
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: November 30, 2007

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
(Registrant's Telephone Number, Including Area Code)

ITEM 2.01 COMPLETION OF ACQUISITION OF ASSETS.

On November 30, 2007, we entered into a Stock Purchase Agreement for the acquisition of 100% of the issued and outstanding common stock of Stellar Management Corporation, a Florida corporation (the “Stellar Stock”) and 100% of the issued and outstanding common stock of Miami Square Garden One, Inc., a Florida corporation (the “MGSO Stock”) which owns and operates an adult entertainment cabaret known as “Tootsies Cabaret” (“Tootsies”) located at 150 NW 183rd Street, Miami Gardens, Florida 33169 (the “Transaction”). Pursuant to the Stock Purchase Agreement, we acquired the Stellar Stock and the MGSO Stock from Norman Hickmore (“Hickmore”) and Richard Stanton (“Stanton”) for a total purchase price of \$25,000,000 payable \$15,000,000 in cash and payable \$10,000,000 pursuant to two Secured Promissory Notes in the amount of \$5,000,000 each to Stanton and Hickmore (the “Notes”). As part of the Transaction, Hickmore and Stanton entered into five-year covenants not to compete with us. Additionally, as part of the Transaction, we entered into Assignment to Lease Agreements with the landlord for the property where Tootsies is located. The underlying Lease Agreements for the property provide for an original lease term through June 30, 2014, with two option periods which give us the right to lease the property through June 30, 2034.

The terms and conditions of the transaction were the result of extensive arm’s length negotiations between the parties. A copy of the press release related to this transaction is attached hereto as Exhibit 99.1.

ITEM 2.03 CREATION OF A DIRECT FINANCIAL OBLIGATION.

We paid a total purchase price of \$25,000,000 for the Stellar Stock and MGSO Stock, payable \$15,000,000 in cash at closing and \$10,000,000 payable in a series of three year Secured Promissory Notes, \$5,000,000 each, to Stanton and Hickmore. The Notes will bear interest at the rate of 14% per annum with the principal payable in one lump sum payment on November 30, 2010. Interest on the Notes will be payable monthly, in arrears, with the first payment being due thirty (30) days after the closing of the Transaction. We cannot pre-pay the Notes during the first twelve (12) months; thereafter, we may prepay the Notes, in whole or in part, provided that (i) any prepayment by us from December 1, 2008 through November 30, 2009, shall be paid at a rate of 110% of the original principal amount and (ii) any prepayment by us after November 30, 2009, may be prepaid without penalty at a rate of 100% of the original principal amount. The Notes are secured by the Stellar Stock and MGSO Stock under a Pledge and Security Agreement.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

The financial statements and pro forma financial information required by Items 9.01(a) and 9.01(b) are not available. Such financial statements will be filed no later than February 13, 2008.

(c) Exhibits

<u>Exhibit</u>	<u>Description</u>
10.1	Stock Purchase Agreement dated November 30, 2007
10.2	Secured Promissory Note (Form of) dated November 30, 2007
10.3	Pledge and Security Agreement dated November 30, 2007
10.4	Non-Compete Agreement (Form of) dated November 30, 2007
99.1	Press release dated December 3, 2007

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: December 3, 2007

/s/ Eric Langan

By: Eric Langan

President/Chief Executive Officer

STOCK PURCHASE AGREEMENT

This Stock Purchase Agreement (the “Agreement”) is made and entered into this 30th day of November, 2007, by and among Miami Gardens Square One, Inc., a Florida corporation (the “Company”), Stellar Management Corporation, a Florida corporation (“Stellar”), Richard Stanton (“Stanton”) and Norman Hickmore (“Hickmore”) (Stanton and Hickmore are referred to collectively herein as the “Sellers”), and Rick’s Cabaret International, Inc., a Texas corporation (the “Purchaser” or “Rick’s”).

WHEREAS, Stanton (i) owns 999 shares of common stock, \$0.01 par value of the Company, which shares represent 49.95% of all of the shares of common stock of the Company presently outstanding and (ii) owns 50 shares of common stock, \$0.01 par value of Stellar, which shares represent 50% of all of the shares of common stock of Stellar presently outstanding; and

WHEREAS, Hickmore (i) owns 1001 shares of common stock, \$0.01 par value of the Company, which shares represent 50.05% of the shares of common stock of the Company presently outstanding and (ii) owns 50 shares of common stock, \$0.01 par value of Stellar, which shares represent 50% of all of the shares of common stock of Stellar presently outstanding; and

WHEREAS, the shares of common stock owned by Stanton and by Hickmore represent 100% of the shares of common stock of the Company and are hereinafter collectively referred to as the “Shares”; and

WHEREAS, the shares of common stock owned by Stanton and by Hickmore represent 100% of the shares of common stock of Stellar and are hereinafter collectively referred to as the “Stellar Shares”; and

WHEREAS, the Company owns and operates an adult entertainment cabaret known as “Tootsie’s Cabaret” (“Tootsie’s”) located at 150 NW 183rd Street, Miami Gardens, Florida 33169 (the “Premises”); and

WHEREAS, the acquisition of 100% of the Shares of the Company and 100% of the Stellar Shares by the Purchaser shall sometimes be referred to herein as the “Acquisition”; and

WHEREAS, the Sellers desire to sell the Shares of the Company and the Stellar Shares to Purchaser on the terms and conditions set forth herein; and

WHEREAS, Purchaser desires to purchase the Shares of the Company and the Stellar Shares from Sellers on the terms and conditions set forth herein.

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

ARTICLE I
PURCHASE AND SALE OF THE SHARES

Section 1.1 Sale of the Shares and the Stellar Shares . Subject to the terms and conditions set forth in this Agreement, at the Closing (as hereinafter defined) the Sellers hereby agree to sell, transfer, convey and deliver to Purchaser all of the Shares of common stock of the Company and all of the Stellar Shares, free and clear of all encumbrances, which represents all of the outstanding capital stock of the Company and Stellar, and shall deliver to Purchaser stock certificates representing the Shares and the Stellar Shares, duly endorsed to Purchaser.

Section 1.2 Purchase Price . As consideration for the purchase of the Shares and the Stellar Shares, Purchaser shall pay to Sellers a total consideration of \$25,000,000 (the "Purchase Price") payable at Closing as follows:

- (a) \$15,000,000 payable \$7,500,000 each to Messrs. Stanton and Hickmore by cashier's check, certified funds or wire transfer; and
- (b) \$10,000,000 as evidenced by two (2) secured promissory notes, each in the amount of \$5,000,000, bearing interest at the rate of fourteen percent (14%) per annum payable to Messrs. Stanton and Hickmore, respectively (the "Promissory Notes") with principal payable in one lump sum payment on the three (3) year anniversary of the Promissory Notes and with interest payable monthly, in arrears, with the first payment being due thirty (30) days after the Closing. The Promissory Notes will provide that they are not pre-payable during the first twelve (12) months and, thereafter, may be prepaid, in whole or in part, provided that (i) any prepayment by the Purchaser from December 1, 2008 through November 30, 2009, shall be paid at a rate of 110% of the original principal amount and (ii) any prepayment by the Purchaser after November 30, 2009, may be prepaid without penalty at a rate of 100% of the original principal amount. The form of Secured Promissory Note is attached hereto as Exhibit 1.2(b).

Section 1.3 Payment into Escrow . As of the date of execution of this Agreement, the Purchaser has previously deposited \$125,000 into an escrow account (the "Escrow Amount") with Robert D. Axelrod, P.C. (the "Escrow Agent") pursuant to a written Escrow Agreement with the Sellers and the Escrow Agent (the "Escrow Agreement"). The \$125,000 is held in escrow until the Closing as defined herein.

At Closing, the Escrow Amount will be paid by the Escrow Agent to the Sellers and shall be credited against the cash portion of the Purchase Price as set forth in Section 1.2(a) above. If, at Closing, Purchaser has paid to the Sellers the full amount of the cash portion of the Purchase Price as set forth in Section 1.2(a) above, then the Escrow Amount shall be repaid to the Purchaser.

ARTICLE II CLOSING

Section 2.1 The Closing. The closing of the transactions contemplated by this Agreement shall take place on or before November 30, 2007, provided that the Purchasers will assume control of operations of Tootsie's at 8:00 a.m., EST, on December 1, 2007 (the "Closing Date"), at the offices of the Sellers at 150 NW 183rd Street, Miami Gardens, Florida 33169, or at such other time and place as agreed upon among the parties hereto (the "Closing"), provided that Purchaser may extend the Closing until January 3, 2008, at its discretion.

Section 2.2 Delivery and Execution. At the Closing: (a) the Sellers shall deliver to Purchaser certificates evidencing the Shares of the Company and the Stellar Shares, free and clear of any liens, claims, equities, charges, options, rights of first refusal or encumbrances, duly endorsed to Purchaser against delivery by Purchaser to the Sellers of payment in an amount equal to the Purchase Price of the Shares and the Stellar Shares being purchased by Purchaser in the manner set forth herein; and (b) the Related Transactions (as defined below) shall be consummated concurrently with the Closing.

Section 2.3 Related Transactions. In addition to the purchase and sale of the Shares and the Stellar Shares, the following actions shall take place contemporaneously at the Closing (collectively, the "Related Transactions"):

- (a) Each of the Sellers will enter into a five (5) year covenant not to compete pursuant to the terms of which each of the Sellers will agree not to compete, either directly or indirectly, with Purchaser or Rick's by operating an establishment featuring live adult entertainment featuring live female nude or semi-nude entertainment within a twenty (20) mile radius of the Premises, with the exception of the existing business known as "Alley Cat" which is operated at 2875 Shipping Avenue, Miami, Florida. The form of Non-Competition Agreement is attached hereto as Exhibit 2.3(a).
- (b) The Company and Stellar shall have obtained the landlord's consent to the assignment of any existing lease agreements for the Premises, which leases shall provide for a term through June 30, 2034 (including the primary term and any periods for extension pursuant to options to the lessee thereof).
- (c) The Purchaser shall execute and deliver the Promissory Notes, and the Pledge and Security Agreement securing the Promissory Notes. The form of Pledge and Security Agreement is attached hereto as Exhibit 2.3(c).

ARTICLE III REPRESENTATIONS AND WARRANTIES OF THE SELLERS, THE COMPANY AND STELLAR

The Sellers, the Company and Stellar, jointly and severally, hereby represent and warrant to Purchaser as follows:

Section 3.1. Organization, Good Standing and Qualification. Each of the Company and Stellar (i) is an entity duly organized, validly existing and in good standing under the laws of the state of Florida, (ii) has all requisite power and authority to carry on its business, and (iii) is duly qualified to transact business and is in good standing in all jurisdictions where its ownership, lease or operation of property or the conduct of its business requires such qualification, except where the failure to do so would not have a material adverse effect to the Sellers, the Company and Stellar.

At Closing, the authorized capital stock of (i) the Company consists of 2,000 shares of common stock, \$0.01 par value, of which 2,000 shares are validly issued and outstanding and (ii) Stellar consists of 2,000 shares of common stock, \$0.01 par value, of which 100 shares are validly issued and outstanding. There are no shares of preferred stock authorized or issued and there is no other class of capital stock authorized or issued by the Company and Stellar. All of the issued and outstanding shares of common stock of the Company and Stellar are owned by the Sellers and are fully paid and non-assessable. None of the shares issued are in violation of any preemptive rights. Neither the Company nor Stellar has any obligation to repurchase, reacquire, or redeem any of its outstanding capital stock. There are no outstanding securities convertible into or evidencing the right to purchase or subscribe for any shares of capital stock of the Company or Stellar, there are no outstanding or authorized options, warrants, calls, subscriptions, rights, commitments or any other agreements of any character obligating the Company or Stellar to issue any shares of its capital stock or any securities convertible into or evidencing the right to purchase or subscribe for any shares of such stock, and there are no agreements or understandings with respect to the voting, sale, transfer or registration of any shares of capital stock of the Company or Stellar.

Section 3.2 Subsidiaries. Neither the Company nor Stellar has any subsidiaries.

Section 3.3 Ownership of the Shares. The Sellers own, beneficially and of record, all of the Shares of the Company and all of the Stellar Shares free and clear of any liens, claims, equities, charges, options, rights of first refusal, or encumbrances. The Sellers have the unrestricted right and power to transfer, convey and deliver full ownership of the Shares and the Stellar Shares without the consent or agreement of any other person and without any designation, declaration or filing with any governmental authority. Upon the transfer of the Shares and the Stellar Shares to Purchaser as contemplated herein, Purchaser will receive good and valid title thereto, free and clear of any liens, claims, equities, charges, options, rights of first refusal, encumbrances or other restrictions (except those imposed by applicable securities laws).

Section 3.4 Authorization. Sellers each represent that he is a person of full age of majority, with full power, capacity, and authority to enter into this Agreement and perform the obligations contemplated hereby by for himself and his spouse. All action on the part of Sellers necessary for the authorization, execution, delivery and performance of this Agreement by him has been taken and will be taken prior to Closing. This Agreement, when duly executed and delivered in accordance with its terms, will constitute legal, valid and binding obligations of Sellers enforceable against them in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization and other similar laws of general application affecting creditors' rights generally or by general equitable principles.

