications provided for herein shall be in writing and shall be duly given if delivered personally or sent by registered or certified mail, return receipt requested, postage prepaid, or overnight air courier guaranteeing next day delivery:

(a) If to RCI and Rick's:

RCI Internet Holdings, Inc.
Mr. Eric Langan, President
505 North Belt, Suite 630
Houston, Texas 77060
Fax: (281) 820 1445

With a copy to:

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

(b) If to Seller to:

Voice Media, Inc.
Ron Levi, President

2533 North Carson Street, Suite 1091 Carson City, Nevada 89706
Fax: (702) 883-2384

With copies to:

Howard Rosoff
Rosoff, Schiffres & Barta
Suite 1450
11755 Wilshire Blvd.
Los Angeles, California 90025
Fax: (310) 478-1439

Guy Mizrachi
c/o National Telemedia Corporation
5000 North Parkway Calabasas, Suite 205
Calabasas, California 91302

Fax: (818) 591-3434

All notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; three days after being deposited in the mail, postage prepaid, sent certified mail, return receipt requested, if mailed; and the next day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery. If a notice or communication is mailed in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it.

11.2 Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties without the prior written consent of the other parties, which consent will not be unreasonably withheld. This Agreement will be binding upon, inure to the benefit of and be enforceable by the parties and their respective heirs, personal representatives, successors and assigns.

11.3 Counterparts. This Agreement may be executed in any number of counterparts, which taken together shall constitute one and the same instrument and each of which shall be considered an original for all purposes.

11.4 Section Headings. The section headings contained in this Agreement are for convenient reference only and shall not in any way affect the meaning or interpretation of this Agreement.

11.5 Entire Agreement; Amendment. This Agreement, the documents to be executed hereunder and the exhibits attached hereto constitute the entire agreement among the parties hereto pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties pertaining to the subject matter hereof, and there are no warranties, representations or other agreements among the parties in connection with the subject matter hereof except as specifically set forth herein or in documents delivered pursuant hereto. No supplement, amendment, alteration, modification, waiver or termination of this Agreement shall be binding unless executed in writing by the parties hereto. All of the exhibits referred to in this Agreement are hereby incorporated into this Agreement by reference and constitute a part of this Agreement.

11.6 Survival. All warranties and representations herein shall survive the Closing and shall be true and correct as of the date hereof. The respective representations, warranties, covenants and agreements set forth in this Agreement shall survive the Closing for the maximum period allowed by law.

11.7 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.

11.8 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.

11.9 Waiver. No waiver by any party of any default or non-performance shall be deemed a waiver of any subsequent default or non-performance, and no waiver of any kind shall be effective unless set forth in writing and signed by the party against whom such waiver is to be charged.

11.10 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 requested by the other parties to confirm or perfect or otherwise to carry out the intent and purposes of this Agreement.

11.11 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.

11.12 Expenses. All expenses incurred by the parties hereto in connection with or related to the authorization, preparation and execution of this Agreement and the Closing of the transactions contemplated hereby, shall be borne solely and entirely by the party which has incurred the same.

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

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

11.15 Jurisdiction and Process. This Agreement shall be governed by, and its provisions construed to be in compliance with, the laws of the State of Texas. The parties agree that venue for purposes of construing or enforcing this Agreement shall be proper in Harris County, Texas, if a claim is brought by the Seller against RCI or Rick's and is proper in Los Angeles, California, if a claim is brought by RCI or Rick's against the Seller.

[[[SIGNATURES ON FOLLOWING PAGE]]]

ASSET PURCHASE AGREEMENT - PAGE 21

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

RCI INTERNET HOLDINGS, INC.

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

RICK'S CABARET INTERNATIONAL, INC.

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

VOICE MEDIA, INC.

*By: /s/ Ron Levi
Ron Levi, President*

ASSET PURCHASE AGREEMENT - PAGE 22

ESCROW AGREEMENT

This Escrow Agreement (hereinafter the "Escrow Agreement") is made and entered into this 6th day of July, 2000 by and among RICK'S CABARET INTERNATIONAL, INC., a Texas corporation ("Rick's"), and VOICE MEDIA, INC., a Nevada corporation (the "Shareholder"), Rick's and the Shareholder being collectively referred to as the "Parties" or individually referred to as a "Party", and ROBERT D. AXELROD, P.C., as the Escrow Agent ("Escrow Agent").

WHEREAS, RCI Internet Holdings, Inc., Rick's and the Shareholder have entered into an Asset Purchase Agreement ("Purchase Agreement") of even date herewith, pursuant to which the Shareholder has agreed to deposit in escrow 250,000 shares of the \$.01 par value common stock of Rick's (the "Escrow Stock" or the "Escrow Shares"); and

WHEREAS, the Shareholder pursuant to the Purchase Agreement is conveying to RCI Internet Holdings, Inc., a wholly owned subsidiary of Rick's, certain tangible and intangible assets associated with and used in connection with the operation of an Internet website known as XXXPassword.com ("Password"); and

WHEREAS, in connection with the execution of the Purchase Agreement it is necessary to establish an escrow for the Escrow Stock; and

WHEREAS, the Parties desire that Robert D. Axelrod, P.C. serve as the Escrow Agent in connection with this Escrow Agreement.

