

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For Quarter Ended: JUNE 30, 2005

Commission File Number: 0-29507

CHANTICLEER HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

DELAWARE

20-2932652

(State or Jurisdiction of Incorporation or Organization)

(IRS Employer ID No)

6836 MORRISON BLVD., SUITE 200, CHARLOTTE, NC 28211

(Address of principal executive office) (zip code)

(704) 366-5054

(Issuer's telephone number)

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 periods as the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [] .

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes [] No [X].

The number of shares outstanding of registrant's common stock, par value \$.0001 per share, as of July 25, 2005 was 5,000,000 shares.

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CHANTICLEER HOLDINGS, INC.

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PART 1. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

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Chanticleer Holdings, Inc.
(A DEVELOPMENT STAGE COMPANY)
STATEMENT OF NET ASSETS

	JUNE 30, 2005	DECEMBER 31, 2004
	-----	-----
	(Unaudited)	
ASSETS		
Investments in non-controlled affiliates (cost \$20,000 and \$125,000 at June 30, 2005 and December 31, 2004, respectively	\$ 5,000	\$ 128,500
Cash and cash equivalents	46,257	500
Prepaid expenses	10,000	--
	-----	-----
TOTAL ASSETS	61,257	129,000
	-----	-----
LIABILITIES		
Accounts payable	3,505	15,698
Advances from shareholders	55,000	--
	-----	-----
TOTAL LIABILITIES	58,505	15,698
	-----	-----
NET ASSETS	\$ 2,752	\$ 113,302
	=====	=====
Commitments and contingencies		
Composition of net assets:		
Common stock, \$.0001 par value. Authorized 200,000,000 shares; issued and outstanding 5,000,000 shares at June 30, 2005 and 4,000,000 shares at December 31, 2004	\$ 500	\$ 400
Additional paid in capital	120,637	128,720
Accumulated deficit:		
Accumulated net operating loss	(54,385)	(19,318)
Net realized loss on investments	(49,000)	--
Net unrealized appreciation (depreciation) of investments	(15,000)	3,500
	-----	-----
Net assets	\$ 2,752	\$ 113,302
	=====	=====
Net asset value per share	\$ 0.00	\$ 0.03
	=====	=====

See accompanying notes to financial statements.

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CHANTICLEER HOLDINGS, INC.
(A DEVELOPMENT STAGE COMPANY)
STATEMENTS OF OPERATIONS
(UNAUDITED)

THREE MONTHS ENDED
JUNE 30,

	----- 2005 -----	----- 2004 -----
INCOME FROM OPERATIONS:		
Investment income	\$ 2	\$ --
	----- 2	----- --
EXPENSES:		
Salaries and wages	8,224	--
Professional fees	21,550	10,550
Interest expense	380	160
Selling, general and administrative expense	826	2,640
	----- 30,980	----- 13,350
LOSS BEFORE INCOME TAXES	(30,978)	(13,350)
INCOME TAXES	--	--
	----- (30,978)	----- (13,350)
NET LOSS FROM OPERATIONS		
NET REALIZED AND UNREALIZED GAINS (LOSSES):		
Net realized loss on investments, net of income tax benefit of \$0	(49,000)	--
Change in unrealized appreciation (depreciation) of non-controlled affiliate investments, net of deferred tax expense of \$0 in 2005 and 2004, respectively	36,000	2,000
	----- \$ (43,978)	----- \$ (11,350)
Net decrease in net assets from operations		
NET DECREASE IN NET ASSETS FROM OPERATIONS PER SHARE, BASIC AND DILUTED	\$ (0.01)	\$ (0.01)
	----- 4,890,110	----- 1,395,604
WEIGHTED AVERAGE SHARES OUTSTANDING		

See accompanying notes to financial statements.

