

RICKS CABARET INTERNATIONAL INC  
Form 10QSB  
August 14, 2008

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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, 2008

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.)

10959 Cutten Road  
Houston, Texas 77066  
(Address of principal executive offices, including zip code)

(281) 397-6730  
(Registrant's telephone number, including area code)

Check whether the issuer: (i) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (ii) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12-b-2 of the Exchange Act). Yes  No

APPLICABLE ONLY TO CORPORATE ISSUERS

On August 7, 2008, there were 9,095,447 shares of common stock, \$.01 par value, outstanding (excluding treasury shares).

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

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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

	JUNE 30, 2008 (UNAUDITED)	SEPTEMBER 30, 2007 (AUDITED)
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 13,191,087	\$ 2,998,758
Accounts receivable		
Trade	1,339,413	557,295
Other, net	722,868	218,746
Marketable securities	2,225	33,368
Inventories	1,706,544	368,557
Prepaid expenses and other current assets	975,067	286,883
Total current assets	17,937,204	4,463,607
<b>PROPERTY AND EQUIPMENT:</b>		
Buildings, land and leasehold improvements	44,031,599	21,249,428
Furniture and equipment	11,463,950	5,770,189
	55,495,549	27,019,617
Accumulated depreciation	(7,288,117)	(5,654,202)
Total property and equipment, net	48,207,432	21,365,415
<b>OTHER ASSETS:</b>		
Goodwill and indefinite lived intangibles	60,272,095	20,179,610
Definite lived intangibles, net	1,322,111	698,584
Other	761,753	368,544
Total other assets	62,355,959	21,246,738
Total assets	\$ 128,500,595	\$ 47,075,760

See accompanying notes to consolidated financial statements.

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

LIABILITIES AND STOCKHOLDERS' EQUITY

	JUNE 30, 2008	SEPTEMBER 30, 2007
	(UNAUDITED)	(AUDITED)
<b>CURRENT LIABILITIES:</b>		
Accounts payable – trade	\$ 912,190	\$ 493,499
Accrued liabilities	4,390,849	1,709,426
Current portion of long-term debt	1,561,244	3,291,154
Total current liabilities	6,864,283	5,494,079
Deferred tax liability	16,278,165	4,391,499
Other long-term liabilities	508,579	420,415
Long-term debt, less current portion	28,877,816	9,011,185
Long-term debt-related parties	1,260,000	2,085,000
Total liabilities	53,788,843	21,402,178
<b>COMMITMENTS AND CONTINGENCIES</b>		
MINORITY INTERESTS	3,359,595	180,728
TEMPORARY EQUITY – Common stock, subject to put rights (461,740 and 215,000 shares, respectively)	10,935,020	1,450,000
<b>PERMANENT STOCKHOLDERS' EQUITY:</b>		
Preferred stock, \$.10 par, 1,000,000 shares authorized; none issued and outstanding	--	--
Common stock, \$.01 par, 15,000,000 shares authorized; 9,272,237 and 6,903,354 shares issued, respectively	92,722	69,034
Additional paid-in capital	52,807,479	22,643,596
Accumulated other comprehensive income (loss)	(11,123)	20,021
Retained earnings	8,821,839	2,603,983
Less 908,530 shares of common stock held in treasury, at cost	(1,293,780)	(1,293,780)
Total permanent stockholders' equity	60,417,137	24,042,854
Total liabilities and stockholders' equity	\$ 128,500,595	\$ 47,075,760

See accompanying notes to consolidated financial statements.

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RICK'S CABARET INTERNATIONAL, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE THREE MONTHS  
ENDED JUNE 30,

FOR THE NINE MONTHS  
ENDED JUNE 30,