THE DEFINED TERMS HEREIN HAVE THE SAME MEANING AS THE DEFINED TERMS IN THE Purchase Agreement of even date herewith by and among the Parties (THE "PURCHASE AGREEMENT").

NOW THEREFORE, in consideration of the foregoing recitals and the mutual covenants and obligations herein contained, the Parties agree hereto as follows:

1. Escrow of Escrow Stock. At the time of executing this Escrow Agreement, the Shareholder shall deliver to the Escrow Agent the following:
 - a. Certificates representing the Escrow Stock (250,000 shares of common stock of Rick's);
 - b. Stock powers for the Escrow Shares, fully executed by the Shareholder covering the certificates delivered in escrow. The stock powers, along with the Escrow Stock, shall hereinafter be collectively referred to as the "Escrowed Documents."
 - c. The Shareholder, by the delivery of the 250,000 Escrow Shares to the Escrow Agent, does hereby acknowledge and represent that the Escrow Shares are owned, beneficially and of record, by the Shareholder, free and clear of any liens, claims, equities, charges, options, rights of first refusal or encumbrances and, further, acknowledges and represents that it has the unrestricted right and power to transfer, convey and deliver full ownership of the Escrow Shares without the consent, agreement or joinder of any other person and without any designation, declaration or filing with any governmental authority.

2. Conditions for Release from Escrow. The Escrow Agent is hereby instructed to receive and hold the Escrowed Documents in escrow. The Escrowed Documents shall not be released or dealt with in any manner whatsoever inconsistent with this Escrow Agreement, unless the Escrow Agent shall receive other written instructions executed by Rick's and the Shareholder. Absent contrary written instructions, the Escrow Agent shall:

(a) Subject to Paragraph 2(f), below, release the Escrow Shares to the Shareholder upon receipt by the Escrow Agent of a written statement from the auditors of Rick's that the earnings before depreciation, amortization, interest and taxes ("EBITDA") of XXXPassword.com during the first full 12 months following the Closing Date (the "Escrow Period") equaled or exceeded \$400,000 (the "Minimum Threshold"). Such written statement from the auditors of Rick's shall be provided to the Escrow Agent not later than five (5) days following submission to the Securities and Exchange Commission of Rick's appropriate reporting forms. In the event that the Escrow Agent receives a written statement from the auditors of Rick's that the EBITDA during the Escrow Period does not meet the Minimum Threshold, then the Escrow Agent shall release a number of shares of the Escrow Stock to the Shareholder at the end of the Escrow Period equal to 250,000 multiplied by a fraction, not to exceed one, the numerator of which is the actual EBITDA for the Escrow Period, as reflected in the written statement from the auditors of Rick's, and the denominator of which is \$400,000.

(b) Subject to Paragraph 2(f), below, release the Escrow Shares to the Shareholder upon receipt by the Escrow Agent of a written statement from the auditors of Rick's that the EBITDA of XXXPassword.com, at any time during the first full 12 months following the Closing Date, equals or exceeds \$400,000.

(c) Following release to the Shareholder pursuant to Paragraphs 2(a) or 2(b) as appropriate, any Escrow Stock remaining in Escrow shall be returned by the Escrow Agent to Rick's for cancellation.

(d) In the event that the shareholders of Rick's are requested to vote on any matter while any shares of Common Stock are held in Escrow, such shares of Common Stock shall be voted by Eric Langan or pursuant to the written instructions of Eric Langan.

(e) The term "Earnings before depreciation, amortization, interest and taxes" for purposes of this Escrow Agreement shall have the same definition contained in the Purchase Agreement.

(f) Upon receipt by the Escrow Agent of any written statement from the auditors of Rick's pursuant to either Paragraph 2(a) or 2(b) above, the Escrow Agent shall give written notice of such fact, together with a copy of the written statement, to each of the Parties within three (3) business days. If no objection is received by the Escrow Agent from either of the Parties within five (5) business days following such notification, the Escrow Agent shall release the Escrow Shares in accordance with Paragraph 2(a) or 2(b), as the case may be. If an objection is received within five (5) business days, the Escrow Agent shall so notify each of the Parties of such fact. In such event the Escrow Agent may, but shall not be required, to interplead the Escrowed Documents with any court of competent jurisdiction in Harris County, Texas. Attorney's fees and costs of court shall be borne by the party losing any action brought to recover the Escrowed Documents.

3. Escrow Period and Delivery. The escrow period shall commence on the date of the execution of this Escrow Agreement, which shall be the same date as the date of the Closing of the Purchase Agreement, and shall continue until the final disposition of the Escrowed Documents in accordance with the terms of this Escrow Agreement (the "Termination"). Once the Escrow Agent has delivered the Escrowed Documents in accordance with the terms of this Escrow Agreement, its duties pursuant to this Escrow Agreement shall be completed and it shall have no further responsibility whatsoever hereunder.

