

RICKS CABARET INTERNATIONAL INC

FORM 10QSB

(Quarterly Report of Financial Condition)

Filed 8/19/2003 For Period Ending 6/30/2003

Address	505 NORTH BELT SUITE 630 HOUSTON, Texas 77060
Telephone	281-820-1181
CIK	0000935419
Industry	Restaurants
Sector	Services
Fiscal Year	09/30

**UNITED STATES SECURITIES AND EXCHANGE
COMMISSION**
WASHINGTON, D.C. 20549

FORM 10-QSB

☒ Quarterly report pursuant to Section 13 Or 15(d) of the Securities
Exchange Act of 1934; For the quarterly period ended: June 30, 2003

☐ Transition report pursuant to Section 13 or 15(d) of the Securities
Exchange Act of 1934

Commission File Number: 0-26958

RICK'S CABARET INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

Texas
(State or other jurisdiction
of incorporation or organization)

76-0458229
IRS Employer
Identification No.)

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

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

APPLICABLE ONLY TO CORPORATE ISSUERS

On August 12, 2003, there were 3,706,648 shares of common stock, \$.01 par value,
outstanding.

Transitional Small Business Disclosure Format (check one): Yes ☐ No ☒

RICK'S CABARET INTERNATIONAL, INC.

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PART I FINANCIAL INFORMATION

Item 1. Financial Statements.

RICK'S CABARET INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	ASSETS	

	6/30/03	9/30/02
	(UNAUDITED)	(AUDITED)
CURRENT ASSETS		
Cash	\$ 493,681	\$ 733,366
Accounts receivable	203,522	226,637
Other current assets	250,952	63,897
Inventories	229,829	210,802
	-----	-----
Total current assets	1,177,984	1,234,702
	-----	-----
PROPERTY AND EQUIPMENT		
Buildings, land and leasehold improvements	9,647,488	9,278,260
Furniture and equipment	1,828,624	1,938,705
	-----	-----
	11,476,112	11,216,965
Accumulated depreciation	(2,402,296)	(2,094,712)
	-----	-----
Total property and equipment, net	9,073,816	9,122,253
	-----	-----
OTHER ASSETS		
Goodwill less accumulated amortization	1,883,007	1,883,007
Other	184,084	197,358
	-----	-----
Total other assets	2,067,091	2,080,365
	-----	-----
Total Assets	\$ 12,318,891	\$ 12,437,320
	=====	=====

RICK'S CABARET INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

LIABILITIES AND STOCKHOLDERS' EQUITY

	6/30/03 (UNAUDITED)	9/30/02 (AUDITED)
CURRENT LIABILITIES		
Current portion of long term debt	\$ 483,657	\$ 459,972
Accounts payable - trade	322,150	274,659
Accrued expenses	606,936	533,068
	-----	-----
Total current liabilities	1,412,743	1,267,699
LONG TERM DEBT, LESS CURRENT PORTION		
Long-term debt less current portion	3,730,336	4,147,381
	-----	-----
Total Liabilities	5,143,079	5,415,080
	-----	-----
COMMITMENTS AND CONTINGENCIES		
MINORITY INTERESTS	970	80,164
STOCKHOLDERS' EQUITY		
Preferred stock - \$.10 par, authorized 1,000,000 shares; none outstanding	---	---
Common stock - \$.01 par, authorized 15,000,000 shares; 4,608,678 issued; 3,706,648 and 3,747,648 outstanding	46,087	46,087
Additional paid in capital	11,273,149	11,273,149
Retained earnings (deficit)	(2,860,126)	(3,202,029)
Treasury stocks, at cost	(1,284,268)	(1,175,131)
	-----	-----
Total stockholders' equity	7,174,842	6,942,076
	-----	-----
Total liabilities and stockholders' equity	\$ 12,318,891	\$ 12,437,320
	=====	=====

RICK'S CABARET INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS
(UNAUDITED)

