

RICKS CABARET INTERNATIONAL INC
 Form 4
 March 23, 2006

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 MCELROY RALPH LEE

2. Issuer Name and Ticker or Trading Symbol
 RICKS CABARET INTERNATIONAL INC [RICK]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 1211 CHOQUETTE
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 07/22/2005

____ Director
 ____ Officer (give title below)
 10% Owner
 ____ Other (specify below)

AUSTIN, TX 78757

(City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 ____ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership Indirect Beneficial Ownership (Instr. 4)		
				(A) or (D)	Code	V	Amount	(D)	Price

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount Underlying Securities (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount Number Shares
Convertible Debenture	Ⓓ	07/22/2005	J ⁽¹⁾	1	Ⓓ				02/01/2006	08/01/2008	Common stock	220,000
Warrants	\$ 3	07/22/2005	J ⁽¹⁾	50,000					07/22/2005	07/22/2008	Common stock	50,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MCELROY RALPH LEE 1211 CHOQUETTE AUSTIN, TX 78757			X	

Signatures

Ralph Lee
McElroy
03/23/2006
Date

**Signature of
Reporting Person

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- The Reporting Person entered into a Convertible Debenture (the "Debenture") in the amount of \$660,000 with the Issuer effective July 22, 2005. Under the terms of the Debenture, the Reporting Person has the option to convert all or any portion of the principal amount into shares of the Issuer's common stock at the rate of \$3.00 per share, subject to adjustment under certain conditions. The Debenture (1) provides, absent shareholder approval, that the number of shares of our common stock that may be issued to or acquired by the Reporting Person upon conversion of the Debenture shall not exceed 19.99% of the total number of issued and outstanding shares of the Issuer's common stock. As part of the transaction, the Reporting Person also received a Warrant to Purchase 50,000 shares of the Issuer's common stock at an exercise price of \$3.00 per share.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.