All corporate action on the part of the Company and Stellar necessary for the authorization, execution, delivery and performance of this Agreement by the Company and Stellar has been taken or will be taken prior to the Closing. The Company and Stellar has the requisite corporate power and authority to execute, deliver and perform this Agreement. This Agreement, when duly executed and delivered in accordance with its terms, will constitute a valid and binding obligation of the Company and Stellar, enforceable against the Company and Stellar in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, and other similar laws of general application relating to or affecting creditors' rights and to general equitable principles.

Section 3.5 No Breaches or Defaults. Except as set forth in Exhibit 3.5, the execution, delivery, and performance of this Agreement by the Sellers, the Company and Stellar does not: (i) conflict with, violate, or constitute a breach of or a default under, (ii) result in the creation or imposition of any lien, claim, or encumbrance of any kind upon the Shares of the Stellar Shares, or (iii) require any authorization, consent, approval, exemption, or other action by or filing with any third party or Governmental Authority under any provision of: (a) any applicable Legal Requirement, or (b) any credit or loan agreement, promissory note, or any other agreement or instrument to which the Sellers or the Company or Stellar is a party or by which the Shares or the Stellar Shares may be bound or affected. For purposes of this Agreement, "Governmental Authority" means any foreign governmental authority, the United States of America, any state of the United States, and any political subdivision of any of the foregoing, and any agency, department, commission, board, bureau, court, or similar entity, having jurisdiction over the parties hereto or their respective assets or properties. For purposes of this Agreement, "Legal Requirement" means any law, statute, injunction, decree, order or judgment (or interpretation of any of the foregoing) of, and the terms of any license or permit issued by, any Governmental Authority.

Section 3.6 Consents. Except as set forth in Exhibit 3.6, no permit, consent, approval or authorization of, or designation, declaration or filing with, any Governmental Authority or any other person or entity is required on the part of the Sellers or the Company or Stellar in connection with the execution and delivery by the Sellers or the Company or Stellar of this Agreement or the consummation and performance of the transactions contemplated hereby.

Section 3.7 Pending Claims. There is no claim, suit, arbitration, investigation, action, litigation or other proceeding, whether judicial, administrative or otherwise, now pending or, to the Sellers' or the Company's or Stellar's knowledge, contemplated or threatened against the Sellers or the Company or Stellar before any court, arbitration, administrative or regulatory body or any governmental agency which may result in any judgment, order, award, decree, liability or other determination which will or could reasonably be expected to have any material effect upon Sellers or the Company or Stellar or the transfer by Sellers to Purchaser of the Shares or the Stellar Shares under this Agreement, nor is there any basis known to Sellers for any such action. No litigation is pending, or, to Sellers' or the Company's or Stellar's knowledge, threatened against Sellers or the Company or Stellar, or their assets or properties which seeks to restrain or enjoin the execution and delivery of this Agreement or any of the documents referred to herein or the consummation of any of the transactions contemplated thereby or hereby. Neither Sellers nor the Company nor Stellar is subject to any judicial injunction or mandate or any quasi-judicial or administrative order or restriction directed to or against them or which would affect the Company, the Shares or the Stellar Shares to be transferred under this Agreement.

Section 3.8 Taxes. The Company and Stellar have timely and accurately prepared and filed all federal, state, foreign and local tax returns and reports required to be filed prior to such dates and have timely paid all taxes shown on such returns as owed for the periods of such returns, including all sales taxes and withholding or other payroll related taxes shown on such returns. Neither the Company nor Stellar is delinquent in the payment of any tax or governmental charge of any nature. The Sellers have no knowledge of any liability for any tax to be imposed by any taxing authorities as of the date of this Agreement and as of the Closing that is not adequately provided for. No assessments or notices of deficiency or other communications have been received by the Sellers, the Company or Stellar with respect to any tax return which has not been paid, discharged or fully reserved against and no amendments or applications for refund have been filed or are planned with respect to any such return. None of the federal, state, foreign and local tax returns of the Company or Stellar have been audited by any taxing authority. The Sellers have no knowledge of any additional assessments, adjustments or contingent tax liability (whether federal or state) of any nature whatsoever, whether pending or threatened against the Company or Stellar for any period, nor of any basis for any such assessment, adjustment or contingency. There are no agreements between the Company or Stellar and any taxing authority, including, without limitation, the Internal Revenue Service, waiving or extending any statute of limitations with respect to any tax return.

Section 3.9 Financial Statements. Sellers and the Company have delivered to Purchaser the unaudited balance sheets of the Company as of August 31, 2007, together with the related unaudited statements of income, for the periods then ended (collectively referred to as the "Financial Statements"). Such Financial Statements, including the related notes, are in accordance with the books and records of the Company and fairly represent the financial position of the Company and the results of operations and changes in financial position of the Company as of the dates and for the periods indicated, in each case in conformity with generally accepted accounting principles applied on a consistent basis. Except as, and to the extent reflected or reserved against in the Financial Statements, the Company, as of the date of the Financial Statements, has no material liability or obligation of any nature, whether absolute, accrued, continued or otherwise, not fully reflected or reserved against in the Financial Statements.

Section 3.10 No Material Adverse Change. Since the date of the Financial Statements, the Company has conducted its business in the ordinary course, consistent with past practice, and there has been no (i) change that has had or would reasonably be expected to have a material adverse effect upon the assets or business or the financial condition or other operations of the Company, (ii) acquisition or disposition of any material asset by the Company or any contract or arrangement therefore, otherwise than for fair value in the ordinary course of business, (iii) material change in the Company's accounting principles, practices or methods or (iv) incurrence of any material indebtedness.

Section 3.11 Labor Matters. Neither the Company nor Stellar is a party or otherwise subject to any collective bargaining agreement with any labor union or association. There are no discussions, negotiations, demands or proposals that are pending or have been conducted or made with or by any labor union or association, and there are not pending or threatened against the Company or Stellar any labor disputes, strikes or work stoppages. To the best of Sellers', the Company's and Stellar's knowledge, the Company and Stellar are in compliance with all federal and state laws respecting employment and employment practices, terms and conditions of employment and wages and hours, and, to their knowledge, is not engaged in any unfair labor practices. Neither the Company nor Stellar is a party to any written or oral contract, agreement or understanding for the employment of any officer, director or employee of the Company or Stellar.

Section 3.12 Compliance with Laws . The Company and Stellar are, and at all times prior to the date hereof have been in compliance with all statutes, orders, rules, ordinances and regulations applicable to it or to the ownership of its assets or the operation of its businesses, except for failures to be in compliance that would not have a material adverse effect on the business, properties, condition (financial or otherwise) or prospects of the Company or Stellar. Neither the Sellers, the Company nor Stellar have any basis to expect, nor have they received, any order or notice of any such violation or claim of violation of any such statute, order, rule, ordinance or regulation by the Company or Stellar. Exhibit 3.12 sets forth all licenses and permits held by the Company or Stellar used in the operation of its businesses, all of which are in good standing and in effect as of the Closing Date. These licenses and permits represent all of the licenses and permits required by the Company or Stellar for the operation of its business.

Section 3.13 Title to Properties; Encumbrances . The Company and Stellar have good and marketable title to all of its properties and assets, real and personal, tangible and intangible, that are material to the condition (financial or otherwise), business, operations or prospects of the Company or Stellar, free and clear of all mortgages, claims, liens, security interests, charges, leases, encumbrances and other restrictions of any kind and nature, except (i) as disclosed in the Financial Statements of the Company, (ii) statutory liens not yet delinquent, and (iii) such liens consisting of zoning or planning restrictions, imperfections of title, easements and encumbrances, if any, as do not materially detract from the value or materially interfere with the present use of the property or assets subject thereto or affected thereby. At the time of Closing, the assets of the Company shall include, but shall not be limited to, the assets set forth in the Company's 2006 corporate income tax return, along with all equipment and fixtures located on the premises at Tootsie's as of the Closing Date.

Section 3.14 No Liabilities . As of the Closing Date, Stellar does not and shall not have any obligation or liability (contingent or otherwise) to any third party.

Section 3.15 Contracts and Leases . Except as previously provided to Purchaser, neither the Company nor Stellar (i) have any leases of personal property relating to the assets of the Company or Stellar, whether as lessor or lessee; (ii) have any contractual or other obligations relating to the assets of the Company or Stellar, whether written or oral; and (iii) have given any power of attorney to any person or organization for any purpose relating to the business or assets of the Company or Stellar. The Company and Stellar have existing real estate lease agreements covering the real property where Tootsie's operates its adult entertainment cabaret located at 150 NW 183rd Street, Miami Gardens, Florida 33169. The Company and Stellar have previously provided to Purchaser each and every contract, lease or other document relating to the assets of the Company or Stellar to which it is subject or is a party or a beneficiary. To Sellers', the Company's or Stellar's knowledge, such contracts, leases or other documents are valid and in full force and effect according to their terms and constitute legal, valid and binding obligations of the Company and Stellar and the other respective parties thereto and are enforceable in accordance with their terms. Sellers, the Company and Stellar have no knowledge of any default or breach under such contracts, leases or other documents or of any pending or threatened claims under any such contracts, leases or other documents. Neither the execution of this Agreement, nor the consummation of all or any of the transactions contemplated under this Agreement, will constitute a breach or default under any such contracts, leases or other documents which would have a material adverse effect on the financial condition of the Company or Stellar or the operation of Tootsie's after the Closing.

Section 3.16 No Pending Transactions . Except for the transactions contemplated by this Agreement and the Related Transaction contemplated in Section 2.3 herein, neither the Company nor Stellar is a party to or bound by or the subject of any agreement, undertaking, commitment or discussions or negotiations with any person that could result in: (i) the sale, merger, consolidation or recapitalization of the Company or Stellar; (ii) the sale of any of the assets of the Company or Stellar except in the ordinary course of business; (iii) the sale of any outstanding capital stock of the Company or Stellar; (iv) the acquisition by the Company or Stellar of any operating business or the capital stock of any other person or entity; (v) the borrowing of money; (vi) any agreement with any of the respective officers, managers or affiliates of the Company or Stellar; or (vii) the expenditure of more than \$15,000, in the aggregate, or the performance by the Company or Stellar extending for a period more than one year from the date hereof, other than in the ordinary course of business.

Section 3.17 Material Agreements; Action . Except for the transactions contemplated by this Agreement and the Related Transaction contemplated in Section 2.3 herein, there are no material contracts, agreements, commitments, understandings or proposed transactions, whether written or oral, to which Sellers, the Company or Stellar are a party or by which they are bound that involve or relate to (i) any of the respective officers, directors, stockholders or partners of the Company or Stellar or (ii) covenants of Sellers, the Company or Stellar not to compete in any line of business or with any person in any geographical area or covenants of any other person not to compete with the Company or Stellar in any line of business or in any geographical area.

Section 3.18 Insurance Policies . Copies of all insurance policies maintained by the Company or Stellar relating to the operation of Tootsie's have been delivered or made available to Purchaser. The policies of insurance held by the Company or Stellar are in such amounts, and insure against such losses and risks, as the Company and Stellar reasonably deems appropriate for their property and business operations. All such insurance policies are in full force and effect, and all premiums due thereon have been paid. Valid policies for such insurance will be outstanding and duly in force at all times prior to the Closing.

Section 3.19 No Default . Neither Sellers nor the Company nor Stellar is in default under any term or condition of any instrument evidencing, creating or securing any indebtedness of the Company or Stellar, and there has been no default in any material obligation to be performed by Sellers or the Company or Stellar under any other contract, lease, agreement, commitment or undertaking to which the Company or Stellar is a party or by which it or its assets or properties are bound, nor have Sellers or the Company or Stellar waived any material right under any such contract, lease, agreement, commitment or undertaking.

Section 3.20 Books and Records . The books of account, minute books, stock record books and other records of the Company and Stellar, all of which have been made available to Purchaser, are accurate and complete and have been maintained in accordance with sound business practices. Upon Closing, all books and records will be in the possession of Sellers or the Company or Stellar.

Section 3.21 Environmental. Neither the Company nor Stellar have received any citation, directive, letter or other communication, written or oral, or any notice of any proceeding, claim or lawsuit relating to any environmental issue arising out of the ownership or occupation of the Premises, and there is no basis known to the Sellers or the Company or Stellar for any such action.

Section 3.22 Banks and Brokerage Accounts. Exhibit 3.22 sets forth (a) a true and complete list of the names and locations of all banks, trust companies, securities brokers and other financial institutions at which the Company or Stellar has an account or safe deposit box or maintains a banking, custodial, trading or other similar relationship, and (b) a true and complete list and description of each such account, box and relationship, indicating in each case the account number and the names of the respective officers, employees, agents or other similar representatives of the Company or Stellar having signatory power with respect thereto.

Section 3.23 Disclosure. No representation or warranty of the Sellers or the Company or Stellar contained in this Agreement (including the exhibits hereto) contains any untrue statement or omits to state a material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were made, not misleading.

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser hereby represents and warrants to the Sellers, the Company and Stellar as follows:

Section 4.1 Authorization. Purchaser is a corporation duly organized in the state of Texas and has full power, capacity, and authority to enter into this Agreement and perform the obligations contemplated hereby. All action on the part of Purchaser necessary for the authorization, execution, delivery and performance of this Agreement by it has been taken and will be taken prior to Closing. This Agreement, when duly executed and delivered in accordance with its terms, will constitute legal, valid, and binding obligations of Purchaser enforceable against Purchaser in accordance with its terms, except as may be limited by bankruptcy, insolvency, and other similar laws affecting creditors' rights generally or by general equitable principles.