	FOR THE THREE MONTHS ENDED JUNE 30,		FOR THE NINE MONTHS ENDED JUNE 30,	
	2003	2002	2003	2002
REVENUES				
Sales of alcoholic beverages	\$ 1,702,038	\$ 1,581,035	\$ 4,847,104	\$ 4,873,466
Sales of food & non-alcoholic beverages	297,198	283,403	859,945	836,753
Service revenues	1,353,834	1,307,280	3,939,650	3,900,375
Internet revenues	250,029	573,647	846,681	1,722,492
Other	219,042	206,704	615,296	583,590
	-----	-----	-----	-----
	3,822,141	3,952,069	11,108,676	11,916,676
OPERATING EXPENSES				
Cost of goods sold	568,004	791,427	1,652,124	2,370,611
Salaries and wages	1,390,943	1,310,969	4,027,472	3,807,925
Other general and administrative				
Taxes and permits	561,475	512,045	1,558,995	1,521,949
Charge card fees	67,813	62,994	189,614	170,258
Rent	101,448	55,031	218,361	203,599
Legal and accounting	157,840	108,787	564,674	416,268
Marketing and advertising	232,329	160,873	610,384	493,288
Other	704,351	640,561	1,996,427	1,927,248
	-----	-----	-----	-----
	3,784,203	3,642,687	10,818,051	10,911,146
INCOME FROM OPERATIONS	37,938	309,382	290,625	1,005,530
Interest Expense	(92,761)	(92,319)	(289,618)	(266,590)
Interest Income	3,643	6,143	13,515	17,192
Gain on Sale of Subsidiary	327,381	---	327,381	---
	-----	-----	-----	-----
NET INCOME/(LOSS)	\$ 276,201	\$ 223,206	\$ 341,903	\$ 756,132
	=====	=====	=====	=====
BASIC NET INCOME/(LOSS) PER COMMON SHARE:				
NET INCOME/(LOSS)	\$ 0.07	\$ 0.06	\$ 0.09	\$ 0.19
	=====	=====	=====	=====
WEIGHTED AVERAGE SHARES OUTSTANDING	3,715,048	3,900,653	3,724,304	3,900,653
	=====	=====	=====	=====

RICK'S CABARET INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED JUNE 30, 2003 AND 2002

	(UNAUDITED)	
	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	\$ 341,903	\$ 756,132
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	394,393	349,558
Gain on the sale of subsidiary	(327,381)	---
Minority interests	(1,813)	---
Changes in operating assets and liabilities	81,666	(232,739)
	-----	-----
Cash provided by operating activities	488,768	872,951
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of subsidiary	120,000	---
Additions to property and equipment	(345,956)	(444,972)
	-----	-----
Cash used in investing activities	(225,956)	(444,972)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:		
Purchase of treasury stock	(109,137)	(1,154,327)
Proceeds from long-term debt	---	1,078,774
Payments on long term debt	(393,360)	(171,136)
	-----	-----
Cash used in financing activities	(502,497)	(246,689)
	-----	-----
NET INCREASE/(DECREASE) IN CASH	(239,685)	181,290
CASH AT BEGINNING OF PERIOD	733,366	704,628
	-----	-----
CASH AT END OF PERIOD	\$ 493,681	\$ 885,918
	=====	=====
CASH PAID DURING PERIOD FOR:		
Interest	\$ 289,618	\$ 266,590
	=====	=====
Non-cash transaction:		
Note receivable received for sale of subsidiary	\$ 130,000	\$ ---

RICK'S CABARET INTERNATIONAL, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2003

1. BASIS OF PRESENTATION

The accompanying unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Form 10-QSB of Regulation S-B. They do not include all information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. However, except as disclosed herein, there has been no material change in the information disclosed in the notes to the financial statements for the year ended September 30, 2002 included in the Company's Annual Report on Form 10-KSB filed with the Securities and Exchange Commission. The interim unaudited financial statements should be read in conjunction with those financial statements included in the Form 10-KSB. In the opinion of Management, all adjustments considered necessary for a fair presentation, consisting solely of normal recurring adjustments, have been made. Operating results for the nine months ended June 30, 2003 are not necessarily indicative of the results that may be expected for the year ending September 30, 2003.

