

RICKS CABARET INTERNATIONAL INC

FORM S-8

(Securities Registration: Employee Benefit Plan)

Filed 6/6/1996

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

Registration No. 33-_____

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-8
REGISTRATION STATEMENT
Under
THE SECURITIES ACT OF 1933

RICK'S CABARET INTERNATIONAL, INC.

(Exact name of issuer as specified in its charter)

Texas
(State of incorporation
or organization)

76-0037324
(I.R.S. Employer
Identification No.)

3113 Bering Drive, Houston, Texas 77057
(Address of principal executive offices)

**400,000 CONSULTANT'S SHARES UNDERLYING WARRANTS TO BE
ISSUED PURSUANT TO CONSULTING AGREEMENT BY AND BETWEEN
RICK'S CABARET INTERNATIONAL, INC. AND
SUMMIT MARKETING & PUBLIC RELATIONS, INC.**
(Full title of the plan)

Robert L. Watters
President
Rick's Cabaret International, Inc.
3113 Bering Drive
Houston, Texas 77057
(713) 785-0444

(Name, address and telephone number, including area code, of agent for service)

Copy to:
Robert D. Axelrod
Axelrod, Smith & Kirshbaum
5300 Memorial Drive, Suite 700
Houston, Texas 77007

CALCULATION OF REGISTRATION FEE

Title of securities to be registered	Amount to be registered	Proposed maximum offering price per share(*)	Proposed maximum aggregate offering price	Amount of registration fee
Common stock, par value \$.01	400,000 shares	\$4.50	\$1,800,000	\$621.00

* Calculated pursuant to Rule 457(h) of the Securities Act of 1933, as amended, solely for purposes of calculating the registration fee.

PART I

INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

PROSPECTUS

ITEM 1. PLAN INFORMATION.

(a) General Plan Information.

The 400,000 shares (the "400,000 Consultant's Shares") of common stock, par value \$.01 per share (the "Common Stock"), of Rick's Cabaret International, Inc. (the "Company") being registered pursuant to the Registration Statement on Form S-8 are shares to be issued to Summit Marketing & Public Relations, Inc. (the "Consultant") upon the vesting and exercise of up to 400,000 Warrants ("Warrants") pursuant to the terms of a consulting agreement, dated as of May 1, 1996, as amended on May 30, 1996 (the Consulting Agreement, as amended, is hereinafter referred to as the "Consulting Agreement") by and between the Consultant and the Company. The registrant whose securities are being offered is Rick's Cabaret International, Inc. The 400,000 Consultant's Shares will be issued subsequent to the effective date of the Registration Statement on Form S-8 (the "Registration Statement") covering the 400,000 Consultant's Shares of which this Prospectus forms a part and only upon the vesting and exercise of the 400,000 Warrants issued to the Consultant by the Company pursuant to the Consulting Agreement. A copy of the Consulting Agreement is annexed as Exhibit 4.1 to the Registration Statement on Form S-8. A copy of the Amendment to the Consulting Agreement is annexed as Exhibit 4.2 to the Registration Statement on Form S-8.

Under the terms of the Consulting Agreement, the Company is engaging the Consultant, for a period of six (6) months commencing upon the execution of the Consulting Agreement, to provide to the Company consulting services with respect to financial and public relations and stockholder relations. The Consulting Agreement will terminate on November 1, unless earlier terminated, at the option of the Company, due to the short-term disability of the principals of the Consultant.

The Consulting Agreement provides that as partial consideration for the Consultant performing the consulting services described in the Consulting Agreement, the Company shall issue to the Consultant 50,000 shares of its Common Stock. Of the 50,000 shares of common stock, 16,667 shares were issued to the Consultant on May 22, 1996, 16,667 shares will be issued on June 21, 1996 and the remaining 16,666 shares shall be issued by the Company to the Consultant on July 21, 1996. These 50,000 shares are the subject of a Form S-8 Registration Statement filed by the Company with the Securities and Exchange Commission on May 21, 1996.