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CHANTICLEER HOLDINGS, INC.
(A Development Stage Company)
Statements of Operations
(Unaudited)

	SIX MONTHS ENDED JUNE 30, -----	SIX MONTHS ENDED JUNE 30, -----	FROM INCEPTION (OCTOBER 21, 1999) TO JUNE 30, 2005 -----
	2005	2004	
INCOME FROM OPERATIONS:			
Investment income	\$ 2	\$ --	\$ 2
	----- 2	----- --	----- 2
EXPENSES:			
Salaries and wages	8,224	--	8,224
Professional fees	24,550	10,550	38,870
Interest expense	810	160	1,708
Selling, general and administrative expense	1,485	2,640	5,585
	----- 35,069	----- 13,350	----- 54,387
LOSS BEFORE INCOME TAXES	(35,067)	(13,350)	(54,385)
INCOME TAXES	--	--	--
	----- (35,067)	----- (13,350)	----- (54,385)
NET LOSS FROM OPERATIONS			
NET REALIZED AND UNREALIZED GAINS (LOSSES):			
Net realized loss on investments, net of income tax benefit of \$0	(49,000)	--	(49,000)
Change in unrealized appreciation (depreciation) of non-controlled affiliate investments, net of deferred tax expense of \$0 in 2005 and 2004, respectively	(18,500)	2,000	(15,000)
	----- \$ (102,567)	----- \$ (11,350)	----- \$ (118,385)
Net decrease in net assets from operations			
NET DECREASE IN NET ASSETS FROM OPERATIONS PER SHARE, BASIC AND DILUTED	\$ (0.02)	\$ (0.01)	\$ (0.07)
	----- 4,447,514	----- 1,395,604	----- 1,671,477
WEIGHTED AVERAGE SHARES OUTSTANDING			

See accompanying notes to financial statements.

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CHANTICLEER HOLDINGS, INC.
(A Development Stage Company)
Statements of Cash Flows
(Unaudited)

	SIX MONTHS ENDED JUNE 30, -----		FROM INCEPTION (OCTOBER 21, 1999) TO JUNE 30, 2005 -----
	2005	2004	
	-----	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES			
Net decrease in net assets from operations	\$(102,567)	\$ (11,350)	\$(118,385)
Adjustments to reconcile net decrease in net assets from operations to net cash used in operating activities:			
Change in unrealized depreciation (appreciation) of investments	18,500	(2,000)	15,000
Loss on sale of investments	49,000	--	49,000
Increase in prepaid expenses	(10,000)	--	(10,000)
Increase in accounts payable	35,824	13,350	51,522
	-----	-----	-----
Net cash used in operating activities	(9,243)	--	(12,863)
	-----	-----	-----
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES			
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES			
Proceeds from sale of common stock	--	--	1,000
Loan from shareholders	55,000	--	55,000
Contribution by shareholder	--	--	3,120
	-----	-----	-----
Net cash provided by financing activities	55,000	--	59,120
	-----	-----	-----
NET INCREASE IN CASH AND CASH EQUIVALENTS	45,757	--	46,257
CASH AND CASH EQUIVALENTS, beginning of period	500	500	--
	-----	-----	-----
CASH AND CASH EQUIVALENTS, end of period	\$ 46,257	\$ 500	\$ 46,257
	=====	=====	=====
SUPPLEMENTAL CASH FLOW INFORMATION:			
CASH PAID FOR INTEREST AND INCOME TAXES:			
Interest	\$ --	\$ --	\$ --
Income taxes	--	--	--
NON-CASH INVESTING AND FINANCING ACTIVITIES:			
Exchange of investment for common stock which were retired	56,000	--	56,000
Issue common stock in exchange for assumption of accounts payable	48,017	--	48,017
Issue common stock in acquisition of investment	--	125,000	125,000

See accompanying notes to financial statements.

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CHANTICLEER HOLDINGS, INC.
(A Development Stage Company)
Statements of Changes in Net Assets
(Unaudited)

	SIX MONTHS ENDED JUNE 30, -----		FROM INCEPTION (OCTOBER 21, 1999) TO JUNE 30, 2005 -----
	2005	2004	
	-----	-----	-----
CHANGES IN NET ASSETS FROM OPERATIONS:			
Net loss from operations	\$ (35,067)	\$ (13,350)	\$ (54,385)
Net realized loss on sale of investments, net	(49,000)	--	(49,000)
Change in net unrealized appreciation (depreciation) of investments, net	(18,500)	2,000	(15,000)
	-----	-----	-----
Net decrease in net assets from operations	(102,567)	(11,350)	(118,385)
	-----	-----	-----