2. SEGMENT INFORMATION

In October 1999, the Company launched its web-sites operation. This segment derives revenues from membership fees, traffic sold, and sale of feeds to other web-site operators. Below is the financial information related to the Company's segments:

	FOR THE THREE MONTHS ENDED JUNE 30,		FOR THE NINE MONTHS ENDED JUNE 30,	
	2003	2002	2003	2002
REVENUES				
Internet Web-sites	\$ 250,029	\$ 573,647	\$ 846,681	\$ 1,722,492
Club operation	3,572,112	3,378,422	10,261,995	10,194,184
	-----	-----	-----	-----
	\$ 3,822,141	\$ 3,952,069	\$ 11,108,676	\$ 11,916,676
	=====	=====	=====	=====
NET INCOME/(LOSS)				
Internet Web-sites	\$ 20,757	\$ 143,838	\$ 75,187	\$ 399,941
Club operation	284,047	412,572	938,699	1,074,452
Corporate expenses	(28,603)	(333,204)	(671,983)	(718,261)
	-----	-----	-----	-----
	\$ 276,201	\$ 223,206	\$ 341,903	\$ 756,132
	=====	=====	=====	=====

3. SALE OF SUBSIDIARY

On June 12, 2003, we entered into an Asset Purchase Agreement with Taurus Entertainment Companies, Inc., whereby we acquired all the assets and liabilities of Taurus Entertainment Companies, Inc. related to all of Taurus' adult entertainment businesses in exchange for 3,752,008 shares of Taurus Entertainment Companies, Inc. of the 4,002,008 that we owned plus \$20,000 in cash. We also executed an Indemnification and Transaction Fee Agreement with Taurus Entertainment Companies, Inc. for which we received \$270,000, payable \$140,000 at closing, with \$60,000 due on July 15, 2003, and \$70,000 due on August 15, 2003.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion should be read in conjunction with our audited consolidated financial statements and related notes thereto included in this quarterly report.

FORWARD LOOKING STATEMENT AND INFORMATION

The Company is including the following cautionary statement in this Form 10-QSB to make applicable and take advantage of the safe harbor provision of the Private Securities Litigation Reform Act of 1995 for any forward-looking statements made by, or on behalf of, the Company. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements, which are other than statements of historical facts. Certain statements in this Form 10-QSB are forward-looking statements. Words such as "expects," "believes," "anticipates," "may," and "estimates" and similar expressions are intended to identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected. Such risks and uncertainties are set forth below. The Company's expectations, beliefs and projections are expressed in good faith and are believed by the Company to have a reasonable basis, including without limitation, management's examination of historical operating trends, data contained in the Company's records and other data available from third parties, but there can be no assurance that management's expectation, beliefs or projections will result, be achieved, or be accomplished. In addition to other factors and matters discussed elsewhere herein, the following are important factors that, in the view of the Company, could cause material adverse affects on the Company's financial condition and results of operations: the risks and uncertainties relating to our Internet operations, the impact and implementation of the sexually oriented business ordinances in the jurisdictions where our facilities operate, competitive factors, the timing of the openings of other clubs, the availability of acceptable financing to fund corporate expansion efforts, and the dependence on key personnel. The Company has no obligation to update or revise these forward-looking statements to reflect the occurrence of future events or circumstances.