The Consulting Agreement further provides that as additional consideration for providing the consulting services described in the Consulting Agreement, the Company will grant to the Consultant (i) 200,000 Warrants to purchase 200,000 shares of Common Stock of the Company at \$4.50 per share for a term of six (6) months commencing on May 1, 1996, exercisable (a) 100,000 shares at any time during the six month period, and (b) an additional 100,000 shares if the Company's Common Stock closes at a bid price of \$5.50 per share for five consecutive days and (ii) 200,000 additional Warrants to purchase 200,000 shares of Common Stock of the Company at \$4.50 per share for a twelve (12) month period commencing on May 1, 1996, exercisable (a) 100,000 shares only if the Company's shares of Common Stock close at a bid price of \$6.50 per share for five consecutive days and (b) an additional 100,000 shares only if the Company's shares of Common Stock close at a bid price of \$8.00 per share for five consecutive days.

Pursuant to the Consulting Agreement, the Company agreed to file with the Securities and Exchange Commission a Registration Statement on Form S-8 covering the 50,000 shares of Common Stock and the 400,000 Consultant's Shares underlying the Warrants and to pay all expenses incurred in connection with filing of such registration statement. The Company filed on May 21, 1996 a Registration Statement on Form S-8 covering the 50,000 shares of Common Stock issued to the Consultant.

The Consulting Agreement also contains a non-competition provision which provides that the Consultant will not, absent the prior written consent of the Company, in any manner, directly or indirectly, own, manage, operate, join, control or participate in the ownership, management, operation or control of or be employed or connected in any manner with any company or firm which competes, or would compete, with the Company.

The Consulting Agreement and the securities to be issued pursuant thereto are not subject to any provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

The address and telephone number, including area code, to obtain additional information regarding the information discussed herein is Rick's Cabaret International, Inc., 3113 Bering Drive, Houston, Texas 77057, Attention: Robert L. Watters; (713) 785-0444.

(b) Securities Offered.

The title of the Plan is the 400,000 Consultant's Shares Underlying Warrants to be Issued Pursuant to the Consulting Agreement by and between the Company and the Consultant. The total amount of securities being offered pursuant to such Plan is 400,000 shares of Common Stock.

(c) Employees who may Participate in the Plan.

The Plan covers the 400,000 Consultant's Shares. Only the Consultant will be issued such shares. The Consultant is receiving such shares based upon the services outlined in the Consulting Agreement to be performed for the Company by the Consultant.

(d) Purchase of Securities Pursuant to the Plan and Payment for Securities Offered.

The Consultant will be receiving, for its services to be rendered, the 400,000 Consultant's Shares in accordance with the terms of the Consulting Agreement as described above. The shares are being issued to the Consultant for the consulting services the Consultant will provide to the Company. The Board of Directors of the Company determined the value of the services to be provided to the Company by the Consultant.

(e) Resale Restrictions.

Following the issuance to the Consultant of the 400,000 Consultant's Shares as described herein, there will be no restrictions imposed under the Consulting Agreement upon resale by the Consultant of the 400,000 Consultant's Shares, provided such shares of Common Stock have been registered and are then covered by an effective Registration Statement.

(f) Tax Effects of Plan Participation.

Upon the issuance of the 400,000 Consultant's Shares, the Consultant will recognize ordinary income (treated as compensation income) equal to the fair market value of the Common Stock at the time of issuance. The Company will be entitled to a tax deduction in the same amount and at the same time as the Consultant realizes such income. Upon the sale of such shares, the Consultant will recognize capital gain or loss measured by the difference between the amount realized on the sale and the fair market value of the Common Stock at the time of issuance. Such capital gain or loss will be short-term or long-term, depending upon the length of time the shares were held by the Consultant.

(g) Investment of Funds.

Not applicable.

(h) Withdrawal from the Plan; Assignment of Interest.

The 400,000 Consultant's Shares may be transferred, assigned, pledged, or hypothecated by the Consultant.

(i) Forfeitures and Penalties.

Not applicable.

(j) Charges and Deductions, and Liens Therefor.

Not applicable.

ITEM 2. REGISTRANT INFORMATION.

The Company will promptly furnish, without charge, a copy of any documents filed by the Company with the Securities and Exchange Commission pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, or the Company's then annual report to stockholders, upon the written or oral request of the person receiving this document which documents are incorporated by reference into this document. Such requests should be addressed to Robert L. Watters, President, Rick's Cabaret International, Inc., 3113 Bering Drive, Houston, Texas 77057 (telephone (713) 785-0444).

