

RICKS CABARET INTERNATIONAL INC
Form 10-Q
May 12, 2009

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2009

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 001-13992

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
(I.R.S. Employer Identification No.)

10959 Cutten Road
Houston, Texas 77066
(Address of principal executive offices) (Zip Code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

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

As of May 4, 2009, 9,215,962 shares of the Registrant's Common Stock were outstanding.



RICK'S CABARET INTERNATIONAL, INC.
TABLE OF CONTENTS

PART I FINANCIAL INFORMATION

Item 1. Financial Statements

Consolidated Balance Sheets as of March 31, 2009 and September 30, 2008 1

Consolidated Statements of Income for the three and six months ended March 31, 2009 and 2008 3

Consolidated Statements of Cash Flows for the six months ended March 31, 2009 and 2008 4

Notes to Consolidated Financial Statements 6

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations 27

Item 4T. Controls and Procedures 40

PART II OTHER INFORMATION

Item 1. Legal Proceedings 40

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds 41

Item 6. Exhibits 42

Signatures 43

Table of Contents

PART I FINANCIAL INFORMATION

Item 1. Financial Statements.

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

ASSETS

	MARCH 31, 2009 (UNAUDITED)	SEPTEMBER 30, 2008
CURRENT ASSETS:		
Cash and cash equivalents	\$ 5,330,825	\$ 5,493,893
Accounts receivable		
Trade, net	877,399	629,139
Other, net	227,039	229,930
Inventories	1,640,822	1,683,196
Prepaid expenses and other current assets	1,045,197	559,221
Assets of discontinued operations	2,223,100	3,521,034
Total current assets	11,344,382	12,116,413
PROPERTY AND EQUIPMENT:		
Buildings, land and leasehold improvements	43,469,308	45,038,010
Furniture and equipment	13,478,257	11,058,014
	56,947,565	56,096,024
Accumulated depreciation	8,950,543	7,514,922
Total property and equipment, net	47,997,022	48,581,102
OTHER ASSETS:		
Goodwill and indefinite lived intangibles	74,751,525	74,703,174
Definite lived intangibles, net	1,041,554	1,194,592
Other	934,225	473,525
Total other assets	76,727,304	76,371,291
Total assets	\$ 136,068,708	\$ 137,068,806

See accompanying notes to consolidated financial statements.

Table of ContentsRICK'S CABARET INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

LIABILITIES AND STOCKHOLDERS' EQUITY

	MARCH 31, 2009 (UNAUDITED)	SEPTEMBER 30, 2008
CURRENT LIABILITIES:		
Accounts payable – trade	\$ 901,461	\$ 1,167,905
Accrued liabilities	3,666,094	4,427,946
Current portion of long-term debt	2,364,855	2,644,541
Liabilities of discontinued operations	358,648	465,576
Total current liabilities	7,291,058	8,705,968
Deferred tax liability	17,139,575	16,616,302
Other long-term liabilities	589,884	537,967
Long-term debt, less current portion	29,657,343	30,312,865
Long-term debt - related parties	-	600,000
Total liabilities	54,677,860	56,773,102
COMMITMENTS AND CONTINGENCIES		
MINORITY INTERESTS	3,355,096	3,358,096
TEMPORARY EQUITY – Common stock, subject to put rights (611,740 shares)	13,935,020	13,935,020
PERMANENT STOCKHOLDERS' EQUITY:		
Preferred stock, \$.10 par, 1,000,000 shares authorized; none issued and outstanding	-	-
Common stock, \$.01 par, 15,000,000 shares authorized; 9,689,315 shares issued	96,893	96,893
Additional paid-in capital	53,988,255	53,948,172
Accumulated other comprehensive income	-	(13,347)
Retained earnings	11,894,953	10,264,650
Less 1,070,571 and 908,530 shares of common stock held in treasury, at cost, respectively	(1,879,369)	(1,293,780)
Total permanent stockholders' equity	64,100,732	63,002,588
Total liabilities and stockholders' equity	\$ 136,068,708	