GENERAL

Our Company presently conducts its business in two different areas of operation:

1. We own and operate upscale adult nightclubs serving primarily businessmen and professionals that offer live adult entertainment, restaurant and bar operations. We own and operate seven adult nightclubs under the name "Rick's Cabaret" and "XTC" in Houston, Austin and San Antonio, Texas, and Minneapolis, Minnesota. We also own and operate an adult-themed club called "Encounters" that serves the couples or "swingers" market in Houston. No sexual contact is permitted at any of our locations. On February 19, 2003, we acquired 51% control of the Wild Horse Cabaret adult nightclub near Hobby Airport (9009 Airport Blvd, off I-45) and will operate it as part of our popular XTC Cabaret group for \$150,000. In April, we organized RCI Ventures, Inc. to acquire Nocturnal Concepts, Inc., which operates as an addition to our XTC Cabaret group. We have transferred the ownership of Tantric Enterprises, Inc. (our subsidiary that operates Encounters) to RCI Ventures, Inc. We owned 51% of RCI Ventures, Inc. On June 12, 2003, we

entered into an Asset Purchase Agreement with Taurus Entertainment Companies, Inc., whereby we acquired all the assets and liabilities of Taurus Entertainment Companies, Inc. related to all of Taurus' adult entertainment businesses in exchange for 3,752,008 shares of Taurus Entertainment Companies, Inc. of the 4,002,008 that we owned plus \$20,000 in cash. We also executed an Indemnification and Transaction Fee Agreement with Taurus Entertainment Companies, Inc. for which we received \$270,000, payable \$140,000 at closing, with \$60,000 due on July 15, 2003, and \$70,000 due on August 15, 2003.

2. We have extensive Internet activities.

a) We currently own two adult Internet membership Web sites at www.couplestouch.com and www.xxxpassword.com. We acquire our website content from wholesalers.

b) We operate a network of nine online auction sites accessible on the Internet under the flagship site www.naughtybids.com. These sites provide customers with the opportunity to purchase adult products and services in an auction format. We earn revenues by charging service fees for each transaction conducted on the highly automated sites, all of which utilize a single technology platform that we operate.

Our nightclub revenues are derived from the sale of liquor, beer, wine, food, merchandise, cover charges, membership fees, independent contractors' fees, commissions from vending and ATM machines, valet parking, and other products and service. Our Internet revenues are derived from subscriptions to adult content Internet Web sites, traffic/referral revenues, and commissions earned on the sale of products and services through Internet auction sites, and other activities. Our fiscal year end is September 30.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED JUNE 30, 2003 AS COMPARED TO THE THREE MONTHS ENDED JUNE 30, 2002

For the three months ended June 30, 2003, the Company had consolidated total revenues of \$3,822,141 compared to consolidated total revenues of \$3,952,069 for the three months ended June 30, 2002, or a decrease of \$129,928. The decrease in total revenues was primarily due to the decrease in revenues generated by the Company's Internet businesses. Management believes we are seeing the bottoming out of internet revenues due to the aging of the adult internet marketing programs for adult sites. While revenues for www.xxxpassword.com, the Company's content membership site, has continued to decline, revenues from auction sites continues to increase. The Company started charging for membership to www.couplestouch.com in February 2003. www.couplestouch.com is like a single dating site for couples seeking others for sexual relationships/friendships.

The cost of goods sold for the three months ended June 30, 2003 was 14.85% of total revenues compared to 20.00% for the three months ended June 30, 2002. The decrease was due primarily to the reduction in costs of maintaining our Internet operations. The cost of goods sold for the club operation for the three months ended June 30, 2003 was 14.96% compared to 15.52% for the three months ended June 30, 2002. We continued our efforts to achieve reductions in cost of goods sold of the club operations through improved inventory management. We continue

a program to improve margins from liquor and food sales and food service efficiency. The cost of sales from our Internet operation for the three months ended June 30, 2003 was 12.43% compared to 44.57% for the three months ended June 30, 2002.

Payroll and related costs for the three months ended June 30, 2003 were \$1,390,943 compared to \$1,310,969 for the three months ended June 30, 2002. The increase was due to additional personnel in the Company due to its new acquisitions. Management currently believes that its labor and management staff levels are appropriate.

Other general and administrative expenses for the three months ended June 30, 2003 were \$1,825,256 compared to \$1,540,291 for the three months ended June 30, 2002. The increase was due primarily to increase in rents, utilities, marketing & promotional expenses, insurance, maintenance and repairs, and other start up expenses for the new clubs.

