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: **September 30, 2007**

Commission File Number: **814-00709**

CHANTICLEER HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Delaware (State or Jurisdiction of Incorporation or Organization)	**20-2932652** (IRS Employer ID No)
4201 Congress Street, Suite 145, Charlotte, (Address of principal executive office)	**NC 28209** (zip code)

(704) 366-5122
(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 ☒ No ☐.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☒

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

The number of shares outstanding of registrant's common stock, par value $.0001 per share, as of September 30, 2007, was 8,332,318 shares.

Chanticleer Holdings, Inc.

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PART 1: FINANCIAL INFORMATION
ITEM 1: CONDENSED FINANCIAL STATEMENTS

Chanticleer Holdings, Inc.
Statements of Net Assets
September 30, 2007 and December 31, 2006

	2007	2006
	(Unaudited)	
ASSETS		
Investments:		
Non-affiliate investments (cost: 2007 - $944,930; 2006 - $987,089)	$ 1,306,380	$ 1,195,470
Affiliate investments:		
Uncontrolled (cost: 2007 - $964,221)	1,248,473	-
Controlled (cost: 2007 - $1,185,443; 2006 - $1,150,000)	2,420,000	1,150,000
Total investments	4,974,853	2,345,470
Cash and cash equivalents	209,751	124,311
Accounts receivable	22,400	31,481
Prepaid expenses and other assets	556	19,996
Fixed assets, net	30,670	33,290
Deposits	3,980	22,500
TOTAL ASSETS	5,242,210	2,577,048
LIABILITIES		
Accounts payable	24,638	12,614
Accrued expenses	164	341
Deferred revenue	257,111	-
Note payable	70,000	150,704
TOTAL LIABILITIES	351,913	163,659
NET ASSETS	$ 4,890,297	$ 2,413,389
Commitments and contingencies		
COMPOSITION OF NET ASSETS		
Common stock, $.0001 par value. Authorized 200,000,000 shares; issued and outstanding 8,332,318 shares at September 30, 2007 and 7,689,461 shares at December 31, 2006	$ 833	$ 769
Additional paid in capital	3,699,766	2,799,831
Accumulated deficit:		
Accumulated net operating loss	(699,207)	(578,122)
Net realized gain (loss) on investments	8,646	(17,470)
Net unrealized appreciation of investments	1,880,259	208,381
NET ASSETS	$ 4,890,297	$ 2,413,389
NET ASSET VALUE PER SHARE	$ 0.5869	$ 0.3139

See accompanying notes to condensed financial statements.

Chanticleer Holdings, Inc.

Statements of Operations

For the Three Months Ended September 30, 2007 and 2006

(Unaudited)

	2007	2006
Income from operations:		
Interest and dividend income:		
Non-affiliates	$ 462	$ 3,927
Affiliate	11,500	15,940
Management fee income:		
Non-affiliates	39,380	-
Affiliate	153,555	24,863
	204,897	44,730
Expenses:		
Salaries and wages	56,889	48,919
Professional fees	42,168	24,760
Shareholder services	765	1,209
Interest expense	242	3,000
Insurance expense	8,830	13,413
Dues and subscriptions	933	718
Franchise taxes	-	12,678
Rent expense	12,772	5,123
Travel and entertainment expense	32,656	7,934
Loss on sale of assets	713	-
Other general and administrative expense	10,279	12,859
	166,247	130,613
Earnings (loss) before income taxes	38,650	(85,883)
Income taxes	-	-
Earnings (loss) from operations	38,650	(85,883)
Net realized and unrealized gains (losses):		
Net realized gain (loss) on investments, with no income tax provision	7,012	(1,923)
Change in unrealized appreciation of investments, net of deferred tax expense of $0	1,794,627	72,110
Net increase (decrease) in net assets from operations	$ 1,840,289	$ (15,696)
Net increase (decrease) in net assets from operations per share, basic and diluted	$ 0.2284	$ (0.0020)
Weighted average shares outstanding	8,059,026	7,689,461

See accompanying notes to condensed financial statements.