Section 4.2 No Breaches or Defaults. The execution, delivery, and performance of this Agreement by Purchaser does not: (i) conflict with, violate, or constitute a breach of or a default under or (ii) require any authorization, consent, approval, exemption, or other action by or filing with any third party or Governmental Authority under any provision of: (a) any applicable Legal Requirement, or (b) any credit or loan agreement, promissory note, or any other agreement or instrument to which Purchaser is a party.

Section 4.3 Consents. No permit, consent, approval or authorization of, or designation, declaration or filing with, any Governmental Authority or any other person or entity is required on the part of Purchaser in connection with the execution and delivery by Purchaser of this Agreement or the consummation and performance of the transactions contemplated hereby other than as required under the federal securities laws.

Section 4.4 Disclosure. No representation or warranty of Purchaser contained in this Agreement (including the exhibits hereto) contains any untrue statement or omits to state a material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were made, not misleading.

ARTICLE V
CONDITIONS TO CLOSING OF SELLERS,
THE COMPANY AND STELLAR

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

Section 5.1 Representations and Warranties Correct. The representations and warranties made by Purchaser contained in this Agreement shall be true and correct as of the Closing Date.

Section 5.2 Covenants. All covenants, agreements and conditions contained in this Agreement to be performed by Purchaser on or prior to the Closing Date shall have been performed or complied with in all respects.

Section 5.3 Delivery of Certificate. Purchaser shall provide to Sellers, the Company and Stellar certificates, dated the Closing Date and signed by the President of Purchaser to the effect set forth in Section 5.1 and 5.2 for the purpose of verifying the accuracy of such representations and warranties and the performance and satisfaction of such covenants and conditions.

Section 5.4 Payment of Purchase Price. Purchaser shall have tendered the Purchase Price for the Shares and the Stellar Shares as referenced in Section 1.2 to the Sellers concurrently with the Closing.

Section 5.5 Related Transactions. The Related Transaction set forth in Section 2.3 shall be consummated concurrently with the Closing.

Section 5.6 Corporate Resolutions. Purchaser shall provide corporate resolutions of the Board of Directors of Purchaser which approve the transactions contemplated herein and authorize the execution, delivery and performance of this Agreement and the documents referred to herein to which it is or is to be a party dated as of the Closing Date.

Section 5.7 Absence of Proceedings. No action, suit or proceeding by or before any court or any governmental or regulatory authority shall have been commenced and no investigation by any governmental or regulatory authority shall have been commenced seeking to restrain, prevent or challenge the transactions contemplated hereby or seeking judgments against Purchaser.

**ARTICLE VI
CONDITIONS TO CLOSING OF
PURCHASER**

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

Section 6.1 Representations and Warranties Correct . The representations and warranties made by the Sellers, the Company and Stellar hereof shall be true and correct as of the Closing Date.

Section 6.2 Covenants . All covenants, agreements and conditions contained in this Agreement to be performed by the Sellers, the Company and Stellar on or prior to the Closing Date shall have been performed or complied with in all respects.

Section 6.3 Delivery of Certificate . Sellers, the Company and Stellar shall provide to Purchaser certificates, dated the Closing Date and signed by the Sellers and by the President of the Company and Stellar, respectively, to the effect set forth in Section 6.1 and 6.2 for the purpose of verifying the accuracy of such representations and warranties and the performance and satisfaction of such covenants and conditions.

Section 6.4 Delivery of Shares and Stellar Shares . Sellers shall have delivered certificates evidencing the Shares and the Stellar Shares of the Company and Stellar, duly endorsed to Purchaser.

Section 6.5 Corporate Resolutions . The Company and Stellar shall provide to Purchaser a corporate resolution of the Board of Directors of the Company and Stellar which approve all of the transactions contemplated herein and authorizes the execution, delivery and performance of this Agreement and the documents referred to herein to which it is or is to be a party dated as of the Closing Date.

Section 6.6 Consents; Transfer of Licenses . Purchaser shall possess all necessary permits and other authorizations, whether city, county, state or federal, which may be needed to conduct nude adult entertainment with the sale of alcoholic beverages on the Premises and all such permits and authorizations shall be in good order, without any administrative actions pending or concluded that may challenge or present an obstacle to the continued performance of nude adult entertainment or sale of alcoholic beverages at Tootsie's. All necessary transfers of licenses and leases required for the continued operation of the business of the Company or Stellar shall have been obtained. The sexually oriented business license of Tootsie's shall be in full force and effect. Sellers shall have the ability and authority to transfer any permits, zoning classifications or authorizations necessary to sell alcoholic beverages and conduct nude entertainment at Tootsie's and these permits, zoning classifications or authorizations shall be transferred, conveyed and sold to Purchaser at the Closing.

Section 6.7 Related Transactions . The Related Transaction set forth in Section 2.3 shall be consummated concurrently with the Closing.

Section 6.8 Ability to Audit. The financial records of the Company shall be maintained and exist in such a manner as to allow for a certified audit as determined by Rick's.

Section 6.9 Acceptable Financing. Rick's shall have obtained financing acceptable to it for the Acquisition.

Section 6.10 Resignations. The Officers and Directors of the Company and Stellar shall have provided to Purchaser their written resignations.

Section 6.11 Landlord's consent. The Company and Stellar shall have obtained the landlord's consent to the assignment of the existing lease agreements for the Premises, which leases shall provide for a term, as of the Closing, through June 30, 2034 (including the primary term and any periods for extension pursuant to options to the lessee thereof).

Section 6.12 Absence of Proceedings. No action, suit or proceeding by or before any court or any governmental or regulatory authority shall have been commenced and no investigation by any governmental or regulatory authority shall have been commenced seeking to restrain, prevent or challenge the transactions contemplated hereby or seeking judgments against the Company and Stellar or any of its assets.

ARTICLE VII COVENANTS OF THE SELLERS AND THE COMPANY

Section 7.1 Stand Still. To induce Purchaser to proceed with this Agreement, the Company, Stellar and Sellers agree that until the Closing Date or the termination of this Agreement, no representative of the Company, Stellar or any representative of the Sellers will offer to sell or solicit any offer to purchase or engage in any discussions or activities of any nature whatsoever, directly or indirectly, involving in any manner the actual or potential sale, transfer, encumbrance, pledge, collateralization or hypothecation of any assets of the Company, Stellar or Tootsie's. The Company, Stellar and the Sellers hereby agree to advise the Purchaser of any contact from any third party regarding the acquisition or other investment in the Company or Stellar, or of any contact which would relate to the transactions contemplated by this Agreement.

Section 7.2 Access; Due Diligence. Between the date of this Agreement and the Closing Date, the Company and Stellar shall (a) provide Purchaser and their authorized representatives reasonable access to all plants, offices, warehouse and other facilities and properties of the Company and Stellar, and to the books and records of the Company and Stellar; (b) permit the Purchaser to make inspections thereof; and (c) cause the officers and advisors of the Company and Stellar to furnish the Purchaser with such financial and operating data and other information with respect to the business and properties of the Company and Stellar and to discuss with the Purchaser and their authorized representatives the affairs of the Company and Stellar as the Purchaser may from time to time reasonably request.

Section 7.3 Conduct of Business. From the date of the execution hereof until the Closing Date, the Company shall operate the Company and Tootsie's in the ordinary course consistent with past practices, and:

- (a) The Company will not authorize, declare, pay or effect any dividends or liquidate or distribute any common stock of the Company or other equity interest or undertake any direct or indirect redemption, purchase or other acquisition of any equity interest of the Company;
- (b) The Company will not make any changes in its condition (financial or otherwise), liabilities, assets, or business or in any of its business relationships, including relationships with suppliers or customers, that, when considered individually or in the aggregate, might reasonably be expected to have a material adverse effect on the Company;
- (c) The Company will not increase the salary or other compensation payable or to become payable by the Company to any employee, or the declaration, payment, or commitment or obligation of any kind for the payment by the Company of a bonus or other additional salary or compensation to any such person except in the normal course of business, consistent with past practices of the Company;
- (d) The Company will not sell, lease, transfer or assign any of their assets, tangible or intangible, other than for a fair consideration in the ordinary course of business;
- (e) The Company will not accelerate, terminate, modify or cancel any agreement, contract, lease or license (or series of related agreements, contracts, leases and licenses) involving more than \$10,000 to which the Company is a party;
- (f) The Company will not make any loans to any person or entity, or guarantee any loan, absent the consent of the Purchaser;
- (g) The Company will not waive or release any right or claim held by the Company, absent the consent of the Purchaser;
- (h) The Company will operate its business in the ordinary course and consistent with past practices so as to preserve its business organization intact, to retain the services of their employees and to preserve their goodwill and relationships with suppliers, creditors, customers, and others having business relationships with them;
- (i) The Company will not issue any note, bond or other debt security or create, incur or assume, or guarantee any indebtedness for borrowed money or capitalized lease obligations;
- (j) The Company will not delay or postpone the payment of accounts payable and other liabilities outside the ordinary course of business;

- (k) The Company will not make any loan to, or enter into any other transaction with, any of their directors, officers, and employees;
- (l) The Company will not make any change in any method, practice, or principle of accounting involving the Company's business or the assets of the Company;
- (m) The Company will not issue, sell or otherwise dispose of any of its capital stock or create, sell or dispose of any options, rights, conversion rights or other agreements or commitments of any kind relating to the issuance, sale or disposition of any of its equity interests;
- (n) The Company will not reclassify, split up or otherwise change any of its common stock or capital structure;
- (o) The Company will not be a party to any merger, consolidation or other business combination; and
- (p) The Company will not agree to take any action described in this Section 7.3.

ARTICLE VIII CLOSING ADJUSTMENTS

The Sellers, the Company, Stellar and the Purchaser agree that there shall be an adjustment made within thirty (30) days of the Closing Date to adjust for liabilities that exist of the Company and Stellar as of the Closing Date so that the Sellers shall be responsible and liable to the Purchaser for the liabilities of the Company or Stellar that exist as of the Closing Date, less any credit which Sellers would be entitled to for cash on hand, credit card receivables, pro rata portion of prepaid items and inventory on hand (at cost) as of the Closing Date.

ARTICLE IX INDEMNIFICATION

Section 9.1 Indemnification from Sellers. Sellers, jointly and severally, hereby agree to and shall indemnify, defend (with legal counsel reasonably acceptable to Purchaser), and hold Purchaser, its officers, directors, employees, affiliates, agents, legal counsel, successors and assigns (collectively, the "Purchaser Group") harmless at all times after the date of this Agreement, from and against any and all actions, suits, claims, demands, debts, liabilities, obligations, losses, damages, costs, expenses, penalties or injury (including reasonable attorneys' fees and costs of any suit related thereto) suffered or incurred by any of the Purchaser Group arising from: (a) any misrepresentation by, or breach of any covenant or warranty of the Sellers, the Company or Stellar contained in this Agreement, or any exhibit, certificate, or other instrument furnished or to be furnished by Sellers, the Company or Stellar hereunder; (b) any nonfulfillment of any agreement on the part of Sellers, the Company or Stellar under this Agreement; (c) any liability or obligation due to any third party by the Company or Stellar incurred at or prior to the Closing Date; or (d) any suit, action, proceeding, claim or investigation against Purchaser which arises from or which is based upon or pertaining to Seller's or the Company's or Stellar's conduct or the operation or liabilities of the business of the Company or Stellar prior to the Closing Date.

Section 9.2 Indemnification from Purchaser. Purchaser agrees to and shall indemnify, defend (with legal counsel reasonably acceptable to the Sellers) and hold each Seller and their affiliates, agents, legal counsel, successors and assigns (collectively, the "Sellers Group") harmless at all times after the date of the Agreement from and against any and all actions, suits, claims, demands, debts, liabilities, obligations, losses, damages, costs, expenses, penalties or injury (including reasonably attorney's fees and costs of any suit related thereto) suffered or incurred by any of the Sellers Group, arising from (a) any misrepresentation by, or breach of any covenant or warranty of Purchaser contained in this Agreement or any exhibit, certificate, or other agreement or instrument furnished or to be furnished by Purchaser hereunder; (b) any nonfulfillment of any agreement on the part of Purchaser under this Agreement; (c) any liability or obligation due to any third party by the Company or Stellar incurred subsequent to the Closing Date; or (d) any suit, action, proceeding, claim or investigation against Sellers which arises from or which is based upon or pertaining to Purchaser's conduct or the operation of the business of the Company or Stellar subsequent to the Closing Date.

Section 9.3 Defense of Claims. If any lawsuit enforcement action or any attempt to collect on an alleged liability is filed against any party entitled to the benefit of indemnity hereunder, written notice thereof shall be given to the indemnifying party within ten (10) business days after receipt of notice or other date by which action must be taken; provided that the failure of any indemnified party to give timely notice shall not affect rights to indemnification hereunder except to the extent that the indemnifying party demonstrates damage caused by such failure. After such notice, the indemnifying party shall be entitled, if it so elects, to take control of the defense and investigation of such lawsuit or action and to employ and engage attorneys of its own choice to handle and defend the same, at the indemnifying party's cost, risk and expense; and such indemnified party shall cooperate in all reasonable respects, at its cost, risk and expense, with the indemnifying party and such attorneys in the investigation, trial and defense of such lawsuit or action and any appeal arising therefrom; provided, however, that the indemnified party may, at its own cost, participate in such investigation, trial and defense of such lawsuit or action and any appeal arising therefrom. The indemnifying party shall not, without the prior written consent of the indemnified party, effect any settlement of any proceeding in respect of which any indemnified party is a party and indemnity has been sought hereunder unless such settlement of a claim, investigation, suit, or other proceeding only involves a remedy for the payment of money by the indemnifying party and includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding.

