**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:** | **March 31, 2013** |
| **Commission File Number:** | **000-29507** |

**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)** |

**11220 Elm Lane, Suite 203, Charlotte, NC 28277**
**(Address of principal executive office) (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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐.**

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

**Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☒**

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

**The number of shares outstanding of registrant's common stock, par value $.0001 per share, as of April 30, 2013, was 3,702,896 shares.**

**Chanticleer Holdings, Inc. and Subsidiaries**

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**PART I: FINANCIAL INFORMATION**

**ITEM 1: FINANCIAL STATEMENTS**

**Chanticleer Holdings, Inc. and Subsidiaries**
**Condensed Consolidated Balance Sheets**
**(Unaudited)**

| | March 31, 2013 | December 31, 2012 |
|---|---|---|
| **ASSETS** | | |
| Current assets: | | |
| Cash | $ 389,348 | $ 1,223,803 |
| Accounts receivable | 72,128 | 161,073 |
| Other receivable | 78,469 | 85,473 |
| Inventory | 178,886 | 227,023 |
| Due from related parties | 113,748 | 117,899 |
| Prepaid expenses | 216,884 | 170,769 |
| Assets of discontinued operations | 89,758 | 44,335 |
| TOTAL CURRENT ASSETS | 1,139,221 | 2,030,375 |
| Property and equipment, net | 2,226,937 | 2,316,146 |
| Goodwill | 396,487 | 396,487 |
| Intangible assets, net | 629,699 | 559,832 |
| Investments at fair value | 33,185 | 56,949 |
| Other investments | 2,102,668 | 2,116,915 |
| Deposits and other assets | 165,613 | 169,727 |
| TOTAL ASSETS | $ 6,693,810 | $ 7,646,431 |
| | | |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| Current liabilities: | | |
| Current maturities of long-term debt and notes payable | $ 234,121 | $ 236,110 |
| Accounts payable and accrued expenses | 1,069,821 | 1,108,305 |
| Other current liabilities | 235,902 | 361,586 |
| Current maturities of capital leases payable | 32,815 | 27,965 |
| Deferred rent | 15,437 | 10,825 |
| Due to related parties | 13,733 | 13,733 |
| Liabilities of discontinued operations | 21,234 | 14,328 |
| TOTAL CURRENT LIABILITIES | 1,623,063 | 1,772,852 |
| Capital leases payable, less current maturities | 44,268 | 60,518 |
| Deferred rent | 99,275 | 98,448 |
| Other liabilities | 121,857 | 186,060 |
| TOTAL LIABILITIES | 1,888,463 | 2,117,878 |
| Commitments and contingencies (Note 13) | | |
| | | |
| Stockholders' equity: | | |
| Common stock: $0.0001 par value; authorized 20,000,000 shares; issued and outstanding 3,698,896 shares at March 31, 2013 and December 31, 2012 | 370 | 370 |
| Additional paid in capital | 14,947,639 | 14,898,423 |
| Other comprehensive loss | (191,989) | (181,741) |
| Accumulated deficit | (9,996,540) | (9,258,697) |
| Non-controlling interest | 45,867 | 70,198 |
| TOTAL STOCKHOLDERS' EQUITY | 4,805,347 | 5,528,553 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | $ 6,693,810 | $ 7,646,431 |

See accompanying notes to condensed consolidated financial statements.

## Chanticleer Holdings, Inc. and Subsidiaries
**Condensed Consolidated Statements of Operations**
**(Unaudited)**

| | For the Three Months Ended March 31, 2013 | For the Three Months Ended March 31, 2012 |
|---|---|---|
| **Revenue:** | | |
| Restaurant sales, net | $ 1,642,122 | $ 1,387,495 |
| Management fee income - non-affiliates | 25,000 | 25,000 |
| **Total revenue** | 1,667,122 | 1,412,495 |
| **Expenses:** | | |
| Restaurant cost of sales | 627,888 | 581,551 |
| Restaurant operating expenses | 980,155 | 769,332 |
| Restaurant pre-opening expenses | - | 40,721 |
| General and administrative expenses | 729,678 | 449,659 |
| Depreciation and amortization | 114,224 | 80,024 |
| **Total expenses** | 2,451,945 | 1,921,287 |
| **Loss from operations** | (784,823) | (508,792) |
| **Other income (expense)** | | |
| Equity in earnings (losses) of investments | (14,247) | (10,538) |
| Gain on extinguishment of debt | 70,900 | - |
| Miscellaneous income | 2,562 | - |
| Interest expense | (36,943) | (185,110) |
| **Total other income (expense)** | 22,272 | (195,648) |
| **Loss from continuing operations before income taxes** | (762,551) | (704,440) |
| **Provision for income taxes** | 9,091 | - |
| **Loss from continuing operations** | (771,642) | (704,440) |
| **Income (loss) from discontinued operations, net of taxes** | 9,468 | (61,863) |
| **Consolidated net loss** | (762,174) | (766,303) |
| **Less: Net loss attributable to non-controlling interest** | 24,331 | 62,518 |
| **Net loss attributable to Chanticleer Holdings, Inc.** | $ (737,843) | $ (703,785) |
| | | |
| **Net loss attributable to Chanticleer Holdings, Inc.:** | | |
| **Loss from continuing operations** | $ (747,311) | $ (641,922) |
| **Income (loss) from discontinued operations** | 9,468 | (61,863) |
| | $ (737,843) | $ (703,785) |
| **Other comprehensive income (loss):** | | |
| **Unrealized loss on available-for-sale securities (none applies to non-controlling interest)** | $ (23,764) | $ (105,618) |
| **Foreign translation income (loss)** | 13,516 | (8,714) |
| **Other comprehensive loss** | $ (748,091) | $ (818,117) |
| **Net loss per attributable to Chanticleer Holdings, Inc. per common share, basic and diluted:** | | |
| **Continuing operations attributable to common shareholders, basic and diluted** | $ (0.20) | $ (0.26) |
| **Discontinued operations attributable to common shareholders, basic and diluted** | 0.00 | (0.02) |
| | $ (0.20) | $ (0.28) |
| **Weighted average shares outstanding, basic and diluted** | 3,698,896 | 2,498,891 |

See accompanying notes to condensed consolidated financial statements.