Chanticleer Holdings, Inc.
Statements of Operations
For the Nine Months Ended September 30, 2007 and 2006
(Unaudited)

	2007	2006
Income from operations:		
Interest and dividend income:		
Non-affiliates	$ 3,628	$ 26,080
Affiliate	34,500	23,733
Management fee income:		
Non-affiliates	39,380	-
Affiliate	332,110	39,167
	409,618	88,980
Expenses:		
Salaries and wages	179,866	147,376
Professional fees	120,803	47,065
Shareholder services	3,178	5,699
Franchise taxes	15,775	12,678
Interest expense	6,665	3,997
Insurance expense	28,919	36,454
Dues and subscriptions	4,943	14,337
Rent expense	33,674	23,513
Travel and entertainment expense	81,577	34,439
Loss on sale of assets	713	-
Other general and administrative expense	54,591	63,060
	530,704	388,618
Loss before income taxes	(121,086)	(299,638)
Income taxes	-	-
Net loss from operations	(121,086)	(299,638)
Net realized and unrealized gains (losses):		
Net realized gain on investments, with no income tax provision	26,117	36,776
Change in unrealized appreciation of investments, net of deferred tax expense of $0	1,671,877	177,570
Net increase (decrease) in net assets from operations	$ 1,576,908	$ (85,292)
Net increase (decrease) in net assets from operations per share, basic and diluted	$ 0.2001	$ (0.0111)
Weighted average shares outstanding	7,882,030	7,685,712

See accompanying notes to condensed financial statements.

Chanticleer Holdings, Inc.

Statements of Cash Flows

For the Nine Months Ended September 30, 2007 and 2006

(Unaudited)

	2007	2006
Cash flows from operating activities		
Net increase (decrease) in net assets from operations	$ 1,576,908	$ (85,292)
Adjustments to reconcile net increase (decrease) in net assets from operation to net cash used in operating activities:		
Change in unrealized (appreciation) depreciation of investments	(1,671,877)	(177,570)
Gain on sale of investments	(26,117)	(36,776)
Loss on sale of fixed assets	713	-
Depreciation	6,241	5,940
Consulting and other services rendered in exchange for investment securities	(553,601)	-
Change in other assets and liabilities:		
(Increase) decrease in accounts receivable	(1,923)	(36,832)
(Increase) decrease in prepaid expenses and other assets	13,520	18,605
Increase (decrease) in accounts payable and accrued expenses	11,846	9,384
Increase (decrease) in deferred revenue	257,111	-
Net cash used in operating activities	(387,179)	(302,541)
Cash flows from investing activities		
Purchase of investments	-	(2,277,732)
Proceeds from sale of investments	177,656	187,543
Proceeds from sale of fixed assets	270	-
Purchase of fixed assets	(4,603)	(6,198)
Net cash provided by (used in) operating activities	173,323	(2,096,387)
Cash flows from financing activities		
Proceeds from sale of common stock	450,000	83,250
Loan repayment	(150,704)	-
Loan proceeds	-	150,704
Net cash provided by financing activities	299,296	233,954
Net decrease in cash and cash equivalents	85,440	(2,164,974)
Cash and cash equivalents, beginning of period	124,311	2,217,525
Cash and cash equivalents, end of period	$ 209,751	$ 52,551
Supplemental cash flow information		
Cash paid for interest and income taxes:		
Interest	$ 6,764	$ 3,656
Income taxes	-	-
Non-cash investing and financing activities:		
Investment contributed by shareholder	$ 450,000	$ -
Investment acquired with note payable	70,000	
Cancellation of stock subscription receivable	-	1,000,000

See accompanying notes to condensed financial statements.

Chanticleer Holdings, Inc.

Statements of Changes in Net Assets

For the Nine Months Ended September 30, 2007 and 2006

(Unaudited)

	2007	2006
Changes in net assets from operations		
Net loss from operations	$ (121,086)	$ (299,638)
Realized gains on sale of investments, net	26,117	36,776
Change in net unrealized appreciation of investments, net	1,671,877	177,570
Net increase (decrease) in net assets from operations	1,576,908	(85,292)
Capital stock transactions		
Common stock issued for cash	450,000	83,250
Investment contributed by shareholder	450,000	-
Net increase in net assets from stock transactions	900,000	83,250
Net increase (decrease) in net assets	2,476,908	(2,042)
Net assets at beginning of period	2,413,389	2,529,352
Net assets at end of period	$ 4,890,297	$ 2,527,310

See accompanying notes to condensed financial statements.

Chanticleer Holdings, Inc.

Financial Highlights

For the Nine Months Ended September 30, 2007 and 2006

(Unaudited)

		2007		2006
PER SHARE INFORMATION				
Net asset value, beginning of period	$	0.3139	$	0.2939
Net decrease from operations		(0.0154)		(0.0390)
Net change in realized gains (losses) and unrealized appreciation (depreciation) of investments, net		0.2154		0.0279
Net increase from capital transactions		0.0730		0.0459
Net asset value, end of period	$	0.5869	$	0.3287
PER SHARE MARKET VALUE				
Beginning of period	$	1.10	$	1.30
End of period		0.99		0.90
Investment return, based on market price at end of period (1)		-10%		-31%
RATIOS/SUPPLEMENTAL DATA				
Net assets, end of period	$	4,890,297	$	2,527,310
Average net assets		2,973,409		2,561,825
Annualized ratio of expenses to average net assets		23.8%		20.0%
Annualized ratio of net increase (decrease) in net assets from operations to average net assets		70.7%		-4.0%
Common stock outstanding at end of period		8,332,318		7,689,461
Weighted average shares outstanding during period		7,882,030		7,685,712

(1) Periods of less than one year are not annualized.

