
Securities and Exchange Commission
Washington, D.C. 20549

FORM 8-K

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

Date of Report: April 11, 2008

RICK'S CABARET INTERNATIONAL, INC.

(Exact Name of Registrant As Specified in Its Charter)

Texas
(State Or Other Jurisdiction of Incorporation)

0-26958
(Commission File Number)

76-0037324
(IRS Employer Identification No.)

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

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

On March 11, 2008, our wholly owned subsidiary, RCI Entertainment (Dallas), Inc., completed the acquisition of 100% of the issued and outstanding partnership interest (the “Partnership Interest”) of Hotel Development – Texas, Ltd, a Texas limited partnership (the “Partnership”) and 100% of the issued and outstanding membership interest (the “Membership Interest”) of HD-Texas Management, LLC, a Texas limited liability company, the general partner of the Partnership (the “General Partner”) from Jerry Golding, Kenneth Meyer, and Charles McClure (the “Sellers”). The Partnership owns and operates an adult entertainment cabaret known as “The Executive Club” (the “Club”), located at 8550 North Stemmons Freeway, Dallas, Texas 75247 (the “Real Property”). As part of the transaction, our wholly owned subsidiary, RCI Holdings, Inc. (“RCI”), also acquired the Real Property from DPC Holdings, LLC, a Texas limited liability company (“DPC”) from the Sellers. DPC owns the Real Property where the Club is located.

At closing, we paid a total purchase price of \$3,802,050 for the Partnership Interest and Membership Interest, which was paid through the issuance of 50,694 shares of our restricted common stock to each of Messrs. Golding, Meyer and McClure, for an aggregate total of 152,082 shares (collectively, the “Rick’s Club Shares”) to be valued at \$25.00 per share. As consideration for the purchase of the Real Property, RCI paid total consideration of \$5,697,950, which was paid (i) \$4,250,000 payable \$610,000 in cash and \$3,640,000 through the issuance of a five year promissory note (the “Promissory Note”) and (iii) the issuance of 57,918 shares of our restricted common stock (the “Rick’s Real Property Shares”) to be valued at \$25.00 per share. The Promissory Note bears interest at a varying rate at the greater of (i) two percent (2%) above the Prime Rate or (ii) seven and one-half percent (7.5%), and is guaranteed by Rick’s and Eric Langan, individually. A copy of the Promissory Note is attached hereto as Exhibit 10.1.

At Closing, the Parties entered into an Amendment to Purchase Agreement solely to provide for the Sellers to set aside of 10,500 Rick’s Club Shares under an Escrow Agreement for the offset of certain liabilities of the Partnership. A copy of the Amendment to Purchase Agreement and Escrow Agreement are attached hereto as Exhibits 10.2 and 10.3, respectively.

At Closing, the Sellers entered into Lock-Up/Leak-Out Agreements pursuant to which on or after one year after the closing date, the Sellers shall have the right, but not the obligation to have Rick’s purchase from Sellers an aggregate of 3,621 Shares per month (the “Monthly Club Shares”), calculated at a price per share equal to \$25.00 per share (“Value of the Rick’s Club Shares”) until each of the individual Sellers has received a total of \$1,267,350 from the sale of the Rick’s Club Shares. At our election during any given month, we may either buy the Monthly Club Shares or, if we elect not to buy the Monthly Club Shares from the Sellers, then the Sellers shall sell the Monthly Club Shares in the open market. Any deficiency between the amount which the Sellers receive from the sale of the Monthly Club Shares and the Value of the Rick’s Club Shares shall be paid by us within three (3) business days of the date of sale of the Monthly Club Shares during that particular month. Our obligation to purchase the Monthly Club Shares from the Sellers shall terminate and cease at such time as the Sellers have received an aggregate total of \$3,802,050 from the sale of the Rick’s Club Shares and any deficiency. A copy of the Lock-Up/Leak-Out Agreement with each of the Sellers (Form of) is attached hereto as Exhibit 10.4.

Additionally, at Closing, DPC entered into a Lock-Up/Leak-Out Agreement pursuant to which on or after one year after the closing date, DPC shall have the right, but not the obligation to have Rick's purchase from DPC 1,379 Shares per month (the "Monthly Real Estate Shares"), calculated at a price per share equal to \$25.00 per share ("Value of the Rick's Real Estate Shares") until DPC has received a total of \$1,447,950 from the sale of the Rick's Real Estate Shares. At our election during any given month, we may either buy the Monthly Real Estate Shares or, if we elect not to buy the Monthly Real Estate Shares from DPC, then DPC shall sell the Monthly Real Estate Shares in the open market. Any deficiency between the amount which DPC receives from the sale of the Monthly Real Estate Shares and the Value of the Rick's Real Estate Shares shall be paid by us within three (3) business days of the date of sale of the Monthly Real Estate Shares during that particular month. Our obligation to purchase the Monthly Real Estate Shares from DPC shall terminate and cease at such time as DPC has received an aggregate total of \$1,447,950 from the sale of the Rick's Real Estate Shares and any deficiency. A copy of the Lock-Up/Leak Out Agreement with DPC is attached hereto as Exhibit 10.5.

Finally, at Closing each of the Sellers entered a five year Non-Competition Agreement with us pursuant to which they agreed not to compete with us in Dallas County or any adjacent county. A copy of the Non-Competition Agreement with each of the Sellers (Form of) is attached hereto as Exhibit 10.6.

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

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits

<u>Number</u>	<u>Description</u>
10.1	Promissory Note
10.2	Amendment to Purchase Agreement
10.3	Escrow Agreement
10.4	Lock-Up/Leak-Out Agreement (Form of)—Sellers
10.5	Lock-Up/Leak-Out Agreement (DPC)
10.6	Non-Competition Agreement (Form of)
99.1	Press release dated April 14, 2008

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report on Form 8-K to be signed on its behalf by the undersigned hereunto duly authorized.

RICK'S CABARET INTERNATIONAL, INC.

By: /s/ Eric Langan

Eric Langan
President and Chief Executive Officer

Date: April 14, 2008

PROMISSORY NOTE

\$3,640,000.00

April 11, 2008

FOR VALUE RECEIVED, and WITHOUT GRACE, on demand at any time as to all or any portion of the indebtedness evidenced by this Note or, if demand is not sooner made, in installments as hereinafter provided, the last of which shall be due and payable on or before five (5) year(s) from date hereof, RCI HOLDINGS, INC., a Texas Corporation, ("Maker", whether one or more and if more than one then jointly and severally) promise(s) to pay to the order of TEXAS COMMUNITY BANK, N.A. (together with its successors and assigns and any subsequent holders of this Note, the "Lender") at its offices at 16610 Interstate 45, The Woodlands, Texas 77384, or such other place as Lender may from time to time designate by written notice to Maker, the sum of THREE MILLION SIX HUNDRED FORTY THOUSAND AND NO/100 DOLLARS (\$3,640,000.00), in immediately available current funds and lawful money of the United States of America, which, at the time of payment, shall be legal tender for the payment of public and private debts, together with interest on the outstanding principal balance of this Note from the date of advance until maturity at a varying rate per annum ("Variable Rate") which shall from day to day be equal to the greater of: (i) TWO PERCENT (2%) above the Prime Rate, hereafter defined, or (ii) SEVEN AND ONE-HALF PERCENT (7.5.0%) per annum; provided, however, the Variable Rate shall never exceed the Maximum Legal Rate, hereafter defined.