Section 9.4 Default of Indemnification Obligation. If an entity or individual having an indemnification, defense and hold harmless obligation, as above provided, shall fail to assume such obligation, then the party or entities or both, as the case may be, to whom such indemnification, defense and hold harmless obligation is due shall have the right, but not the obligation, to assume and maintain such defense (including reasonable counsel fees and costs of any suit related thereto) and to make any settlement or pay any judgment or verdict as the individual or entities deem necessary or appropriate in such individuals or entities absolute sole discretion and to charge the cost of any such settlement, payment, expense and costs, including reasonable attorneys' fees, to the entity or individual that had the obligation to provide such indemnification, defense and hold harmless obligation and same shall constitute an additional obligation of the entity or of the individual or both, as the case may be.

Section 9.5 Right to Offset. In the event that the Purchaser is entitled to indemnification in accordance with Section 9.1 and 9.3 hereof, including the payment by the Purchaser or any debts or liabilities of the Company which were incurred prior to the Closing Date, then Purchaser shall have the right to offset any such amount in excess of \$10,000, in the aggregate, from any obligations that are then due and payable to the Sellers.

Section 9.6 Survival of Representations and Warranties. The respective representations, warranties and indemnities given by the parties to each other pursuant to this Agreement shall survive the Closing for a period ending twenty-four (24) months from the Closing Date ("Survival Date"). Notwithstanding anything to the contrary contained herein, no claim for indemnification may be made against the party required to indemnify (the "Indemnitor") under this Agreement unless the party entitled to indemnification (the "Indemnatee") shall have given the Indemnitor written notice of such claim as provided herein on or before the Survival Date. Any claim for which notice has been given prior to the expiration of the Survival Date shall not be barred hereunder.

ARTICLE X MISCELLANEOUS

Section 10.1 Amendment; Waiver. Neither this Agreement nor any provision hereof may be amended, modified or supplemented unless in writing, executed by all the parties hereto. Except as otherwise expressly provided herein, no waiver with respect to this Agreement shall be enforceable unless in writing and signed by the party against whom enforcement is sought. Except as otherwise expressly provided herein, no failure to exercise, delay in exercising, or single or partial exercise of any right, power or remedy by any party, and no course of dealing between or among any of the parties, shall constitute a waiver of, or shall preclude any other or further exercise of, any right, power or remedy.

Section 10.2 Notices. Any notices or other communications required or permitted hereunder shall be sufficiently given if in writing and delivered in Person or sent by registered or certified mail (return receipt requested) or nationally recognized overnight delivery service, postage pre-paid, addressed as follows, or to such other address as such party may notify to the other parties in writing:

- (a) If to Stanton: 150 NW 183rd Street, Suite 200
 Miami Gardens, Florida 33169

- (b) If to Hickmore: 150 NW 183rd Street, Suite 200
 Miami Gardens, Florida 33169

- (c) If to the Company or Stellar Miami Gardens Square One, Inc.
d/b/a Tootsie's Cabaret
150 NW 183rd Street
Miami Gardens, Florida 33169
- (d) if to Purchaser: Rick's Cabaret International, Inc.
Attn: Eric Langan, President/CEO
10959 Cutten Road
Houston, Texas 77066
- with a copy to: Robert D. Axelrod
Axelrod, Smith & Kirshbaum
5300 Memorial Drive, Suite 700
Houston, Texas 77007

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

Section 10.3 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.

Section 10.4 Assignment; Successors and Assigns. Except as otherwise provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors and permitted assigns of the parties hereto. No party hereto may assign its rights or delegate its obligations under this Agreement without the prior written consent of the other parties hereto, which consent will not be unreasonably withheld.

Section 10.5 Public Announcements. The parties hereto agree that prior to making any public announcement or statement with respect to the transactions contemplated by this Agreement, the party desiring to make such public announcement or statement shall consult with the other parties hereto and exercise their best efforts to agree upon the text of a public announcement or statement to be made by the party desiring to make such public announcement; provided, however, that if any party hereto is required by law to make such public announcement or statement, then such announcement or statement may be made without the approval of the other parties.

Section 10.6 Entire Agreement. This Agreement and the other documents delivered pursuant hereto constitute the full and entire understanding and agreement between the parties with regard to the subject matter hereof and thereof and supersede and cancel all prior representations, alleged warranties, statements, negotiations, undertakings, letters, acceptances, understandings, contracts and communications, whether verbal or written among the parties hereto and thereto or their respective agents with respect to or in connection with the subject matter hereof.

Section 10.7 Choice of Law. 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. In any action between or among any of the parties, whether arising out of this Agreement or otherwise, each of the parties irrevocably consents to the exclusive jurisdiction and venue of the federal and state courts located in Harris County, Texas.

Section 10.8 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “.pdf” signature page were an original thereof.

Section 10.9 Costs and Expenses. Each party shall pay their own respective fees, costs and disbursements incurred in connection with this Agreement.

Section 10.10 Section Headings. The section and subsection headings in this Agreement are used solely for convenience of reference, do not constitute a part of this Agreement, and shall not affect its interpretation.

Section 10.11 No Third-Party Beneficiaries. Nothing in this Agreement will confer any third party beneficiary or other rights upon any person (specifically including any employees of The Company) or any entity that is not a party to this Agreement.

Section 10.12 Validity. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provisions of this Agreement, which shall remain in full force and effect.

Section 10.13 Further Assurances. Each party covenants that at any time, and from time to time, after the Closing Date, it will execute such additional instruments and take such actions as may be reasonably be requested by the other parties to confirm or perfect or otherwise to carry out the intent and purposes of this Agreement.

Section 10.14 Exhibits Not Attached. Any exhibits not attached hereto on the date of execution of this Agreement shall be deemed to be and shall become a part of this Agreement as if executed on the date hereof upon each of the parties initialing and dating each such exhibit, upon their respective acceptance of its terms, conditions and/or form.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

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

RICK'S CABARET INTERNATIONAL, INC.

/s/ Eric Langan

By: Eric Langan, President

Date: November 30, 2007

MIAMI GARDENS SQUARE ONE, INC.

/s/ Norman Hickmore

By: Norman Hickmore, President

Date: November 30, 2007

STELLAR MANAGEMENT CORPORATION

/s/ Norman Hickmore

By: Norman Hickmore, President

Date: November 30, 2007

RICHARD STANTON

/s/ Richard Stanton

Richard Stanton, Individually,
Shareholder of Miami Gardens Square One, Inc.
d/b/a Tootsie's Cabaret, and
Shareholder of Stellar Management Corporation

NORMAN HICKMORE

/s/ Norman Hickmore

Norman Hickmore, Individually,
Shareholder of Miami Gardens Square One, Inc.
d/b/a Tootsie's Cabaret, and
Shareholder of Stellar Management Corporation

[FORM OF]

Original Issue Date:
Original Principal Amount:
Note Number:

November 30, 2007
\$5,000,000.00

SECURED PROMISSORY NOTE

FOR VALUE RECEIVED, RICK'S CABARET INTERNATIONAL, INC.., a Texas corporation, having its principal place of business at 10959 Cutten Road, Houston, Texas 77066 (the "**Company**" or the "**Maker**") promises to pay to the order of [NAME], a resident of Florida, or his registered assigns (the "**Holder**"), the principal sum of **FIVE MILLION AND NO/100 DOLLARS (US\$5,000,000.00)** (the "Original Principal Amount") on the three (3) year anniversary of the Original Issue Date hereof, being November 30, 2010, or such earlier date as this Secured Promissory Note (the "**Note**") is required or permitted to be repaid as provided hereunder, whether by acceleration or otherwise (such three (3) year anniversary date, the "**Maturity Date**"), and to pay interest (computed on a "simple interest" basis and on the basis of a 365/366 day year) on the unpaid principal balance of this Note, from and after the date hereof until maturity, at the rate of fourteen percent (14%) per annum.

This Note is one of a series of duly authorized and issued notes (each a "**Note**" or collectively the "**Notes**") of the Company, designated as its Secured Promissory Notes Due November 30, 2010, in an aggregate principal face amount for all Notes of this series of Ten Million and no/100 United States Dollars (US\$10,000,000.00).

This Note is being given to the Holder by Maker in partial payment of the purchase price set forth in that certain Stock Purchase Agreement dated November 30, 2007 by and among Miami Gardens Square One, Inc., a Florida corporation ("MGSO"), Stellar Management Corporation, a Florida corporation ("Stellar"), Holder, Richard Stanton ("Stanton") and Maker (the "Purchase Agreement").

This Note is secured by the Collateral described herein and is subject to the following additional provisions:

1. Terms of this Note.

1.1 Principal and Interest Payments . Interest shall be due and payable, in arrears, in thirty five (35) equal monthly installments of Fifty-eight Thousand Three Hundred Thirty-Three Dollars and 33/100 (**\$58,333.33**), on the last day of each month, beginning December 31, 2007 and continuing through October 31, 2010. The principal amount of this Note shall be payable in one lump sum payment, along with any accrued and unpaid interest due thereon, on the Maturity Date.

1.2 Payments . All payments on or in respect of this Note shall be made to Holder at 150 NW 183rd Street, Suite 200, Miami Gardens, Florida 33169, or, at such address as Holder may designate to Maker in writing pursuant to the provisions of this Note.

1.3 Collateral; Pledge and Security Agreement . This Note is secured by the collateral described in that certain Pledge and Security Agreement of even date herewith by and among the Maker and the Holder (the "Pledge and Security Agreement") and is subject to all of the agreements, terms and conditions contained therein, all of which are incorporated herein by this reference.

1.4 Conformance with Laws . Notwithstanding any other term of this Note to the contrary, it is the intention of the Maker and the Holder to conform strictly to any applicable usury laws. Accordingly, if the Holder contracts for, charges or receives any consideration that constitutes interest in excess of the maximum rate permitted by applicable law (the “ **Maximum Rate** ”), then such excess will be canceled automatically and if previously paid will, at the Holder’s option, be applied to the outstanding principal amount under this Note or refunded to the Maker. In determining whether any interest exceeds the Maximum Rate, such interest will, to the extent permitted by applicable law, be amortized, prorated, allocated and spread in equal parts throughout the term of this Note. All agreements made in this Note are expressly limited so that in no event whatsoever, whether by reason of advancement of the proceeds of this Note, acceleration of maturity of the unpaid balance of this Note or otherwise, will the amount paid or agreed to be paid to the Holder for the use of the money advanced or to be advanced under this Note exceed an amount calculated at the Maximum Rate. If any circumstances whatsoever, including the fulfillment of any provision of this Note or any other agreement or instrument now or hereafter evidencing, securing or in any way relating to the indebtedness evidenced by this Note, will involve the payment of interest in excess of an amount calculated at the Maximum Rate, then, *ipso facto* , the obligation to pay interest under this Note will be reduced to such amount. This Section 1.5 will control every other provision in any and all other agreements and instruments existing or hereafter arising between the Maker and the Holder with respect to the indebtedness evidenced by this Note.

1.5 Prepayment . This Note may not be prepaid in whole or in part during the twelve (12) months after the Original Issue Date without the prior written consent of the Holder. Thereafter, this Note may be prepaid in whole or in part without the prior consent of the Holder, provided that (i) any prepayment by the Maker from December 1, 2008 through November 30, 2009 shall be paid at a rate of 110% of the Original Principal Amount and (ii) any prepayment by the Maker after November 30, 2009 may be prepaid without penalty at a rate of 100% of the Original Principal Amount.

1.6 Waivers . Except as otherwise provided in this Note, Maker waives presentment, demand, protest and notice of every kind whatsoever. The failure of the Holder to exercise any of his rights under this Note in any particular instance will not constitute a waiver of the same or of any other right in that or any subsequent instance.

2. Events of Default and Remedies.

2.1 DEFAULT. Each of the following constitutes an event of default (“Event of Default”) under this Note:

- (a) Maker fails to make any principal or interest payment when due under this Note;
- (b) Any representation or warranty made or deemed made by Maker in this Note or in any certificate, report, notice, or statement furnished at any time in connection with this Note is false or misleading in any material respect on the date when made or deemed to have been made;

- (c) Maker shall fail to perform, observe, or comply with any covenant, agreement or term contained in this Note and such failure continues, without cure, for twenty (20) business days after written notice to Maker;
- (d) Maker, MGSO or Stellar (or any of same) shall commence a voluntary proceeding seeking liquidation, reorganization, or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian, or other similar official of it or a substantial part of its property or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it or shall make a general assignment for the benefit of creditors or shall take any corporate action to authorize any of the foregoing; or
- (e) An involuntary proceeding shall be commenced against Maker, MGSO or Stellar seeking liquidation, reorganization, or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or a substantial part of its property, and such involuntary proceeding shall remain undismissed and unstayed for a period of sixty (60) days after commencement.