## Chanticleer Holdings, Inc. and Subsidiaries
### Condensed Consolidated Statements of Cash Flows
### (Unaudited)

| | Three Months Ended March 31, 2013 | Three Months Ended March 31, 2012 |
|---|---|---|
| **Cash flows from operating activities:** | | |
| Net loss | $ (771,642) | $ (704,440) |
| Less: net income (loss) from discontinued operations | 9,468 | (61,863) |
| Net loss from continuing operations | (762,174) | (766,303) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Depreciation and amortization | 114,224 | 80,024 |
| Equity in losses of investments | 14,247 | 10,538 |
| Amortization of warrants | 48,569 | 23,495 |
| Gain on debt extinguishment | (70,900) | - |
| (Increase) decrease in accounts and other receivables | 95,949 | 37,556 |
| (Increase) decrease in prepaid expenses and other assets | (42,002) | (63,314) |
| (Increase) decrease inventory | 48,137 | (40,302) |
| Increase (decrease) in accounts payable and accrued expenses | (30,933) | 257,143 |
| Increase (decrease) in deferred rent | 5,439 | 14,966 |
| Advance from related parties for working capital | (37,804) | (1,179) |
| Net cash used in operating activities from continuing operations | (617,248) | (447,376) |
| Net cash (used in) provided by operating activities from discontinued operations | (3,467) | 8,162 |
| Net cash used in operating activities | (620,715) | (439,214) |
| | | |
| **Cash flows from investing activities:** | | |
| Proceeds from non-controlling interests | - | 90,000 |
| Purchase of investments | - | (129,796) |
| Franchise costs | (75,000) | (240,000) |
| Purchase of property and equipment | (23,839) | (316,683) |
| Net cash used in investing activities from continuing operations | (98,839) | (596,479) |
| Net cash used in investing activities from discontinued operations | - | - |
| Net cash used in investing activities | (98,839) | (596,479) |
| | | |
| **Cash flows from financing activities:** | | |
| Loan proceeds, net | - | 1,113,000 |
| (Decrease) increase in other liabilities | (118,987) | 10,519 |
| Loan and capital lease repayments | (13,388) | (6,633) |
| Net cash (used in) provided by financing activities from continuing operations | (132,375) | 1,116,886 |
| Net cash (used in) provided by financing activities from discontinued operations | - | - |
| Net cash (used in) provided by financing activities | (132,375) | 1,116,886 |
| Effect of exchange rate changes on cash | 17,474 | (8,714) |
| **Net change in cash** | (834,455) | 72,479 |
| **Cash, beginning of period** | 1,223,803 | 144,189 |
| **Cash, end of period** | $ 389,348 | $ 216,668 |

See accompanying notes to condensed consolidated financial statements.

## Chanticleer Holdings, Inc. and Subsidiaries

**Condensed Consolidated Statements of Cash Flows, continued**

**(Unaudited)**

| | Three Months Ended March 31, 2013 | | Three Months Ended March 31, 2012 | |
|---|---|---|---|---|
| **Supplemental cash flow information:** | | | | |
| Cash paid for interest and income taxes: | | | | |
| Interest | $ | 14,294 | $ | 75,146 |
| Income taxes | | - | | - |

See accompanying notes to condensed consolidated financial statements.

**Chanticleer Holdings, Inc. and Subsidiaries**
**Notes to Condensed Consolidated Financial Statements**
**(Unaudited)**

## 1. NATURE OF BUSINESS

### ORGANIZATION

Chanticleer Holdings, Inc. (the “Company”) was organized October 21, 1999, under its original name, Tulvine Systems, Inc., under the laws of the State of Delaware. The Company previously had limited operations and was considered a development stage company until July 2005. 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.

The consolidated financial statements include the accounts of Chanticleer Holdings, Inc. and its subsidiaries, Chanticleer Advisors, LLC, (“Advisors”), Avenel Ventures, LLC ("Ventures"), Avenel Financial Services, LLC ("AFS"), Chanticleer Holdings Limited ("CHL"), Chanticleer Holdings Australia Pty, Ltd. (“CHA”), Chanticleer Investment Partners, LLC (“CIP”), DineOut SA Ltd. ("DineOut"), Chanticleer and Shaw Foods (Pty) Ltd. (“C&S”), Kiarabrite (Pty) Ltd (“KPL”), Dimaflo (Pty) Ltd (“DFLO”), Tundraspex (Pty) Ltd (“TPL”), Civisign (Pty) Ltd (“CPL”) and Dimalogix (Pty) Ltd (“DLOG”) (collectively referred to as “the Company,” “we,” “us,” or “the Companies”). All significant inter-company balances and transactions have been eliminated in consolidation.

Effective May 11, 2012, the Company's common stock was reverse split, 1 share for each 2 shares issued, pursuant to a majority vote of the Company's shareholders. All share references have been adjusted as if the split occurred in all periods presented.

Further detailed information regarding the Company's subsidiaries can be found in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012.

### GENERAL

The accompanying condensed consolidated financial statements included in this report have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”) 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 condensed consolidated financial statements have not been audited. The results of operations for the three months ended March 31, 2013 are not necessarily indicative of the operating results for the full year.

Certain information and footnote disclosures normally included in consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) 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 consolidated financial statements and notes thereto included in the Company’s Annual Report for the year ended December 31, 2012, which is included in the Company’s Form 10-K. Certain amounts for the prior year have been reclassified to conform to the current year presentation.

### GOING CONCERN

The accompanying unaudited condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. At March 31, 2013, the Company had current assets of $1,139,221, current liabilities of $1,623,063, and a working capital deficit of $483,842. The Company incurred a loss of $737,843 during the three months ended March 31, 2013 and had an unrealized loss from available-for-sale securities of $23,764 and foreign currency translation gains of $13,516, resulting in a comprehensive loss of $748,091.

The Company's corporate general and administrative expenses was approximately $730,000 in the first quarter of 2013 and averaged approximately $650,000 per quarter during 2012. In March 2013, the Company closed its investment management business. Effective October 1, 2011, the Company acquired majority control of the restaurants in South Africa and began consolidating these operations. In August 2012, the Company opened a restaurant in Budapest, Hungary, and shares 80% of the profits. The Company also shares 49% of the profits in its Hooters restaurant which was opened in January 2012 in Campbelltown, Australia, a suburb of Sydney.