All past due principal and interest, whether due as a result of acceleration or otherwise, shall bear interest at the highest lawful rate permissible under the laws applicable to this Note ("Maximum Legal Rate") from the date the payment thereof shall have become due until the same shall have been repaid in full. If the Maximum Legal Rate hereon is established under the laws of the State of Texas, the applicable rate ceiling shall be the indicated (weekly) rate ceiling, from time to time in effect and applicable to this Note, as provided in Chapter 303 of the Texas Finance Code. However, if applicable law establishes no Maximum Legal Rate then all past due principal and interest shall bear interest at a rate equal to EIGHTEEN PERCENT (18%) per annum. In addition, Lender may charge and collect a late fee of five percent (5%) of any scheduled installment that is more than ten (10) days past due. In no event shall the provisions of Chapter 346 of the Texas Finance Code (which regulates certain revolving credit loan accounts and revolving triparty accounts) apply to this Note.

The term "Prime Rate" as used herein shall mean the prime rate quoted in the Money Market Rate Section of the Wall Street Journal from time to time. Effective the same day as the Prime Rate changes and without notice to the Maker or any other party, the Variable Rate on this Note shall likewise change. In the event that two or more rates or a range of rates are quoted, then the rate applicable hereto shall be the highest of those quoted. If the Wall Street Journal publishes a retraction or correction of such rate, the rate reported in such retraction or correction shall apply. In the event that the Wall Street Journal shall ever cease to publish a prime or base rate, the then holder hereof shall designate a Bank having its principal banking location in New York, New York, whose base or prime rate, from and after the effective date of such designation shall be the Prime Rate for purposes hereof.

In no event is the rate of interest on the outstanding principal balance hereof ever to exceed the Maximum Legal Rate and Lender, Maker and any co-maker, drawer, acceptor, endorser, guarantor, surety, accommodating party or other person or entity now or hereafter primarily liable or secondarily liable for payment of all or any part of this Note (each a "other liable party" or collectively "other liable parties"), intend to conform and contract in strict compliance with applicable usury law. Determination of the rate of interest for the purposes of determining whether this Note is usurious shall be made by amortizing, prorating, allocating and spreading during the time this Note is outstanding all interest or other sums deemed to be interest at any time contracted for, charged or received from the Maker. It is intended that all interest due and payable under this Note shall not exceed the Maximum Legal Rate and, notwithstanding anything to the contrary contained in this Note or any agreement entered into in connection with or as security herefor, it is agreed as follows: the aggregate of all consideration which constitutes interest under applicable law which is taken, reserved, contracted for, charged or received under this Note or under any agreement executed in connection with or as security herefor, shall under no circumstances exceed the Maximum Legal Rate and any excess shall be deemed a mistake and credited on this Note by the then holder thereof (or if this Note shall have been paid in full, refunded to the Maker). Neither the Maker, nor any other liable party shall ever be liable for interest in excess of the Maximum Legal Rate and the provisions of this paragraph shall control over all other provisions of this Note and all other documents to or of which Lender is a party or a beneficiary now or hereafter evidencing, securing, guaranteeing, modifying or otherwise relating to the indebtedness evidenced hereby, and all extensions, renewals and modifications thereof (the Note and the documents each a "Loan Document" or collectively the "Loan Documents") which may be in apparent conflict with the provisions of this paragraph.

Notwithstanding any term or provision of this Note to the contrary, Maker confirms to Lender that neither Maker nor its legal counsel, if any, is aware that this Note, or the transaction in connection which this Note was issued, is or maybe usurious in any respect. To induce Lender to make the loan evidenced by this Note, Maker agrees with and covenants to Lender that if at anytime Maker believes or discovers that any term or provision of this Note or any action taken by Lender in connection with Note is or may be in violation of the usury laws or any other applicable law, Maker will immediately give notice to Lender specifying with particularity the nature and extent of any such potential violation of the usury laws or any other applicable law, and afford to Lender a reasonable period (which in no event will be less than sixty (60) days) within which to cure same. Maker agrees with and covenants to Lender that in no instance will Maker make any claim, bring any suit, prosecute or otherwise assert any cause of action, claim, counterclaim, or defense in respect of any violation of the usury laws or any other applicable law, unless, as a condition precedent thereto, Maker has given to Lender such notice and afforded to Lender such opportunity to cure as provided herein.

Interest hereon shall be computed on the basis of a year consisting of THREE HUNDRED SIXTY (360) days unless either (a) the holder of this Note elects or (b) compliance with applicable law requires that interest for any period of time be computed on the basis of the actual number of days in the applicable calendar year in which accrued, in either of which events interest for that period of time shall be so computed.

Without limitation on the right of the Lender to demand at any time payment of all or any portion of the indebtedness evidenced by this Note, the principal of this Note and the interest to accrue hereon is and shall be due and payable in 60 consecutive monthly installments as follows;

1. SUBJECT TO INCREASE AS HEREINAFTER PROVIDED, the first 59 of such installments shall be in the amount which is the greater of: (i) TWENTY-NINE THOUSAND THREE HUNDRED TWENTY-THREE AND 59/100 DOLLARS (\$29,323.59) each, which amount includes the interest which has accrued to the date of such installment or (ii) the amount of interest which has accrued to the due date of each such installment, with the first such installment becoming due and payable May 11, 2008, with a like installment becoming due and payable on the same day of each succeeding month thereafter,
2. The 60th and final installment shall be due and payable on or before five (5) year(s) from date hereof and shall be in the amount of the then unpaid principal balance of this Note, together with all of the then unpaid accrued interest hereon.

IN THE EVENT THE VARIABLE RATE INCREASES FROM TIME TO TIME, THE LENDER HAS THE RIGHT (BUT NOT THE OBLIGATION) IN ITS SOLE AND ABSOLUTE DISCRETION AT ANYTIME AND FROM TIME TO TIME TO INCREASE THE AMOUNT OF THE MONTHLY INSTALLMENTS TO AN AMOUNT THAT WOULD BE SUFFICIENT TO REPAY THE UNPAID PRINCIPAL BALANCE OF THIS NOTE FROM THE DATE OF LENDER'S ELECTION OF SUCH CHANGE OF AMOUNT IN FULL ON OR BEFORE TWENTY (20) YEARS FROM THE DATE OF THIS NOTE (EVEN THOUGH THIS NOTE HAS AN ACTUAL MATURITY OF FIVE (5) YEARS) AT THE NEW INTEREST RATE (CALCULATED AS A FIXED RATE BASED ON THE THEN VARIABLE RATE) IN SUBSTANTIALLY EQUAL INSTALLMENTS. THE LENDER WILL GIVE MAKER NOTICE OF THE AMOUNT OF THE NEW MONTHLY INSTALLMENT. NEITHER THE FAILURE TO EXERCISE, NOR DELAY IN EXERCISING, LENDER'S RIGHT TO INCREASE THE MONTHLY INSTALLMENTS HEREUNDER MAY BE, OR CONSTRUED TO BE, A WAIVER OF SUCH RIGHT AND LENDER SHALL HAVE THE RIGHT TO EXERCISE SUCH RIGHT AT ANYTIME AND FROM TIME TO TIME.

Whenever any payment to be made under this Note is stated to be due on a Saturday, Sunday or legal holiday for commercial banks under applicable law, then such payment is due and may be made on the next succeeding business day, and such extension of time will be included in the computation of interest under this Note.

All or any part of the principal hereof may be prepaid at any time without the payment of any penalty or premium; however, at Lender's option, all voluntary prepayments shall be applied to future installments due hereon in the inverse order of their maturity.

All payments hereunder, whether designated as payments of principal or interest, shall be applied first to accrued and unpaid interest, then to the discharge of any expenses which the holder may be entitled to reimbursement for by reason hereof or under the terms of any Loan Document, and lastly, to unpaid principal.