Dated: June 6, 1996.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

ITEM 3. INCORPORATION OF DOCUMENTS BY REFERENCE.

The following documents, which have been filed with the Securities and Exchange Commission (the "Commission") by Rick's Cabaret International, Inc. (the "Company"), are incorporated herein by reference and made a part hereof: (a) the Company's Annual Report on Form 10-KSB for the fiscal year ended September 30, 1995; (b) all other reports filed pursuant to Section 13(a) or 15(d) of the Exchange Act since September 30, 1995; and (c) the Company's Registration Statement on Form SB-2, as amended (Registration Statement No. 33-88372, dated October 11, 1995).

All documents filed by the Company pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934, as amended, subsequent to the date hereof and prior to the filing of a post-effective amendment which indicates that all securities offered have been sold or which deregisters all securities then remaining unsold shall be deemed to be incorporated by reference herein and to be part hereof from the date of the filing of such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be modified or superseded for purposes of this Registration Statement to the extent that a statement contained herein or in any other subsequently filed document which also is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Statement.

ITEM 4. DESCRIPTION OF SECURITIES.

The Company's Common Stock is registered under Section 12 of the Securities Exchange Act of 1934.

ITEM 5. INTERESTS OF NAMED EXPERTS AND COUNSEL.

Not applicable.

ITEM 6. INDEMNIFICATION OF OFFICERS AND DIRECTORS.

The Articles of Incorporation of the Company ("Articles") provide for indemnification of Directors and Officers in accordance with the Texas Business Corporation Act. Article Eight of the Articles provides as follows:

A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law, or for which the person is found liable to the Corporation, (iii) under Article 2.41 of the Texas Business Corporation Act, or (iv) for any transaction from which the director derived an improper personal benefit, whether or not the benefit resulted from an action taken in the person's official capacity.

Article Nine of the Articles provides as follows:

Section 9.1 The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he is or was a director, officer employee or agent of the corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement, actually and reasonably incurred by him in connection with such action, suit or proceeding, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interest of the Corporation and with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 9.2 The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation and except that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

Section 9.3 To the extent that a director, officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 9.1 and 9.2., or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

Section 9.4 Any indemnification under Sections 9.1 and 9.2 of this Article Nine (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in Section 9.1 and 9.2. Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) by the shareholders in a vote that excludes the shares held by directors who are parties to such action, suit or proceeding.

Section 9.5 Expenses incurred in defending a civil or criminal action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors upon receipt of an undertaking by or on behalf of the director, officer, employee or agent of his good faith belief that he has met the standard of conduct necessary for

indemnification under Sections 9.1 and 9.2 and a written undertaking to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Corporation as authorized in this Article Nine.

Section 9.6 The indemnification and advancement of expenses provided by, or granted pursuant to, the other paragraphs of this Article Nine shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any by-law, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to acting in another capacity while holding such office.

Section 9.7 The Corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Article Nine.

Section 9.8 For the purpose of this Article Nine, references to "the Corporation" shall include, in addition to the resulting Corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article Nine with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

Section 9.9 For purposes of this Article Nine, referenced to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Article Nine.

Section 9.10 The indemnification and advancement of expenses provided by, or granted pursuant to, this Article Nine shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 9.11 The provisions of this Article Nine: (i) are for the benefit of, and may be enforced by, each person entitled to indemnification hereunder, the same as if set forth in their entirety in a written instrument duly executed and delivered by the Corporation and such person; and (ii) constitute a continuing offer to all present and future persons entitled to indemnification hereunder. The Corporation, by its filing of these Articles of Incorporation: (a) acknowledges and agrees that each person entitled to indemnification hereunder has relied upon and will continue to rely upon the

provisions of this Article Nine in accepting and serving in any of the capacities entitling such person to indemnification hereunder; (b) waives reliance upon, and all notices of acceptance of, such provisions by such persons; and (c) acknowledges and agrees that no present or future person entitled to indemnification hereunder shall be prejudiced in such person's right to enforce the provisions of this Article Nine in accordance with their terms by any act or failure to act on the part of the Corporation.