See accompanying notes to condensed financial statements.

Chanticleer Holdings, Inc.

Schedule of Investments

As of September 30, 2007

(Unaudited)

Shares/ Interest	Quarter Acquired		Original Cost	Fair Value	Percent Net Assets
NON-AFFILIATE INVESTMENTS					
NON-INCOME PRODUCING INVESTMENTS					
1,000	Sep-05 Dec-05	Tandy Leather Factory, Inc. (AMEX:TLF); specialty retailer and wholesale distributor of leather products, tools and leather finishes and kits	$ 4,931	$ 7,000	0%
996,900	Sep-05 Sep-07	Special Projects Group (Pink Sheets:SPLJ) distributor and marketer of security and defense products and training manuals	141,783	199,380	4%
33.3%	Mar-06	LFM Management, LLC, dba 1st Choice Mortgage (Privately held); Direct to consumer brokerage company	250,000	250,000	5%
10.27%	Mar-06	EE Investors, LLC, whose sole asset is a 16.2% interest in Bouncing Brain Productions, LLC (Privately held); Inventor promotion company	250,000	350,000	7%
125,000	Sep-07	HealthSport, Inc. (OTCBB:HSPO); fully integrated developer, manufacturer and marketer of unique and proprietary branded and private label edible film strip nutritional supplements and over-the-counter drugs	70,000	150,000	3%
			716,714	956,380	19%
LOAN INVESTMENT					
Loan	Jun-06	Lifestyle Innovations, Inc. (OTCBB:LFSI); note and accounts receivable investment of approximately $1,200,000, non-interest bearing	100,000	125,000	3%
OIL AND GAS PROPERTY INVESTMENTS					
37.5%	Mar-06	Signature Energy, Inc; working interest in two oil and gas properties in Washington County, OK	128,216	225,000	5%
		Total non-affiliate investments	944,930	1,306,380	27%

Continued

See accompanying notes to condensed financial statements.

Chanticleer Holdings, Inc.

Schedule of Investments, continued

As of September 30, 2007

(Unaudited)

Shares/ Interest	Quarter Acquired		Original Cost	Fair Value	Percent Net Assets
AFFILIATE INVESTMENTS					
	UNCONTROLLED AFFILIATES				
542,814	Jun-07	SYZYGY Entertainment, Ltd. (SYZG); owner/operator	$ 964,221	$ 1,248,473	26%
	Sep-07	of casino in Turks and Caicos Islands			
	CONTROLLED AFFILIATES				
23%	Mar-06	Chanticleer Investors LLC (Privately held);	1,150,000	2,300,000	47%
	Jun-06	Investment LLC with note receivable from Hooters			
	Dec-06	of America, Inc. in the amount of $5,000,000			
100%	Mar-07	Chanticleer Advisors LLC; wholly owned subsidiary; provides management services for Chanticleer Investors II, LLC	15,443	100,000	2%
100%	Dec-06	Option agreement with Hooters of America, Inc. to purchase the right to open and operate Hooters restaurants in the Republic of South Africa	20,000	20,000	0%
		Total controlled affiliate investments	1,185,443	2,420,000	49%
		Total affiliate investments	2,149,664	3,668,473	75%
		Total investments at September 30, 2007	$ 3,094,594	4,974,853	102%
		Cash and other assets, less liabilities		(84,556)	-2%
		Net assets at September 30, 2007		$ 4,890,297	100%

See accompanying notes to condensed financial statements.

Chanticleer Holdings, Inc.

Schedule of Investments,

As of September 30, 2007

(Unaudited)