CAPITAL STOCK TRANSACTIONS

Common stock issued for cash	--	--	1,000
Common stock issued for accounts payable	48,017	--	48,017
Common stock issued in acquisition of investments	--	125,000	125,000
Cash contributed by stockholder	--	--	3,120
Common stock retired in disposition of investment	(56,000)	--	(56,000)
	-----	-----	-----
Net increase (decrease) in net assets from stock transactions	(7,983)	125,000	121,137
	-----	-----	-----
Net increase (decrease) in net assets	(110,550)	113,650	2,752
Net assets at beginning of period	113,302	500	--
	-----	-----	-----
Net assets at end of period	\$ 2,752	\$ 114,150	\$ 2,752
	=====	=====	=====

See accompanying notes to financial statements.

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CHANTICLEER HOLDINGS, INC.
(A Development Stage Company)
Financial Highlights
(Unaudited)

	SIX MONTHS ENDED JUNE 30, -----		FROM INCEPTION (OCTOBER 21, 1999) TO JUNE 30, 2005 -----
	2005	2004	
	-----	-----	-----
PER SHARE INFORMATION			
Net asset value, beginning of period	\$ 0.03	\$ --	\$ --
Net decrease from operations	(0.01)	(0.01)	(0.03)
Net change in realized losses and unrealized appreciation (depreciation) of investments, net	(0.01)	--	(0.04)
Net increase (decrease) from stock transactions	(0.01)	0.04	0.07
	-----	-----	-----
Net asset value, end of period	\$ --	\$ 0.03	\$ --
	=====	=====	=====
RATIOS/SUPPLEMENTAL DATA			
Net assets, end of period	2,752	114,150	2,752
Average net assets	53,890	74,208	18,218
Ratio of expenses to average net assets	65%	62%	299%
Ratio of net loss to average net assets	190%	52%	650%

See accompanying notes to financial statements.

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CHANTICLEER HOLDINGS, INC.
(A Development Stage Company)
Schedule of Investments
(Unaudited)

Shares	Date of Acquisition		Original Cost	Fair Value
AS OF JUNE 30, 2005				
200,000	Jun-04	American Resource Management, Inc. (Pink Sheets: ARMM); energy resource-based holding company	\$ 20,000	\$ 5,000
		Total investments at June 30, 2005	\$ 20,000	\$ 5,000
		Cash and other assets, less liabilities		(2,248)
		Net assets at June 30, 2005		\$ 2,752
AS OF DECEMBER 31, 2004				
200,000	Jun-04	American Resource Management, Inc. (Pink Sheets: ARMM); energy resource-based holding company	\$ 20,000	\$ 6,000
35,000	Jun-04	Sanguaro Holdings Corp. (Pink Sheets:SGUJ); energy company developing sour gas treatment	105,000	122,500

process		
Total investments at December 31, 2004	\$ 125,000	\$ 128,500
Cash and other assets, less liabilities		(15,198)
Net assets at December 31, 2004		\$ 113,302

See accompanying notes to financial statements.

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CHANTICLEER HOLDINGS, INC.
(A DEVELOPMENT STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS
(UNAUDITED)

A. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

- (1) ORGANIZATION - Chanticleer Holdings, Inc. (a development stage company) (the "Company", "we", or "us" and formerly Tulvine Systems, Inc.) was organized October 21, 1999, under the laws of the State of Delaware. The Company has had limited operations and in accordance with SFAS No. 7 is considered a development stage company. The Company was formed to serve as a vehicle to effect a merger, exchange of capital stock, asset acquisition or other business combination with a domestic or foreign private business. On April 25, 2005, the Company formed a wholly owned subsidiary, Chanticleer Holdings, Inc. On May 2, 2005, Tulvine Systems, Inc. merged with and changed its name to Chanticleer Holdings, Inc.

On April 10, 2005, the Company's sole shareholder returned 2,950,000 shares of the Company's common stock in exchange for the Company's investment in Sanguaro Holdings Corp. Simultaneously, nine individuals assumed certain of the Company's liabilities in the amount of \$48,017 in exchange for 3,950,000 shares of the Company's common stock.