2.2 Default Interest. Maker agrees that if Maker shall default in the payment of any payment required hereunder, whether payment of principal or interest, the Maker promises to pay, on demand, interest on any such unpaid amounts, from the date the payment is due to the date of actual payment, at the rate (the “**Default Rate**”) of the lesser of (i) 18% per annum; and (ii) the maximum nonusurious rate permitted by applicable law.

2.3 Remedies. In case any one or more of the Events of Default specified in Section 2.1 has occurred, Holder will have the right to accelerate payment of the entire principal of, and all interest accrued on, this Note, and, upon such acceleration, this Note will thereupon become due and payable, without any presentment, demand, protest or other notice of any kind, all of which are expressly waived, and the Maker will forthwith pay to the Holder the entire outstanding principal of, and interest accrued on, this Note. Additionally, Holder shall have all of the rights and remedies available to Holder pursuant to the Pledge and Security Agreement.

2.4 Attorney’s Fees; Expenses. Holder may hire an attorney to help collect this Note if Maker does not pay, and Maker will pay Holder’s reasonable attorneys’ fees. Maker also will pay Holder all other amounts Holder actually incurs as court costs, lawful fees for filing, recording, releasing to any public office any instrument securing this Note; the reasonable cost actually expended for repossessing, storing, preparing for sale, and selling any security.

2.5 Cure Provisions.

- (a) In the event of a default in payment as set forth in Section 2.1(a), such default may be cured if Maker cures the default within ten (10) days after the due date of any such payment.

- (b) If any default, other than a default in payment is curable, it may be cured if Maker, after receiving written notice from Holder demanding cure of such default: (i) cures the default within twenty (20) business days; or (ii) if the cure requires more than twenty (20) business days, immediately initiates steps which Holder deems in Holder's discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

3. Miscellaneous .

3.1 Jurisdiction . Any action or proceeding seeking to enforce any provision of this Note must be brought in any of the courts of the State of Florida sitting in Dade County, or, if it has or can acquire jurisdiction, in the United States District Court in Florida, sitting in Dade County, and each of the Maker and the Holder consents to the exclusive jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to venue in such courts. If the Holder commences any action or proceeding seeking to enforce any provision of this Note in any other jurisdiction, then the Maker will be entitled to have such action or proceeding transferred to one of the jurisdictions described above, or, if such transfer may not be accomplished under applicable law, then to have such action or proceeding dismissed without prejudice.

3.2 Amendment and Waiver . This Note may be amended, and the observance of any term of this Note may be waived or consented to, with and only with the written consent of the Maker and the Holder.

3.3 Waiver . Any waiver or failure to insist upon strict compliance with any obligation, covenant, agreement or condition of this Note will not operate as a waiver of, or estoppel with respect to, any subsequent or other failure. Any waiver of any provision of this Note shall be made pursuant to the provisions of Section 3.2.

3.4 Notices . Any notice, consent, or other communication required or permitted to be given under this Note to the Maker or the Holder shall be in writing and shall be deemed to have been duly given if delivered personally or sent by registered or certified mail, return receipt requested, postage prepaid, or nationally recognized overnight air courier guaranteeing next day delivery as follows:

- | | |
|-------------------|---|
| (a) if to Holder: | 150 NW 183 rd Street, Suite 200
Miami Gardens, Florida 33169 |
| (b) If to Maker: | Rick's Cabaret International, Inc.
Attn: Eric Langan, President/CEO
10959 Cutten Road
Houston, Texas 77066 |
| with a copy to: | Robert D. Axelrod
Axelrod, Smith & Kirshbaum
5300 Memorial Drive, Suite 700
Houston, Texas 77007 |

Any such notice, consent, or other communication 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.

3.5 Governing Law . This Note will be governed by the laws of the State of Florida without regard to the conflicts of law principles of any jurisdiction.

3.6 Entire Agreement . This Note, the Purchase Agreement and the Pledge and Security Agreement constitute the entire agreement of the Maker and the Holder with respect to the subject matter contained in this Note and supersede all prior agreements and undertakings between the Maker and the Holder with respect to the transactions contemplated hereby. There are no restrictions, promises, representations, warranties, covenants or undertakings, other than those expressly provided for in this Note.

3.7 Severability . If any term, provision, covenant, agreement or restriction of this Note is held by a court of competent jurisdiction to be invalid, void or unenforceable, then the remainder of the terms, provisions, covenants, agreements and restrictions of this Note will continue in full force and effect and will in no way be affected, impaired or invalidated.

MAKER:

Rick's Cabaret International, Inc.,
a Texas Corporation

By: _____
Eric Langan, President

PLEDGE AND SECURITY AGREEMENT
(Common Stock)

This Pledge and Security Agreement (this "Agreement") is made effective as of November 30, 2007 ("Effective Date"), by and between **RICK'S CABARET INTERNATIONAL, INC.**, a Texas corporation ("Pledgor"), and the Sellers identified on the signature pages hereto (each, a "Seller" and collectively, the "Sellers") and **RICHARD STANTON and NORMAN HICKMORE**, as agents for the Sellers (in such capacity, together with its successors in such capacity, the "Agent").

RECITALS:

WHEREAS, Pledgor and Sellers have entered into a Stock Purchase Agreement dated November 30, 2007 (the "Purchase Agreement"), pursuant to which Pledgor will acquire 100% of the issued and outstanding common stock (the "Stellar Stock") of Stellar Management Corporation, a Florida corporation ("Stellar") and 100% of the issued and outstanding common stock (the "MGSO Stock") of Miami Gardens Square One, Inc., a Florida corporation ("MGSO") which owns and operates an adult entertainment cabaret known as "Tootsie's Cabaret" located at 150 NW 183rd Street, Miami Gardens, Florida 33169 ("Tootsie's"); and

WHEREAS, pursuant to the Purchase Agreement and as part of the Purchase Price thereunder, Pledgor will pay \$25,000,000 for the MGSO Stock and the Stellar Stock, \$10,000,000 of which amount is payable and evidenced by a series of 14% Secured Promissory Notes in the aggregate original principal amount of \$10,000,000 bearing interest at the rate of fourteen percent (14%) per annum payable to Sellers (the "Notes") pursuant to which the principal amount will be payable in a lump sum payment on the three (3) year anniversary of the Notes as more fully described in the Purchase Agreement; and

WHEREAS, the Notes provide that the Pledgor shall pledge and grant a security interest in the Collateral (as hereinafter defined) as security for the Obligations (as hereinafter defined) under the Notes; and

WHEREAS, as part of the Purchase Price for the MGSO Stock and Stellar Stock, this Agreement shall have been executed and delivered by Pledgor; and

WHEREAS, Pledgor has determined that Pledgor's execution, delivery and performance of this Agreement may reasonably be expected to provide substantial benefit to Pledgor, directly or indirectly, and to be in the best interests of Pledgor.

NOW, THEREFORE, FOR VALUE RECEIVED, the sufficiency of which is acknowledged by the parties, the parties hereto agree as follows:

ARTICLE I
Security Interest and Pledge

Section 1.01. **Defined Terms and Related Matters.**

(a) Capitalized terms used and not otherwise defined herein that are defined in the Notes shall have the meanings specified therein. Capitalized terms used and not otherwise defined herein or in the Notes that are defined in the Purchase Agreement shall have the meanings specified therein. Terms defined in the singular include the plural and terms defined in the plural include the singular.

(b) The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement.

(c) Unless otherwise defined herein or in the Purchase Agreement, the terms defined in Articles 8 and 9 of the Uniform Commercial Code as enacted in the State of Florida as in effect from time to time (the "Code"), are used herein as therein defined.

(d) " Pledged Securities " means (i) 2,000 shares of common stock of MGSO which represents 100% of the issued and outstanding common stock of MGSO; and (ii) 100 shares of the common stock of Stellar which represents 100% of the issued and outstanding common stock of Stellar, all of which Pledgor acquired pursuant to the Purchase Agreement.

Section 1.02 **Security Interest and Pledge.** Subject to the terms of this Agreement, Pledgor hereby pledges and delivers to the Sellers, and hereby grants to the Sellers, pro rata as listed in Schedule "A" to the Purchase Agreement, a lien on and security interest in and to all of Pledgor's rights, titles, interests and privileges in and with respect to the Pledged Securities, whether now owned or hereafter acquired, including, without limitation: (a) the MGSO Stock and the Stellar Stock; (b) all certificates or instruments representing Pledged Securities and all proceeds, income and profits thereon, and all interest, dividends and other payments, property, revenues, and distributions with respect thereto; (c) all proceeds received or receivable by Pledgor in cash, stock or otherwise, from any recapitalization, reclassification, merger, dissolution, liquidation or other termination of the existence of MGSO or Stellar relating to the Pledged Securities; and (d) all other proceeds or assets received or receivable by Pledgor in respect of its status as the owner of the MGSO Stock or the Stellar Stock with respect to the Pledged Securities (all such property, collectively, the "Collateral").

Section 1.03. **Obligations Secured.** This Agreement secures: (a) all obligations under the Notes, including the full and prompt payment of the principal of, interest on, and all other amounts due with respect to the Notes from time to time outstanding, as and when such amounts shall become due and payable, whether by lapse of time, upon redemption, prepayment or purchase, by extension or by acceleration or declaration or otherwise; (b) the full and prompt payment, performance and observance by Pledgor of all obligations, covenants, conditions and agreements contained in this Agreement; and (c) the full and prompt payment, upon demand by the Sellers, of all costs and expenses (including, without limitation, reasonable attorneys' fees), if any, as shall have been expended or incurred by the Sellers in the protection or enforcement of any right or privilege under the Notes or this Agreement, or in the protection or enforcement of any rights, privileges or liabilities thereunder (all such obligations, covenants, conditions and agreements described in the foregoing clauses (a), (b) and (c) being hereinafter collectively referred to as the "Obligations").

Section 1.04. **Formalities.**

(a) All certificates and instruments representing the Pledged Securities have been, or, in the case of all Pledged Securities hereafter acquired, immediately upon acquisition shall be, delivered to and shall be held by the Agent on behalf of the Sellers pursuant hereto in suitable form for transfer by delivery, or accompanied by undated stock powers or other instruments of transfer or assignment, duly executed in blank, all in form and substance satisfactory to the Agent.

(b) Notwithstanding anything to the contrary contained in clause (a) above, if any Pledged Securities (whether now owned or hereafter acquired) are uncertificated securities, Pledgor shall promptly notify the Agent, and shall promptly, without the need for any request from the Agent, take all actions required to perfect the security interest of the Sellers under applicable law (including, in any event, under the provisions of Article 8 or 9 of the Code, if applicable). Pledgor further agrees to take such actions as the Agent deems necessary or desirable to effect the foregoing and to permit the Agent to exercise any rights and remedies on behalf of the Sellers hereunder.

(c) The Agent shall have the right, at any time in its reasonable discretion and without notice to any Pledgor, to (i) transfer to any of its nominees any or all of the Collateral, subject only to the revocable rights set forth in Section 4.01 hereof and applicable law, and (ii) so long as an Event of Default shall have occurred and be continuing, to register any or all of the Collateral in Agent's or Sellers' own names. In addition, the Agent shall have the right at any time to exchange certificates or instruments representing or evidencing Collateral for certificates or instruments of smaller or larger denominations.

(d) Pledgor hereby authorizes the Agent, at the expense of Pledgor (including the fees and expenses of counsel to the Agent on behalf of the Sellers), to file one or more financing or continuation statements, and amendments thereto, relating to all or any part of the Collateral without the signature of Pledgor where permitted by law. A photocopy or other reproduction of this Agreement or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by law. Pledgor understands and agrees that even though the Agent has no obligation to do so, with respect to any financing statement, the Agent intends to file (at the expense of Pledgor, including the fees and expenses of counsel to the Agent on behalf of the Sellers) any continuation statement or amendment where failure to so file could reasonably be expected to result in the potential lapse of such financing statement at any time within three months of any such proposed filing.

(e) Each Seller hereby agrees to appoint Richard Stanton and Norman Hickmore as its Agent for purposes of this Agreement. The Agent may employ agents and attorneys-in-fact in connection herewith and shall not be responsible for the negligence or misconduct of any such agents or attorneys-in-fact selected by it in good faith.

(f) Each of the Sellers hereby, severally and not jointly, covenants and agrees to reimburse, **INDEMNIFY** and hold the Agent harmless from and against any and all claims, actions, judgments, damages, losses, liabilities, costs, transfer or other taxes, and expenses (including, without limitation, reasonable attorneys' fees and expenses) incurred or suffered without any bad faith, gross negligence or willful misconduct by the Agent, arising out of or incident to this Agreement or the administration of the Agent's duties hereunder, or resulting from its actions or inactions as Agent.

ARTICLE II

Representations and Warranties

Section 2.01 **Representations and Warranties**. Pledgor represents, warrants, and covenants to Sellers as follows:

(a) The Pledged Securities outstanding on the date hereof: (i) are described in Schedule A hereto; (ii) have been duly and validly issued; and (iii) are subject to no options, warrants, calls, liens, pledges, or commitments of any character whatsoever relating thereto.

(b) Any instruments of transfer or assignment relating to certificates representing or evidencing the Pledged Securities, executed in blank and delivered by Pledgor to the Agent herewith, have been duly executed by Pledgor and vest in the Sellers the authority that they purport to confer.