Section 9.12 No amendment, modification, or repeal of this Article Nine or any provision hereof shall in any manner terminate, reduce, or impair the right of any past, present or future person entitled to indemnification hereunder to be indemnified by the Corporation, nor the obligation of the Corporation to indemnify any such person, under and in accordance with the provisions of this Article Nine as in effect immediately prior to such amendment, modification, or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification, or repeal, regardless of when such claims may arise or be asserted.

The foregoing discussion of the Company's Articles and of the Texas Business Corporation Act is not intended to be exhaustive and is qualified in its entirety by such Articles and statutes, respectively.

The Underwriting Agreement provides for indemnification of the Company and the Underwriters and their respective officers, directors and controlling persons within the meaning of the Act against certain liabilities.

ITEM 7. EXEMPTION FROM REGISTRATION CLAIMED.

Not applicable.

ITEM 8. EXHIBITS.

The following is a list of exhibits filed as part of the Registration Statement:

Exhibit Number	Description of Exhibit
4.1	Consulting Agreement by and between Rick's Cabaret International, Inc. and Summit Marketing & Public Relations, Inc. ("Consulting Agreement")
4.2	Amendment to Consulting Agreement dated May 30, 1996
5	Opinion of Axelrod, Smith & Kirshbaum
23(i)	Consent of Jackson & Rhodes, P.C.
23(ii)	Consent of Axelrod, Smith & Kirshbaum

ITEM 9. UNDERTAKINGS.

The undersigned registrant hereby undertakes:

A. (1) To file during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) to reflect in the prospectus any facts or events arising after the effective date of this registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this registration statement;

(iii) to include any material information with respect to the plan of distribution not previously disclosed in this registration statement or any material change to such information in this registration statement; provided, however, that paragraphs (a) (i) and

(a) (ii) above do not apply if the registration statement is on Form S-3 or Form S-8 and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the Registrant pursuant to Section 13 or Section 15(d) of the 1934 Act that are incorporated by reference in the Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

B. The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

C. Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers, and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, that the Registrant has been advised that in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Houston, State of Texas, on May 31, 1996.

RICK'S CABARET INTERNATIONAL, INC.

By: /s/ Robert L. Watters

*Robert L. Watters, Chairman of the
Board and Chief Executive Officer*

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated:

Signature	Title	Date
----- /s/ Robert L. Watters ----- Robert L. Watters	----- Chairman of the Board, Chief Executive Officer, and Director (Principal Executive Officer)	----- May 31, 1996
----- /s/ Erich Norton White ----- Erich Norton White	Director and Executive Vice President	May 31, 1996
----- /s/ Scott C. Mitchell ----- Scott C. Mitchell	Director	May 31, 1996
----- ----- Martin Sage	Director	May ____, 1996
----- /s/ Gary White ----- Gary White	Chief Financial Officer, (Principal Financial Officer and Principal Accounting Officer)	May 31, 1996

INDEX TO EXHIBITS

- 4.1 Consulting Agreement by and between Rick's Cabaret International, Inc. and Summit Marketing & Public Relations, Inc. ("Consulting Agreement")
- 4.2 Amendment to Consulting Agreement dated May 30, 1996
- 5 Opinion of Axelrod, Smith & Kirshbaum
- 23(i) Consent of Jackson & Rhodes, P.C.
- 23(ii) Consent of Axelrod, Smith & Kirshbaum

EXHIBIT 4.1

CONSULTING AGREEMENT

THIS Agreement made as of the 1st. day of May, 1996, by and between RICK'S CABARET INTERNATIONAL INC. ("RICK'S") a Houston, Texas Corporation with offices at 3113 Bering Drive, Houston, Texas 77057 and SUMMIT Marketing & Public Relations Inc., (SUMMIT), a Florida Corporation, with its principal place of business at 2101 Corporate Blvd., Suite 210, Boca Raton, Florida 33431 ("SUMMIT").

WHEREAS, RICK'S desires to secure and retain SUMMIT'S AVAILABILITY AND SERVICES AS A PUBLIC RELATIONS CONSULTANT WITH THE FINANCIAL COMMUNITY FOR THE BENEFIT OF RICK'S.

WHEREAS, SUMMIT wishes to be available and provide public relations consulting services to RICK'S.