- (2) GENERAL - The financial statements included in this report have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission for interim reporting and include all adjustments (consisting only of normal recurring adjustments) that are, in the opinion of management, necessary for a fair presentation. These financial statements have not been audited.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such rules and regulations for interim reporting. The Company believes that the disclosures contained herein are adequate to make the information presented not misleading. However, these financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report for the period ended December 31, 2004, which is included in the Company's Form 10-KSB.

- (3) INVESTMENT COMPANY - On May 23, 2005, the Company filed a notification on Form N54a with the U.S. Securities and Exchange Commission, (the "SEC") indicating our election to be regulated as a business development company under the Investment Company Act of 1940 (the "1940 Act"). In connection with this election, the Company has adopted corporate resolutions and intends to operate as a closed-end management investment company as a business

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development company (a "BDC"). Under this recent election, the Company has been organized to provide investors with an opportunity to participate, with a modest amount in venture capital, in investments that are generally not available to the public and that typically require substantially larger financial commitments. In addition, the Company will provide professional management and administration that might otherwise be unavailable to investors if they were to engage directly in venture capital investing. The Company has decided to be regulated as a business development company under the 1940 Act, and will operate as a non-diversified company as that term is defined in Section 5(b)(2) of the 1940 Act. The Company will at all times conduct its business so as to retain its status as a BDC. The Company may not change the nature of its business so as to cease to be, or withdraw its election as, a BDC without the approval of the holders of a majority of its outstanding voting stock as defined under the 1940 Act.

As a BDC, the Company is required to invest at least 70% of its total assets in qualifying assets, which generally, are securities of private companies or securities of public companies whose securities are not eligible for purchase on margin (which includes many companies with thinly traded securities that are quoted in the pink sheets or the NASD Electronic Quotation Service.) We must also offer to provide significant managerial assistance to these portfolio companies. Qualifying assets may also include:

- O Cash,
- O Cash equivalents,
- O U.S. Government securities, or
- O High-quality debt investments maturing in one year or less from the date of investment.

An eligible portfolio company generally is a United States company that is not an investment company and that:

- o Does not have a class of securities registered on an exchange or included in the Federal Reserve Board's over-the-counter margin list;
- o Is actively controlled by a BDC and has an affiliate of a BDC on its board of directors; or
- o Meets such other criteria as may be established by the SEC.

The Company may invest a portion of the remaining 30% of its total assets in debt and/or equity securities of companies that may be larger or more stabilized than target portfolio companies.

BDC's are required to implement certain accounting provisions that are different from those to which other reporting companies are required to comply. These requirements may result in presentation of financial information in a manner that is more or less favorable than the manner permitted by other reporting companies. In connection with the implementation of accounting changes to comply with the required reporting of financial information, we must also comply with SFAS No. 154, "Accounting Changes and Error Corrections" ("SFAS 154").

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The Company has prepared its financial statements as if it had been a BDC from inception.

BDC's, as governed under the 1940 Act may not avail themselves of any of the provisions of Regulation S-B, including any of the streamlined reporting permitted thereunder.

- (4) CASH AND CASH EQUIVALENTS - For purposes of the statement of cash flows, the Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.
- (5) INVESTMENTS IN NON CONTROLLED AFFILIATES - Pursuant to the requirements of the 1940 Act, our Board of Directors is responsible for determining, in good faith, the fair value of our securities and assets for which market quotations are not readily available. In making its determination, the Board of Directors will consider valuation appraisals provided by an independent valuation service provider, when considered necessary. Equity securities in public companies that carry certain restrictions on resale are generally valued at a discount from the market value of the securities as quoted on a national securities exchange or by a national securities association.

The Board of Directors bases its determination upon, among other things, applicable quantitative and qualitative factors. These factors may include, but are not limited to, type of securities, nature of business, marketability, market price of unrestricted securities of the same issue (if any), comparative valuation of securities of publicly-traded companies in the same or similar industries, current financial conditions and operating results, sales and earnings growth, operating revenues, competitive conditions and current and prospective conditions in the overall stock market.

Without a readily available market value, the value of our portfolio of equity securities may differ significantly from the values that would be placed on the portfolio if a ready market existed for such equity securities. All equity securities owned at June 30, 2005, and December 31, 2004, were listed securities, although they had limited trading volume.