Shares/ Interest	Quarter Acquired		Original Cost	Fair Value	Percent Net Assets
NON-AFFILIATE INVESTMENTS					
NON-INCOME PRODUCING INVESTMENTS					
11,000	Sep-05 Dec-05	Tandy Leather Factory, Inc. (AMEX:TLF); specialty retailer and wholesale distributor of leather products, tools and leather finishes and kits	$ 52,011	$ 88,770	4%
800,000	Sep-05	Special Projects Group (Pink Sheets:SPLJ) distributor and marketer of security and defense products and training manuals	102,403	176,000	8%
6,000	Jun-06	SM&A (NASDAQ:WINS); A leading provider of business strategy, proposal development and program services for winning and delivering competitive procurements.	35,669	34,800	1%
800	Jun-06	Professionals Direct, Inc. (OTCBB:PFLD); provides lawyer liability insurance and underwriting and other services to insurance companies	18,790	20,900	1%
33.3%	Mar-06	LFM Management, LLC, dba 1st Choice Mortgage (Privately held); Direct to consumer brokerage company	250,000	250,000	10%
10.27%	Mar-06	EE Investors, LLC, whose sole asset is a 16.2% interest in Bouncing Brain Productions, LLC (Privately held); Inventor promotion company	250,000	250,000	10%
			708,873	820,470	34%
LOAN INVESTMENTS					
Loan	Jun-06	Lifestyle Innovations, Inc. (OTCBB:LFSI); note and accounts receivable investment of approximately $1,200,000, non-interest bearing	100,000	100,000	4%
Loan	Sep-06	Special Projects Group (Pink Sheets:SPLJ) distributor and marketer of security and defense products and training manuals; 12% note due 7/07	50,000	50,000	2%
			150,000	150,000	6%
OIL AND GAS PROPERTY INVESTMENTS					
37.5%	Mar-06	Signature Energy, Inc; working interest in two oil and gas properties in Washington County, OK	128,216	225,000	9%
		Total non-affiliate investments	987,089	1,195,470	49%
AFFILIATE INVESTMENT					
23%	Mar-06 Jun-06 Dec-06	Chanticleer Investors LLC (Privately held); Investment LLC with note receivable from Hooters of America, Inc. in the amount of $5,000,000	1,150,000	1,150,000	48%
		Total investments at December 31, 2006	$ 2,137,089	2,345,470	97%
		Cash and other assets, less liabilities		67,919	3%
		Net assets at December 31, 2006		$ 2,413,389	100%

See accompanying notes to condensed financial statements.

Chanticleer Holdings, Inc.
Notes to Financial Statements
(Unaudited)

A. Nature of Business and Significant Accounting Policies

(1) Organization - Chanticleer Holdings, Inc. (the "Company", "we", or "us") was organized October 21, 1999, under the laws of the State of Delaware. 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.

(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, 2006, which is included in the Company's Form 10-K.

(3) Investment Company - On June 1, 2005, the Company 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 ("BDC") under the Investment Company Act of 1940 (the "1940 Act"). Under this election, the Company has adopted corporate resolutions to operate as a closed-end management investment company as a BDC. 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 provides professional management and administration that might otherwise be unavailable to investors if they were to engage directly in venture capital investing. The Company will operate as a non-diversified company as that term is defined in Section 5(b)(2) of the 1940 Act and 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). The Company may also offer to provide managerial assistance to these portfolio companies. Qualifying assets may also include:

- Cash,

- Cash equivalents,

- U.S. Government securities, or

- 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:

- Does not have a class of securities registered on an exchange or included in the Federal Reserve Board's over-the-counter margin list;

- Is actively controlled by a BDC and has an affiliate of a BDC on its board of directors; or

- 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.

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) Investments in Affiliates and Non-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.

B. Investments

Investments at September 30, 2007 and December 31, 2006, may be summarized as follows:

	2007	2006
Investments at cost	$ 3,094,594	$ 2,137,089
Unrealized appreciation of investments, net	1,880,259	208,381
Fair value of investments	$ 4,974,853	$ 2,345,470

Investments are detailed on the Investment Schedules on pages 9 through 11, hereof. The valuations are determined by the Board of Directors based upon applicable quantitative and qualitative factors, discussed below.

Activity in investments during the nine months ended September 30, 2007, is summarized as follows:

Investments at cost, December 31, 2006	$ 2,137,089
Purchases	70,000
Investments received for consulting services	553,601
Investment contributed by shareholder	450,000
Costs reclassified as investments	35,443
Cost of investments sold	(151,539)
Investments at cost, September 30, 2007	$ 3,094,594

The Company is currently concentrating its efforts in packaging business investments for private equity groups. If completed, the Company expects to receive compensation through limited cost equity participation and/or cash management fees.

The Company received 342,814 shares of SYZYGY Entertainment, Ltd. (“SYZG”) in exchange for consulting and other services rendered or to be rendered from April 1, 2007 through March 31, 2008. SYZG has had very limited trading activity to date, accordingly, the $5.00 closing price was reduced to $1.50 for purposes of valuing the services. The investment cost of $514,221 is being amortized to management income over the twelve month period and as of September 30, 2007, $257,111 is included in deferred revenue and $257,110 has been recognized as management income. The Company’s CEO, Mike Pruitt, also acts as CEO and director for SYZG.

In September 2007, the Company received 196,900 shares of Special Projects Group for management services previously provided by the Company's CEO. The stock was valued at $39,380 based upon its average trading price at the time.

In September 2007, the Company's CEO contributed 200,000 shares of SYZG to the Company. The shares were valued at $450,000, based upon a liquidity discount to the reported trading price.