In addition, the Company has a note with a balance at March 31, 2013 of $234,121 owed to its bank which is due in August 2013. In April 2013, the Company secured a $500,000 line of credit. The Company's South African subsidiaries have bank overdraft and term facilities of $235,902. The Company plans to continue to use limited partnerships, if necessary, to fund its share of costs for additional Hooters restaurants.

On January 31, 2013, the Company settled outstanding liabilities of approximately $170,000 from a South African bank, previously presented in our consolidated balance sheets in "other liabilities". Upon making a payment of approximately $99,000, the Company received a release from all other bank liabilities, resulting in a total gain on extinguishment of debt of approximately $71,000, which is presented in our financials as other income.

The Company expects to meet its obligations in 2013 with some or all of the following:

- The Company received $100,000 in January 2013 as a fee for its CEO to be a board member of Hooters of America and expects to continue to receive this fee for the next three years based on the current agreement;
- Borrow, if and to the extent available, additional funds;
- Form joint ventures or other financing vehicles.

There is no assurance that these events will occur or the company will be able to raise sufficient capital. Therefore, substantial doubt about the Company's ability to continue as a going concern exists. These consolidated financial statements do not reflect any adjustments that might result from the outcome of these uncertainties.

## 2. SIGNIFICANT ACCOUNTING POLICIES

There have been no material changes to our significant accounting policies previously disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012.

### LOSS PER COMMON SHARE

The Company is required to report both basic earnings per share, which is based on the weighted-average number of common shares outstanding, and diluted earnings per share, which is based on the weighted-average number of common shares outstanding plus all potentially dilutive shares outstanding. For the three months March 31, 2013 and March 31, 2012, the number of common shares potentially issuable upon the exercise of certain warrants of 5,001,458 and 2,557,008, respectively, have not been included in the computation of diluted EPS since the effect would be antidilutive. Accordingly, no common stock equivalents are included in the loss per share calculations and basic and diluted earnings per share are the same for all periods presented.

### RECENT ACCOUNTING PRONOUNCEMENTS

On February 5, 2013, the FASB issued Accounting Standard Update No. 2013-02, Comprehensive Income (Topic 220): Reporting of amounts reclassified out of Accumulated Other Comprehensive Income. The standard was intended to improve the reporting of reclassifications out of accumulated other comprehensive income of various components. The amendments in this update were effective for annual and interim periods beginning after December 15, 2012. The adoption of ASC No. 2013-12 did not have a material impact on the Company's Consolidated Financial Statements.

There are several new accounting pronouncements issued by the Financial Accounting Standards Board ("FASB") which are not yet effective. Each of these pronouncements, as applicable, has been or will be adopted by the Company. At April 30, 2013, none of these pronouncements are expected to have a material effect on the financial position, results of operations or cash flows of the Company.

## 3. DISCONTINUED OPERATIONS

The Company announced in March 2013 they will close their investment management business. A summary of the activity is presented below.

**Assets and liabilities from discontinued operations**

The Company had assets and liabilities for the periods ended March 31, 2013 and December 31, 2012, which is presented in our balance sheet, as follows:

| | March 31, 2013 | December 31, 2012 |
|---|---|---|
| Cash | $ 27,938 | $ 24,471 |
| Due from related parties | 61,820 | 19,864 |
| Assets from discontinued operations | $ 89,758 | $ 44,335 |
| | | |
| Accounts payable | $ 21,234 | $ 14,328 |
| Liabilities from discontinued operations | $ 21,234 | $ 14,328 |

**Net income (loss) from discontinued operations**

The Company had net income (loss) from discontinued operations for the three months ended March 31, 2013 and 2012, which is presented in our statements of operations, as follows:

| | 2013 | 2012 |
|---|---|---|
| Revenues from Chanticleer Investors II, LLC | $ 61,793 | $ - |
| Expenses | 52,325 | 61,863 |
| Net income (loss) from discontinued operations | $ 9,468 | $ (61,863) |

**Chanticleer Investors II -** Chanticleer Advisors, LLC ("Advisors") acts as the managing general partner and receives a management fee based on a percentage of profits. On March 22, 2013, Chanticleer Holdings, Inc. announced its intention to exit the fund management business, which was effectuated May 1, 2013. Advisors resigned as manager of Chanticleer Investors II ("Investors"). Matthew Miller and Joe Koster, two of the current fund managers, ceased to be employed by Advisors and will control a new entity, Boyles Asset Management, LLC ("Boyles"), which will continue management of Investors. Mr. Michael Pruitt resigned as one of the portfolio managers. From this arrangement, the Company will have an ongoing economic benefit from this aspect of the business, while eliminating the losses associated with the fund management business. Chanticleer Advisors has failed to produce profits and has resulted in operating losses since inception.

**Chanticleer Investment Partners, LLC -** Chanticleer Investment Partners, LLC ("CIPs") was formed as a wholly owned North Carolina limited liability company on September 20, 2011. CIP was formed to manage separate and customized investment accounts for investors. The Company has registered CIP as a registered investment advisor so that it can market openly to the public. In March 2013 the Company decided to exit this business and on April 26, 2013 CIP's status as a registered investment advisor was terminated.

## 4. INVESTMENTS

**INVESTMENTS AT FAIR VALUE CONSIST OF THE FOLLOWING AT MARCH 31, 2013 AND DECEMBER 31, 2012.**

| | 2013 | 2012 |
|---|---|---|
| Available-for-sale investments at fair value | $ 33,185 | $ 56,949 |
| Total | $ 33,185 | $ 56,949 |

**AVAILABLE-FOR-SALE SECURITIES**

Activity in our available-for-sale securities may be summarized as follows:

| | 2013 | 2012 |
|---|---|---|
| Cost at beginning and end of periods | $ 263,331 | $ 263,331 |
| Unrealized loss | (230,146) | (206,382) |
| Total | $ 33,185 | $ 56,949 |

Our available-for-sale securities consist of the following:

| | Cost | Unrecognized Holding Losses | Fair Value | Realized Holding Loss | Loss on Sale |
|---|---|---|---|---|---|
| March 31, 2013 | | | | | |
| North Carolina Natural Energy | 1,500 | - | 1,500 | - | - |
| North American Energy | 126,000 | (117,600) | 8,400 | - | - |
| North American Energy | 10,500 | (8,700) | 1,800 | - | - |
| North American Energy | 125,331 | (103,846) | 21,485 | - | - |
| | $ 263,331 | $ (230,146) | $ 33,185 | $ - | $ - |
| December 31, 2012 | | | | | |
| North Carolina Natural Energy | 1,500 | - | 1,500 | - | - |
| North American Energy | 126,000 | (111,300) | 14,700 | - | - |
| North American Energy | 10,500 | (7,350) | 3,150 | - | - |
| North American Energy | 125,331 | (87,732) | 37,599 | - | - |
| | $ 263,331 | $ (206,382) | $ 56,949 | $ - | $ - |

**North Carolina Natural Energy, Inc. ("NCNE")** – NCNE is a successor to Remodel Auction Incorporated whose business was discontinued. NCNE has plans to become involved in some form of natural energy. The Company received 100,000,000 shares of NCNE (less than 1% on a fully diluted basis) for management services during 2011. The shares were valued at $1,500 based on NCNE's valuation as a shell.