4. The Shareholder hereby agrees that so long as the Escrow Stock is held in escrow pursuant to this Escrow Agreement, it will not take any action to cancel, sell, pledge, assign, dispose of or otherwise transfer the Escrow Stock, except as otherwise provided by this Escrow Agreement. If Rick's declares a cash dividend or stock dividend or if Rick's splits or subdivides its shares of common stock or issues any shares of its common stock in a reclassification then any cash dividend or stock dividend to which the Shareholder would be entitled shall be issued directly to the Escrow Agent to hold in escrow in accordance with the terms and conditions of this Escrow Agreement.

5. The Escrow Agent is hereby authorized to exchange the share certificates delivered to it for any number and any denomination of share certificates that the Escrow Agent, in its sole discretion, requires to enable it to release the Escrow Stock as required pursuant to this Escrow Agreement.

6. The Escrow Agent shall have no duties or obligations other than those specifically set forth herein or required by law. The acceptance by the Escrow Agent of its duties under this Escrow Agreement is subject to the terms and conditions hereof, which shall govern and control with respect to its rights, duties, liabilities and immunities.

7. Rick's and the Shareholder understand and agree that Escrow Agent is not a principal, participant, or beneficiary of the underlying transactions which necessitate this Escrow Agreement. The Escrow Agent shall be obligated only for the performance of such duties as are specifically set forth herein and may rely and shall be protected in acting or refraining from acting on any instrument reasonably believed by it to be genuine and to have been signed or presented by the proper Party or Parties, their officers, representatives or agents. So long as the Escrow Agent has acted in good faith or on the advice of counsel or has not been guilty of willful misconduct, the Escrow Agent shall have no liability under, or duty to inquire beyond the terms and provisions of this Escrow Agreement, and it is agreed that its duties are purely ministerial in nature. Escrow Agent shall in no event be liable for any exemplary or consequential damages, the Parties understanding that this limitation is provided for in view of the fact that Escrow Agent will receive no compensation (other than reimbursement for expenses), for its services hereunder.
8. The Escrow Agent shall not be obligated to take any legal actions hereunder against any third party who is not a party to this Escrow Agreement which might, in the Escrow Agent's judgment, involve any expense or liability, unless the Escrow Agent shall have been furnished with reasonable indemnity.
9. The Escrow Agent is not bound in any way by any other contract or agreement between or among the Parties hereto whether or not the Escrow Agent has knowledge thereof of its terms and conditions and the Escrow Agent's only duty, liability and responsibility shall be to hold and deal with the Escrowed Documents as herein directed.
10. The Escrow Agent shall not be bound by any modification, amendment, termination, cancellation, rescission or supersession of this Escrow Agreement unless the same shall be in writing and signed by all of the other Parties hereto and, if its duties as Escrow Agent hereunder are affected thereby, unless it shall have given prior written consent thereto.
11. The Parties hereto each jointly and severally agree to indemnify the Escrow Agent against and hold the Escrow Agent harmless from anything which the Escrow Agent may do or refrain from doing in connection with its performance or non-performance as Escrow Agent under this Escrow Agreement and any and all losses, costs, damages, expenses, claims and reasonable attorneys' fees suffered or incurred by the Escrow Agent as a result of, in connection with or arising from or out of the acts of omissions of the Escrow Agent in performance of or pursuant to this Escrow Agreement, except such acts or omissions as may result from the Escrow Agent's willful misconduct.

12. In the event of any disagreement between Rick's and the Shareholder or any or either of them concerning this Escrow Agreement or between them, or demands being made in connection with the Escrow Stock, or in the event that the Escrow Agent is in doubt as to what action the Escrow Agent should take hereunder, the Escrow Agent may, at its option, refuse to comply with any claims or demands on it, or refuse to take any other action hereunder, so long as such disagreement continues or such doubt exists, and in any such event, the Escrow Agent shall not be or become liable in any way or to any person for its failure or refusal to act, and the Escrow Agent shall be entitled to continue so to refrain from acting until:

a. the rights of Rick's and the Shareholder shall have been fully and finally adjudicated by a court of competent jurisdiction; or

b. all differences shall have been adjusted and all doubt resolved by agreement between Rick's and the Shareholder, and the Escrow Agent shall have been notified thereof in writing signed by all Parties.

13. Should Escrow Agent become involved in litigation in any manner whatsoever on account of this Escrow Agreement or the Escrow Stock, the Parties hereto (other than Escrow Agent), hereby bind and obligate themselves, their heirs, personal representatives, successors, assigns to pay Escrow Agent, in addition to any charge made hereunder for acting as Escrow Agent, reasonable attorneys' fees incurred by Escrow Agent, and any other disbursements, expenses, losses, costs and damages in connection with or resulting from such actions, unless such litigation is the direct result of the Escrow Agent's own willful misconduct.

14. The terms of these instructions are irrevocable by the undersigned unless such revocation is consented to in writing by each of Rick's and the Shareholder.

15. The terms herein shall be binding upon the Escrow Agent and its successors, and upon Rick's and the Shareholder.

16. The Escrow Agent may resign as escrow agent in respect of the Escrow Stock by giving written notice to Rick's and the Shareholder. The resignation of the Escrow Agent shall be effective, and the Escrow Agent shall cease to be bound by this Escrow Agreement, thirty (30) days following the date such notice of resignation is given.