As additional security for this Note, the Maker hereby grants to Lender an express lien and security interest in and to all property and any and all deposits (general or special, time or demand, provisional or final) at any time held by the Lender for the credit or for the account of Maker. Without impairing or limiting the continued existence and viability of Lender's express security interests in such property and deposits, in the event this Note is not paid at maturity, however such maturity may be brought about, or if a default should occur and be continuing under any Loan Document, Lender is hereby authorized at any time, and from time to time, without notice to Maker (any such notice being hereby expressly waived by Maker), to set off and apply any and all such deposits at any time held or other indebtedness at any time owing by Lender to or for the credit or the account of Maker against the outstanding principal balance of, and the accrued interest on, this Note. The foregoing rights of Lender are in addition to and cumulative of all other rights and remedies (including, without limitation, other Hens, security interests and rights of setoff) which Lender may have.

It is agreed that time is of the essence of this Note and that in the event of a failure to pay any installment of principal and/or interest herein provided when due, or a breach of the provisions of any of the Loan Documents, or in the event of a failure to pay any obligation, or loan of whatever nature owed by Maker to Lender, whether such obligation is in existence now or in the future, upon Maker's death, dissolution, termination of existence, insolvency or business failure, the appointment of a receiver of all or any part of the Maker's property, an assignment for the benefit of creditors of Maker, a calling of a meeting of creditors of Maker, the commencement of any proceeding under any bankruptcy, insolvency or debtor relief laws by or against Maker or any other liable party, or if Maker or any other liable party fails to furnish financial or other information requested by Lender, or if Maker or any other liable party furnishes or has furnished any financial or other information or statements that are misleading in any material respect, or a writ or order of attachment or garnishment is issued or made against any of the property of Maker, the Lender, at its option, may declare the entire unpaid principal balance and all unpaid accrued interest owing hereon at once due and payable, without notice. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of any subsequent default.

The remedies of Lender in this Note and in the Loan Documents, or at law or in equity, shall be cumulative and concurrent, and may be pursued singly, successively or together in Lender's sole discretion and as often as the occasion therefore shall arise. Neither the failure to exercise, nor delay in exercising, Lender's right to accelerate the maturity of this Note or any other right, power or remedy upon any default may be construed as a waiver of such default or as a waiver of the right to exercise any such right, power or remedy at anytime. No single or partial exercise by Lender of any right, power or remedy exhausts the same or precludes any other or further exercise thereof, and every such right, power or remedy may be exercised at anytime and from time to time.

Remittances and payment of any part of this Note other than in the required amount in immediately available funds at the place where this Note is payable shall not, regardless of any receipt or credit issued therefore, constitute payment until the required amount is actually received by Lender in full and in accordance herewith and shall be made and accepted subject to the condition that any check or draft may be handled for collection in accordance with the practice of the collecting bank or banks. Acceptance by Lender of any payment in an amount less than the full amount then due shall be deemed an acceptance on account only and the failure to pay the entire amount then due shall be and continued to be an event of default in the payment of this Note.

If default occurs in the payment of this Note at maturity, whether the maturity may occur by acceleration or otherwise, or if this Note is collected through probate, bankruptcy or other proceedings, Maker promises to pay all costs and expenses of collection and enforcement. If this Note is placed in the hands of an attorney for collection, Maker promises to pay, in addition to all other costs and expenses of collection and enforcement, an additional amount equal to fifteen percent (15%) of the principal and interest then due, as attorney's fees.

Lender may require payment by Maker and any other liable party without first resorting to any security. Maker and all other liable parties on this Note consent to the release or discharge of any other liable party on this Note and to the release, impairment or substitution of any collateral for this Note by Lender. MAKER AND EVERY OTHER LIABLE PARTY WAIVE PRESENTMENT FOR PAYMENT, PROTEST, NOTICE OF DISHONOR, GRACE, NOTICE OF INTENT TO ACCELERATE AND NOTICE OF ACCELERATION AND ANY OTHER NOTICE, FILING OF SUIT AND DILIGENCE IN COLLECTION OF THIS NOTE AND THE ENFORCEMENT OF ANY OF THE SECURITY RIGHTS OF LENDER, AND CONSENT AND AGREE THAT TIME OF PAYMENT OF THIS NOTE MAY BE EXTENDED WITHOUT NOTICE AT ANY TIME AND FROM TIME TO TIME, AND FOR PERIODS OF TIME WHETHER OR NOT FOR A TERM OR TERMS IN EXCESS OF THE ORIGINAL TERM OF THIS NOTE WITHOUT NOTICE OR CONSIDERATION TO, OR CONSENT FROM, ANY OF THEM.

Without being limited thereto or thereby, this Note is secured by that certain Deed of Trust, Security Agreement and Financing Statement of even date herewith to JAMES EBREY, Trustee, covering and describing Lot 3, Block A/6373, Hotel Development, City of Dallas, DALLAS County, Texas.

Maker and each other liable party acknowledges and agrees that Lender may, at anytime, and from time to time, without the consent of or notice to Maker or any other liable party assign, sell, transfer or grant participations in all or part of the obligations of Maker evidenced by this Note, together with any liens or collateral securing the payment of this Note. Lender may disseminate to any assignee, purchaser, transferee or participant or prospective assignee, purchaser, transferee or participant any information that Lender has pertaining to the loan evidenced by this Note, including without limitation, any information regarding Maker, any other liable party, or any property owned or held by Maker or other liable party or offered as security for or securing the loan evidenced by this Note. If Maker elects to assign, sell, transfer, or participate any Overline Portion, as hereafter defined, of the obligations evidenced by this Note and if either: (i) Lender is unable (having no obligation) to procure an assignee, purchaser, transferee or participant, upon terms and conditions that are acceptable to Lender in its sole, exclusive and absolute discretion, or (ii) an assignee, purchaser, transferee or participant fails or refuses to advance to Maker any Overline Portion through no fault of Lender, then Lender has no obligation and/or liability to Maker or any other liable party for failure to fund such Overline Portion, nor does Lender have any obligation to procure funds from other sources. In no event is Lender obligated to fund any amount under this Note that would cause Lender to be in violation of any state or federal law with respect to Maker or any other liable party or any of their related interests being liable to Lender in an amount in excess of that permitted by such applicable law, including applicable law on the amount that Lender may legally loan to one borrower and its related interests. "Overline Portion" means the amount of loan proceeds in excess of the amount that Lender is permitted by applicable law to loan to Maker and its related interests.

Whenever pursuant to this Note or any Loan Document Lender exercises any right given to it to approve or disapprove, or any arrangement or term is to be satisfactory to Lender, the decision of Lender to approve or disapprove or to decide whether arrangements or terms are satisfactory or not satisfactory shall be (except as is otherwise specifically and expressly provided herein to the contrary) in the sole and absolute discretion of Lender and shall be final and conclusive.

If any provision of this Note or the application thereof, to any person or circumstances shall, for any reason and to any extent, be invalid or unenforceable, then neither the remainder of this Note nor the application of such provision to other persons or circumstances nor the other instruments referred to herein shall be affected thereby, but rather shall be enforced to the greatest extent permitted by applicable law.

Neither this Note nor any of the Loan Documents may be changed, waived, supplemented, discharged or terminated orally or by any act or failure to act on the part of Maker or Lender, but only by an agreement in writing signed by the party against whom enforcement thereof is sought and then only to the extent expressly set forth in such writing. No person other than a duly authorized officer or agent of Lender shall be deemed an agent of Lender nor have any authority to waive, modify, supplement or terminate in any manner whatsoever any terms of this Note.