**North American Energy Resources, Inc. -** During the quarter ended June 30, 2009, the Company exchanged its oil & gas property investments for 700,000 shares of North American Energy Resources, Inc. ("NAEY") which were valued at $126,000 based on the closing price of NAEY on the date of the trade. At March 31, 2013 and December 31, 2012, the stock was $0.012 and $0.02 per share, respectively, and the Company recorded an unrealized loss of $117,600 and $111,300, respectively, based on the Company's determination that the price decline was temporary.

During the first quarter of 2010, the Company received an additional 150,000 shares of NAEY in exchange for management services. The shares were initially valued at $10,500, based on the trading price at the time. At March 31, 2013 and December 31, 2012, the Company recorded an unrealized loss of $8,700 and $7,350, respectively, based on the market value at the time. At December 31, 2011, the shares were valued at $18,000 and the Company recorded unrealized appreciation of $7,500.

During June 2011, the Company's CEO contributed 1,790,440 shares of NAEY to the Company which was valued at $125,331 based on the trading price at the time. Mr. Pruitt did not receive additional compensation as a result of the transfer. At March 31, 2013 and December 31, 2012, the Company recorded an unrealized loss of $103,846 and $87,732, respectively, based on the market value of the securities.

NAEY appointed a new management team in December 2010 and they are seeking acquisition opportunities for onshore and offshore oil and gas properties. Accordingly, the Company determined that any decline was temporary.

**OTHER INVESTMENTS ARE SUMMARIZED AS FOLLOWS AT MARCH 31, 2013 AND DECEMBER 31, 2012.**

| | 2013 | 2012 |
|---|---|---|
| Investments accounted for under the equity method | $ 1,052,668 | $ 1,066,915 |
| Investments accounted for under the cost method | 1,050,000 | 1,050,000 |
| Total | $ 2,102,668 | $ 2,116,915 |

**INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD**

Activity in investments accounted for using the equity method is summarized as follows:

| | Three Months Ended March, 31 2013 | Year Ended December 31, 2012 |
|---|---|---|
| Balance, beginning of year | $ 1,066,915 | $ 815,550 |
| Equity in earnings (loss) | (14,247) | (14,803) |
| New investments | - | 409,543 |
| Reclassification of investments | - | (143,375) |
| Balance, end of period | $ 1,052,668 | $ 1,066,915 |

Equity investments consist of the following at March 31, 2013 and December 31, 2012:

| | 2013 |
|---|---|
| Carrying value: | |
| Hoot Campbelltown Pty. Ltd. (49%) - Australia | $ 541,084 |
| Second Hooters location (49%) - Australia | 511,584 |
| | $ 1,052,668 |

Equity in losses from equity investments during the three months ended March 31, 2013 and 2012 follows:

| | 2013 | 2012 |
|---|---|---|
| Equity in losses: | | |
| Hoot Campbelltown (49%) | (14,247) | (10,538) |
| | $ (14,247) | $ (10,538) |

The summarized financial data below includes the Hoot Campbelltown location in Australia, which we owned 49% of at March 31, 2013:

| | Three months ended March 31, 2013 | 2012 |
|---|---|---|
| Revenue | $ 634,574 | $ 1,108,063 |
| Gross profit | 444,896 | 781,253 |
| Recurring expenses | 473,972 | 706,147 |
| Pre-opening costs | - | 96,613 |
| Loss from continuing operations | (29,076) | (21,507) |
| Net loss | (29,076) | (21,507) |

The summarized balance sheets for the two locations in Australia of which we owned 49% at March 31, 2013 and December 31, 2012 follows:

| | March 31, 2013 | December 31, 2012 |
|---|---|---|
| ASSETS | | |
| Current assets | $ 549,967 | $ 604,147 |
| Non-current assets | 2,887,581 | 2,909,276 |
| TOTAL ASSETS | $ 3,437,548 | $ 3,513,423 |
| LIABILITIES | | |
| Current liabilities | $ 1,013,253 | $ 1,057,911 |
| PARTNER'S EQUITY | 2,424,295 | 2,455,512 |
| TOTAL LIABILITIES AND PARTNERS' EQUITY | $ 3,437,548 | $ 3,513,423 |

**CHA (Hoot Campbelltown Pty. Ltd and Hoot Surfers Paradise Pty. Ltd.)** – CHA entered into a partnership with the current local Hooters franchisee in Australia in which CHA will own 49% and its partner own 51%. The local partner will also manage the restaurants. The first location, Hoot Campbelltown Pty. Ltd. opened in Campbelltown, a suburb of Sydney, in January 2012. A second location in Townsville, is underway with plans to open in the second quarter of 2013.

**INVESTMENTS ACCOUNTED FOR USING THE COST METHOD**

A summary of the activity in investments accounted for using the cost method follows.

| | March 31, 2013 | December 31, 2012 |
|---|---|---|
| **Investments at cost:** | | |
| Balance, beginning of year | $ 1,050,000 | $ 766,598 |
| Impairment | - | (16,598) |
| New investments | - | 300,000 |
| Total | $ 1,050,000 | $ 1,050,000 |

Investments at cost consist of the following at March 31, 2013 and December 31, 2012:

| | 2013 | 2012 |
|---|---|---|
| Chanticleer Investors, LLC | $ 800,000 | $ 800,000 |
| Edison Nation LLC (FKA Bouncing Brain Productions) | 250,000 | 250,000 |
| | $ 1,050,000 | $ 1,050,000 |

**Chanticleer Investors LLC -** The Company sold 1/2 of its investment in Investors LLC in May 2009, which reduced its ownership from 23% to 11.5%. Accordingly, in May 2009, the Company discontinued accounting for this investment using the equity method and began to account for the investment using the cost method. In December 2010, the Company sold an additional $75,000 of its investment at cost.