Rick's and the Shareholder shall, before the effective date of the resignation of the Escrow Agent, appoint another escrow holder who shall be acceptable to them and that appointment, when made, shall be binding on them. Upon appointment by the new escrow holder, the Escrow Agent shall deliver the Escrowed Documents to the new escrow holder whereupon the Escrow Agent shall not be liable for the completion of any further acts pursuant to this Escrow Agreement. In the event that Rick's and the Shareholder do not appoint a new escrow holder prior to the expiration of the thirty (30) day period, the Escrow Agent shall be entitled to make application to a court of competent jurisdiction in the State of Texas to be relieved of the obligations upon it and/or to interplead the Escrowed Documents into such court and for directions with respect to the delivery of the Escrowed Documents. The Escrow Agent shall be entitled to act in accordance with the direction of the court without any further liability to any other Party whatsoever.

17. The Escrow Agent will not receive any compensation for the performance of its services in connection with this Escrow Agreement except for the reimbursement of any and all out-of-pocket expenses incurred by the Escrow Agent in connection with the performance of its services hereunder.

18. All notices and other communications provided for herein shall be in writing and shall be delivered personally or sent by registered or certified mail, return receipt requested, postage prepaid, or overnight air courier guaranteeing next day delivery:

(a) If to Rick's:

Rick's Cabaret International Inc. Mr. Eric Langan, President

505 North Belt, Suite 630
Houston, Texas 77060
Fax: (281) 820 1445

With a copy to:

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

(b) If to Voice Media to:

Voice Media, Inc.
Ron Levi, President
2533 North Carson Street, Suite 1091
Carson City, Nevada 89706
Fax: (702) 883-2384

With copies to:

Howard Rosoff
Rosoff, Schiffres & Barta
Suite 1450
11755 Wilshire Blvd.
Los Angeles, California 90025
Fax: (310) 478-1439

Guy Mizrachi
c/o National Telemedia Corporation
5000 North Parkway Calabasas, Suite 205
Calabasas, California 91302
Fax: (818) 591-3434

(c) If to Escrow Agent to:

Robert D. Axelrod, P.C.
c/o Axelrod, Smith & Kirshbaum
5300 Memorial Drive, Suite 700
Houston, Texas 77007

ESCROW AGREEMENT - PAGE 6

All notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; three days after being deposited in the mail, postage prepaid, sent certified mail, return receipt requested, if mailed; and the next day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery. If a notice or communication is mailed in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it.

19. This Escrow Agreement shall be construed according to the laws of the State of Texas and the Parties submit themselves to the exclusive jurisdiction of the courts of the State of Texas in the event of any dispute.

20. This Escrow Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same.

21. The Escrow Agent and any stockholder, director, officer, partner or employee of the Escrow Agent may have a pecuniary interest in any transaction in which the Parties may be interested, or contract with or lend money to or otherwise act as fully and freely as though it were not Escrow Agent under this Agreement. In other words, this Escrow Agreement shall not prevent the Escrow Agent from performing any other activity which it would normally perform. Additionally, nothing herein shall preclude the Escrow Agent from acting in any other capacity for either of the Parties. SPECIFICALLY, THE PARTIES EXPRESSLY ACKNOWLEDGE AND AGREE THAT THE ESCROW AGENT AND EMPLOYEES OF THE ESCROW AGENT SERVE AS LEGAL COUNSEL TO RICK'S. THE PARTIES EXPRESSLY WAIVE ANY CONFLICT OF INTEREST WHICH MAY ARISE FROM SUCH LEGAL REPRESENTATION AND SERVING AS ESCROW AGENT HEREUNDER. FURTHER, THE SHAREHOLDER EXPRESSLY AGREES THAT SERVING AS ESCROW AGENT WILL IN NO WAY PRECLUDE ESCROW AGENT OR ANY EMPLOYEE OR PARTNER OF ESCROW AGENT FROM CONTINUING TO SERVE AS LEGAL COUNSEL TO RICK'S.

[SIGNATURES ON FOLLOWING PAGE]

ESCROW AGREEMENT - PAGE 7

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

RICK'S CABARET INTERNATIONAL, INC.

By: /s/ Eric Langan
Eric Langan, President

SHAREHOLDER:

VOICE MEDIA, INC.

By: /s/ Ron Levi
Ron Levi, President

ROBERT D. AXELROD, P.C., AS THE ESCROW AGENT

By: /s/ Robert D. Axelrod
Robert D. Axelrod, President

ESCROW AGREEMENT - PAGE 8

**VOTING AGREEMENT
AND
IRREVOCABLE PROXY**

This Voting Agreement and Irrevocable Proxy (the "Voting Agreement") is made on the 6th day of July, 2000, by and among VOICE MEDIA, INC., a Nevada corporation ("Voice Media"), and ERIC LANGAN ("Langan").