- (6) USE OF ESTIMATES - The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and

accompanying notes. Actual results could differ from those estimates.

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- (7) INCOME TAXES - Deferred income taxes are provided on the liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carryforwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment. Due to its limited operations, the Company has provided a valuation allowance for the full amount of the deferred tax assets.

B. UNCERTAINTY

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. The Company has been in the development stage since inception (October 21, 1999) and had not commenced any formal business operations until May 23, 2005, when it filed a notification on Form N54a with the U.S. Securities and Exchange Commission, (the "SEC") indicating its election to be regulated as a business development company under the Investment Company Act of 1940 (the "1940 Act"). In connection with this election, the Company has adopted corporate resolutions and intends to operate as a closed-end management investment company as a business development company (a "BDC").

All activity to date relates to the Company's formation and proposed fund raising. The ability of the Company to continue as a going concern during the next year depends on the Company's success in executing these plans. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

C. STOCKHOLDERS' EQUITY

The Company has 200,000,000 shares of its \$0.0001 par value common stock authorized and 5,000,000 shares issued. There are no warrants or options outstanding.

The Company issued 4,000,000 shares of its common stock in a non-cash exchange for marketable securities valued at \$125,000 on June 21, 2004. The unregistered common shares are restricted pursuant to Rule 144.

On December 31, 2004, the 1,000,000 shares that were issued in 1999 to the original stockholder were cancelled.

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On May 2, 2005, the Company increased its authorized common stock from 100,000,000 shares to 200,000,000 shares.

On April 10, 2005, our sole shareholder returned 2,950,000 shares of our common stock to us in exchange for our investment in Sanguaro Holdings Corp. At the time of the exchange the Company had an unrealized loss of \$49,000 on its investment in Sanguaro Holding Corp. Accordingly, the unrealized loss of \$49,000 was reclassified as a realized loss. Simultaneously, nine individuals assumed certain of our liabilities in the amount of \$48,017 in exchange for 3,950,000 shares of our common stock.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with our financial statements and notes thereto included elsewhere in this Form 10-Q. This Form 10-Q contains forward-looking statements regarding the plans and objectives of management for future operations. This information may involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by any forward-looking statements. Forward-looking statements, which involve assumptions and describe our future plans, strategies and expectations, are generally identifiable by use of the words "may," "will," "should," "expect," "anticipate," "estimate," "believe," "intend," or "project" or the negative of these words or other variations on these words or comparable terminology. These forward-looking statements are based on assumptions that may be incorrect, and we cannot assure you that these projections included in these forward-looking statements will come to pass. Our actual results could differ materially from those expressed or implied by the forward-looking statements as a result of various factors.

We registered our common stock on a Form 10-SB registration statement filed pursuant to the Securities Exchange Act of 1934 (the "Exchange Act") and Rule 12(g) thereof. We filed with the Securities and Exchange Commission periodic and episodic reports under Rule 13(a) of the Exchange Act, including quarterly reports on Form 10-QSB and annual reports on Form 10-KSB. As a reporting company under the Exchange Act, we may register additional securities on Form S-8 (provided that we are then in compliance with the reporting requirements of the Exchange Act) and on Form S-3 (provided that we have during the prior 12 month period timely filed all reports required under the Exchange Act).

We were formed to engage in a merger with or acquisition of an unidentified foreign or domestic private company that desired to become a reporting company whose securities have been registered under the Exchange Act. We may have been deemed to meet the definition of a "blank check" company contained in Section (7)(b)(3) of the Securities Act of 1933, as amended.