Neither this Note nor any Loan Document nor any uncertainty or ambiguity herein or therein shall be construed or resolved against Lender by virtue of the fact that such document has originated with Lender as drafter. Maker acknowledges that it has reviewed this Note and has had the opportunity to consult with counsel on same. This Note, therefore, shall be construed and interpreted according to the ordinary meanings of the words used so as to fairly accomplish the purposes and intentions of the parties hereto. Reference to days for performance shall mean calendar days unless business days are expressly indicated.

From time to time, at the request of Lender, Maker will: (i) promptly correct any defect, error or omission which may be discovered in the contents of this Note or in any Loan Document or in the execution or acknowledgment thereof; (ii) execute, acknowledge, deliver, record and/or file (or cause to be executed, acknowledged, delivered, recorded and/or filed), such further documents and instruments, including, without limitation, further deeds of trust, security agreements, financing statements, continuation statements, and assignment of rents, and perform such further acts and provide such further assurances as may be necessary, desirable, or proper, in Lender's opinion: (a) to carry out more effectively the purposes of this Note and the Loan Documents and the transactions contemplated hereunder and thereunder, (b) to confirm the rights created under this Note and the Loan Documents, (c) to protect and further the validity, priority and enforceability of this Note and the Loan Documents and the liens and security interests created thereby, and (d) to subject to the Loan Documents any property of Maker intended by the terms of any or one or more of the Loan Documents to be encumbered by the Loan Documents; and (iii) pay all costs in connection with any of the foregoing.

THIS NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS (WITHOUT REGARD TO CONFLICTS OF LAWS) AND THE APPLICABLE LAWS OF THE UNITED STATES OF AMERICA. Maker for itself and its successors and assigns hereby irrevocably: (i) submits to the non-exclusive jurisdiction of the state and federal courts in Texas; (ii) waives, to the fullest extent permitted by law, any objection which it may now or in the future have in the laying of venue of any litigation arising out of or in connection with this Note or any Loan Documents brought in the District Court of MONTGOMERY County, Texas or in the United States District Court for the Southern District of Texas, Houston division; (iii) waives any objection it may now or hereafter have as to the venue of any such action or proceeding brought in such court or that such court is an inconvenient forum; and (iv) agrees that any legal proceeding against any party to any of the Loan Documents arising out of or in connection with any of the Loan Documents may be brought in the foregoing courts. The scope of each of the foregoing waivers is intended to be all encompassing of any and all disputes that may be filed in any court and that relate this subject matter of this transaction, including, without limitation, contract claims, tort claims, breach of duty claims, and other common law and statutory claims. Maker acknowledges that these waivers are a material inducement to Lender's agreement to enter into the agreements and obligations evidenced by this Note and the Loan Documents, and that Lender has already relied on these waivers and will continue to rely on each of these waivers and related future dealings. These waivers are irrevocable, meaning that they may not be modified either orally or in writing, and these waivers apply to any future renewals, extensions, amendments, modifications, increases, or replacements in respect of any and all of the Note or the Loan Documents.

THIS NOTE AND THE LOAN DOCUMENTS CONSTITUTE THE FINAL, ENTIRE AGREEMENT AMONG THE PARTIES HERETO RELATING TO THE SUBJECT MATTER HEREOF AND THEREOF AND ALL PRIOR AGREEMENTS, WHETHER WRITTEN OR ORAL, RELATIVE HERETO AND THERETO WHICH ARE NOT CONTAINED HEREIN OR THEREIN ARE SUPERSEDED AND TERMINATED HEREBY AND THIS NOTE AND THE LOAN DOCUMENTS MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF THE PARTIES HERETO. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES HERETO.

Whenever necessary, as used in this Note, the singular number shall include the plural, the masculine shall include the feminine and the neuter, and the word “Maker” and “Lender” shall be deemed to include the maker and holder of this Note and their respective heirs, successors and assigns. It is expressly understood and agreed that Lender shall never be construed for any purposes as a partner, joint venturer, co-principal, or associate of Maker or any other person or party claiming by, through or under the Maker.

In Witness Whereof, Maker, intending to be legally bound hereby, has duly executed, and unconditionally delivered, this Note as of the date and year first above written,

RCI HOLDINGS, INC., a Texas Corporation

BY: /s/ Eric Scott Langan
NAME: ERIC SCOTT LANGAN
TITLE: PRESIDENT

AMENDMENT TO PURCHASE AGREEMENT

This Amendment to Purchase Agreement (the "Amendment") is made and entered into this 11th day of April, 2008, by and among Jerry Golding ("Golding"), Kenneth Meyer ("Meyer"), Charles McClure ("McClure"), Hotel Development-Texas, Ltd., a Texas limited partnership ("Hotel Development"), HD Texas Management, LLC, a Texas limited liability company ("HD"), DPC Holdings, LLC, a Texas limited liability company ("DPC"), Illusions-Dallas Private Club, Inc., a not-for-profit Texas corporation ("Illusions"), Rick's Cabaret International, Inc., a Texas corporation ("Rick's"), RCI Entertainment (Dallas), Inc., a Texas corporation ("Buyer") and RCI Holdings, Inc., a Texas corporation ("RCI"). Golding, Meyer and McClure are sometimes collectively referred to herein as the "Sellers."

WHEREAS, the parties entered into a Purchase Agreement dated March 4, 2008 pursuant to which Buyer would acquire 100% of the limited partnership interest of Hotel Development (the "Partnership Interest") and 100% of the membership interest in HD (the "Membership Interest") and pursuant to which RCI would acquire the Real Property (as hereinafter defined) (the "Purchase Agreement"); and

WHEREAS, Hotel Development owns an adult entertainment cabaret known as "The Executive Club" (the "Club"), located at 8550 North Stemmons Freeway, Dallas, Texas 75226 (the "Premises"); and

WHEREAS, the parties desire to amend the Purchase Agreement solely to set aside an aggregate of 10,500 of the Rick's LLC Shares to be held by Robert D. Axelrod, P.C. ("Escrow Agent") as security to offset future potential payments Buyer may be required to make for current pending liabilities of the Partnership, HD and/or the Club; and

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

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

**AGREEMENT FOR SET ASIDE OF
RICK'S LLC SHARES WITH ESCROW AGENT**

1. Each of Messrs. Golding, Meyer and McClure agree to deliver and place in escrow 3,500 shares of their respective Rick's LLC Shares (for an aggregate total of 10,500 shares) to be held by the Escrow Agent until the later of (a) two (2) years or (b) until all pending litigation and claims related to the business operations of the Partnership, HD, DPC, Illusions or the Club as of the Closing Date have been resolved. The Rick's LLC Shares shall be released from Escrow only in accordance with the terms and conditions of the Escrow Agreement. A copy of the Escrow Agreement is attached hereto as Exhibit "A".

2. This Amendment shall be of no force and effect until receipt and execution of this Amendment by Golding, Meyers, McClure, Hotel Development, HD, DPC, Illusions, Rick's, Buyer and RCI. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which shall be deemed one instrument, by facsimile signature of any of the parties, each of which shall be deemed an original for all purposes.

3. Except as expressly amended hereby, the Purchase Agreement remains in full force and effect. Any references to the Purchase Agreement shall refer to the Purchase Agreement as amended hereby.

SIGNATURES ON FOLLOWING PAGE

Purchase Agreement - Page 2

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

RCI ENTERTAINMENT (DALLAS), INC.

/s/ Eric Langan

By: Eric Langan, President

Date: April 11, 2008

RICK'S CABARET INTERNATIONAL, INC.

/s/ Eric Langan

By: Eric Langan, President

Date: April 11, 2008

RCI HOLDINGS, INC.