WHEREAS, RCI Internet Holdings, Inc. ("RCI"), Rick's Cabaret International, Inc. ("Rick's") and Voice Media have entered into an Asset Purchase Agreement ("Purchase Agreement") of even date herewith pursuant to which Voice Media has agreed to grant to Langan certain voting rights with respect to 250,000 shares of Rick's common stock, \$.01 par value, which have been issued simultaneously herewith pursuant to the terms and conditions of the Purchase Agreement and which are subject to an Escrow Agreement as provided for in the Purchase Agreement; and

WHEREAS, in connection with the execution of the Purchase Agreement it is necessary to establish and enter into this Voting Agreement; and

WHEREAS, as a material inducement to RCI and Rick's entering into the Purchase Agreement with Voice Media, it was agreed that Voice Media enter into this Voting Agreement with Langan.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants and obligations herein contained and for other good and valuable consideration, the parties hereto agree as follows:

1. **SHARES SUBJECT TO VOTING AGREEMENT.** Voice Media and Langan hereby agree that the 250,000 shares of common stock of Rick's which have been issued simultaneously herewith pursuant to the terms and conditions of the Purchase Agreement and which are subject to an Escrow Agreement as provided for in the Purchase Agreement are the shares which are made the subject of this Voting Agreement and shall hereinafter be referred to as the "Stock". Any additional shares of common stock or other voting securities of Rick's which may be issued incident to a stock split, stock dividend, increase in capitalization, recapitalization, merger, consolidation or other reorganization or like transaction and received with respect to the Stock then subject to this Voting Agreement, shall be included within the term "Stock" as used herein and shall be subject to the terms of this Voting Agreement.

2. **INSCRIPTION ON SHARE CERTIFICATES.** Each certificate representing ownership of the Stock shall contain a legend in substantially the following form:

"THE SHARES EVIDENCED BY THIS CERTIFICATE ARE SUBJECT TO THE PROVISIONS OF A VOTING AGREEMENT AND IRREVOCABLE PROXY DATED EFFECTIVE AS OF JULY 6, 2000 ("AGREEMENT"), A COUNTERPART OF WHICH HAS BEEN DEPOSITED WITH THE COMPANY AT ITS PRINCIPAL OFFICE. THE COMPANY WILL FURNISH A COPY OF SUCH AGREEMENT TO THE HOLDER OF THIS CERTIFICATE WITHOUT CHARGE UPON WRITTEN REQUEST TO THE COMPANY AT ITS PRINCIPAL OFFICE."

3. VOTING OF THE STOCK. Voice Media hereby grants and this Voting Agreement shall act as an irrevocable proxy from Voice Media in favor of Eric Langan to vote the shares represented by the Stock (i) at any regular or special meeting of shareholders of Rick's on any matters brought before the shareholders of Rick's or (ii) in connection with any consent to actions by the shareholders of Rick's. THIS IRREVOCABLE PROXY IS COUPLED WITH AN INTEREST AND SHALL SURVIVE UNTIL THE TIME PERIOD SPECIFIED IN PARAGRAPH 4 HEREIN. Such Irrevocable Proxy must be noted conspicuously on the certificate representing the shares that are subject to this Irrevocable Proxy and is specifically enforceable against the holder of the Stock or any successor or transferee of such holder.

4. TERM. This Voting Agreement shall commence and be effective on the

date hereof and shall terminate at such time as the Stock is released from escrow pursuant to the Escrow Agreement executed simultaneously herewith between Voice Media, Rick's and Robert D. Axelrod, P.C., as escrow agent.

5. ACCESS TO VOTING AGREEMENT. A copy of this Voting Agreement and every amendment or supplement hereto shall be filed in the principal office of Rick's and shall be open to inspection by any holder of the Stock, in person or by agent or attorney, during normal business hours upon reasonable notice to Rick's.

6. RESERVATION OF RIGHTS TO VOICE MEDIA. All rights and privileges of stock ownership other than the right to vote or consent to actions by the shareholders as described in Section 3 shall be reserved to and retained by Voice Media.

7. SPECIFIC PERFORMANCE. In addition to and cumulative of all other rights and remedies which the parties hereto may have at law, in equity, or hereunder, each party is hereby granted the right and remedy of specific performance with respect to the performance of this Voting Agreement.

8. NOTICE. All notices and other communications provided for herein shall be in writing and shall be delivered personally or sent by registered or certified mail, return receipt requested, postage prepaid, or overnight air courier guaranteeing next day delivery:

(a) If to Eric Langan:

Mr. Eric Langan
505 North Belt, Suite 630
Houston, Texas 77060
Fax: (281) 820 1445

With a copy to:

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

(b) If to Voice Media to:

Voice Media, Inc.
Ron Levi, President
2533 North Carson Street, Suite 1091
Carson City, Nevada 89706
Fax: (702) 883-2384

With a copies to:

Howard Rosoff
Rosoff, Schiffres & Barta
Suite 1450
11755 Wilshire Blvd.
Los Angeles, California 90025
Fax: (310) 478-1439

Guy Mizrachi
c/o National Telemedia Corporation
5000 North Parkway Calabasas, Suite 205
Calabasas, California 91302
Fax: (818) 591-3434

(c) If to Rick's:

Rick's Cabaret International Inc.
Mr. Eric Langan, President
505 North Belt, Suite 630
Houston, Texas 77060

Fax: (281) 820 1445

VOTING AGREEMENT AND IRREVOCABLE PROXY - PAGE 3

With a copy to:

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

All notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; three days after being deposited in the mail, postage prepaid, sent certified mail, return receipt requested, if mailed; and the next day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery. If a notice or communication is mailed in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it.