(c) The principal place of business and chief executive office of Pledgor and the sole location where the records of Pledgor with respect to the Collateral are kept are located at the address set forth on Schedule B attached hereto. Pledgor shall not move its chief executive office, principal place of business, or such location of records unless it shall have given to the Agent not less than twenty (20) days' prior written notice of its intention so to do, clearly describing such new location and providing such other information in connection therewith as the Agent may reasonably request.

(d) The jurisdiction of organization of Pledgor is as set forth on Schedule B attached hereto. As of the date hereof, Pledgor does not have or operate under, nor has it had or operated under, in any jurisdiction at any time prior to the date hereof, any name except its legal name as set forth on the signature pages hereto, nor has Pledgor ever been organized under the laws of any jurisdiction other than the jurisdiction specified on Schedule B attached hereto. Pledgor shall not change its legal name, assume or operate in any jurisdiction under any trade, fictitious or other name or change its jurisdiction of organization unless (i) it shall have given to the Agent not less than twenty (20) days' prior written notice of its commencing to do so, clearly describing such new name and the jurisdictions in which such new name shall be used or such new jurisdiction of organization and providing such other information in connection therewith as the Agent may reasonably request and (ii) with respect to such new name or jurisdiction of organization, Pledgor shall have taken all reasonable action, reasonably satisfactory to the Agent, to maintain the security interest of the Sellers in the Collateral intended to be granted hereby at all times fully perfected and in full force and effect.

(e) Pledgor is the legal and beneficial owner of the Collateral free and clear of any lien or security interest (except the liens and security interests created herein), and Pledgor has not sold, granted any option with respect to, assigned, transferred or otherwise disposed of any of its rights or interests in or to such Collateral.

(f) Except as set forth in Exhibit 2.01(f), no effective financing statement or other document similar in effect covering all or any part of Pledgor's portion of the Collateral is on file in any recording office, except such as may have been filed in favor of the Sellers relating to this Agreement, and Pledgor has not authorized the filing of any such financing statement or other document. Pledgor will not, without the prior written consent of the Agent, authorize or authenticate any such financing statements after the date hereof, and there will not ever be on file in any public office, any enforceable financing statement or statements covering any or all of the Collateral, except financing statements filed or to be filed in favor of the Sellers.

(g) No consent, authorization, approval or other action by, and no notice to or filing with, any governmental authority or any other Person is required: (i) for the valid execution, delivery and performance by Pledgor of this Agreement; (ii) for the pledge by Pledgor of a security interest in the Collateral or for the granting, perfection and maintenance of the liens and security interests created hereby and the first priority nature of such liens and security interests (other than the timely and proper filing of financing statements and continuation statements related thereto); or (iii) for the exercise by the Agent of the voting or other rights provided for in this Agreement or the remedies in respect of Pledgor's portion of the Collateral pursuant to this Agreement (except as may be required in connection with such disposition by laws affecting the offering and sale of securities generally).

(h) This Agreement has been duly authorized, executed and delivered by Pledgor and constitutes a legal, valid and binding obligation of Pledgor, enforceable against Pledgor in accordance with its terms, except to the extent that the enforceability hereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and by equitable principles (regardless of whether enforcement is sought in equity or at law).

(i) The execution, delivery and performance of this Agreement is not in conflict with and does not violate any instrument or agreement to which Pledgor is a party or by which Pledgor is bound.

(j) Pledgor covenants and agrees that it will defend the Sellers' right, title and security interest in and to the Collateral and the proceeds thereof against the claims and demands of all persons whomsoever, and Pledgor covenants and agrees that it will have like title to and right to pledge any other property at any time hereafter pledged by Pledgor to the Sellers as Collateral hereunder and will likewise defend the right thereto and the security interest therein of the Sellers.

(k) Except as permitted by the Agent, Pledgor will not sell, assign, or otherwise dispose of, grant any option with respect to, or pledge, grant a security interest in or otherwise encumber any of the Collateral or any interest therein, or suffer any of the same to exist, and any sale, assignment, option, pledge, security interest or other encumbrance or disposition of any nature whatsoever made in violation of this covenant shall be a nullity and of no force and effect, and upon demand of the Agent, shall forthwith be canceled or satisfied by an appropriate instrument in writing.

The representations and warranties set forth in this Section 2.01 shall survive the execution and delivery of this Agreement.

ARTICLE III
Affirmative and Negative Covenants

Pledgor covenants and agrees with Sellers that until the Obligations are satisfied and performed in full:

Section 3.01. **Encumbrances**. Pledgor shall not create, permit, or suffer to exist, and shall defend the Collateral against, any lien, security interest, or other encumbrance on the Collateral except the pledge and security interest of Sellers hereunder and the pledge and security interests referenced in Section 1.02 above, and shall defend Pledgor's rights in the Collateral and Sellers' security interest in the Collateral against the claims of all persons or entities whatsoever.

Section 3.02. **Sale of Collateral**. Pledgor shall not sell, assign, or otherwise dispose of the Collateral or any part thereof, or attempt to sell, assign, or otherwise dispose of the Collateral or any part thereof, without the prior written consent of the Agent.

Section 3.03. **Further Assurances**.

(a) At any time and from time to time, upon the request of the Agent, and at the sole expense of Pledgor, Pledgor shall promptly execute and deliver all such further instruments and documents and take such further action as the Agent may deem necessary or desirable to preserve and perfect its security interest in the Collateral and carry out the provisions and purposes of this Agreement, including, without limitation, the execution and/or filing of such financing statements as the Agent may require (and any such filing is hereby authorized by Pledgor). A carbon, photographic, or other reproduction of this Agreement or of any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement and may be filed as a financing statement.

(b) In addition to performing its obligations under Section 3.03 (a) above, Pledgor will, upon acquiring any additional Pledged Securities, promptly (and in any event within ten business days) deliver to the Agent a Supplement to Pledge Agreement, duly executed by the Pledgor, in substantially the form of Annex A hereto (each, a "Supplement to Pledge Agreement"), identifying such additional Pledged Securities. Pledgor hereby authorizes the Agent to attach each Supplement to Pledge Agreement to this Agreement and agrees that all additional Pledged Securities listed on any Supplement to Pledge Agreement (including any schedules(s) thereto) delivered to the Agent shall for all purposes hereunder constitute Collateral.

Section 3.04. **Obligations**. Pledgor shall duly and punctually pay and perform the Obligations, including without limitation, the obligations of Pledgor under this Agreement.

Section 3.05. **Notification** . Pledgor shall promptly notify the Agent of any lien, security interest, encumbrance or claim made or threatened against the Collateral.

Section 3.06. **Compliance with Laws** . Pledgor shall comply with all applicable laws, rules, regulations, and orders of any court or governmental authority.

ARTICLE IV **Rights of Sellers and Pledgor**

Section 4.01. **Voting Rights** . So long as no Event of Default (as hereinafter defined) shall have occurred and be continuing and this Agreement is in force and effect, Pledgor shall be entitled to exercise any voting and other consensual rights relating or pertaining to the Collateral or any part thereof provided, however, that no vote shall be cast or consent, waiver or ratification given or action taken that would be inconsistent with or violate any provision of this Agreement. Upon the occurrence and during the continuance of an Event of Default, at the sole option of the Agent, all voting rights shall thereupon become vested in the Sellers or their assignee, who shall thereupon have the sole right to exercise or to assign the right to exercise such voting and other consensual rights.

Section 4.02. **Dividends; Distributions**. Until an Event of Default occurs and is continuing, Pledgor shall be entitled to receive, retain and use any and all dividends, distributions and other payments paid in respect of the Collateral to the extent not otherwise prohibited hereby; provided, however, that any and all

(A) dividends, distributions and other amounts paid or payable other than in cash in respect of, and instruments and other property (including, without limitation, capital stock in MGSO or Stellar) received, receivable or otherwise distributed in respect of, or in exchange for, any of the Collateral;

(B) dividends or distributions hereafter paid or payable in cash in respect of any of the Collateral in connection with a partial or total liquidation or dissolution; and

(C) cash paid, payable or otherwise distributed in redemption of, or in exchange for, any Pledgor's portion of the Collateral;

shall be, and shall be forthwith delivered to the Agent to hold as Collateral and shall, if received by Pledgor, be received in trust for the benefit of the Sellers, be segregated from the other property or funds of Pledgor and be forthwith delivered to the Agent as Collateral in the same form as so received (with any necessary endorsement).

4.03. **Exercise of Rights**. Upon the occurrence and during the continuance of an Event of Default:

(i) the Agent shall, without notice to Pledgor, transfer or register in the name of the Sellers or any of their nominees any or all certificates, if any, of the Collateral held by the Agent on behalf of the Sellers hereunder, and the Agent may thereafter, after delivery of notice to Pledgor, exercise all voting or other corporate rights with respect to the Collateral (in each such case whether exercisable at any meeting of the issuer of that Collateral or by written consent or otherwise) and any and all rights of conversion, exchange, subscription or any other rights, privileges or options pertaining to any of the Collateral, as if it were the absolute owner thereof, including, without limitation, the right to exchange at its discretion any and all of the Collateral upon the merger, consolidation, reorganization, recapitalization or other readjustment of the issuer of that Collateral or upon the exercise by the applicable Pledgor or the Agent of any right, privilege or option pertaining to any certificates of the Collateral, and in connection therewith, to deposit and deliver any and all of the Collateral with any committee, depository, transfer agent, registrar or other designated agency upon such terms and conditions as it may determine, all without liability except to account for property actually received by it, but the Agent shall have no duty to exercise any of the aforesaid rights, privileges or options, and the Agent shall not be responsible for any failure to do so or delay in so doing.

(ii) All rights of the Pledgor to exercise the voting and other consensual rights which it would otherwise be entitled to exercise pursuant to Section 4.01 hereof and to receive the dividends, distributions and other payments which it would otherwise be authorized to receive and retain pursuant to Section 4.02 hereof shall cease, and all such rights shall thereupon become vested in the Agent which shall thereupon have the sole right to exercise such voting and other consensual rights and to receive and hold as Collateral such dividends, distributions and other payments on behalf of the Sellers.

(iii) All dividends, distributions or other payments which are received by Pledgor contrary to the provisions of this Article shall be received in trust for the benefit of the Sellers, shall be segregated from other funds of Pledgor, and shall be forthwith paid over to the Agent for the benefit of the Sellers as Collateral in the same form as so received (with any necessary endorsement).

(iv) Pledgor shall execute and deliver (or cause to be executed and delivered) to the Agent all such instruments as the Agent may reasonably request for the purpose of enabling the Agent to exercise the voting and other rights to which it is entitled to exercise on behalf of the Sellers pursuant to this Article and to receive the dividends, distributions or other payments which it is entitled to receive and retain on behalf of the Sellers pursuant to this Article.

Section 4.04. **Agent Appointed Attorney-in-Fact** . Pledgor hereby irrevocably designates, makes, constitutes and appoints the Agent as Pledgor's attorney-in-fact, with full authority in the place and stead of Pledgor and in the name of Pledgor or otherwise, from time to time in the Agent's discretion, to take any action and to execute any agreement, document or instrument which the Agent may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation:

(a) upon the occurrence and during the continuance of an Event of Default, to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for monies due and to become due under or in connection with the Collateral;

(b) upon the occurrence and during the continuance of an Event of Default, to receive, indorse and collect any drafts or other instruments, documents and chattel paper, in connection therewith; and

(c) upon the occurrence and during the continuance of an Event of Default, to file any claims or take any action or institute any proceedings that the Agent may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Sellers with respect to any of the Collateral.

Section 4.05. **Performance by Agent of Pledgor's Obligations**. If Pledgor fails to perform or comply with any of the agreements contained herein and Agent shall cause performance of or compliance with such agreement, the expenses of Agent, together with interest thereon at the Default Rate (as defined in the Notes) shall be payable by Pledgor to Agent on demand and shall constitute Obligations secured by this Agreement.

Section 4.06. **Possession; Reasonable Care**. The powers conferred on the Agent hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon Agent to exercise any such powers. Except for the safe custody of any Collateral in its possession and the accounting for monies actually received by it hereunder, the Agent shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral. The Agent shall hold in its possession all Collateral pledged, assigned or transferred hereunder, except as from time to time any documents or instruments may be required for recordation or for the purpose of enforcing or realizing upon any right or value thereby represented. The Agent may, from time to time, in its sole discretion, appoint one or more agents to hold physical custody, for the account of the Sellers, of any or all of the Collateral. The Agent shall be deemed to have exercised reasonable care in the custody and preservation of any Collateral in its possession if such Collateral is accorded treatment substantially equal to that which the Agent accords its own property, it being understood that the Agent shall not have any responsibility for (a) ascertaining or taking action with respect to calls, conversions, warrants, exchanges, maturities, tenders or other matters relative to any Collateral, whether or not the Agent has or is deemed to have knowledge of such matters, or (b) taking any necessary steps to preserve rights against any parties with respect to any Collateral.

Section 4.07. **Release of Collateral**. The Agent shall release the Collateral upon the terms and conditions set forth in the Notes.

ARTICLE V

Default

Section 5.01. **Events of Default**. Each of the following shall be deemed an "Event of Default":

- (a) an Event of Default occurs under terms of the Notes;
- (b) Any representation or warranty made or deemed made by Pledgor in this Agreement or in any certificate, report, notice, or statement furnished at any time in connection with this Agreement or the Notes is false or misleading in any material respect on the date when made or deemed to have been made.