NONE, THEREFORE, in consideration of the mutual promises, covenants and conditions herein contained, and other good and valuable consideration, the receipt and sufficiency of which the parties hereby acknowledge, it is agreed as follows:

ARTICLE I Definitions

For the purpose of this Agreement, the following terms have the following meanings:

1.1 "Consulting Services" includes, but is not limited to: servicing and maintaining preexisting relationships between and amongst brokers, dealers, market makers, shareholders and other related parties and RICK'S; informing and updating the aforementioned parties, the financial press, and financial markets of press releases, market sensitive information, and other news relating to RICK'S on a timely basis; developing and implementing advertising and promotional plans for the benefit of RICK'S; receiving and relaying inquiries from potential investors to the appropriate persons or parties; the answering of questions and commenting on documents, press releases, marketing plans, and advising with respect to the nature and scope of financial community relationships.

1.2 "Disability" means event or act that prevents the principals of SUMMIT from performing the Consulting Services.

1.3 "Entity" shall mean any natural person, public or private corporation, proprietorship, partnership, governmental entity, association, organization, or group. Any reference herein to any entity, whether or not a party herein, which is a corporation, partnership, bank, trust or any entity shall be construed as including all past and present subsidiaries, affiliates, directors, officers, employees and agents of the entity.

ARTICLE II
Consulting Services

2.1 Performance of Services. During the term of this Agreement, SUMMIT shall render Consulting Services to RICK'S.

2.2 Provisions of Services. SUMMIT shall provide Consulting Services for at least a reasonable amount of time each month during the term of this Agreement. This requirement is for the benefit of RICK'S and may be waived in writing by RICK'S and shall be subject to the ordinary and customary vacation periods of the United States of America. SUMMIT shall not be required to provide Consulting Services for any prescribed number of hours on any given day.

2.3 Short Term Disability. If during the term of this Agreement all of the available principals of SUMMIT qualified to provide Consulting Services to RICK'S suffer a disability and as a result are unable to perform the Consulting Services for a period of thirty (30) consecutive days from the date SUMMIT notifies RICK'S of such Disability. RICK'S shall have the option to immediately terminate this Agreement without further compensation.

2.4 Dissolution, Insolvency, Bankruptcy, etc. If SUMMIT becomes dissolved, insolvent, bankrupt or ceases its business operations during the term of this Agreement, then the parties may agree to employ SUMMIT'S nominee as a substitute consultant under the same terms and conditions as set forth herein for the period of time remaining in this Agreement.

2.5 Place of Services. The parties understand that the Consulting Services are to be performed by telephone and facsimile, unless otherwise mutually agreed to between the parties.

2.6 No Default or Conflict. To the best of its knowledge, SUMMIT is not in default nor would the execution, delivery or performance of this Agreement cause it to be in default, with respect to any law, regulation, charter, by-law, agreement or other commitment or injunction, decree, judgment or other order of any court or agency that is applicable to SUMMIT and which precludes the performance of its obligations under this Agreement or result in a conflict of interest. During the term of this Agreement, SUMMIT will not enter into any contract, agreement, or commitment or act in a manner which would (1) cause it to be in default with respect to any law, regulation, charter, by-law agreement or other commitments or any injunction, decree, judgment or other order of any court or agency that would preclude the full and timely performance of its obligations under this Agreement, or (2) result in a conflict of interest with the performance of the obligations and duties hereunder.

ARTICLE III
Compensation

3.1 Consulting Fees. In consideration for performance of the Consulting Services, RICK'S agrees to pay the sum of 50,000 shares of free trading stock, 400,000 options to purchase the common stock at the inception of this Agreement.

Structure for Consulting Fees as follows:

1. 50,000 shares of RICK'S free trading stock to be paid in three (3) installments of 16,667 shares upon the signing of this agreement, 16,667 shares (30) days thereafter and 16,666 (30) days after that. All stock, (50,000 shares) and all warrants to be delivered as soon as possible after signing.

2. A (6) month option to purchase 200,000 shares of RICK'S at \$4.50 exercisable as follows:

- (a) 100,000 at anytime during (6) months.
- (b) 100,000 when RICK'S closes at \$5.50 bid for (5) consecutive days.

3. To purchase an additional 200,000 options at \$4.50 for a (12) month period.

- (a) 100,000 when RICK'S closes at \$6.50 bid for (5) consecutive days.
- (b) 100,000 when RICK'S closes at \$8.00 bid for (5) consecutive days.