On April 18, 2006, the Company formed Investors LLC and sold units for $5,000,000. Investors LLC's principal asset was a convertible note in the amount of $5,000,000 with Hooters of America, Inc. ("HOA"), collateralized by and convertible into 2% of Hooters common stock. The original note included interest at 6% and was due May 24, 2009. The note was extended until November 24, 2010 and included an increase in the interest rate to 8%.

The Company owned $1,150,000 (23%) of Investors LLC until May 29, 2009 when it sold 1/2 of its share for $575,000. Under the original arrangement, the Company received 2% of the 6% interest as a management fee ($25,000 quarterly) and 4% interest on its investment ($11,500 quarterly). Under the extended note and revised operating agreement, the Company received a management fee of $6,625 quarterly and interest income of $11,500 quarterly until it was repaid in January 2011.

On January 24, 2011, Investors LLC and its three partners combined to form HOA Holdings, LLC ("HOA LLC") and completed the acquisition of HOA and Texas Wings, Inc. ("TW"). Together HOA LLC has created an operating company with 161 company-owned locations across sixteen states, or nearly half of all domestic Hooters restaurants and over one-third of the locations worldwide.

Investors, LLC had a note receivable in the amount of $5,000,000 from HOA that was repaid at closing. Investors LLC then invested $3,550,000 in HOA LLC (approximately 3.1%) ($500,000 of which was the Company's share). One of the investors in Investors LLC that owned a $1,750,000 share is a direct investor in HOA LLC and will now carry its ownership in HOA LLC directly. In July 2012, the Company acquired an additional interest of $300,000, at cost, from one of the partners for cash, which increased our ownership to approximately 22% of Investors LLC as of December 31, 2012.

Based on the current status of this investment, the Company does not consider the investment to be impaired.

**EE Investors, LLC -** On January 26, 2006, we acquired an investment in EE Investors, LLC with cash in the amount of $250,000. We acquired 1,205 units (3.378%) in EE Investors, LLC, whose sole asset is 40% of Edison Nation, LLC (formerly Bouncing Brain Productions, LLC). Edison Nation was formed to provide equity capital for new inventions and help bring them to market. The initial business plan included developing the products and working with manufacturers and marketing organizations to sell the products. This has evolved into a less hands-on program which involves selling products with patents to other larger companies and retaining royalties. Edison Nation has now reached cash flow break-even, and in addition has been retained by a number of companies for which they do product searches to supplement its business. Edison Nation plans to repay the majority of its debt in 2013 and expects to subsequently begin making distributions to its owners. Based on the current status of this investment, the Company does not consider the investment to be impaired.

**5. PROPERTY AND EQUIPMENT**

Property and equipment consists of the following at March 31, 2013 and December 31, 2012:

| | 2013 | 2012 |
|---|---|---|
| Office and computer equipment | $ 35,076 | $ 35,076 |
| Furniture and fixtures | 47,686 | 47,686 |
| Restaurant furnishings and equipment | 2,850,599 | 2,826,760 |
| | 2,933,361 | 2,909,522 |
| Accumulated depreciation | (706,424) | (593,376) |
| | $ 2,226,937 | $ 2,316,146 |

Restaurant furnishings and equipment consists of leasehold improvements, and bar, kitchen and restaurant equipment used in our five locations opened as of March 31, 2013. Depreciation expense was $109,091 and $76,265 for the three months ended March 31, 2013 and 2012, respectively, including $13,289 and $8,243 for capital lease assets. Restaurant furnishings and equipment includes capital lease assets from three of our South African restaurants of $141,413 with a net book value of $82,941 and $96,230 at March 31, 2013 and December 31, 2012, respectively.

**6. INTANGIBLE ASSETS, NET**

**GOODWILL**

Goodwill arose from the excess paid over the fair value of the net assets acquired for the three operating restaurants effective October 1, 2011 and amounts to $396,487. An evaluation was completed effective December 31, 2012 at which time the Company determined that no impairment was necessary.

**FRANCHISE COST**

Franchise cost for the Company's Hooters restaurants consists of the following at March 31, 2013 and December 31, 2012. The Company is amortizing these costs from the opening of each restaurant for the 20 year term of the franchise agreement with HOA.

| | 2013 | 2012 |
|---|---|---|
| Franchise cost: | | |
| South Africa | $ 433,888 | $ 358,888 |
| Brazil * | 135,000 | 135,000 |
| Hungary | 104,684 | 104,684 |
| | 673,572 | 598,572 |
| Accumulated amortization | (43,873) | (38,740) |
| Intangible assets, net | $ 629,699 | $ 559,832 |
| | | |
| Three months ended March 31, 2013 and March 31, 2012: | | |
| | | |
| Amortization expense | $ 5,133 | $ 3,759 |

Amortization for franchise costs are as follows:

| March 31, | Amount |
|---|---|
| 2013 | $ 23,179 |
| 2014 | 23,179 |
| 2015 | 23,179 |
| 2016 | 23,179 |
| 2017 | 23,179 |
| Thereafter | 303,804 |
| Totals | $ 419,699 |

* The Brazil franchise cost and $75,000 of the South Africa franchise cost are not being amortized until we open the restaurants.

**7. LONG-TERM DEBT AND NOTES PAYABLE**

Long-term debt and notes payable are summarized as follows.

| | **March 31, 2013** | **December 31, 2012** |
|---|---|---|
| Note payable to a bank due in monthly installments of $1,739 including interest at Wall Street Journal Prime + 1% (minimum of 5.5%); remaining balance due August 10, 2013; collateralized by substantially all of the Company's assets and guaranteed by Mr. Pruitt | 234,121 | 236,110 |
| Notes payable and current portion of long-term debt | $ 234,121 | $ 236,110 |

On April 11, 2013, the Company and Paragon Commercial Bank (“Paragon”) entered into a credit agreement (the “Credit Agreement”). The Credit Agreement provides for an additional $500,000 revolving credit facility with a one (1) year term from the Closing Date. This increases the Company’s obligation to Paragon to a total of approximately $734,000, which includes a prior note payable’s current outstanding balance of approximately $234,000. The Credit Agreement is available to be drawn at the Company’s discretion to finance investments in new business ventures and for the Company’s general corporate working capital requirements in the ordinary course of business. The note payable matures on August 10, 2013, whereas the new credit facility expires on April 10, 2014.