/s/ Eric Langan

By: Eric Langan, President

Date: April 11, 2008

THE SELLERS

/s/ Jerry Golding

Jerry W. Golding, Individually

Date: April 11, 2008

/s/ Kenneth L. Meyer

Kenneth L. Meyer, Individually

Date: April 11, 2008

/s/ Charles A. McClure

Charles A. McClure, Individually

Date: April 11, 2008

HOTEL DEVELOPMENT – TEXAS, LTD

By: HD Texas Management, LLC
Its: General Partner

/s/ Charles A. McClure

By: Charles A. McClure
Its: Co-CEO
Date: April 11, 2008

HD TEXAS MANAGEMENT, LLC

/s/ Charles A. McClure

By: Charles A. McClure
Its: Co-CEO
Date: April 11, 2008

ILLUSIONS-DALLAS PRIVATE CLUB, INC.

/s/ Charles A. McClure

By: Charles A. McClure
Its: President
Date: April 11, 2008

DPC HOLDINGS, LLC

/s/ Charles A. McClure

By: Charles A. McClure
Its: Managing Member
Date: April 11, 2008

ESCROW AGREEMENT

THIS ESCROW AGREEMENT made as of this 11th day of April, 2008, by and among **Rick's Cabaret International, Inc.**, a Texas corporation ("Rick's"), **Jerry Golding** ("Golding"), **Kenneth Meyer** ("Meyer"), **Charles McClure** ("McClure") (individually a "Seller" and collectively the "Sellers"), Rick's and Sellers 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"), having an address at 5300 Memorial Drive, Suite 700, Houston, Texas 77007.

WITNESSETH

WHEREAS, the Sellers, Hotel Development – Texas, Ltd., a Texas limited partnership ("Hotel Development"), HD Texas Management, LLC, a Texas limited liability company ("HD"), DPC Holdings, LLC, a Texas limited liability company ("DPC"), Illusions-Dallas Private Club, Inc., a not-for-profit Texas corporation ("Illusions"), RCI Entertainment (Dallas), Inc., a Texas corporation ("Buyer") and RCI Holdings, Inc., a Texas corporation ("RCI") entered into a Purchase Agreement dated March 4, 2008 (the "Purchase Agreement") pursuant to which Buyer would acquire 100% of the limited partnership interest in Hotel Development and 100% of the membership interest in HD and pursuant to which RCI would acquire the Real Property (as hereinafter defined); and

WHEREAS Hotel Development owns an adult entertainment cabaret known as "The Executive Club" (the "Club") located at 8550 North Stemmons Freeway, Dallas, Texas 75226 (the "Real Property"); and

WHEREAS, the Parties entered into an Amendment to Purchase Agreement dated April 11, 2008, (the "Amendment") pursuant to which Messrs. Golding, Meyer and McClure have each agreed to deposit in escrow 3,500 shares of common stock of Rick's, \$0.01 par value, issued by Rick's to each of the Sellers pursuant to the Purchase Agreement, for an aggregate of 10,500 shares (collectively the 10,500 shares of Rick's common stock are hereinafter referred to as the "Escrow Shares" or "Escrow Stock"); and

WHEREAS, in connection with the execution of the Amendment, 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.

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 Shares. At the time of executing this Escrow Agreement, the Escrow Agent shall have been delivered the following:
 - (a) Certificates representing the Escrow Shares, consisting of three (3) separate stock certificates, each representing 3,500 shares of common stock of Rick's issued to each of Messrs. Golding, Meyer and McClure, respectively, or letters of instruction to the transfer agent to forward the Escrow Shares directly to the Escrow Agent;
 - (b) Stock powers for the Escrow Shares, fully executed by each Seller covering the certificates delivered in escrow. The stock powers, along with the Escrow Shares, shall hereinafter be collectively referred to as the "Escrowed Documents."
 - (c) Each Seller, by the delivery of the Escrow Shares to the Escrow Agent, does hereby acknowledge and represent that the Escrow Shares are owned, beneficially and of record, by such Seller, free and clear of any liens, claims, equities, charges, options, rights of first refusal or encumbrances and, further, acknowledges and represents that he has the unrestricted right and power to transfer, convey and deliver full ownership of his portion of the Escrow Shares (3,500 shares for each Seller) 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 each Seller. Absent contrary written instructions, the Escrow Agent shall deliver the Escrow Documents to the Sellers or Rick's, as the case may be, as follows:
 - (a) In the event Rick's is entitled to indemnification in accordance with Paragraph 8.1 of the Purchase Agreement, or in the event that Rick's or Buyer becomes obligated to make payments under any pending litigation against either the Sellers, Hotel Development, HD, DPC or Illusions or makes any payment for existing claims related to the business operation of Hotel Development, HD, DPC, Illusions or the Club, which claims occurred prior to the Closing Date, then the Escrow Shares shall be offset by Rick's on the basis of \$25.00 per share. A determination will be made as to the amount owed pursuant to this Paragraph 2(a), and the number of shares of Rick's common stock to be forfeited, returned to and cancelled by Rick's in satisfaction of the indemnification or claim shall be calculated on a basis of \$25.00 per share and shall be forfeited, returned to and cancelled by Rick's on an equal pro rata basis among all of the Sellers.
 - (b) The Escrow Agent shall release at the end of the Escrow Period (as defined herein) the Escrow Documents remaining in escrow which are in the name of each respective Seller upon receipt by the Escrow Agent of a written statement from Rick's that no liabilities arose during the Escrow Period for which Rick's was responsible for as provided in Paragraph 2(a) above, and that no claims or disputes arose and no settlement funds or expenses were expended by Rick's during the Escrow Period as provided for in Paragraph 2(a) above, provided that the Escrow Agent may retain the Escrow Shares for a period of up to thirty (30) days after the end of the Escrow Period if Rick's is in the process of determining if any claims or dispute arose pursuant to Paragraph 2(a) above which remains unresolved.

- (c) Upon receipt by the Escrow Agent of any written statement from Rick's that a claim has been asserted pursuant to Paragraph 2(a) above, then the Escrow Agent shall give written notice of such fact, together with a copy of the written statement, to each of the Sellers within three (3) business days. If no objection is received by the Escrow Agent from any of the Sellers within five (5) business days following such notification, the Escrow Agent shall release the Escrow Documents in accordance with Paragraph 2(a). 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 submit the dispute to Arbitration as provided for in Paragraph 12(a) hereof. Attorney's fees and costs of court shall be borne by the party losing any action brought to recover the Escrowed Documents.
- (d) In the event that the shareholders of Rick's are requested to vote on any matter while any Escrow Shares are held in Escrow, the Escrow Shares shall be voted by the respective Seller in whose name the Escrow Shares are owned.

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 for a period of two (2) years or until the final disposition of the Escrowed Documents (the "Escrow Period") 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. Each Seller hereby agrees that so long as the Escrow Stock is held in escrow pursuant to this Escrow Agreement, he 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 each Seller 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 Sellers 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 or 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 Sellers 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 Sellers shall have been settled finally, completely and conclusively by arbitration in Texas in accordance with the Commercial Arbitration Rules of the American Arbitration Association (the "Rules"). The governing law of this Agreement shall be the substantive law of the State of Texas, without giving effect to conflict of laws. A decision of the arbitrator shall be final, conclusive and binding on Rick's and the Sellers. Any arbitration held in accordance with this paragraph shall be private and confidential and no person shall be entitled to attend the hearings except the arbitrator, the Sellers, the Sellers' attorneys, representatives of Rick's, Rick's attorneys, the Escrow Agent and its attorneys and advisors to or witnesses for any party. The matters submitted to arbitration, the hearings and proceedings and the arbitration award shall be kept and maintained in the strictest confidence by the parties hereto and shall not be discussed, disclosed or communicated to any persons except as may be required for the preparation of expert testimony. The prevailing party shall be entitled to recover reasonable and necessary attorneys' fees and costs from the non-prevailing party and the determination of such fees and costs and the award thereof shall be included in the claims to be resolved by the arbitrator hereunder; or
- (b) all differences shall have been adjusted and all doubt resolved by agreement between Rick's and the Sellers, 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 Documents, 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 Sellers.