Interest expense for the three months ended June 30, 2003 was \$92,761 compared to \$92,319 for the three months ended June 30, 2002.

Net income for the three months ended June 30, 2003 was \$276,201 compared to a net income of \$223,206 for the three months ended June 30, 2002. The increase in net income was primarily due to the sale of the Company's subsidiary.

RESULTS OF OPERATIONS FOR THE NINE MONTHS ENDED JUNE 30, 2003 AS COMPARED TO THE NINE MONTHS ENDED JUNE 30, 2002

For the nine months ended June 30, 2003, the Company had consolidated total revenues of \$11,108,676 compared to consolidated total revenues of \$11,916,676 for the fiscal nine months ended June 30, 2002, or a decrease of \$808,000. The decrease in total revenues was due to the decline in revenues from the Internet business as a result of the Company's transition from programs which generate high revenues with very low margins to programs which will produce higher margins from lower revenues.

The cost of goods sold for the nine months ended June 30, 2003 was 14.88% of total revenues compared to 19.90% for the nine months ended June 30, 2002. This decrease is attributable to the elimination of cost of goods sold related to the Internet business. The cost of goods sold for the club operations for the nine months ended June 30, 2003 was 14.56% and 14.40% for the nine months ended June 30, 2002. Management continued its efforts to achieve reductions in cost of goods sold through improved inventory management. The Company continues a program to improve margins from liquor and food sales and food service efficiency.

Payroll and related costs for the nine months ended June 30, 2003 were \$4,027,472 compared to \$3,807,925 for the nine months ended June 30, 2002. This increase is a result of additional personnel added to the new Company's club operations. Management currently believes that its labor and management staff levels are appropriate.

Other general and administrative expenses for the nine months ended June 30, 2003 were \$5,138,455 compared to \$4,732,610 for the nine months ended June 30, 2002. The increase was due primarily to increase in rents, utilities, marketing

& promotional expenses, insurance, maintenance and repairs, and other start up expenses for the new clubs.

Interest expense for the nine months ended June 30, 2003 was \$289,618 compared to \$266,590 for the nine months ended June 30, 2002. The increase was primarily due to the addition of new debts related to the purchase of treasury stock.

Net income for the nine months ended June 30, 2003 was \$341,903 compared to \$756,132 for the nine months ended June 30, 2002. The decrease in net income was primarily due to the decrease in revenues in Company's internet activities. Management currently believes that the Company is in the position to continue to be profitable in fiscal 2003.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2003, the Company had a working capital deficit of \$234,759 compared to a working capital deficit of \$32,997 at September 30, 2002.

Net cash provided by operating activities in the nine months ended June 30, 2003 was \$488,768 compared to net cash provided of \$872,951 for the nine months ended June 30, 2002. The decrease in cash provided by operating activities was due to a decrease in net income.

The Company used \$225,956 and \$444,972 cash in investing activities and \$502,497 and \$246,689 cash in financing activities in the nine months ended June 30, 2003 and 2002, respectively.

In the opinion of management, working capital is not a true indicator of the financial status. Typically, businesses in the industry carry current liabilities in excess of current assets because the business receives substantially immediate payment for sales, with nominal receivables, while accounts payable and other current liabilities normally carry longer payment terms. Vendors and purveyors often remain flexible with payment terms providing businesses with opportunities to adjust to short-term business down turns. The Company considers the primary indicators of financial status to be the long-term trend of revenue growth and mix of sales revenues, overall cash flow, profitability from operations and the level of long-term debt.

We have not established lines of credit or financing other than our existing debt. There can be no assurance that we will be able to obtain additional financing on reasonable terms in the future, if at all, should the need arise.

Because of the large volume of cash we handle, stringent cash controls have been implemented. In the event the sexually oriented business industry is required in all states to convert the entertainers who perform at our locations, from being independent contractors to employee status, we have prepared alternative plans that we believe will protect our profitability. We believe that the industry standard of treating the entertainers as independent contractors provides sufficient safe harbor protection to preclude payroll tax assessment for prior years.