3.2 Common Stock. The common stock of RICK'S is listed on the NASDAQ and has been duly registered with the Securities and Exchange Commission (the "SEC") in accordance with Section 12 (g) of the Securities Exchange Act of 1934, as amended (herein called the "Exchange Act") and the National Association of Securities Dealers (the "NASD"). Said common stock is the only "equity security" (as defined in the Exchange Act) of RICK'S required to be registered under Section 12 of the Exchange Act. If any shares of common stock required to be reserved for purposes of this Agreement hereunder require registration with or approval of any governmental authority under any federal (including but not limited to the Act or similar federal statute than in force) or state law, or listing on any national securities exchange, before such shares may be issued, RICK'S will, at its expense, as expeditiously as possible to cause such shares to be duly registered or approved or listed on the relevant national securities

exchange, as the case may be. RICK'S shall pay all expenses, issuance taxes and other charges payable in connection with the preparation, execution and delivery of certificates for common stock issuable pursuant to this Agreement. If RICK'S at any time proposes to register any of its securities under the Act on any appropriate form, it will at each such time give written notice to SUMMIT of its intention to do so. Upon the written request to RICK'S from SUMMIT, given within thirty (30) days after receipt of any such notice, RICK'S will cause the common stock which RICK'S has been requested to register by SUMMIT to be registered under the Act, all to the extent requisite to permit the sale or other disposition by SUMMIT of common stock so registered. As expeditiously as possible after the effectiveness of any registration pursuant to this Section 3, registered, new common stock certificates not bearing any legend and free from restrictions of any kind.

a. RICK'S agrees to deliver 400,000 warrants and 50,000 shares of its common stock without any restrictive legend of any kind to SUMMIT upon execution of this Agreement in the name of SUMMIT Marketing & Public Relations Inc.

ARTICLE IV **Confidential Information**

4.1 Ownership of Confidential Information. Any Confidential Information which has been made available to SUMMIT or is learned, acquired, developed, made or conceived by SUMMIT, either alone or jointly with others, in the course of or arising out of the rendering of the Consulting Services, shall be and remain RICK'S sole and exclusive property. The parties agree, that the copyrights to any work or agreements made, negotiated, consummated, or conceived by SUMMIT through or as a result of performing the Consulting Services, if any, shall be considered a work made for hire for the sole and exclusive ownership and benefit of RICK'S.

4.2 Confidential Treatment. SUMMIT agrees to treat as confidential and shall not, except in its duties in rendering Consulting Services or as applicable law requires, at any time, directly or indirectly, use, disclose, publish or OTHERWISE disseminate, any of the Confidential Information without prior written approval from RICK'S and in accordance with any federal and any applicable state securities laws. SUMMIT further

agrees to use its best efforts to protect Confidential Information against unauthorized use or improper disclosure. However, this paragraph should not be construed so as to prevent SUMMIT from using the Confidential Information in or testifying at in any arbitration or court proceeding instituted to enforce the rights of SUMMIT under the terms and conditions of this Agreement.

ARTICLE V
Non-Compete

5.1 Restriction. SUMMIT covenants and agrees that, absent prior written consent from RICK'S during the period of this Agreement (or such longer period as SUMMIT actually provides Consulting Services to RICK'S, neither it nor any of its affiliates shall, in any manner, directly or indirectly own, manage, operate, join, control or participate in the ownership, management, operation or control of, or be employed or connected in any manner, in any company or firm which competes, or would compete, with RICK'S market throughout the world and including the United States of America.

ARTICLE VI
Term and Termination

6.1 Term. This Agreement shall commence upon the date of this Agreement first written above and shall continue in full force and effect for a period of 6 months ending on the 1st. day of November, 1996 unless sooner terminated as provided in Section 6.2. In the event neither party notifies the other party in writing at least thirty (30) days prior to the expiration of the Term, this Agreement shall be renewed for one additional Term under terms and conditions to be agreed upon at that time.