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

16. The Escrow Agent may resign as escrow agent in respect of the Escrow Stock by giving written notice to Rick's and the Sellers. 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 Sellers 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 Sellers 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.
10959 Cutten Road
Houston, Texas 77066
Fax: (281) 397-6765

(b) If to Sellers:

Jerry W. Golding

Fax: _____

Kenneth L. Meyer

Fax: _____

Charles A. McClure

Fax: _____

With a copy to:

Karen S. Hockstad
Hockstad Law Office, Ltd.
5003 Horizons Drive, Suite 200
Columbus, Ohio 43220
Fax: (614) 451-3156

(d) If to Escrow Agent to:

Robert D. Axelrod, P.C.
c/o 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.

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, other than as provided in Paragraph 12.

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

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 Sellers expressly agree 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]

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

SELLERS:

By: /s/ Jerry W. Golding
Jerry W. Golding, Individually

By: /s/ Kenneth L. Meyer
Kenneth L. Meyer, Individually

By: /s/ Charles McClure
Charles A. McClure, Individually

ROBERT D. AXELROD, P.C., as the Escrow Agent

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

EXECUTION VERSION

[FORM OF]

LOCK-UP/LEAK-OUT AGREEMENT

THIS LOCK-UP/LEAK-OUT AGREEMENT (the "Agreement") is made and entered into as of the ____ day of _____, 2008, between **RICK'S CABARET INTERNATIONAL, INC.**, a Texas corporation ("Rick's"), and [NAME] ("Holder" or "[Name]").

WHEREAS, the parties entered into a Purchase Agreement dated March 4, 2008 (the "Purchase Agreement"), between Jerry Golding ("Golding"), Kenneth Meyer ("Meyer"), Charles McClure ("McClure"), Hotel Development-Texas, Ltd., a Texas limited partnership ("Hotel Development"), HD Texas Management, LLC, a Texas limited liability company ("HD"), DPC Holdings, LLC, a Texas limited liability company ("DPC"), Illusions-Dallas Private Club, Inc., a not-for-profit Texas corporation ("Illusions"), Rick's, RCI Entertainment (Dallas), Inc., a Texas corporation ("Buyer") and RCI Holdings, Inc., a Texas corporation ("RCI") pursuant to which Buyer would acquire 100% of the limited partnership interest of Hotel Development (the "Partnership Interest") and 100% of the membership interest in HD (the "Membership Interest") and pursuant to which RCI would acquire the Real Property (the "Transaction"), as amended; and

WHEREAS, pursuant to the terms and condition of the Purchase Agreement, as amended, Golding has agreed to sell to Buyer his ownership interest in Hotel Development and HD (the "Acquisition"); and

WHEREAS, under the terms of the Purchase Agreement, as amended, [Name] shall be entitled to receive 50,694 shares of common stock of Rick's ("Rick's Common Stock") upon the Closing of the Purchase Agreement ("Closing Date"), which is conditioned upon, among other things, the execution and delivery of this Agreement; and

WHEREAS, the parties entered into an Amendment to Purchase Agreement dated April __, 2008 (the "Amendment"), to set aside 3,500 of [Name]'s shares of Rick's Common Stock (the "Escrow Shares") to be held by Robert D. Axelrod, P.C. pursuant to an Escrow Agreement (the "Escrow Agreement"); and

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

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

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

1. The Holder agrees he may not sell, pledge, hypothecate, transfer, assign or in any other manner dispose of the Rick's Common Stock for one year from the date hereof.
2. (a) Thereafter, on or after one (1) year from the date hereof, the Holder shall have the right, but not the obligation, to have Rick's purchase from the Holder 1,207 of the Rick's Common Stock per month (the "Monthly Shares") calculated at a price per share equal to \$25.00 per share ("Value of the Rick's Common Stock") until the Holder has received an aggregate of \$1,267,350 from (i) the sale of the Rick's Common Stock, regardless of whether sold to Rick's, sold in the open market or in a private transaction or otherwise and (ii) the payment of any Deficiency (as hereinafter defined) by Rick's. Holder shall notify Rick's during any given month of its election to "Put" the Monthly Shares to Rick's during that particular month and Rick's shall have three (3) business days to elect to buy the Monthly Shares or instruct the Holder to sell the Monthly Shares in the open market. At Rick's election, during any given month, it may either buy the Monthly Shares or, if Rick's elects not to buy the Monthly Shares from Holder, then Holder shall sell the Monthly Shares in the open market and any deficiency between the amount which Holder receives from the sale of the Monthly Shares and the Value of the Rick's Common Stock (the "Deficiency") shall be paid by Rick's within three (3) business days after receipt of written notice from the Holder of the sale of the Monthly Shares which shall provide the written sales confirmation and the amount of the Deficiency. Rick's obligation under this Section 2(a) to purchase the Monthly Shares from Holder shall terminate and cease at such time as Holder has received an aggregate amount of \$1,267,350 from (i) the sale of the Rick's Common Stock, regardless of whether sold to Rick's, sold in the open market or in a private transaction or otherwise, and (ii) the payments to Holder of any Deficiency by Rick's. For purposes of determining Rick's obligation under this Section 2(a) to purchase the Monthly Shares, the Escrow Shares shall be deemed valued at \$87,500. Holder agrees to provide monthly statements to Rick's as to the total number of Rick's Common Stock which Holder sold and the amount of proceeds derived therefrom. Except as set forth below in Section 2(b), nothing contained in this Section 2(a) shall limit or preclude Holder from selling the Rick's Common Stock in the open market or require Holder to "Put" the Rick's Common Stock to Rick's during any given month.
- (b) In the event the Holder elects not to "Put" the Rick's Common Stock to Rick's, the Holder shall sell (i) not more than 2,414 shares of Rick's Common Stock per 7-day period, (ii) not more than 6,035 shares of Rick's Common Stock per 30-day period, and (iii) not more than 16,898 shares of Rick's Common Stock per 90-day period regardless of whether the Holder "Puts" the Rick's Common Stock to Rick's or sells them in the open market, in a private transaction or otherwise. In the event that the Holder elects to sell the Rick's Common Stock pursuant to this Section 2(b), then any amount sold at prices less than the Value of the Rick's Common Stock shall be deemed to be sold at \$25.00 for purposes of this Section 2(b).