VALUATION OF INVESTMENTS

As required by the SEC's Accounting Series Release ("ASR") 118, the investment committee of the Company is required to assign a fair value to all investments. To comply with Section 2(a) (41) and Rule 2a-4 under the Investment Company Act of 1940 (the "1940 Act"), it is incumbent upon the Board of Directors to satisfy themselves that all appropriate factors relevant to the value of securities for which market quotations are not readily available have been considered and to determine the method of arriving at the fair value of each such security. To the extent considered necessary, the Board of Directors may appoint persons to assist them in the determination of such value and to make the actual calculations pursuant to the Board of Directors' direction. The Board of Directors must also, consistent with this responsibility, continuously review the appropriateness of the method used in valuing each issue of security in the Company's portfolio. The Directors must recognize their responsibilities in this matter and whenever technical assistance is requested from individuals who are not Directors, the findings of such individuals must be carefully reviewed by the Directors in order to satisfy themselves that the resulting valuations are fair.

No single standard for determining "fair value in good faith" can be established, since fair value depends upon the circumstances of each individual case. As a general principle, the current "fair value" of an issue of securities being valued by the Board of Directors would appear to be the amount that the owner might reasonably expect to receive for them upon their current sale. Methods that use this principle may, for example, be based on a multiple of earnings, or a discount from market of a similar freely traded security, or yield to maturity with respect to debt issues, or a combination of these and other methods. Some of the general factors that the Board of Directors should consider in determining a valuation method for an individual issue of securities include: 1) the fundamental analytical data relating to the investment, 2) the nature and duration of restrictions on disposition of the securities, and 3) an evaluation of the forces which influence the market in which these securities are purchased and sold. Among the more specific factors which are to be considered are: type of security, financial statements, cost at date of purchase, size of holding, discount from market value of unrestricted securities of the same class at time of purchase, special reports prepared by analysts, information as to any transactions or offers with respect to the security, existence of merger proposals or tender offers affecting the securities, price and extent of public trading in similar securities of the issuer or comparable companies and other relevant matters.

The Board of Directors has arrived at the following valuation method for its investments. Where there is not a readily available source for determining the market value of any investment, both because the investment is not publicly traded or is thinly traded and in absence of a recent appraisal, the value of the investment shall be based on the following criteria:

- Total amount of the Company's actual investment. This amount shall include all loans, purchase price of securities and fair value of securities given at the time of exchange.
- Total revenues for the preceding twelve months.
- Earnings before interest, taxes and depreciation.
- Estimate of likely sale price of investment.
- Net assets of investment.
- Likelihood of investment generating positive returns (going concern).

The estimated value of each investment shall be determined as follows:

- Where no or limited revenues or earnings are present, then the value shall be the greater of the investments: a) net assets, b) estimated sales price, or c) total amount of actual investment.
- Where revenues and/or earnings are present, then the value shall be the greater of one-times (1x) revenues or three-times (3x) earnings, plus the greater of the net assets of the investment or the total amount of the actual investment.
- Under both scenarios, the value of the investment shall be adjusted down if there is a reasonable expectation that the Company will not be able to recoup the investment or if there is reasonable doubt about the investment's ability to continue as a going concern.

Utilizing the foregoing method, the Company has valued its investments as follows:

NON-AFFILIATE INVESTMENTS

NON-INCOME PRODUCING INVESTMENTS

The Company's investment in Tandy Leather Factory, Inc. (AMEX: TLF) is quoted as indicated. The Investment Committee and the Board of Directors valued this investment at $7.00 per share based on its closing price at the end of September 2007 of $7.10 per share.

The Company's investment in Special Projects Group (Pink Sheets: SPLJ) is quoted as indicated. The Investment Committee and the Board of Directors valued this investment at $0.20 based on a liquidity discount from its average trading price of $0.24.

The Company made an investment in LFM Management, LLC, dba 1st Choice Mortgage in March 2006. This is a privately held consumer brokerage business which began operation at the end of March 2006. The Investment Committee and the Board of Directors valued this investment at its cost of $250,000 at September 30, 2007.

The Company made an investment in EE Investors, LLC ("EE") whose sole asset is a 16.2% interest in Bouncing Brain Production, LLC. This is a privately held inventor promotion company. Bouncing Brain has selected a number of inventions and expects results from their promotion to begin in 2007. The Investment Committee and the Board of Directors valued this investment at $350,000 at September 30, 2007, as a result of an increase in EE's level of participation in future Bouncing Brain promotions and additional capital invested by another investor in Bouncing Brain.

The Company's investment in HealthSport, Inc. (OTCBB: HSPO) is quoted as indicated. The Investment Committee and the Board of Directors valued this investment at $1.20 based on its closing price at the end of September 2007.