6.2 Termination. RICK'S shall have a right to terminate this Agreement upon thirty (30) days written notice of same and the payment to SUMMIT or its assignees of one month's Consulting Fee and any out-of-pocket expenses due. Upon payment of the amount described herein and in full compliance with the terms provided in this Agreement together with written notice of termination to SUMMIT, RICK'S obligations under this Consulting Agreement shall be deemed discharged and this Agreement shall be deemed null and void.

ARTICLE VII
Miscellaneous

7.1 Governing Law, Severability. This Agreement shall be construed in accordance with, and governed for all purposes by the laws of the State of Texas. In

case any one or more of the provisions contained in this Agreement shall, for any reason, be held, to be invalid, illegal or unenforceable, in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein. If, moreover, any one or more of the provisions contained in this Agreement shall for any reason be held to be excessively broad as to duration, geographical scope, activity or subject, it shall be construed, by limiting and reducing it, so as to be enforceable to the extent compatible with the applicable law as it shall then appear.

7.2 Disputes. Any action brought to settle the terms of this Agreement or to enforce any of its provisions shall be brought in the State and Federal Courts of the State of Florida and in no other jurisdiction. The parties hereby consent to jurisdiction and waive any objection as to venue or jurisdiction of the above-named court. Each party may seek injunctive relief which shall not be deemed or construed as a bar to an action for damages regarding any breach or performance and shall not be deemed an election of remedies.

7.3 Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same agreement. This Agreement shall be effective when each of the parties shall have executed at least one counterpart, although not all of the parties may have executed the same counterpart.

7.4 Entire Agreement. This Agreement constitutes the entire Agreement amount the parties hereto and supersedes all prior agreements, understandings and arrangements, oral or written, among the parties with respect to the subject matter thereof. In addition, except as otherwise specifically provided herein, no change, modification or addition shall be valid unless in writing and signed by or on behalf of the parties hereto.

7.5 Headings. The headings in this Agreement are intended solely for convenience of reference and shall be given no effect in the construction or interpretation of this Agreement.

7.6 Relationship. Nothing in this Agreement is intended to or shall establish any agency, partnership or joint venture relationship between the parties. SUMMIT shall be deemed for all purposes an independent contractor of RICK'S for the purpose of this Agreement.

CONSULTING AGREEMENT
PAGE 7.

IN WITNESS WHEREOF, the parties have duly examined this Agreement of seven (7) pages as of this day and year first above written whereupon it became a binding agreement among them.

*SUMMIT MARKETING & PUBLIC
RELATIONS, INC.*

BY: /s/ ROGER TAFT

NAME: ROGER TAFT

TITLE: President

*RICK'S CABARET INTERNATIONAL,
INC.*

BY: /s/ ROBERT L. WATTERS

NAME: ROBERT L. WATTERS

TITLE: President

AMENDMENT TO CONSULTING AGREEMENT

This Amendment is made as of the 30th day of May, 1996 (the "Amendment"), to that certain Consulting Agreement made as of the 1st day of May, 1996, by and between RICK'S CABARET INTERNATIONAL, INC. ("Ricks"), a Texas corporation, with offices at 3113 Bering Drive, Houston, Texas 77057 and SUMMIT MARKETING & PUBLIC RELATIONS, INC. ("Summit"), a Florida corporation, with its principal place of business at 2101 Corporate Boulevard, Suite 210, Boca Raton, Florida 33431 (the "Agreement"), a copy of which is attached hereto.

WHEREAS, Rick's and Summit entered into the Agreement whereby Summit would provide consulting services to Rick's as provided for therein; and

WHEREAS, Rick's agreed to compensate Summit for the consulting services by the payment of 50,000 shares of common stock in Rick's and by the issuance 400,000 of warrants ("Warrants") to purchase shares of common stock of Rick's; and

WHEREAS, the Agreement provided that the shares of common stock to be issued by Rick's was to be free trading shares; and

WHEREAS, the Agreement further provided that the shares of common stock underlying the Warrants were to have certain registration rights; and

WHEREAS, Rick's and Summit acknowledge that the Agreement should have provided that the shares of common stock underlying the Warrants should be free trading shares registered pursuant to a Form S-8 Registration Statement; and

WHEREAS, Rick's and Summit desire to amend the Agreement to provide that the shares of common stock underlying the Warrants shall be registered and upon issuance shall be free trading shares, not subject to restrictive legend.