3. The Holder acknowledges and agrees that Rick's may advise its Transfer Agent of this Agreement and issue a stop transfer order to the Transfer Agent to ensure that any sale of the Rick's Common Stock by the Holder is in accordance with the terms and conditions hereof.
4. The Holder agrees that it will not engage in any short selling of the Rick's Common Stock during the term of this Agreement.
5. Except as otherwise provided in this Agreement or any other agreements between the parties, the Holder shall be entitled to their respective beneficial rights of ownership of the Rick's Common Stock, including the right to vote the Rick's Common Stock for any and all purposes.
6. The resale restrictions on the Rick's Common Stock set forth in this Agreement shall be in addition to all other restrictions on transfer imposed by applicable United States and state securities laws, rules and regulations.
7. If either Rick's or the Holder fails to fully adhere to the terms and conditions of this Agreement, it shall be liable to the other party for any damages suffered by the other party by reason of any such breach of the terms and conditions hereof. Rick's and the Holder agree that in the event of a breach of any of the terms and conditions of this Agreement by Rick's or the Holder, that in addition to all other remedies that may be available in law or in equity to Rick's or the Holder, as the case may be, a preliminary and permanent injunction and an order of a court requiring Rick's or the Holder to cease and desist from violating the terms and conditions of this Agreement and specifically requiring Rick's or the Holder to perform their obligations hereunder is fair and reasonable by reason of the inability of the parties to this Agreement to presently determine the type, extent or amount of damages that Rick's or the Holder may suffer as a result of any breach or continuation thereof. In the event of default hereunder, the non-defaulting party shall be entitled to recover reasonable attorney's fees incurred in the enforcement of this Agreement.
8. This Agreement sets forth the entire understanding of the parties hereto with respect to the subject matter hereof, and may not be amended except by a written instrument executed by the parties hereto.
9. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Texas, without regard to principles of conflict of laws.
10. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.

IN WITNESS WHEREOF , the undersigned have duly executed and delivered this Lock-Up/Leak-Out Agreement as of the day and year first above written.

Date: April ____ , 2008

RICK’S CABARET INTERNATIONAL, INC.

By: _____
Eric Langan, President

HOLDER

[NAME]

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

50,694 shares of Rick’s Common Stock

EXECUTION VERSION

LOCK-UP/LEAK-OUT AGREEMENT

THIS **LOCK-UP/LEAK-OUT AGREEMENT** (the "Agreement") is made and entered into as of the 11th day of April, 2008, between **RICK'S CABARET INTERNATIONAL, INC.**, a Texas corporation ("Rick's"), and **DPC HOLDINGS, LLC** ("Holder").

WHEREAS, the parties entered into a Purchase Agreement dated March 4, 2008 (the "Purchase Agreement"), between Jerry Golding, Kenneth Meyer, Charles McClure, Hotel Development-Texas, Ltd., a Texas limited partnership ("Hotel Development"), HD Texas Management, LLC, a Texas limited liability company ("HD"), Holder, Illusions-Dallas Private Club, Inc., a not-for-profit Texas corporation ("Illusions"), Rick's, RCI Entertainment (Dallas), Inc., a Texas corporation ("Buyer") and RCI Holdings, Inc., a Texas corporation ("RCI") pursuant to which Buyer would acquire 100% of the limited partnership interest of Hotel Development (the "Partnership Interest") and 100% of the membership interest in HD (the "Membership Interest") and pursuant to which RCI would acquire the Real Property (the "Transaction"), as amended; and

WHEREAS, pursuant to the terms and condition of the Purchase Agreement, as amended, Holder has agreed to sell to RCI the real property located at 8550 North Stemmons Freeway, Dallas, Texas 75247 (the "Real Property"); and

WHEREAS, under the terms of the Purchase Agreement, as amended, Holder shall be entitled to receive 57,918 shares of common stock of Rick's ("Rick's Common Stock") upon the Closing of the Purchase Agreement ("Closing Date"), which is conditioned upon, among other things, the execution and delivery of this Agreement; and

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

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

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

1. The Holder agrees he may not sell, pledge, hypothecate, transfer, assign or in any other manner dispose of the Rick's Common Stock for one year from the date hereof.
2. (a) Thereafter, on or after one (1) year from the date hereof, the Holder shall have the right, but not the obligation, to have Rick's purchase from the Holder 1,379 of the Rick's Common Stock per month (the "Monthly Shares") calculated at a price per share equal to \$25.00 per share ("Value of the Rick's Common Stock") until the Holder has received an aggregate of \$1,447,950 from (i) the sale of the Rick's Common Stock, regardless of whether sold to Rick's, sold in the open market or in a private transaction or otherwise and (ii) the payment of any Deficiency (as hereinafter defined) by Rick's. Holder shall notify Rick's during any given month of its election to "Put" the Monthly Shares to Rick's during that particular month and Rick's shall have three (3) business days to elect to buy the Monthly Shares or instruct the Holder to sell the Monthly Shares in the open market. At Rick's election, during any given month, it may either buy the Monthly Shares or, if Rick's elects not to buy the Monthly Shares from Holder, then Holder shall sell the Monthly Shares in the open market and any deficiency between the amount which Holder receives from the sale of the Monthly Shares and the Value of the Rick's Common Stock (the "Deficiency") shall be paid by Rick's within three (3) business days after receipt of written notice from the Holder of the sale of the Monthly Shares which shall provide the written sales confirmation and the amount of the Deficiency. Rick's obligation under this Section 2(a) to purchase the Monthly Shares from Holder shall terminate and cease at such time as Holder has received an aggregate amount of \$1,447,950 from (i) the sale of the Rick's Common Stock, regardless of whether sold to Rick's, sold in the open market or in a private transaction or otherwise, and (ii) the payments to Holder of any Deficiency by Rick's. Holder agrees to provide monthly statements to Rick's as to the total number of Rick's Common Stock which Holder sold and the amount of proceeds derived therefrom. Except as set forth below in Section 2(b), nothing contained in this Section 2(a) shall limit or preclude Holder from selling the Rick's Common Stock in the open market or require Holder to "Put" the Rick's Common Stock to Rick's during any given month.

- (b) In the event the Holder elects not to "Put" the Rick's Common Stock to Rick's, the Holder shall sell (i) not more than 2,758 shares of Rick's Common Stock per 7-day period, (ii) not more than 6,895 shares of Rick's Common Stock per 30-day period, and (iii) not more than 19,306 shares of Rick's Common Stock per 90-day period regardless of whether the Holder "Puts" the Rick's Common Stock to Rick's or sells them in the open market, in a private transaction or otherwise. In the event that the Holder elects to sell the Rick's Common Stock pursuant to this Section 2(b), then any amount sold at prices less than the Value of the Rick's Common Stock shall be deemed to be sold at \$25.00 for purposes of this Section 2(b).
3. The Holder acknowledges and agrees that Rick's may advise its Transfer Agent of this Agreement and issue a stop transfer order to the Transfer Agent to ensure that any sale of the Rick's Common Stock by the Holder is in accordance with the terms and conditions hereof.
4. The Holder agrees that it will not engage in any short selling of the Rick's Common Stock during the term of this Agreement.
5. Except as otherwise provided in this Agreement or any other agreements between the parties, the Holder shall be entitled to their respective beneficial rights of ownership of the Rick's Common Stock, including the right to vote the Rick's Common Stock for any and all purposes.

6. The resale restrictions on the Rick's Common Stock set forth in this Agreement shall be in addition to all other restrictions on transfer imposed by applicable United States and state securities laws, rules and regulations.
7. If either Rick's or the Holder fails to fully adhere to the terms and conditions of this Agreement, it shall be liable to the other party for any damages suffered by the other party by reason of any such breach of the terms and conditions hereof. Rick's and the Holder agree that in the event of a breach of any of the terms and conditions of this Agreement by Rick's or the Holder, that in addition to all other remedies that may be available in law or in equity to Rick's or the Holder, as the case may be, a preliminary and permanent injunction and an order of a court requiring Rick's or the Holder to cease and desist from violating the terms and conditions of this Agreement and specifically requiring Rick's or the Holder to perform their obligations hereunder is fair and reasonable by reason of the inability of the parties to this Agreement to presently determine the type, extent or amount of damages that Rick's or the Holder may suffer as a result of any breach or continuation thereof. In the event of default hereunder, the non-defaulting party shall be entitled to recover reasonable attorney's fees incurred in the enforcement of this Agreement.
8. This Agreement sets forth the entire understanding of the parties hereto with respect to the subject matter hereof, and may not be amended except by a written instrument executed by the parties hereto.
9. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Texas, without regard to principles of conflict of laws.
10. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

IN WITNESS WHEREOF , the undersigned have duly executed and delivered this Lock-Up/Leak-Out Agreement as of the day and year first above written.