(c) Pledgor shall fail to perform, observe, or comply with any covenant, agreement or term, other than a monetary default, contained in this Agreement and such failure continues, without cure, for twenty (20) business days after written notice to Pledgor.

(d) Pledgor, MGSO or Stellar (or any of same) shall commence a voluntary proceeding seeking liquidation, reorganization, or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian, or other similar official of it or a substantial part of its property or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it or shall make a general assignment for the benefit of creditors or shall take any corporate action to authorize any of the foregoing.

(e) An involuntary proceeding shall be commenced against Pledgor, MGSO or Stellar seeking liquidation, reorganization, or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or a substantial part of its property, and such involuntary proceeding shall remain undismissed and unstayed for a period of sixty (60) days after commencement.

Section 5.02. **Rights and Remedies.** Upon the occurrence of an Event of Default, and subject to the notice and opportunity to cure (if any) required by the Notes, the Agent shall have all of the rights and remedies set forth in this Agreement and the Notes, and additionally shall have the following rights and remedies:

(i) The Agent may declare the Obligations or any part thereof immediately due and payable, without demand, presentment, notice of dishonor, notice of acceleration, notice of intent to accelerate, notice of intent to demand, protest, or any other notice whatsoever, all of which are hereby expressly waived by Pledgor; provided, however, that upon the occurrence of an Event of Default under Section 5.01(d) or Section 5.01(e) of this Agreement, the Obligations shall become immediately due and payable without demand, presentment, notice of dishonor, notice of acceleration, notice of intent to accelerate, notice of intent to demand, protest, or any other notice whatsoever, all of which are hereby expressly waived by Pledgor;

(ii) In addition to all other rights and remedies granted to the Sellers in this Agreement and in any other instrument or agreement securing, evidencing, or relating to the Obligations, the Agent shall have all of the rights and remedies of a secured party under the Uniform Commercial Code in force in the State of Florida as of the date of this Agreement. Without limiting the generality of the foregoing, the Agent may (A) without demand or notice to Pledgor, collect, receive, or take possession of the Collateral or any part thereof, (B) sell or otherwise dispose of the Collateral, or any part thereof, in one or more parcels at public or private sale or sales, at the Agent's offices or elsewhere, for cash or on credit, and/or (C) bid and become a purchaser at any sale free of any right or equity of redemption in Pledgor, which right or equity is hereby expressly waived and released by Pledgor. Upon the request of the Agent, Pledgor shall assemble the Collateral and make it available to the Agent at any place designated by the Agent. Pledgor agrees that the Agent shall not be obligated to give more than ten (10) business days written notice of the time and place of any public sale or of the time after which any private sale may take place and that such notice shall constitute reasonable notice of such matters. The Agent shall not be obligated to make any sale of the Collateral regardless of notice of sale having been given. The Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Any cash held by the Agent as Collateral and all cash proceeds received by the Agent in respect of any sale of, collection from, or other realization upon all or any part of the Collateral may, in the discretion of the Agent, be held by the Agent as collateral for, and/or be applied then or at any time thereafter to the Obligations in the order and manner as Agent may elect. Any surplus of such cash or cash proceeds held by the Agent and remaining after payment in full of all the Obligations shall be paid over to Pledgor or to whomever may be lawfully entitled to receive such surplus. Pledgor shall be liable for all expenses of retaking, holding, preparing for sale, or the like, and all attorneys' fees and other expenses incurred by Agent in connection with the collection of the Obligations and the enforcement of Sellers' rights under this Agreement, all of which expenses and fees shall constitute additional Obligations secured by this Agreement. Pledgor shall remain liable for any deficiency if the proceeds of any sale or disposition of the Collateral are insufficient to pay the Obligations;

(iii) The Agent may cause any or all of the Collateral held by it to be transferred into the name of the Sellers or the name or names of the Sellers' nominee or nominees;

(iv) The Agent shall be entitled to receive all cash and non-cash dividends payable in respect of the Collateral on behalf of the Sellers;

(v) The Agent shall have the right, but shall not be obligated to, exercise or cause to be exercised all voting rights and corporate powers in respect of the Collateral on behalf of the Sellers, and Pledgor shall deliver to the Agent, if requested by the Agent, irrevocable proxies with respect to the Collateral in form satisfactory to the Agent;

(vi) Pledgor hereby acknowledges and confirms that the Agent may be unable to effect a public sale of any or all of the Collateral by reason of certain prohibitions contained in the Securities Act of 1933, as amended, and applicable state securities laws and may be compelled to resort to one or more private sales thereof to a restricted group of purchasers who will be obligated to agree, among other things, to acquire any shares of the Collateral for their own respective accounts for investment and not with a view to distribution or resale thereof. Pledgor further acknowledges and confirms that any such private sale may result in prices or other terms less favorable to Pledgor or other seller than if such sale were a public sale and, notwithstanding such circumstances, agree that any such private sale shall be deemed to have been made in a commercially reasonable manner, and the Agent shall be under no obligation to take any steps in order to permit the Collateral to be sold at a public sale. The Agent shall be under no obligation to delay a sale of any of the Collateral for any period of time necessary to permit any issuer thereof to register such Collateral for public sale under the Securities Act of 1933, as amended, or under applicable state securities laws, or to delay a sale of any of the Collateral for any other reason. Pledgor hereby waives any claims against the Agent or Sellers arising by reason of the fact that the price at which the Collateral may have been sold at such private sale was less than the price which might have been obtained at a public sale or was less than the Obligations even if the Agent accepts the first offer received and does not offer the Collateral to more than one offeree (and the Agent, the Sellers or any affiliates of the Sellers may be the only offeree and the purchaser of the Collateral); and

(vii) On any sale of the Collateral, the Agent is hereby authorized to comply with any limitation or restriction compliance with which is necessary, in the view of the Agent's counsel, in order to avoid any violation of applicable law or in order to obtain any required approval of the purchaser or purchasers by any applicable governmental authority.

Section 5.03. **Security Interest Absolute.** All rights of the Sellers hereunder and in and to the Collateral, and all obligations of Pledgor hereunder, shall be absolute and unconditional irrespective of:

- (a) any lack of validity or enforceability of the Notes, any agreement with respect to any of the Obligations or any other agreement or instrument relating to any of the foregoing;
- (b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations or any other amendment or waiver of or any consent to any departure from this Agreement or any other agreement or instrument; or
- (c) any sale, exchange, release or nonperfection of any other collateral, or any release of any guarantor or any person liable in any manner for the collection of any of the Obligations or any amendment or waiver of or consent to or departure from the Notes or any guaranty for all or any of the Obligations.

Section 5.04. **Waiver and Consent.**

(a) Pledgor consents and agrees that the Agent may in its absolute and sole discretion, at any time and from time to time, without notice or demand, and without affecting the enforceability or security hereof: (i) create new Obligations or supplement, modify, amend, extend, increase, decrease, renew, accelerate or otherwise change the Obligations or any of their terms; (ii) supplement, modify, amend, or waive any provision of, or enter into or give any agreement, approval or consent with respect to the Notes; (iii) accept new or additional instruments, documents or agreements in exchange for or relative to any of the Obligations or any part thereof or for the Notes; (iv) accept payments on the Obligations; (v) receive and hold additional security or guaranties for the Obligations or any part thereof; (vi) release, reconvey, terminate, waive, abandon, fail to perfect, subordinate, exchange, substitute, transfer or enforce any security or guarantees and apply any security and direct the order or manner of sale thereof; (vii) release any person from any personal liability with respect to the Obligations or any part thereof; and (viii) settle, release on terms satisfactory to the Agent or by operation of applicable laws or otherwise liquidate or enforce any Obligations and any security or guaranty in any manner, and consent to the transfer of any security.

(b) Upon the occurrence and during the continuance of an Event of Default, and subject to the notice and opportunity to cure (if any) required by the Notes, the Agent may enforce this Agreement independently from any other document and independently of any other remedy, security or guaranty the Sellers at any time may have or hold in connection with the Obligations, and it shall not be necessary for the Agent to marshal assets in favor of Pledgor or any other person or to proceed upon or against and/or exhaust my other security or remedy before proceeding to enforce this Agreement. Pledgor expressly agrees that the Agent may proceed against any or all of the Collateral or guaranties for the Obligations in such order and in such manner as Agent shall determine in Agent's sole and absolute discretion. The Agent may file a separate action or actions against Pledgor, whether action is brought or prosecuted with respect to any other security or against any other person, or whether any other person is joined in any such action or actions. Pledgor agrees that the Agent and other guarantor, if any, of the Obligations ("Other Guarantor") may deal with each other in connection with the Obligations or otherwise, or alter any contracts or agreements now or hereafter existing between or among any of them, in any manner whatsoever, all without in any way altering or affecting the security of this Agreement. Pledgor expressly waives the benefit of any statute(s) of limitations affecting its liability hereunder or the enforcement of the Obligations or the lien or security interest created or granted herein. The Sellers' rights hereunder shall be reinstated and revived, and the enforceability of this Agreement shall continue, with respect to any amount at any time paid on account of the Obligations that thereafter shall be required to be restored or returned by the Sellers upon the bankruptcy, insolvency or reorganization of Pledgor, MGSO or Stellar, or other any other Person, all as though such amount had not been paid.

(c) Pledgor expressly waives any and all defenses now or hereafter arising or asserted by reason of (i) any disability or other defense of any Other Guarantor with respect to the Obligations (ii) the failure of priority of any security for the Obligations (iii) the cessation from any cause whatsoever of the liability of any Other Guarantor (other than by reason of the full payment and performance of all Obligations, (iv) any defect in any notice that may be given in connection with any sale or disposition of any property securing the Obligations, (v) any act or omission of the Agent or others that directly or indirectly results in or aids the discharge or release of any Other Guarantor or the Obligations or any other security or guaranty therefor by operation of law or otherwise, (vi) any law that provides that the obligation of a surety or guarantor must neither be larger in amount nor in other respects more burdensome than that of the principal or that reduces a surety's or guarantor's obligation in proportion to the principal's obligation, (vii) any failure of the Agent to file or enforce a claim in any bankruptcy or other proceeding with respect to any person, (viii) the election by the Agent, in any bankruptcy proceeding of any person, of the application or nonapplication of Section 1111(b) (2) of the United States Bankruptcy Code, (ix) any extension of credit or the grant of any lien under Section 364 of the United States Bankruptcy Code, (x) any use of cash collateral under Section 363 of the United States Bankruptcy Code, (xi) any agreement or stipulation with respect to the provision of adequate protection in any bankruptcy proceeding of any person, (xii) the avoidance of any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, liquidation or dissolution proceeding of any Person, including any discharge of, or bar or stay against collecting, all or any of the Obligations in or as a result of any such proceeding, or (xiii) any action taken by the Agent that is authorized by this Section, this Agreement, or any other provision of the Notes.

ARTICLE VI
Miscellaneous

Section 6.01. **Expenses; Indemnification**. Pledgor agrees to pay on demand all costs and expenses incurred by the Agent in connection with the preparation, negotiation, and execution of any and all amendments, modifications, and supplements to this Agreement. Pledgor agrees to pay and to hold Sellers and Agent harmless from and against all excise, sales, stamp, or other taxes and all fees payable in connection with this Agreement or the transactions contemplated hereby, and agree to hold the Sellers and Agent harmless from and against any and all present or future claims or liabilities with respect to or resulting from Pledgor performing or delaying in performing their obligations under this Agreement.

Section 6.02. **No Waiver; Cumulative Remedies**. No failure on the part of the Agent to exercise and no delay in exercising, and no course of dealing with respect to, any right, power, or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power, or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. The rights and remedies provided for in this Agreement are cumulative and not exclusive of any rights and remedies provided by law.

Section 6.03. **Successors and Assigns**. This Agreement shall be binding upon and inure to the benefit of Pledgor and Sellers and their respective heirs, successors, and assigns, except that Pledgor may not assign any of its rights or obligations under this Agreement without the prior written consent of the Agent, which written consent shall not be unreasonably withheld. The Agent may not assign this Agreement to any assignee or transferee. Each Seller, however, may assign its rights and obligations under this Agreement to any assignee or transferee to which its Notes is assigned or transferred in compliance with the terms of such Notes.

Section 6.04. **Amendment; Entire Agreement**. This Agreement embodies the entire agreement among the parties hereto and supersedes all prior agreements and understandings, if any, relating to the subject matter hereof. The provisions of this Agreement may be amended or waived only by an instrument in writing signed by the parties hereto.

Section 6.05. **Notices**. Any notice, consent, or other communication required or permitted to be given under this Agreement to the Agent or Sellers or Pledgor shall be in writing and shall be deemed to have been duly given if delivered personally or sent by registered or certified mail, return receipt requested, postage prepaid, or nationally recognized overnight air courier guaranteeing next day delivery as follows:

To Agents:	Richard Stanton
	Norman Hickmore
	150 NW 183 rd Street, Suite 200
	Miami Gardens, Florida 33169

To Sellers: Richard Stanton
150 NW 183rd Street, Suite 200
Miami Gardens, Florida 33169

Norman Hickmore
150 NW 183rd Street, Suite 200
Miami Gardens, Florida 33169

To Pledgor: Rick's Cabaret International, Inc.
Attn: Eric Langan, President/CEO
10959 Cutten Road
Houston, Texas 77066
Fax: (281) 397-6765

Any such notice, consent, or other communication 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.