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions herein contained, and other good and valuable consideration, the receipt and sufficiency of which the parties hereby acknowledge, it is agreed as follows:

1. AMENDMENT. Section 3.2 of the Agreement entitled "3.2 Common Stock." is hereby amended in its entirety to read as follows:

"3.2 Common Stock. The Common Stock of Rick's is listed on NASDAQ and has been duly registered with the Securities and Exchange Commission (the "SEC") in accordance with Section 12(g) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Common Stock is the only "equity security", as defined in the Exchange Act, of Rick's required to be registered under Section 12 of the Exchange Act. Rick's hereby agrees to cause to be registered with the SEC the 400,000 shares of common stock to be issued underlying the Warrants granted herein to Summit pursuant to a Form S-8 Registration Statement as soon as practicable after execution hereof.

(a) Rick's agrees to deliver the 400,000 Warrants and the 50,000 shares of its common stock without any restrictive legend of any kind to Summit, in the name of Summit Marketing & Public Relations, Inc. in accordance with the terms and conditions of this Agreement".

2. NO OTHER CHANGES. Rick's and Summit hereby agree that in all other respects, the Agreement dated May 1, 1996, remains unchanged and is hereby affirmed in its entirety.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the day and year first above written.

RICK'S CABARET INTERNATIONAL, INC.

BY: /S/ ROBERT L. WATTERS

NAME: -----
TITLE: -----

**SUMMIT MARKETING &
PUBLIC RELATIONS, INC.**

BY: /S/ ROGER TAFT

NAME: -----
TITLE: -----

[AXELROD, SMITH & KIRSHBAUM LETTERHEAD]

May 31, 1996

Robert L. Watters, President
Rick's Cabaret International, Inc.
3113 Bering Drive
Houston, Texas 77057

Dear Mr. Watters:

As counsel for Rick's Cabaret International, Inc., a Texas corporation ("Company"), you have requested our firm to render this opinion in connection with the registration statement of the Company on Form S-8 ("Registration Statement") under the Securities Act of 1933, as amended (the "Act"), filed with the Securities and Exchange Commission relating to the registration of the issuance of up to 400,000 shares of common stock, par value \$.01 per share (the "Common Stock"), to be issued to Summit Marketing & Public Relations Inc. ("Summit"), a consultant to the Company, pursuant to a Consulting Agreement dated May 1, 1996, as amended May 30, 1996, ("Consulting Agreement") between the Company and Summit.

We are familiar with the Registration Statement and the registration contemplated thereby. In giving this opinion, we have reviewed the Registration Statement and such other documents and certificates of public officials and of officers of the Company with respect to the accuracy of the factual matters contained therein as we have felt necessary or appropriate in order to render the opinions expressed herein. In making our examination, we have assumed the genuineness of all signatures, the authenticity of all documents presented to us as originals, the conformity to original documents of all documents presented to us as copies thereof, and the authenticity of the original documents from which any such copies were made, which assumptions we have not independently verified.

Based upon the foregoing, we are of the opinion that:

1. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Texas; and

May 31, 1996

2. The shares of Common Stock to be issued are validly authorized and, when issued and delivered in accordance with the terms of the Consulting Agreement, will be validly issued, fully paid and nonassessable.

We consent to the to the filing of this opinion as an exhibit to the Registration Statement and to the reference in the Registration Statement to Axelrod, Smith, & Kirshbaum under the heading "Exhibits-Opinion."

Very truly yours,

/s/ AXELROD, SMITH & KIRSHBAUM

CONSENT OF INDEPENDENT AUDITORS

The Board of Directors
Rick's Cabaret International, Inc.

We consent to the incorporation by reference in the registration statement on Form S-8 of Rick's Cabaret International, Inc. of our report dated November 15, 1995, relating to the consolidated balance sheets of Rick's Cabaret International, Inc. as of September 30, 1995 and 1994 and the related statements of income, changes in stockholders' equity and cash flows for the years then ended, which report appears in the annual report on Form 10-KB of Rick's Cabaret International, Inc.

Jackson & Rhodes, P.C.
Dallas, Texas

June 4, 1996

CONSENT OF COUNSEL

The consent of Axelrod, Smith & Kirshbaum, is contained in their opinion filed as Exhibit 5 to this Registration Statement.

End of Filing

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