Date: April 11, 2008

RICK'S CABARET INTERNATIONAL, INC.

By: /s/ Eric Langan
Eric Langan, President

HOLDER

/s/ Charles A. McClure
DPC HOLDINGS, LLC
By: Charles A. McClure
Its: Managing Member

Number of Rick's Common Stock Subject to this Agreement:

57,918 shares of Rick's Common Stock

EXECUTION VERSION

[FORM OF]

NON-COMPETITION AGREEMENT

This Non-Competition Agreement dated April ____, 2008 (the "Non-Competition Agreement"), is by and among Rick's Cabaret International, Inc., Texas corporation, ("Rick's") and [Name] ("[Name]").

WITNESSETH:

WHEREAS, the parties entered into a Purchase Agreement dated March 4, 2008 (the "Purchase Agreement"), between Jerry [Name] ("[Name]"), Kenneth Meyer ("Meyer"), Charles McClure ("McClure"), Hotel Development-Texas, Ltd., a Texas limited partnership ("Hotel Development"), HD Texas Management, LLC, a Texas limited liability company ("HD"), DPC Holdings, LLC, a Texas limited liability company ("DPC"), Illusions-Dallas Private Club, Inc., a not-for-profit Texas corporation ("Illusions"), Rick's Cabaret International, Inc., a Texas corporation ("Rick's"), RCI Entertainment (Dallas), Inc., a Texas corporation ("Buyer") and RCI Holdings, Inc., a Texas corporation ("RCI") pursuant to which Buyer would acquire 100% of the limited partnership interest of Hotel Development (the "Partnership Interest") and 100% of the membership interest in HD (the "Membership Interest") and pursuant to which RCI would acquire the Real Property (the "Transaction"); and

WHEREAS, Hotel Development owns an adult entertainment cabaret known as "The Executive Club" (the "Club"), located at 8550 North Stemmons Freeway, Dallas, Texas 75226 (the "Premises"); and

WHEREAS, the parties entered into an Amendment to Purchase Agreement dated April __, 2008, to set aside an aggregate of 10,500 of the Rick's LLC Shares to be held by Robert D. Axelrod, P.C. pursuant to an Escrow Agreement (the "Escrow Agreement") ; and

WHEREAS, pursuant to the terms and condition of the Purchase Agreement, [Name] has agreed to sell to Buyer his ownership interest in Hotel Development and HD and has agreed to sell to RCI his ownership interest in DPC (the "Acquisition"); and

WHEREAS, [Name] will benefit from the Transaction; and

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

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

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

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

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

1. **Covenants.** From and after the date of this Non-Competition Agreement through and including the five (5) year period immediately following the date of this Non-Competition Agreement (such five (5) year period, the “Restricted Period”), [Name] shall not compete with Rick’s or any of Rick’s subsidiaries or affiliates, Hotel Development or the Club, and shall not either individually or jointly, directly or indirectly, whether for compensation or not, alone or in association with any other person or entity, without the express written consent of Rick’s:

- (a) Own or share in the earnings of, carry on, manage, operate, control, be engaged in, render services to, solicit customers for, participate in or otherwise be connected with, any business engaged in the operation of an establishment featuring live female nude or semi-nude entertainment in Dallas County, Tarrant County or any of the adjacent counties thereto; or
- (b) Solicit or induce, or attempt to solicit or induce, any employee, independent contractor, or agent or consultant of Rick’s or the Club to leave his or her employment or terminate his or her agreement or relationship with Rick’s or the Club.

2. **Acknowledgments and Agreements of [Name]**. [Name] acknowledges and agrees that:

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

- (g) The signing of this Non-Competition Agreement is necessary as part of the consummation of the Transaction previously discussed; and
- (h) [Name] has carefully read and considered all provisions of this Non-Competition Agreement and agrees that all of the restrictions set forth are fair and reasonable and are reasonably required for the protection of the interests of Rick's.

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

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

5. **General Provisions .**

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

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

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

If to [Name]: [Name]

With a copy to: _____

- (b) *Law Governing Non-Competition Agreement and Venue.* This Non-Competition Agreement shall be governed by, and construed in accordance with, the laws of the State of Texas, without regard to principles of conflict of laws.
- (c) *Execution .* This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “.pdf” signature page were an original thereof.
- (d) *Contract Terms to be Exclusive.* This Non-Competition Agreement contains the sole and entire agreement between the parties and shall supersede any and all other agreements between the parties with respect to the agreement of [Name] not to compete with Rick’s.
- (e) *Waiver or Modification Ineffective Unless in Writing.* It is further agreed that no waiver or modification of this Non-Competition Agreement or of any covenant, condition, or limitation herein contained shall be valid unless in writing and duly executed by the party to be charged therewith and that no evidence of any waiver or modification shall be offered or received in evidence in any proceeding or litigation between the parties hereto arising out of or affecting this Non-Competition Agreement, or the rights or obligations of any party hereunder, unless such waiver or modification is in writing, duly executed as aforesaid.
- (f) *Assignment.* The rights and benefits of Rick’s under this Non-Competition Agreement shall inure to the benefit of and be binding upon the successors and assigns of Rick’s. The rights of [Name] hereunder are personal and nontransferable except that the rights and benefits hereof shall inure to the benefit of the heirs, executors and legal representatives of [Name].

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

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

RICK'S CABARET INTERNATIONAL, INC.

By: _____

Eric Langan, President

[Name], Individually



FOR IMMEDIATE RELEASE

RICK'S CABARET INTERNATIONAL, INC. COMPLETES PURCHASE OF THE EXECUTIVE CLUB IN DALLAS

HOUSTON - (April 14, 2008) - **Rick's Cabaret International, Inc.** (NASDAQ/GM:RICK), the premier publicly traded operator of gentlemen's clubs, said today it has completed the purchase of **The Executive Club**, a luxurious 18,000-square foot adult nightclub in Dallas. The company also purchased the real estate on which the club is located at 8550 North Stemmons Freeway.

The total price for the club and real estate was \$9.5 million. Rick's Cabaret issued 152,082 shares of restricted common stock valued at \$25 per share, for the club itself. Separately it paid \$5.7 million to buy the real estate on which the club is located, through the issuance of 57,918 shares of restricted common stock and \$4.25 million in cash, of which \$3.64 million was loaned by a Texas bank against the acquired property, bearing interest of prime plus two percent. The stock is subject to a "lock up/leak out" provision governing the number of shares that can be sold in given periods.

"This club is one of the finest physical plants I have seen in the country," said **Eric Langan**, President and CEO of Rick's Cabaret. "It is in an absolutely ideal location on the heavily traveled I-35 Stemmons Freeway near the **American Airlines Arena** and the **Uptown** retail and recreation center.

The Executive Club includes a first-class restaurant, an executive level with VIP lounges and sky boxes, and multiple plasma television screens for viewing major sports events. The location operated as a **Penthouse Club** in 2006 and had over \$7 million in annual revenues. The club was closed for most of 2007 pending a legal settlement with the city. Rick's Cabaret has received a new Sexually Oriented Business permit to operate the club and is fully compliant with the current city ordinance.

The purchase brings to 17 the number of clubs owned and operated by Rick's Cabaret.

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

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

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