Borrowings under the Credit Agreement bear monthly interest at the greater of: (i) floor rate of 5.00% or (ii) the Wall Street Journal’s prime plus rate (currently 3.25%) plus 1.00%. All unpaid principal and interest are due one (1) year after the Closing Date. Any borrowings are secured by a lien on all of the Company’s assets. The obligations under the Credit Agreement are guaranteed by Mike Pruitt, the Company’s Chief Executive Officer.

**8. OTHER LIABILITIES**

Other liabilities, which consist of bank overdraft and term facilities at March 31, 2013 and December 31, 2012 are associated with the South African Operations and consist of the following:

| | March 31, 2013 | December 31, 2012 |
|---|---|---|
| Bank overdraft facilities (1) | $ 188,442 | $ 254,251 |
| Term facility (2) | - | 112,950 |
| Term facility (3) | 169,317 | 180,445 |
| | 357,759 | 547,646 |
| Other current liabilities | 235,902 | 361,586 |
| Other liabilities | $ 121,857 | $ 186,060 |

(1) Bank overdraft facilities are unsecured and have a total maximum facility of approximately $260,000. The interest rate as of March 31, 2013 is 11%. The facilities are reviewed annually and are payable on demand. Concurrently with the January 31, 2013 mentioned in (2) below, the Company was released from a facility totaling $56,529, and a $56,529 gain on settlement of debt was recognized in the first quarter of 2013.

(2) Term facility is payable on demand and the facility is secured by certain assets of one of the Company's shareholders. After ongoing negotiations between the bank and the Company, on January 31, 2013, $98,579 was paid in full satisfaction of the facility, resulting in a gain on settlement of debt of $14,371 which was recognized in the first quarter of 2013.

(3) The monthly payments of principal and interests of the term facility total approximately $5,000 and have been made for the period from October 1, 2011 through March 2013. The interest rate at March 31, 2013 is 10.3%.

**9. CAPITAL LEASE PAYABLE**

Capital leases payable at March 31, 2013 and December 31, 2012 is associated with the South African Operations and consists of the following.

| | March 31, 2013 | December 31, 2012 |
|---|---|---|
| Capital lease payable, due in 49 monthly installments of $1,081, including interest at 10%, through April 2016 | $ 36,150 | $ 38,548 |
| Capital lease payable, due in 32 monthly insallments of $800 including interest at 10%, through November 2014 | 15,123 | 17,183 |
| Capital lease payable, due in 14 monthly installments of $1,470, including interest at 10%, through May 2013 | 2,993 | 7,389 |
| Capital lease payable, due in 36 monthly installments of $1,022, including interest at 10%, through February 2015 | 22,817 | 25,363 |
| Total capital leases payable | 77,083 | 88,483 |
| Current maturities | 32,815 | 27,965 |
| Capital leases payable, less current maturities | $ 44,268 | $ 60,518 |

The capital leases cover point of sale and other equipment for three of the South African restaurants. Annual requirements for capital lease obligations are as follows:

| March 31, | Amount |
|---|---|
| 2013 | $ 38,918 |
| 2014 | 32,592 |
| 2015 | 13,366 |
| 2016 | 2,228 |
| Total minimum lease payments | 87,104 |
| Less: amount representing interest | (10,021) |
| Present Value of Net Minimum Lease Payments | $ 77,083 |

**10. STOCKHOLDERS' EQUITY**

The Company has 20,000,000 shares of its $0.0001 par value common stock authorized at both March 31, 2013 and December 31, 2012, and 3,698,896 shares issued and 3,698,896 shares outstanding at both March 31, 2013 and December 31, 2012. There are no options outstanding.

Effective May 11, 2012, the Company's common stock was reverse split, 1 share for each 2 shares issued, pursuant to a majority vote of the Company's shareholders. All share references have been adjusted as if the split occurred in to all periods presented.

**2012 Transactions**

On May 8, 2012, the Company issued 5,000 shares of its common stock in exchange for services to be performed over a six month period and valued at $32,400.

<u>EQUITY RAISE</u>

The Company filed a Form S-1 Registration Statement under the Securities Act of 1933 which was declared effective on June 21, 2012. The Company issued 2,444,450 units at $4.50 per unit, consisting of one share of Common Stock and one five year redeemable warrant (redeemable at the Company's option) exercisable at $5.00 per share for an issuance value of $11 million (net $7.2 million). The issuance of shares included shares issued upon the conversion of notes payable and accrued interest of approximately $1.9 million and shares issued for the purchase of a percentage of the Hoot SA non-controlling interest of approximately $1.0 million.

During August 2012, treasury stock shares of 256,615 were cancelled and returned to the Company.

## 11. RELATED PARTY TRANSACTIONS

### Due to related parties

The Company has received non-interest bearing loans and advances from related parties. The amounts owed by the Company as of March 31, 2013 and December 31, 2012 are as follows:

| | 2013 | 2012 |
|---|---|---|
| Hoot SA I, LLC | $ 12,191 | $ 12,191 |
| Chanticleer Investors, LLC | 1,542 | 1,542 |
| | $ 13,733 | $ 13,733 |

### Due from related parties

The Company has earned income from and made advances to related parties. The amounts owed to the Company at March 31, 2013 and December 31, 2012 is as follows:

| | 2013 | 2012 |
|---|---|---|
| Chanticleer Dividend Fund, Inc. | $ 69,281 | $ 74,281 |
| Hoot SA II, III, IV LLC | 44,467 | 43,618 |
| | $ 113,748 | $ 117,899 |

### Chanticleer Investors LLC

Investors LLC collected its note receivable and reinvested $3,550,000 in HOA LLC (See Note 4). There was no management income from Investors LLC in the three months ended March 31, 2013 or 2012.

### Chanticleer Investors II LLC

The Company manages Investors II and earned management income of $61,743 and $0 in the three months ended March 31, 2013 and 2012, respectively.

### Chanticleer Dividend Fund, Inc. ("CDF")

On November 10, 2010 the Company formed CDF under the general corporation laws of the State of Maryland. CDF filed a registration statement under Form N-2 to register as a non-diversified, closed-end investment company in January 2011. The Company, through Advisors, will have a role in management of CDF when its registration statement becomes effective. CDF continues to look for opportunities to use the entity, including for growth capital in the restaurant industry.