The sexually oriented business industry is highly competitive with respect to price, service and location, as well as the professionalism of the entertainment. Although we believe that we are well-positioned to compete successfully in the future, there can be no assurance that we will be able to maintain our high level of name recognition and prestige within the marketplace.

SEASONALITY

Our nightclub operations are significantly affected by seasonal factors. Historically, we have experienced reduced revenues from April through September with the strongest operating results occurring during October through March. Our experience to date indicates that there does not appear to be a seasonal fluctuation in our Internet activities.

GROWTH STRATEGY

The Company believes that its club operations can continue to grow organically and through careful entry into markets and demographic segments with high growth potential. Upon careful research, new clubs may be opened, or existing clubs acquired, in locations that are consistent with our growth and income targets and which appear receptive to the upscale club formula we have developed. We may form joint ventures or partnerships to reduce start-up and operating costs, with our Company contributing assets in the form of our brand name and management expertise. We may also develop new club concepts that are consistent with our management and marketing skills. We may also acquire real estate in connection with club operations, although some clubs may be in leased premises.

We also expect to continue to grow our Internet profit centers and plan to focus in the future on high-margin activities that leverage our marketing skills while requiring a low level of start-up expense and ongoing operating costs.

Item 3. Controls and Procedures.

Within 90 days prior to the filing of this report, the Company carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures. This evaluation was carried out under the supervision and with the participation of the Company's management, including the Company's chief executive officer and chief financial officer. Based on that evaluation, the Company's chief executive officer and chief financial officer concluded that the Company's disclosure controls and procedures are effective in timely alerting them to material information required to be included in the Company's periodic reports to the Securities and Exchange Commission. There have been no significant changes in the Company's internal controls or in other factors, which could significantly affect internal controls subsequent to the date the Company carried out its evaluation.

PART II OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits

Exhibit 31.1 - Certification of Chief Executive Officer and Chief Financial Officer of Rick's Cabaret International, Inc. required by Rule 13a - 14(1) or Rule 15d - 14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

Exhibit 32.1 -- Certification of Chief Executive Officer and Chief Financial Officer of Rick's Cabaret International, Inc. pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and Section 1350 of 18 U.S.C. 63.

(b) Reports on Form 8-K

The Company filed Form 8-K relating to the sale of Taurus Entertainment Companies, Inc. containing Item 2 - Acquisition and Disposition of Assets and Item 7 - Financial Statement and Exhibits on June 12, 2003.

SIGNATURES

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

RICK'S CABARET INTERNATIONAL, INC.

Date: August 18, 2003

By: /s/ Eric S. Langan

Eric S. Langan

Chief Executive Officer and acting

Chief Financial Officer

EXHIBIT 31.1

Certification of Chief Executive Officer and Chief Financial Officer of Rick's Cabaret International, Inc. pursuant to Rule 13a - 14(1) or Rule 15d - 14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

I, Eric Langan, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Rick's Cabaret International, Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: August 18, 2003

By: /s/ Eric S. Langan

Eric S. Langan
Chief Executive Officer and Chief Financial Officer

EXHIBIT 32.1

Certification of Chief Executive Officer and Chief Financial Officer of Rick's Cabaret International, Inc. pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and Section 1350 of 18 U.S.C. 63.

I, Eric S. Langan, the Chief Executive Officer and acting Chief Financial Officer of Rick's Cabaret International, Inc., hereby certify that Rick's Cabaret International, Inc.'s periodic report on Form 10-QSB for the period ending June 30, 2003, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and that information contained in the periodic report on Form 10-QSB fairly presents, in all material respects, the financial condition and results of the operations of Rick's Cabaret International, Inc.

RICK'S CABARET INTERNATIONAL, INC.

Date: August 18, 2003

By: /s/ Eric S. Langan

*-----
Eric S. Langan
Chief Executive Officer and
acting Chief Financial Officer*

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