9. ENTIRE AGREEMENT. This Voting Agreement constitutes the entire agreement between the parties with regard to the voting of the Stock and may not be amended, supplemented, waived or terminated except by written instrument executed by the parties.

10. WAIVER. No waiver of any provision of this Voting Agreement shall constitute a waiver of any other provision of this Voting Agreement, nor shall such waiver constitute a waiver of any subsequent breach of such provision.

11. BINDING EFFECT. This Voting Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

12. GOVERNING LAW. The validity, construction, and enforcement of this Voting Agreement shall be governed by the laws of the State of Texas. In the event of a dispute concerning this Voting Agreement, the parties agree that venue lies in a court of competent jurisdiction in Harris County, Texas.

13. SEVERABILITY. If any provision of this Voting Agreement is declared unenforceable by a court of competent jurisdiction, such provision shall be enforced to the greatest extent permitted by law, and such declaration shall not affect the validity of any other provision of this Voting Agreement.

14. CONSTRUCTION. The headings contained in this Voting Agreement are for reference purposes only and shall not affect this Voting Agreement in any manner whatsoever. Wherever required by the context, any gender shall include any other gender, the singular shall include the plural, and the plural shall include the singular.

15. COUNTERPARTS. This Voting Agreement may be executed in multiple counterparts, each of which shall be deemed an original but all of which shall be deemed one instrument.

16. FURTHER ASSURANCES. Each Party to this Voting Agreement agrees to perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions of this Voting Agreement.

[[[SIGNATURES ON FOLLOWING PAGE]]]

VOTING AGREEMENT AND IRREVOCABLE PROXY - PAGE 5

IN WITNESS WHEREOF, the Parties hereto have executed this Voting Agreement and Irrevocable Proxy effective as of the day and year first above written.

VOICE MEDIA, INC.

250,000

Number of Shares Subject

*to this Voting Agreement and
Irrevocable Proxy*

*By: /s/ Ron Levi
Ron Levi, President*

*/s/ Eric Langan
Eric Langan, individually*

VOTING AGREEMENT AND IRREVOCABLE PROXY - PAGE 6

MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT ("Agreement") is made and entered into on this 6th day of July, 2000 (the "Effective Date"), by and between RCI INTERNET HOLDINGS, INC., a Texas corporation (the "Owner") and NATIONAL TELEMEDIA CORPORATION, a California corporation (the "Manager").

W I T N E S S E T H :

WHEREAS, the Owner, Rick's Cabaret International, Inc. ("Rick's") and Voice Media, Inc., an affiliate of the Manager, entered into an Asset Purchase Agreement (the "Purchase Agreement") of even date herewith pursuant to which the Owner acquired certain tangible and intangible assets of Voice Media, Inc., including but not limited to, the Internet website known as XXXPassword.com (the "Site"); and

WHEREAS, the Owner, pursuant to the Purchase Agreement, now owns the Site; and

WHEREAS, the Owner desires to retain the services of the Manager to act as its exclusive agent in the construction, management, operation, maintenance, marketing and distribution of the Site; and

WHEREAS, the Manager and its related entities desire and have agreed to provide advertising and marketing services for the Site, including the use of its webmaster affiliate programs; and

WHEREAS, the Manager desires to provide such non-exclusive management and marketing services for the Owner; and

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

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

1. APPOINTMENT AND ACCEPTANCE. The Owner hereby appoints the Manager, and the Manager hereby accepts appointment, on the terms and conditions hereinafter provided, as the Owner's exclusive managing agent for the construction, management, operation, maintenance, marketing and distribution of the Site.
2. OBLIGATIONS OF MANAGER. The Manager shall render the following services and shall perform the following duties for the Owner in a faithful, diligent and efficient manner:

(a) IN GENERAL. The Manager shall be solely and exclusively responsible for all management, operational, marketing, maintenance and distribution activities with respect to the Site, including, but not limited to, such activities as are more specifically described below. The Manager shall use its best efforts at all times during the term of this Agreement to operate and maintain the Site according to the highest standards achievable consistent with the overall plan of the Owner. The Manager shall comply with the rules, policies and procedures promulgated for the Site by the Owner from time to time following Manager's receipt of written notice of such rules, policies and procedures. The Manager shall be expected, for the account and at the expense of the Owner, to perform such other acts and deeds as are reasonable, necessary and proper in the discharge of its duties under this Agreement.

(b) CONSTRUCTION. The Manager shall cause the Site to be constructed to such specifications as the Owner shall direct, including the engagement of programmers and contractors, for the account of the Owner, as shall be required to accomplish the construction of the Site.

(c) ADVERTISING AND MARKETING. The Manager and its affiliates, including Voice Media, Inc., shall advertise, market, distribute and promote the Site with the goal of causing public knowledge, awareness and use of the Site, including the marketing and distribution of the Site through the use of the webmaster affiliate programs of the Manager and the affiliates of the Manager, including Voice Media, Inc.