LOAN INVESTMENT

The Company invested $100,000 in notes and accounts receivable due from Lifestyle Innovations, Inc. with a face value of approximately $1,200,000 in June 2006. These obligations are expected to ultimately be converted into common stock. The Company holds approximately 50% of the debt of LFSI, which is planned to be sold as a pink sheet shell after completion of certain legal procedures. A pink sheet shell has a value of approximately $350,000 plus retaining 3-5% of the new equity. The Investment Committee and the Board of Directors valued this investment at $125,000 at September 30, 2007.

OIL AND GAS PROPERTY INVESTMENTS

The Company invested $128,216 for a 37.5% working interest in two oil and gas wells located in Washington County, Oklahoma. The Investment Committee and the Board of Directors valued these two properties at $225,000 on September 30, 2007, based on an estimate of recoverable reserves provided by the operator of the wells. The Company has been delayed in receiving revenues from the properties due to flooding in the area where the wells are located. With the clean-up required and minor repairs, it is expected the properties should be producing by the beginning of the fourth quarter.

AFFILIATE INVESTMENT

UNCONTROLLED

The Company received an investment in SYZYGY Entertainment, Ltd. ("SYZG") of 342,814 shares in exchange for services which are being performed between April 1, 2007 and March 31, 2008. In September 2007, the Company's CEO contributed an additional 200,000 shares of SYZG to the Company, which were valued at $450,000, based on a liquidity discount to the average trading price. At September 30, 2007, SYZG had experienced very limited trading; therefore, the board of directors discounted the $5.00 closing price to $2.30 per share to determine the value of $1,248,473.

CONTROLLED

The Company formed Chanticleer Investors LLC ("CI LLC") at the end of March 2006. CI LLC's only asset is a 6%, convertible, $5,000,000 loan to Hooters of America, Inc. ("Hooters"). Interest only is payable quarterly and accrued interest and principal is due May 24, 2009. The Company owns 23% of CI LLC and receives a management fee equal to 2% of the interest being paid on the loan. The remaining 4% of the interest is distributed to the investors, including the Company, quarterly. As the manager, the Company has a carried interest of 20% of the limited partners net cash gain when realized. At September 30, 2007, the investment was valued by the Investment Committee and the Board of Directors at $2,300,000, based upon the performance of Hooters and discussions regarding a liquidity event.

Chanticleer Advisors LLC ("Advisors") was formed as a wholly owned subsidiary to manage Chanticleer Investors II, LLC and Advisors receives management fees based on the profitability of Chanticleer Investors II LLC. After reviewing performance through September 30, 2007 and the increased level of assets in Chanticleer Investors II LLC, the Investment Committee and the Board of Directors valued Advisors at $100,000 at September 30, 2007.

The Company has an option agreement with Hooters to purchase the right to open and operate Hooters restaurants in the Republic of South Africa. The Investment Committee and the Board of Directors valued this option at the amount of the Company's deposit of $20,000.

C. Note Payable

The Company has a one-year note with a company in the amount of $70,000 which will mature on September 15, 2008, which bears interest at 4%. The loan was used to acquire 125,000 shares of HealthSport, Inc. common stock.

D. Composition of Net Assets (Stockholders' Equity)

The Company has 200,000,000 shares of its $0.0001 par value common stock authorized and 8,332,318 shares issued and outstanding at September 30, 2007. There are no warrants or options outstanding.

On April 12, 2007, the Company filed an Offering Circular under Regulation E promulgated under the Securities Act of 1933 to raise up to $5,000,000 by selling between 4,000,000 and 7,142,857 shares of its common stock at prices ranging between $.70 and $1.25 per share. As of May 9, 2007, the Company had sold 357,143 shares for $250,000 pursuant to the offering.

On May 30, 2007, the Company received a letter from the SEC with questions and requests for additional information and disclosure regarding its Form 1-E. The Company responded to the SEC inquiry and as of September 30, 2007 has sold an additional 285,714 shares for $200,000.

E. Related Party Transactions

On July 31, 2006, the Company formed Chanticleer Investors II, LLC ("Investors II"). Investors II began raising funds in January 2007 for the purpose of investing in publicly traded value securities.

In January 2007, the Company formed Advisors as a wholly-owned subsidiary to manage Investors II, as well as other designated projects. Pursuant to Regulation S-X Rule 6, Advisors will not be consolidated with the Company. The Company has advanced $15,443 to Advisors for legal expenses and has included this amount as the investment cost of this entity.

During the three months ended March 31, 2007, the Company sold its investment in two securities to Investors II for $21,775, which approximated market value on the transaction dates. The Company realized a profit of $127 on the transactions.