On May 23, 2005, we filed a notification on Form N54a with the U.S. Securities and Exchange Commission, (the "SEC") indicating our election to be regulated as a business development company (a "BDC") under the Investment Company Act of 1940 (the "1940 Act"). In connection with this election, we have adopted corporate resolutions and intend to operate as a closed-end management investment company as a BDC. Under this recent election, we have been organized to provide investors with an opportunity to participate, with a modest amount in venture capital, in investments that are generally not available to the public and that typically require substantially larger financial commitments. In addition, we will provide professional management and administration that might otherwise be unavailable to investors if they were to engage directly in venture capital investing. We have decided to be regulated as a business development

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company under the 1940 Act, and will operate as a non-diversified company as that term is defined in Section 5(b)(2) of the 1940 Act. We will at all times conduct our business so as to retain our status as a BDC. We may not change the nature of our business so as to cease to be, or withdraw our election as, a BDC without the approval of the holders of a majority of our outstanding voting stock as defined under the 1940 Act.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Critical accounting policies are those that are both important to the presentation of our financial condition and results of operations and require management's most difficult, complex, or subjective judgments. Our most critical accounting policy relates to the valuation of our investments.

Pursuant to the requirements of the Investment Company Act of 1940 (the "1940 Act"), our Board of Directors is responsible for determining in good faith the fair value of our investments for which market quotations are not readily available. Although the securities of our portfolio companies may be quoted on the OTC Bulletin Board or the Pink Sheets, our Board of Directors is required to determine the fair value of such securities if the validity of the market quotations appears to be questionable, or if the number of quotations is such as to indicate that there is a thin or illiquid market in the security.

We will determine fair value to be the amount for which an investment could be exchanged in an orderly disposition over a reasonable period of time between willing parties other than in a forced or liquidation sale. Our valuation policy will consider the fact that no ready market may exist for substantially all of the securities in which we invest. Our investment policy is intended to provide a consistent basis for determining the fair value of the portfolio. We will record unrealized depreciation on investments when we believe that an investment has become impaired, including where realization of an equity security is doubtful. We will record unrealized appreciation if we believe that the underlying portfolio company has appreciated in value and, therefore, our equity security has also appreciated in value. The value of investments in publicly traded securities is determined using quoted market prices discounted for restriction on resale, if any.

Our equity interests in portfolio companies for which there is no liquid public market will be valued using industry valuation benchmarks, and then the value will be assigned a discount reflecting the illiquid nature of the investment, as well as, our minority, non-control position. When an external event such as a purchase transaction, public offering, or subsequent equity sale occurs, the pricing indicated by the external event is used to corroborate our valuation. The determined values will generally be discounted to account for restrictions on resale and minority ownership positions.

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The value of our equity interests in public companies for which market

quotations are readily available is based on the closing public market price on the balance sheet date. Securities that carry certain restrictions on sale will typically be valued at a discount from the public market value for the security.

FINANCIAL CONDITION

Our net assets were \$2,752 and \$113,302 at June 30, 2005, and December 31, 2004, respectively. Net asset value per share was \$0.00 at June 30, 2005, and \$0.03 at December 31, 2004.

The decline in net assets includes a net loss from operations of \$35,067; a realized loss on the exchange of an investment of \$49,000; a change in net unrealized depreciation of investments of \$18,500; a decline in common stock and additional paid in capital as a result of the exchange of one of our investments for 2,950,000 shares of our common stock in the amount of \$56,000; and reduced by the assumption of \$48,017 of our liabilities in exchange for 3,950,000 shares of our common stock.

THREE MONTHS ENDED JUNE 30, 2005 COMPARED TO THE THREE MONTHS ENDED JUNE 30, 2004

Net loss from operations during the three months ended June 30, 2005, was \$30,978 as compared to \$13,350 in the year earlier period. The increased loss is primarily the result of an increase in payroll of \$8,224 and an increase in professional fees of \$11,000. These increases are primarily due to our commencing operations during June 2005.

Net realized and unrealized gains and losses consisted of a realized loss of \$49,000 when we exchanged an investment for 2,950,000 shares of our common stock and an unrealized appreciation in the amount of \$36,000 during the current year period, as compared to an appreciation of \$2,000 during the prior year period.

SIX MONTHS ENDED JUNE 30, 2005 COMPARED TO THE THREE MONTHS ENDED JUNE 30, 2004

Net loss from operations during the six months ended June 30, 2005, was \$35,067 as compared to \$13,350 in the year earlier period. The increased loss is primarily the result of an increase in payroll of \$8,224 and an increase in professional fees of \$14,000. These increases are primarily due to our commencing operations during June 2005.