### Hoot SA, LLC; Hoot SA II, LLC; Hoot SA III, LLC and Hoot SA IV, LLC

The Hoot partnerships were formed to help finance the first four Hooters restaurants in South Africa.

### North American Energy Resources, Inc. ("NAEY")

The Company's CEO became CEO and a director of NAEY during 2010 and the Company received 150,000 common shares for management services. The shares were valued at $10,500, based on the trading price of NAEY at the time. The Company's CEO resigned as CEO of NAEY in December 2010 and remains a director. During June 2011, the Company's CEO contributed 1,790,440 shares of NAEY to the Company which was valued at $125,331 based on the trading price at the time. Mr. Pruitt did not receive additional compensation as a result of the transfer.

**Avenel Financial Group, Inc.**

Avenel Financial Group, Inc. is a company owned by Mr. Pruitt. Advances previously made to the Company were repaid during 2011. Avenel Financial Group, Inc. invested as a limited partner in the South African Hooters locations. Avenel Financial Group, Inc. invested $14,000, $12,500, and $25,000 in the Durban, Johannesburg, and Cape Town locations, respectively, and is entitled to receive approximately 2.0%, 1.5%, and 2.9%, respectively, of the net profits after taxation ("SA Profits") of each of the locations until payout. As of March 31, 2013, Avenel Financial Group, Inc. has received an aggregate of $6,441 in SA Profits and $49,816 in return of investment under the same terms as the other limited partners.

**12. SEGMENTS OF BUSINESS**

The Company is organized into two segments.

**Management and consulting services ("Management")**

The Company provides management and consulting services for small companies which are generally seeking to become publicly traded. The Company also provides management and investment services for Investors LLC, Investors II and other unaffiliated companies. On March 22, 2013, Chanticleer Holdings, Inc. announced its intention to exit the fund management business. Chanticleer Advisors, LLC ("Advisors") resigned as manager of Chanticleer Investors II ("Investors"), effective May 1, 2013. Matthew Miller and Joe Koster, two of the current fund managers, ceased to be employed by Advisors and will control a new entity, Boyles Asset Management, LLC ("Boyles"), which will continue management of Investors,. Mr. Michael Pruitt resigned as one of the portfolio managers. From this arrangement, the Company will have an ongoing economic benefit from this aspect of the business, while eliminating the losses associated with the fund management business. Chanticleer Advisors has failed to produce profits and has produced operating losses since inception. Also based on the exit from the fund management business, on April 26, 2013 the Company's subsidiary Chanticleer Investment Partners' status as an investment advisor was terminated.

**Operation of restaurants ("Restaurants")**

At March 31, 2013, the Company has majority ownership of four restaurants and a management company in South Africa and one restaurant in Hungary which opened in August 2012. In South Africa, the fourth restaurant opened in February 2012. At March 31, 2013, the Company has 49% ownership of two restaurants in Australia, one of which opened in January 2012 and the second is under construction and expected to open in the second quarter of 2013. The operations in Australia will be accounted for using the equity method. The Company has also begun activity in Brazil and Europe, but has not finalized any arrangement.

Financial information regarding the Company's segments is as follows for the three months ended March 31, 2013 and 2012.

**Three months ended March 31, 2013**

| | Management | Restaurants | Total |
|---|---|---|---|
| Revenues | $ 25,000 | $ 1,642,122 | $ 1,667,122 |
| Interest expense | $ 26,222 | $ 10,721 | $ 36,943 |
| Depreciation and amortization | $ 2,190 | $ 112,034 | $ 114,224 |
| Loss from continuing operations | $ (621,849) | $ (149,793) | $ (771,642) |
| Income from discontinued operations | | | 9,468 |
| Non-controlling interest | | | 24,331 |
| Net loss | | | $ (737,843) |
| Assets | $ 1,143,885 | $ 4,466,740 | $ 5,610,625 |
| Non-restaurant investments | | | 1,083,185 |
| | | | $ 6,693,810 |
| Liabilities | $ 457,231 | $ 1,431,232 | $ 1,888,463 |
| Expenditures for non-current assets | $ - | $ 23,839 | $ 23,839 |

**Three months ended March 31, 2012**

| | Management | Restaurants | Total |
|---|---|---|---|
| Revenues | $ 25,000 | $ 1,387,495 | $ 1,412,495 |
| Interest expense | $ 171,352 | $ 13,758 | $ 185,110 |
| Depreciation and amortization | $ 2,190 | $ 77,834 | $ 80,024 |
| Loss from continuing operations | $ (494,774) | $ (209,666) | $ (704,440) |
| Loss from discontinued operations | | | (61,863) |
| Non-controlling interest | | | 62,518 |
| Net loss | | | $ (703,785) |
| Assets | $ 1,887,587 | $ 2,580,139 | $ 4,467,726 |
| Non-restaurant investments | | | 962,735 |
| | | | $ 5,430,461 |
| Liabilities | $ 4,581,483 | $ 1,120,350 | $ 5,701,833 |
| Expenditures for non-current assets | $ - | $ 316,683 | $ 316,683 |

**13. COMMITMENTS AND CONTINGENCIES**

Effective August 1, 2010, the Company extended its office lease agreement for its office for a term of one year with monthly lease payments of $2,100. Since August 1, 2011, the office lease continues at the same rate on a month-to-month basis. On July 1, 2012, the Company signed a one year office lease agreement for a satellite office in Florida for one year at a monthly rate of $800; the lease is not being renewed upon its expiration in June, 2013.

The Company leases the land and buildings for its four restaurants in South Africa and one restaurant in Hungary through its subsidiaries. The South Africa leases are for five year terms and the Hungary lease is for a 10 year term and include options to extend the terms. We lease some of our restaurant facilities under "triple net" leases that require us to pay minimum rent, real estate taxes, maintenance costs and insurance premiums and, in some instances, percentage rent based on sales in excess of specified amounts.

Rent obligations for our five restaurants are presented below:

| | |
|---|---|
| 2013 | $ 525,938 |
| 2014 | 531,307 |
| 2015 | 482,003 |
| 2016 | 321,050 |
| thereafter | 584,723 |
| Totals | $ 2,445,021 |

Rent expense for the three months ended March 31, 2013 and March 31, 2012 was $193,585 and $137,791, respectively. Rent expense for the three months ended March 31, 2013 and March 31, 2012 for the South African restaurants was $183,978 and $131,266, respectively, and is included in the "Restaurant operating expenses" of the Consolidated Statement of Operations. Rent expense for the three months ended March 31, 2013 and March 31, 2012 for the management segment was $9,607 and $6,525, respectively, and is included in the "General and administrative expense" of the Consolidated Statement of Operations.