The Company's CEO contributed 200,000 shares of SYZG to the Company in September 2007. The shares were valued at $450,000 based upon a liquidity discount to the price at which SYZG was trading at the time.

F. St. Cloud Capital Partners, LP

On September 26, 2007, the Company announced it had signed a letter of intent to acquire 100% of the outstanding equity interest in St. Cloud Capital Partners, LP ("SCCP") and its general partner, SCGP, LLC, ("SCGP") including its investment portfolio. In exchange, SCCP and SCGP would receive common stock based on the Company's net asset value at September 30, 2007. The SCCP portfolio contains approximately 20 investments, both public and private, in a diversified group of industries. Total fund assets amount to approximately $40 million. SCCP will continue to operate as a licensed Small Business Investment Company.

Completion of the transaction is subject to customary closing conditions, including the Company's board and shareholder approval, SCCP approval and U.S. Small Business Administration approval. Also subject to shareholder approval, SCGP intend to externally manage the fund. The transaction is expected to close in the first quarter of 2008.

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,” “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 the 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 until we became a BDC when we began filing reports on Form 10-Q and Form 10-K.

On June 1, 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”). Under this election, we have adopted corporate resolutions to operate as a closed-end management investment company as a BDC. 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 provide professional management and administration that might otherwise be unavailable to investors if they were to engage directly in venture capital investing. We operate as a non-diversified company as that term is defined in Section 5(b)(2) of the 1940 Act and 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 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 considers 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 record unrealized depreciation on investments when we believe that an investment has become impaired, including where realization of an equity security is doubtful. We 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 are valued using industry valuation benchmarks, and then the values could 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 are generally discounted to account for restrictions on resale and minority ownership positions.

The value of our equity interests in public companies for which market quotations are readily available is based on the closing public market price. Securities that carry certain restrictions on sale are typically valued at a discount from the public market value for the security.

Financial Condition

Our net assets were $4,890,297 and $2,413,389 at September 30, 2007, and December 31, 2006, respectively. Net asset value per share was $0.5869 at September 30, 2007, and $0.3139 at December 31, 2006.

We are currently concentrating our efforts in packaging business investments for private equity groups. If completed, we expect to receive compensation through limited cost equity participation and/or cash management fees.

On November 21, 2006, we entered into an option agreement with Hooters of America, Inc. to purchase the right to open and operate Hooters restaurants in the Republic of South Africa. Negotiations are underway regarding a proposed development plan.

On April 12, 2007, we filed an Offering Circular under Regulation E promulgated under the Securities Act of 1933 to raise up to $5,000,000 by selling between 4,000,000 and 7,142,857 shares of our common stock at prices ranging between $.70 and $1.25 per share. As of May 9, 2007, we had sold 357,143 shares for $250,000 pursuant to the offering.

On May 30, 2007, the Company received a letter from the SEC with questions and requests for additional information and disclosure regarding its Form 1-E. The Company responded to the SEC inquiry and has since sold an additional 285,714 shares for $200,000 in cash as of September 30, 2007.

On September 26, 2007, the Company announced it had signed a letter of intent to acquire 100% of the outstanding equity interest in St. Cloud Capital Partners, LP ("SCCP") and its general partner, SCGP, LLC, ("SCGP") including its investment portfolio. In exchange, SCCP and SCGP would receive common stock based on the Company's net asset value at September 30, 2007. The SCCP portfolio contains approximately 20 investments, both public and private, in a diversified group of industries. Total fund assets amount to approximately $40 million. SCCP will continue to operate as a licensed Small Business Investment Company.

Completion of the transaction is subject to customary closing conditions, including the Company's board and shareholder approval, SCCP approval and U.S. Small Business Administration approval. Also subject to shareholder approval, SCGP intend to externally manage the fund. The transaction is expected to close in the first quarter of 2008.

Comparison of three months ended September 30, 2007 and 2006

Net increase (decrease) in net earnings (loss) from operations amounted to an increase of $38,650 in 2007 as compared to a decrease of $85,883 in 2006.

Revenues increased from $44,730 in 2006 to $204,897 in 2007. The increase of $160,167 in 2007 is composed of the increase in management income from affiliate investments of $128,692, an increase in management income from non-affiliate investments of $39,380 reduced by a decline in non-affiliate interest income of $3,465 and affiliated interest and dividend income of $4,440. The 2007 management income from affiliated investments includes $128,555 for consulting services rendered to SYZG. The management income from non-affiliated investments includes $39,380 for non-recurring services rendered to Special Projects Group.