Net realized and unrealized gains and losses consisted of a realized loss of \$49,000 when we exchanged an investment for 2,950,000 shares of our common stock and an unrealized depreciation in the amount of \$18,500 during the current year period, as compared to an appreciation of \$2,000 during the prior year period.

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ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Market risk is the risk of loss arising from adverse changes in market rates and prices. We are primarily exposed to equity price risk. Equity price risk arises from exposure to securities that represent an ownership interest in our portfolio companies. The value of our equity securities and our other investments are based on quoted market prices or our Board of Directors' good faith determination of their fair value (which is based, in part, on quoted market prices). Market prices of common equity securities, in general, are subject to fluctuations, which could cause the amount to be realized upon sale or exercise of the instruments to differ significantly from the current reported value. The fluctuations may result from perceived changes in the underlying economic characteristics of our portfolio companies, the relative price of alternative investments, general market conditions and supply and demand imbalances for a particular security.

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ITEM 4. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in the reports that are filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in the reports that are filed under the Exchange Act is accumulated and communicated to management, including the principal executive officer, as appropriate, to allow timely decisions regarding required disclosure. Under the supervision of and with the participation of management, including the principal executive officer, the Company has evaluated the effectiveness of the design and operation of its disclosure controls and procedures as of June 30, 2005, and, based on its evaluation, our principal executive officer has concluded

that these controls and procedures are effective.

(b) Changes in Internal Controls

There have been no significant changes in internal controls or in other factors that could significantly affect these controls subsequent to the date of the evaluation described above, including any corrective actions with regard to significant deficiencies and material weaknesses.

The Company commenced operations as a 1940 Act BDC in June 2005. As the new business plan is implemented, the Company expects to expand current internal controls.

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PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Not applicable.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On April 10, 2005, we issued 3,950,000 shares of our common stock, in exchange for an assumption of \$48,017 of our liabilities, to 9 individuals or entities in a private transaction, not an underwriting or public offering, public sale of stock or other public distribution and therefore exempt from registration pursuant to Rule 4(2) and Regulation D.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable.

ITEM 5. OTHER INFORMATION

Not applicable.

ITEM 6. EXHIBITS

The following exhibits are filed with this report on Form 10-Q.

Exhibit 31 Certification pursuant to 18 U.S.C. Section 1350
Section 302 of the Sarbanes-Oxley Act of 2002

Exhibit 32 Certification pursuant to 18 U.S.C. Section 1350
Section 906 of the Sarbanes-Oxley Act of 2002

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CHANTICLEER HOLDINGS, INC.

Date: August 12, 2005

By: /s/ Michael D. Pruitt

Michael D. Pruitt,
Chief Executive Officer and
Principal Accounting Officer

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CHANTICLEER HOLDINGS, INC. FORM 10-Q FOR THE QUARTER ENDED JUNE 30, 2005
CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael D. Pruitt, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Chanticleer Holdings, Inc. (the registrant);
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, is made known to me by others, particularly during the period in which this report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) disclosed in this report any change in the registrant's internal controls over financial reporting that occurred during the registrant's current fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and;
5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Michael D. Pruitt

Michael D. Pruitt
Chief Executive Officer
(and equivalent of CFO)
August 12, 2005

CHANTICLEER HOLDINGS, INC. FORM 10-Q FOR THE QUARTER ENDED JUNE 30, 2005
CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael D. Pruitt, certify that

1. I am the Chief Executive Officer of Chanticleer Holdings, Inc.
2. Attached to this certification is Form 10-Q for the quarter ended June 30, 2005, a periodic report (the "periodic report") filed by the issuer with the Securities Exchange Commission pursuant to Section 13(a) or 15(d) of the Securities and Exchange Act of 1934 (the "Exchange Act"), which contains financial statements.
3. I hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that
 - o The periodic report containing the financial statements fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act, and
 - o The information in the periodic report fairly presents, in all material respects, the financial condition and results of operations of the issuer for the periods presented.

August 12, 2005

/s/ Michael D. Pruitt

Michael D. Pruitt
Chief Executive Officer
(and equivalent of CFO)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by Chanticleer Holdings, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

This certification will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section. This certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934 even if the document with which it is submitted to the Securities and Exchange Commission is so incorporated by reference.