Section 6.06. **Choice of Law**. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Florida, without regard to principles of conflict of laws. In any action between or among any of the parties, whether arising out of this Agreement or otherwise, each of the parties irrevocably consents to the exclusive jurisdiction and venue of the federal and state courts located in Dade County, Florida.

Section 6.07. **Headings**. The headings, captions, and arrangements used in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.

Section 6.08. **Survival of Representations and Warranties**. All representations and warranties made in this Agreement or in any certificate delivered pursuant hereto shall survive the execution and delivery of this Agreement, and no investigation by the Agent shall affect the representations and warranties made by Pledgor or the right of Agent to rely upon them.

Section 6.09. **Execution**. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.

Section 6.10. **Severability**. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Executed as of the Effective Date above written.

PLEDGOR

RICK'S CABARET INTERNATIONAL, INC.

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

AGENTS

By: /s/ Richard Stanton
Richard Stanton, as Agent

By: /s/ Norman Hickmore
Norman Hickmore, as Agent

SELLERS

/s/ Richard Stanton
Richard Stanton , Individually

/s/ Richard Stanton
Richard Stanton , Individually

ACCEPTANCE AND ACKNOWLEDGMENT

Rick's Cabaret International, Inc. hereby accepts and acknowledges the Agent, on behalf of and for the benefit of the Sellers, as the assignee, pursuant to this Agreement, of the following shares of common stock:

- (a) 2,000 shares of common stock of Miami Square Gardens One, Inc., a Florida corporation ("MSGO", which represents 100% of the issued and outstanding common stock of MSGO ; and
- (b) 100 shares of common stock of Stellar Management Corporation, a Florida corporation ("Stellar"), which represents 100% of the issued and outstanding common stock of Stellar

which is owned by Rick's Cabaret International, Inc. Further, Rick's Cabaret International, Inc. agrees that the interests of the Agent, on behalf of and for the benefit of the Sellers, shall be promptly and duly registered in the books and records of MSGO and Stellar.

Rick's Cabaret International, Inc.

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

Signature Page to Pledge and Security Agreement

Schedule A

Pledged Securities

<u>Entity</u>	<u>Percentage of Issued and Outstanding Shares of Capital Stock</u>	<u>Certificate No (s), if any</u>
Miami Gardens Square One, Inc.	100.00%	13
Stellar Management Corporation	100.00%	4

Pro Rata Security Interest and Pledge Securities

<u>Entity</u>	<u>Secured Party</u>	<u>Pro rata Security Interest</u>
Miami Gardens Square One, Inc.	Norman Hickmore	50%
	Richard Stanton	50%
Stellar Management Corporation	Norman Hickmore	50%
	Richard Stanton	50%

Principal Place of Business; Chief Executive Office; Location of Records;
Jurisdiction of Organization

Principal Place of Business, Chief Executive Office and Location of Records:

Rick's Cabaret International, Inc.
10959 Cutten Road
Houston, TX 77066

Jurisdiction of Organization: Texas

Schedule B Pledge Agreement

Annex A

SUPPLEMENT TO PLEDGE AGREEMENT

This Supplement to Pledge Agreement, dated as of _____ 20____, is delivered pursuant to Section __ of the Pledge Agreement referred to below.

RECITALS

A. **RICK'S CABARET INTERNATIONAL, INC.**, a Texas corporation (the "**Pledgor**"), has executed and delivered that certain Pledge and Security Agreement, dated as of November __, 2007, in favor of _____, as Agent on behalf of all Sellers (as the same may be amended, supplemented or otherwise modified from time to time, including without limitation by this and any other Supplements to Pledge Agreement executed from time to time, the "**Agreement**"). Capitalized terms used but not defined herein have the meanings assigned to such terms in the Agreement.

B. Pursuant to Section 3.03(b) of the Agreement, Pledgor has agreed, upon obtaining any additional Pledged Securities, to promptly execute and deliver a Supplement to Pledge Agreement in order to identify such additional Pledged Securities which have been pledged pursuant to the Agreement.

C. The undersigned desires to execute and deliver this Supplement to Pledge Agreement to satisfy such requirement.

NOW, THEREFORE, IT IS AGREED:

1. Collateral. The undersigned agrees that the securities listed on Schedule A attached hereto are part of the Collateral and are subject to the pledge and security interest created by the Agreement.

2. Representations and Warranties. The undersigned hereby certifies that the representations and warranties set forth in Article II of the Agreement are true and correct as to the Pledged Securities listed on Schedule A hereto on and as of the date hereof.

RICK'S CABARET INTERNATIONAL, INC.

By: _____

Eric Langan, President/CEO

SCHEDULE A TO SUPPLEMENT TO PLEDGE AGREEMENT

Pledged Securities

<u>Percentage of Ownership</u>	<u>Class of Interest</u>	<u>Certificate No(s), if any</u>	<u>Number of Interests</u>
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Schedule A -- Annex A to Pledge Agreement

[FORM OF]

NON-COMPETITION AGREEMENT

This Non-Competition Agreement dated November 30, 2007 (the "Non-Competition Agreement"), is by and among Rick's Cabaret International, Inc., a Texas corporation, (the "Company") and [Name], an individual residing in Florida ([Name]).

WITNESSETH:

WHEREAS, simultaneously herewith, [Name] has entered into a Stock Purchase Agreement (the "Stock Purchase Agreement") with the Company to sell to the Company (i) _____ shares of common stock, no par value, of Miami Gardens Square One, Inc., a Florida corporation ("MGSO") which shares represent 50.05% of the issued and outstanding shares of MGSO and (ii) 50 shares of common stock, \$.01 par value, of Stellar Management Corporation, a Florida corporation ("Stellar") which shares represent 50% of the issued and outstanding shares of Stellar (collectively, the "Transaction"); and

WHEREAS, [Name] is the [Title] of MGSO and [Title] of Stellar; and

WHEREAS, MGSO owns and operates an adult entertainment cabaret known as an "Tootsie's Cabaret" ("Tootsie's" or the "Club") located at 150 NW 183rd Street, Miami Gardens, Florida 33169 (the "Premises"); and

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

WHEREAS, the Company requires that [Name] enter into this Non-Competition Agreement as a condition to the Company entering into the Transaction; and

WHEREAS, to induce the Company to enter into the Stock Purchase Agreement and to complete the Transaction, [Name] agreed to enter into this Non-Competition Agreement; and

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 Seller and the Company agree as follows:

1. Covenants. For a period of five (5) years following the Closing Date set forth in the Stock Purchase Agreement (such five (5) year period being referred to herein as the "Restricted Period"), [Name] shall not, directly or indirectly, either as an employee, employer, consultant, agent, principal, partner, stockholder, corporate officer, director, investor or in any other individual or representative capacity, whether for compensation or not:

- (a) Own, or have any rights of conversion to own, or share in the earnings of, carry on, manage, operate, control, be engaged in, render services to, solicit customers for any business engaged in the operation of an establishment featuring live female nude or semi-nude entertainment within a twenty (20) mile radius of the Premises (the "Prohibited Area"), with the exception of the existing business known as "Alley Cat" which is operated at 2875 Shipping Avenue, Miami, Florida; or

- (b) Solicit or induce, or attempt to solicit or induce, wherever located, any employee, independent contractor, or agent or consultant of MGSO or Stellar, the Club, the Company or any of their affiliates to leave his or her employment or terminate his or her agreement or relationship with MGSO or Stellar, the Club, the Company or any of their affiliates.

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

- (a) Due to the nature of MGSO's, Stellar's and the Company's business, the foregoing covenants place no greater restraint upon [Name] than is reasonably necessary to protect the business and goodwill of MGSO, Stellar and the Company;
- (b) These covenants protect a legitimate interest of MGSO, Stellar and the Company and do not serve solely to limit the future competition of MGSO, Stellar or the Company;
- (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 MGSO, Stellar and the Company;
- (e) These covenants will not preclude [Name] from obtaining reasonable business relationships or becoming gainfully employed following the closing of the Stock Purchase Agreement;
- (f) These covenants are reasonable in scope and are reasonably necessary to protect the business and goodwill and valuable and extensive trade which MGSO, Stellar and the Company have established through their own expense and effort;
- (g) The signing of this Non-Competition Agreement is necessary as part of the consummation of the Transaction previously discussed; and
- (h) [Name] has carefully read and considered all provisions of this Non-Competition Agreement and that all of the restrictions set forth are fair and reasonable and are reasonably required for the protection of the interests of MGSO, Stellar and the Company.

3. **Remedies, Injunction** . In the event of [Name]'s actual breach of any provisions of this Non-Competition Agreement, [Name] agrees that MGSO, Stellar and the Company 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 MGSO, Stellar or the Company 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 MGSO's, Stellar's and the Company's legal remedies would be inadequate and that MGSO, Stellar and the Company would suffer irreparable harm as a result of [Name]'s violation of the provisions of this Non-Competition Agreement.

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 Company: Eric Langan, President
 10959 Cutten Road
 Houston, Texas 77066

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

If to [Name]: 150 NW 183rd Street, Suite 200
 Miami Gardens, Florida 33169

- (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 Florida, without regard to principles of conflict of laws. In any action between or among any of the parties, whether arising out of this Agreement or otherwise, each of the parties irrevocably consents to the exclusive jurisdiction and venue of the federal and state courts located in Dade County, Florida.

- (c) *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 Seller's and [Name]'s agreement not to compete with MGSO and the Company.
- (d) *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.
- (e) *Assignment.* The rights and benefits of MGSO, Stellar and the Company under this Non-Competition Agreement shall inure to the benefit of and be binding upon the successors and assigns of MGSO, Stellar and the Company. 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 the Seller and [Name].
- (f) *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.
- (g) *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.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, this Non-Competition Agreement has been executed as of the 30th day of November, 2007.

RICK'S CABARET INTERNATIONAL, INC.

By:

Eric Langan, President

[NAME], INDIVIDUALLY



FOR IMMEDIATE RELEASE

RICK'S CABARET INTERNATIONAL, INC. ENTERS FLORIDA MARKET WITH \$25 MILLION ACQUISITION OF TOOTSIES CABARET

Mega Gentlemen's Club Expected to Add \$18 Million in Annual Revenue and \$8.8 Million in EBITDA

HOUSTON – (December 3, 2007) – **Rick's Cabaret International, Inc.** (NASDAQ-GM: RICK), a leading operator of gentlemen's clubs, announced today that it has acquired **Tootsies Cabaret**, a 47,000-square-foot adult club in Miami Gardens, Florida, for \$25 million.

Rick's Cabaret closed on the transaction Friday, November 30th and assumed management of the mega club on December 1st. Management expects annual revenues from Tootsies will be approximately \$18 million, with annual EBITDA of about \$8.8 million. By closing this transaction a month earlier than originally anticipated, the company believes it will easily achieve the guidance of \$52 million in revenue and \$7 million (or 95 cents per share) in net income for fiscal 2008 that it projected on Oct. 31, 2007.

"Tootsies is one of the top ten adult nightclubs in the entire country," said **Eric Langan**, President and CEO of Rick's Cabaret. "This acquisition solidifies Rick's Cabaret's position as the premier gentlemen's club company and has significantly advanced our strategic acquisition program." Tootsies won "Best Adult Club of the Southeast" at the 2007 Exotic Dancer Awards Show. It was been Named the best Adult Club in Miami by *New Times* and *City Search*. *Xcitement Magazine* proclaimed, Tooties "Out Vegas'es Vegas"

The multi-level club, which bills itself as "South Florida's Supreme Adult Nightclub," is open from noon until 5 a.m. daily and noon to 6am on weekends, with up to 250 entertainers daily, who dance fully nude. It has full restaurant service, three liquor bars plus a 400 square foot main stage on the first floor, over 30 plasma screen TVs, 11 large projection screens, a private Champagne room and three spacious and private dance rooms. The "Next Level" VIP floor offers full unobstructed views of the entire club, five state of the art sky box rooms, spacious private dance rooms and luxury seating. The VIP area also includes "Tootsies Transit Car," a scaled replica of a New York City subway car designed for private dances.

Rick's Cabaret purchased all the outstanding shares in **Miami Gardens Square One, Inc.** and **Stellar Management Corporation** from its previous owners. Under terms of the purchase agreement Rick's Cabaret paid \$15 million in cash and issued to the two prior owners \$10 million in promissory notes, payable with monthly interest only payments and a balloon payment of the principal amount due in three years. Rick's Cabaret also assumed leases on all of the club's property that, with options, run through June 2034. Details of the terms of the transaction are included in a Form 8-K filed by the company with the Securities and Exchange Commission.

Tootsies is located at 150 NW 183rd St., known as Miami Gardens Drive, near the confluence of I-95, the Florida Turnpike, U.S. 441 and Florida Route 826. The club has over 5 acres of outdoor parking and nearly 200 indoor parking spots.

The acquisition brings to 15 the number of adult nightclubs operated by the company, including the flagship Rick's Cabaret on West 33rd Street in Midtown Manhattan and other clubs in Texas, Minnesota and North Carolina.

The Rick's Cabaret acquisition strategy is to acquire leading adult clubs in major markets that are immediately accretive to corporate earnings.

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, 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, 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/> >.