Expenses during the three months ended September 30, 2007, were $166,247 as compared to $130,613 in the year earlier period. The increase in expenses is mainly the result of an increase in salaries and wages of $7,970, an increase in professional fees of $17,408, an increase of $24,722 in travel and entertainment expenses and less a decrease in franchise taxes of $12,678. The increase in salaries and wages is consistent with the slightly larger staff and salary increases for the 2007 period as compared to 2006. The increase in professional services is primarily due to an increase in investment advisory services. Travel and entertainment increased primarily due to increased travel costs associated with review of existing and potential investments. Franchise taxes were recorded in the third quarter in 2006 and the second quarter of 2007.

Net realized and unrealized gains and losses consisted of a realized gain of $7,012 and a unrealized appreciation of investments of $1,794,627 for a net gain of $1,801,639 in 2007 as compared to a realized loss of $1,923 and unrealized appreciation of $72,110, for a net gain of $70,187 in 2006. The principal component of the increased unrealized gain in 2007 is the result of the performance of Hooters and discussion regarding a liquidity event, which should substantially increase the value of the Company's investment and related contracts.

The above factors resulted in a net increase in net assets from operations per share of $0.2284 in 2007 as compared to a net decrease in net assets from operations per share of $0.0020 in 2006.

Comparison of nine months ended September 30, 2007 and 2006

Net decrease in loss from operations amounted to a decrease of $121,086 in 2007 as compared to a decrease of $299,638 in 2006.

Revenues increased from $88,980 in 2006 to $409,618 in 2007. The increase of $320,638 in 2007 is composed of the increase in management income from affiliate investments of $292,943, an increase in management income from non-affiliate investments of $39,380, an increase in affiliate interest income of $10,767 and reduced by a decline in non-affiliate net interest and dividend income of $22,452. The 2007 income from affiliated investments includes $257,110 for consulting services rendered to SYZG. The 2007 management income from non-affiliate investments includes $39,380 for non-recurring services rendered to Special Projects Group. The investment in Chanticleer Investors LLC was not fully funded until the second quarter of 2006.

Expenses during the nine months ended September 30, 2007, were $530,704 as compared to $388,618 in the year earlier period. The increase in expenses is mainly the result of an increase in salaries and wages of $32,490, an increase in professional fees of $73,738 and an increase of $47,138 in travel and entertainment expenses. The increase in salaries and wages is consistent with the slightly larger staff and salary increases for the 2007 period as compared to 2006. The increase in professional services is primarily due to an increase in investment advisory services and an increase in audit costs due primarily to the higher number of investments. Travel and entertainment increased primarily due to increased travel costs associated with review of existing and potential investments.

Net realized and unrealized gains and losses consisted of a realized gain of $26,117 and an unrealized appreciation of investments of $1,671,877 for a net gain of $1,697,994 in 2007 as compared to a realized gain of $36,776 and an unrealized appreciation of investments of $177,570, for a net gain of $214,346 in 2006. The principal component of the increased unrealized gain in 2007 is the result of the performance of Hooters and discussion regarding a liquidity event, which should substantially increase the value of the Company's investment and related contracts.

The above factors resulted in a net increase in net assets from operations per share of $0.2001 in 2007 as compared to a net decrease in net assets from operations per share of $0.0111 in 2006.

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.

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 September 30, 2007, 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.

PART II - OTHER INFORMATION

ITEM 1: LEGAL PROCEEDINGS

Not applicable.

ITEM 1A: RISK FACTORS

Not applicable.

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

The Company sold 285,714 shares of its common stock for $200,000 in cash, pursuant to its Form 1-E offering. All of the shares issued were sold pursuant to an exemption from registration under Section 4(2) promulgated under the Securities Act of 1933, as amended.

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

Although the Company does not currently employ a Chief Financial Officer, Michael D. Pruitt, President and Chief Executive Officer, is also the principal accounting officer.

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

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: November 9, 2007

By: /s/ Michael D. Pruitt

Michael D. Pruitt,
Chief Executive Officer and
Chief Financial Officer

Exhibit 31

CHANTICLEER HOLDINGS, INC. FORM 10-Q FOR THE QUARTER ENDED SEPTEMBER 30, 2007
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 control 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;

5. I have disclosed, based on my most recent evaluation, 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 in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditor any material weaknesses in internal controls; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

/s/ Michael D. Pruitt

Michael D. Pruitt
Chief Executive Officer and
Chief Financial Officer
November 9, 2007

Exhibit 32

CHANTICLEER HOLDINGS, INC. FORM 10-Q FOR THE QUARTER ENDED SEPTEMBER 30, 2007
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 and Chief Financial Officer of Chanticleer Holdings, Inc.

2. Attached to this certification is Form 10-Q for the quarter ended September 30, 2007, 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

   - The periodic report containing the financial statements fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act, and

   - 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.

November 9, 2007

/s/ Michael D. Pruitt

Michael D. Pruitt
Chief Executive Officer and
Chief Financial Officer