(d) MANAGEMENT. The Manager shall manage, operate, market, and maintain the Site, including, but not limited to, arranging for and supervising any and all improvements to the Site which are determined by the Owner, including but not limited to:

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

(ii) To make or cause to be made in the name of Owner such modifications, improvements or expansions of the Site as may be necessary or helpful, including technical support and customer support;

(iii) To request, demand, collect, receive and give receipts for any and all charges which become due from users of the Site, including payment processing and reporting, as well as providing technical support, customer support and online reporting capability and capacity. All sums of money collected by the Manager from users of the Site or from the operation of the Site shall be deposited by the Manager in a bank account to be designated by the Owner and opened in the name of the Owner upon which both the Owner and the Manager shall be signatories on the account, either one acting alone. Manager shall maintain possession of the checkbook for the bank account;

(iv) The Manager shall maintain a comprehensive system of records, books and accounts, with respect to the activities and operation of the Site. All records shall be subject to examination by the Owner, or its authorized agents, attorneys and accountants as set forth in Section 7 hereof. No later than the twentieth (20th) day of each month, with respect to the preceding month, the Manager shall render a statement of receipts and disbursements, a schedule of accounts receivable and payable, together with a reconciled bank statement as of the last day of the month; and

(v) To the extent Manager is lawfully able to do so, Manager shall take such action as may be necessary to comply promptly with any and all laws, ordinances, orders or other requirements of any federal, state, county or municipal authority having jurisdiction of the Site and affecting the Site.

3. EXPENDITURES. Except as provided in Section 2 of this Agreement, the Manager shall make no expenditure for the account of the Owner without the prior written approval of the Owner.

4. PAYMENT OF RECEIPTS TO OWNER. No later than the 20th day of each month the Manager, in addition to rendering a statement of receipts and disbursements with respect to the collection of charges and fees from the Site, shall pay to the Owner and the Manager the Free Net Cash Flow (as defined below) of all Internet commerce generated by the Site during the preceding month in accordance with this Section 4. For purposes of this Agreement, the term "Free Net Cash Flow" shall be defined as cash proceeds less variable costs, overhead costs and payment of income taxes due. Cash Proceeds shall be the aggregate amount of all cash received from, without limitation, cash sales, credit or charge card sales, sales on open account or any combination of the same and other such sources less refunds and customer credits. Variable Costs shall be the aggregate amount of all charges or reduction of proceeds by the credit card processor/merchant bank and the cost paid to webmasters as a commission for traffic sent to the website. Without limitation, such processor/merchant bank costs shall include discounts, fees, chargebacks, fines and all other such costs. In the event that the third party processor/merchant bank shall require a reserve fund, for the purposes of this Agreement, said fund shall be considered a Variable Cost. To the extent reserve funds are recovered from the credit card processor/merchant bank and available for distribution, then such amount shall be deemed Cash Proceeds available for distribution. Overhead Costs shall be the aggregate amount of all charges for third party content licensing fees, bandwidth charges and the Management Fee as contemplated by Section 7 hereof. The parties hereto acknowledge that to the extent the specific identification of third party content costs is impractical, they agree to the allocation of the actual costs based on the percentage of Password sales to the combined sales of all websites of Seller benefiting from such third party content.

With respect to the payment of income taxes due, the parties agree to retain a reserve in an amount of the Cash Proceeds equal to 35%. In the event the federal tax liability for the corresponding fiscal year is determined to be less than the amount held in reserve, then such amount shall become available for distribution to the Seller and RCI.

Further, Seller agrees that to the extent there are any shortfalls to the Free Net Cash Flow in any given month that the Seller will pay such shortfall amount, in an amount not to exceed \$50,000, and be reimbursed prior to any further distribution from the Free Net Cash Flow.

Upon completion of the monthly accounting, 50% of the Free Net Cash Flow shall be distributed to Voice Media, Inc. as payment for its Earn Out Amount in accordance with Section 3.1(ii) of the Purchase Agreement and 50% shall be distributed to RCI. Said distribution shall normally be made prior to the end of the month in which the accounting is completed, provided however that the parties hereto, utilizing good business judgment, may determine to delay the total amount of the distribution for such month until some later date.

5. AGENCY RELATIONSHIP. Everything done by the Manager under the provisions of this Agreement shall be done as agent of the Owner, and all obligations or expenses incurred thereunder shall be for the account, on behalf, and at the expense of the Owner. Any payments to be made by the Manager hereunder shall be made out of such sums as are made available to the Manager by the Owner or from the bank account referred to in Section 2(d)(iii), and, except as set forth in Section 4 above, it is agreed that the Manager shall not be obligated to expend its own funds for any payments which the Manager is authorized to make hereunder.

6. TERM OF AGREEMENT. This Agreement shall effective for a period of one year from the Effective Date (the "Term") and shall be renewable for successive additional one year terms, unless terminated in writing by either party thirty (30) days prior to the end of the respected year. Notwithstanding the foregoing, this Agreement shall be subject to cancellation by either the Manager or the Owner in the event of a material breach by the other party, which breach is not cured within thirty (30) days of the party seeking to cancel the Agreement providing written notice of such material breach to the other party and such other party failing to cure the breach within said period. The written notice shall provide specific details of the breach which resulted in the sending of the written notice of cancellation.

