

# RICKS CABARET INTERNATIONAL INC

## FORM SC 13D (Statement of Beneficial Ownership)

Filed 4/8/1999

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

# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## SCHEDULE 13D

Under the Securities Exchange Act of 1934

### **Rick's Cabaret International, Inc.**

(Name of Issuer)

**Common Stock, par value \$0.01**

(Title of Class of Securities)

765641-30 3

(CUSIP Number)

Ralph McElroy , 1211 Choquette, Austin, Texas, 78757, (512) 343-80351181

(Name, Address, and Telephone Number of Person Authorized to Receive Notices and Communications)

March 29, 1999

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D and is filing this schedule because of "240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. ☐

NOTE: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See '240,13d-7(b) for other parties to whom copies are to be sent.

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

(1) Name of Reporting Person and IRS Identification No. of Above Person:

Ralph Lee McElroy ("McElroy")

(2) Check the Appropriate Box if a Member of a Group (See Instructions).

(a) ☐  
(b) ☐

(3) SEC Use Only

(4) Source of Funds (See Instructions)

PF

(5) Check if Disclosure of Legal Proceedings  
is Required Pursuant to Items 2(d) or 2(e). ☐

(6) Citizenship or Place of Organization

U.S.A.

|  |      |                                   |
|--|------|-----------------------------------|
| Number of<br>Shares<br>Bene-<br>ficially<br>Owned<br>by<br>Each<br>Report-<br>ing<br>Person<br>With: | (7)  | Sole Voting Power<br>681,563      |
|  | (8)  | Shared Voting Power               |
|  | (9)  | Sole Dispositive Power<br>681,563 |
|  | (10) | Shared Dispositive Power          |

(11) Aggregate Amount Owned by Each Reporting Person  
681,563

(12) Check if the Aggregate Amount in Row (11) Excludes Certain Shares  
(See Instructions) ☐

(13) Percent of Class Represented by Amount in Row (11)

21%

(14) Type of Reporting Person

IN

ITEM 1 Security and Issuer

This statement is filed with respect to shares of common stock par value \$0.01 (the "Shares") of Rick's Cabaret International, Inc. (the "Company", "Rick's" or the "Issuer"), whose address is 505 North Belt, Suite 630, Houston, Texas 77060. The shares described herein take into account the reverse split with respect to the Company's 2:1 reverse split effective March 15, 1999.

ITEM 2. Identity and Background

- (a) Ralph Lee McElroy ("McElroy")
- (b) Business address: 1211 Choquette, Austin, Texas, 78757
- (c) Investor
- (d) No.
- (e) No.
- (f) U.S.A.

ITEM 3. Source and Amount of Funds or Other Consideration

During 1998, McElroy made open market purchases of a total of 220,800 shares of Rick's stock, which, after the reverse split of March 15, 1999, equals 110,400 shares.

On August 11, 1998, Rick's and McElroy entered into a Stock Exchange Agreement which provided for the acquisition by Rick's of certain shares of Taurus Entertainment Companies, Inc. owned by McElroy in exchange for 393,389 shares of Rick's, which, after the reverse split of March 15, 1999, equals 196,695 shares.

On March 29, 1999, McElroy purchased a total of 748,936 shares, which, after the reverse split of March 15, 1999, equals 374,468 shares, for a secured promissory note (the "McElroy Note") in a private transaction.

ITEM 4. Purpose of Transaction

McElroy made these transactions as investments.

(a) Mc Elroy may, from time to time, acquire additional securities of the Company for investment purposes.

(b) McElroy has no present plans or proposals for an extraordinary corporate transaction involving the Company.

McElroy acquired the shares in the March 29, 1999 transaction from Robert L. Watters, who resigned as President of Rick's. Also on March 29, 1999, Mr. Watters acquired a subsidiary of Rick's, RCI Entertainment Louisiana, Inc., which was reported by Rick's on a Form 8-K dated March 29, 1999.

(c) McElroy has no present plans or proposals involving the sale or transfer of a material amount of assets of the Company or any of its subsidiaries.

(d) McElroy has no plans or proposals to change the term of directors.

(e) McElroy has no present plans or proposals for material change in the present capitalization or dividend policy of the Company.

(f) McElroy has no present plans or proposals for a material change in the Company's business or corporate structure.

(g) McElroy has no present plans or proposals for changes in the Company's charter or bylaws, or instruments corresponding thereto or other actions which may impede the acquisition of control of the Company by any person.

(h) McElroy has no present plans or proposals for causing a class of securities of the Company to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association.

(i) McElroy has no present plans or proposals for a class of securities of the Company becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Act.

(j) McElroy has no present plans or proposals for any actions similar to those enumerated above.

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## ITEM 5. Interest in Securities of the Issuer

(a) McElroy is the beneficial owner directly or indirectly of 1,363,125 shares of the Company, which, after the reverse split of March 15, 1999, equals 681,563 shares and which represents 21% of the class of securities.

This amount does not include shares of the Company issuable upon the conversion of the a Convertible Debenture of Rick's, or upon conversion of a Convertible Promissory Note of Taurus Entertainment Companies, Inc. which is guaranteed by Rick's. The Convertible Debenture and the Convertible Promissory Note are in the aggregate amount of \$652,744 and are convertible at any time at \$2.75 per share, subject to adjustment. If the Convertible Debenture and the Convertible Promissory Note were converted, Mr. McElroy would receive an additional 237,361 shares of common stock of the Company, which, after the reverse split of March 15, 1999, equals 118,681 shares, and McElroy would be the beneficial owner of a total of 1,600,486 shares of common stock of the Company, which, after the reverse split of March 15, 1999, equals 800,243 shares or approximately 24.6% of the common stock of the Company. The Convertible Debenture and the Convertible Promissory Note secure the McElroy Note.

(b) McElroy has sole voting and dispositive power for 1,363,125 shares of the Company, which, after the reverse split of March 15, 1999, equals 681,563 shares.

(c) None.

(d) McElroy has the right to receive and power to direct receipt of dividends from or the proceeds from the sale of 1,363,125 shares, which, after the reverse split of March 15, 1999, equals 681,563 shares.

(e) Not applicable.

## ITEM 6. Contract, Agreements, Understandings or Relationships with Respect to Securities of the Issuer

Not applicable

## ITEM 7. Material to be Filed as Exhibits

10.1 Promissory Note made by McElroy

10.2 Stock Purchase Agreement

## SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete, and correct.

*April 7, 1999*  
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*Date*

/s/ *Ralph Lee McElroy*  
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*Ralph Lee McElroy*

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**End of Filing**

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