

RICKS CABARET INTERNATIONAL INC

FORM 8-K

(Unscheduled Material Events)

Filed 7/13/2006 For Period Ending 7/10/2006

Address	10959 CUTTEN ROAD HOUSTON, Texas 77066
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CIK	0000935419
Industry	Restaurants
Sector	Services
Fiscal Year	09/30

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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 10, 2006

RICK'S CABARET INTERNATIONAL, INC.

(Exact Name of Registrant As Specified in Its Charter)

Texas
(State Or Other Jurisdiction
of Incorporation)

0-26958
(Commission File Number)

76-0037324
(IRS Employer
Identification No.)

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

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

ITEM 8.01 OTHER EVENTS.

On July 10, 2006, we entered a Letter of Intent under which we will acquire 99% of the ownership interest in an adult entertainment cabaret known as "Centerfolds" located at 5418 Brewster Street, San Antonio, Texas. Under the proposed terms of the transaction, our subsidiary, RCI Holdings, Inc. ("RCI") will also acquire 100% of the interest in the real property upon which Centerfolds is located. The total purchase price for the business and real property will be \$2,900,000. Under terms of the agreement, we will pay the owners of the club and property \$600,000 in cash at the time of purchase and will sign promissory notes for the remaining balance. A definitive agreement is expected to be signed by July 31st, with closing to occur shortly thereafter, contingent upon normal due diligence and closing activities including obtaining the transfer of all existing licenses and permits to us, and other conditions consistent with transactions of this type.

Upon closing of the transaction, certain members of the current ownership structure will enter a five-year covenant not to compete with us. A copy of the press release related to this transaction is attached hereto as Exhibit 99.1.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits

Exhibit Number	Description
99.1	Press release dated July 13, 2006

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 13, 2006

By: /s/ Eric Langan

 Eric Langan
 Chairman, President,
 Chief Executive Officer and
 Principal Accounting Officer

FOR IMMEDIATE RELEASE

RICK'S CABARET TO ACQUIRE CENTERFOLDS GENTLEMAN'S CLUB IN SAN ANTONIO; WILL BE SECOND RECENT ACQUISITION IN GROWING MARKET

HOUSTON - (July 13, 2006) - RICK'S CABARET INTERNATIONAL, INC. (NASDAQ: RICK) said today it has signed a letter of intent to purchase CENTERFOLDS GENTLEMAN'S CLUB in San Antonio (5418 Brewster St.)

Rick's Cabaret will pay \$2.9 million for Centerfolds Gentleman's Club plus its 18,000 square foot building and accompanying real estate. Under terms of the agreement Rick's Cabaret will pay the owners of the club and property \$600,000 in cash at the time of purchase and will sign promissory notes for the remaining amount. The notes are not convertible into Rick's stock. A definitive agreement is expected to be signed by July 31st, with closing to occur shortly thereafter, contingent upon normal due diligence and closing activities associated with purchases of this type.

Upon completion of the transaction, the club will be reopened immediately as an upscale Rick's Cabaret, with a full steakhouse restaurant and other amenities associated with Rick's Cabaret establishments in New York City, Houston, Charlotte and Minneapolis.

When completed, the acquisition will be the second recent purchase by Rick's Cabaret in the San Antonio market. On July 11th the company announced the acquisition of the former CLUB EXOTICA (4102 Naco Perrin Street), which will reopen in August as an upscale CLUB ONYX, catering to African-American gentlemen. The company already operates an XTC CABARET in San Antonio (at 2023 Sable Lane).

"San Antonio is a fast-growing market and we are delighted to be extending our presence in that city even further," said ERIC LANGAN, CEO of Rick's Cabaret. "The new club should be immediately accretive to earnings and we believe that based on past history it has the potential to generate about \$2 million in annual revenue." He noted that the company does not anticipate any remodeling costs associated with the new acquisition.

The new club is conveniently located in North San Antonio directly off the busy I-35 artery. San Antonio is one of the fastest growing cities in the United States. The U.S. Census Bureau announced last month that among the 10 largest cities San Antonio has replaced San Diego as the nation's seventh most populous city. Along with population growth, San Antonio has also witnessed strong economic and employment growth primarily attributed to its stable economic sectors.

ABOUT RICK'S CABARET

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

FORWARD-LOOKING STATEMENTS:

This press release may contain 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 go to www.ricks.com.

CONTACT FOR FURTHER INFORMATION: ALLAN PRIAULX, 212-338-0050, IR@RICKS.COM