7. COMPENSATION OF MANAGER. The Manager shall be entitled to receive as compensation for its management services of the Site pursuant to this Agreement a fixed fee in the amount of \$22,500 per month, which management fee includes all costs of managing and operating the Site except as otherwise stated in this Agreement or the Purchase Agreement (the "Management Fee"). The Manager and Owner agree that if the expenses included in the Management Fee increase or decrease they will review and adjust the Management Fee in good faith, but in no event less frequently than once a year. The Manager shall be entitled to pay such fees to itself from the funds on deposit in the account referred to in Section 2(d)(iii) hereof.

At Owner's election and cost, Owner shall have the right to inspect and audit the books and records of the Manager as they relate to the Site. Manager agrees to make such books and records available to Owner at the Manager's place of business or such other reasonable location during normal business hours. In the event a determination is made that there has been a misstatement of reported net cash receipts equal to or greater than 10%, the Manager shall reimburse Owner for such cost of audit and such cost shall not be considered or included in the operating expenses of the Site. Owner agrees to provide at least three days notice before conducting such audit. For purposes of ascertaining the amount payable under this Paragraph 7, if any, Manager and the Owner shall keep, for a period of not less than three (3) years immediately following the close of each fiscal year, all pertinent original records, accounts and daily receipts from all sales and other transactions conducted with respect to the Site during such three (3) year period. Any portion of the books and records of Manager that have been audited pursuant to this Section shall not be audited again, unless required or necessary to comply with any securities or other regulatory requirements. Such audit shall be deemed conclusive once disputes, if any, with respect to such portions of the books and records have been resolved.

8. INDEMNIFICATION.

(a) The Manager shall indemnify, defend and hold harmless the Owner from and against any and all claims, demands, liabilities, costs (including, without limitation, the cost of litigation and attorney's fees), damages and causes of action, of any nature whatsoever which arise out of or are incidental to the management of the Site by the Manager and which are based on or attributable to the Manager's (i) negligence, fraud, deceptive practices, deceit or willful misconduct, or (ii) breach of any provision of this Agreement or any fiduciary duty. The indemnification rights herein contained shall be cumulative of, and in addition to, any and all rights, remedies and recourse to which the Owner shall be entitled, whether pursuant to some other provision of this Agreement, at law or in equity.

(b) The Owner shall indemnify, defend and hold harmless the Manager from and against any and all claims, demands, liabilities, costs (including, without limitation, the cost of litigation and attorney's fees), damages and causes of action, of any nature whatsoever which arise out of or are incidental to the management of the Site by the Owner and which are based on or attributable to the Owner's (i) negligence, fraud, deceptive practices, deceit or willful misconduct, or (ii) breach of any provision of this Agreement or any fiduciary duty. The indemnification rights herein contained shall be cumulative of, and in addition to, any and all rights, remedies and recourse to which the Manager shall be entitled, whether pursuant to some other provision of this Agreement, at law or in equity.

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

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

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

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

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

14. **GOVERNING LAW; VENUE.** This Agreement shall be governed by, and its provisions construed to be in compliance with, the laws of the State of Texas. The parties agree that venue for purposes of construing or enforcing this Agreement shall be proper in Harris County, Texas, if a claim is brought by the Manager against the Owner and is proper in Los Angeles, California, if a claim is brought by the Owner against the Manager.

15. **NOTICES.** All notices and other communications provided for herein shall be in writing and shall be delivered personally or sent by registered or certified mail, return receipt requested, postage prepaid, or overnight air courier guaranteeing next day delivery:

a. If to the Manager, addressed to:

National Telemedia Corporation Attn: Guy Mizrahi
5000 North Parkway Calabasas, Ste. 205 Calabasas, California 91302 Fax: (818) 591-3434

With a copy to:

Howard Rosoff
Rosoff, Schiffres & Barta
Suite 1450
11755 Wilshire Blvd.
Los Angeles, California 90025
Fax: (310) 478-1439

b. If to the Owner, addressed to:

RCI Internet Holdings, Inc.
Attn: Eric Langan, President
505 North Belt, Suite 630
Houston, Texas 77060

With a copy to:

Robert D. Axelrod
Axelrod, Smith & Kirshbaum
5300 Memorial Drive, Ste. 700
Houston, Texas 77007

All notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; three days after being deposited in the mail, postage prepaid, sent certified mail, return receipt requested, if mailed; and the next day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery. If a notice or communication is mailed in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it.

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

17. MISCELLANEOUS.

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

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

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

[[[SIGNATURES ON FOLLOWING PAGE]]]]

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

OWNER:

RCI INTERNET HOLDINGS, INC.

*By: /s/ Eric Langan
Name: Eric Langan
Title: President*

MANAGER:

NATIONAL TELEMEDIA CORPORATION

*By: /s/ Paul Lesser
Name: Paul Lesser
Title: President*

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