On October 12, 2012, Francis Howard ("Howard"), individually and on behalf of all other similarly situated, filed a lawsuit against Chanticleer Holdings, Inc. (The "Company"), Michael D. Pruitt, Eric S. Lederer, Michael Carroll, Paul I. Moskowitz, Keith Johnson (The "Individual Defendants"), Merriman Capital, Inc., Dawson James Securities, Inc. (The "Underwriter Defendants"), and Creason & Associates P.L.L.C. (The "Auditor Defendant"), in the U.S. District Court for the Southern District of Florida. The class action lawsuit alleges violations of Section 11 of the Securities Act against all Defendants, violations of Section 12(a)(2) of the Securities Act against only the Underwriter Defendants, and violations of Section 15 against the Individual Defendants. Howard seeks unspecified damages, reasonable costs and expenses incurred in this action, and such other and further relief as the Court deems just and proper. On October 15th, 2012, the Honorable Judge James I. Cohn filed an Order setting the Calendar Call for the case for June 13th, 2013, and the Trial Date for the trial period commencing on June 17th, 2013. On October 31st, 2012, the Company and the Individual Defendants retained Stanley Wakshlag at Kenny Nachwalter, P.A. to represent them in this litigation. Requests by the Underwriting Defendants for indemnification were denied. On November 2nd, 2012, we filed a Joint Motion to Extend Deadline to Respond to Class Action Complaint, requesting that our responsive pleading deadline be delayed until after a lead Plaintiff is named. That Motion was approved, and on December 12th, 2012, Howard filed a Motion to Appoint himself Lead Plaintiff and to Approve his Selection of The Rosen Law Firm, P.A. as his Counsel. An Order appointing Francis Howard and the Rosen Law Firm as lead Plaintiff and lead Plaintiff's Counsel was entered on January 4, 2013. Therein, Judge Cohn also reset Calendar Call for October 10, 2013; trial was reset for the two-week period commencing October 15, 2013. On February 19, 2013, Plaintiff filed an Amended Complaint. On April 5, 2013, the Company, Individual Defendants, and the Auditor Defendant (separately) filed a Motion to Dismiss the Action; Plaintiff filed an Opposition to Chanticleer Defendant's (and Auditor Defendant's) Motions to Dismiss on April 22, 2013. On May 9, 2013, the Company and Individual Defendants filed a Reply Memorandum of Defendants Chanticleer Holdings, Inc., Michael D. Pruitt, Eric S. Lederer, Michael Carroll, Paul I. Moskowitz, and Keith Johnson in Support of Their Motion to Dismiss the Amended Class Action Complaint. Judge Cohn has yet to make a ruling on the Motions.

Given that the outcome of litigation is inherently uncertain, and the early stage of this class action, the Company can neither comment on the probability of potential liabilities, nor provide an estimate of such. As of March 31, 2013, no amounts have been accrued for related to this matter.

On March 26, 2013, our South African operations received Notice of Motion filed in the Kwazulu-Natal High Court, Durban, Republic of South Africa, filed against Rolalor (PTY) LTD ("Rolalor") and Labyrinth Trading 18 (PTY) LTD ("Labyrinth") by Jennifer Catherine Mary Shaw ("Shaw"). Rolalor and Labyrinth were the original entities formed to operate the Johannesburg and Durban locations, respectively. On September 9, 2011, the assets and the then-disclosed liabilities of these entities were transferred to Tundraspex (PTY) LTD ("Tundraspex") and Dimaflo (PTY) LTD ("Dimaflo"), respectively. The current entities, Tundraspex and Dimaflo are not parties in the lawsuit. Shaw is requesting that the Respondents, Rolalor and Labyrinth, be wound up in satisfaction of an alleged debt owed in the total amount of R4,082,636 (approximately $480,000). The Company intends to vigorously defend itself in this matter.

Given that the outcome of litigation is inherently uncertain and the early stage of this action, the Company can neither comment on the probability of potential liabilities, nor provide an estimate of such. As of March 31, 2013, no amounts have been accrued for related to this matter.

On April 1, 2013, the Company received a subpoena from the Securities and Exchange Commission, requesting various corporate documents relating to operations. The Company submitted its response on its due date, April 30, 2013. The Company intends to fully cooperate with the subpoena and any subsequent requests.

The Company has engaged outside South African tax experts in September 2012 to assist with compliance with Value Added Tax (VAT), payroll taxes, and income taxes in South Africa. A voluntary disclosure agreement has been submitted and the Company is awaiting contact from the South African governmental agency. As of March 31, 2013, $363,228 has been accrued and is included in accounts payable and accrued expenses in our condensed consolidated balance sheet.

In connection with the acquisition of the business as described in Note 3 (whereby, on October 1, 2011, Rolalor (Pty.) Ltd., Alimenta 177 (Pty.) Ltd. and Labyrinth Trading (Pty.) Ltd. transferred their respective net assets to the newly formed entities controlled by the Company), the Company believes the purchase and sale with the seller was accomplished in accordance with the laws and regulations of the taxing authorities in South Africa. However, there can be no absolute assurance as to whether the business acquired continues to have any outstanding tax and regulatory filing requirements, as well as whether the local authorities could seek to recover any unpaid taxes or other amounts due from the Company, its shareholders or others. The Company is not aware of any existing obligations that remain outstanding for which the Company may be required to settle. In connection with acquiring the net assets of the business, the Company may be entitled to be reimbursed by the seller for any pre-acquisition obligations of the business that may arise, post-acquisition.

In addition, the Company has not filed certain corporate income tax returns for previous years, which could potentially result in penalties upon filing these returns.

**14. DISCLOSURES ABOUT FAIR VALUE**

Assets and liabilities measured at fair value on a recurring basis are summarized in the following tables according to FASB ASC 820 pricing levels.

| | | Fair Value Measurement Using | | |
|---|---|---|---|---|
| | Recorded value | Quoted prices in active markets of identical assets (Level 1) | Significant other observable inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| **March 31, 2013** | | | | |
| Assets: | | | | |
| Available-for-sale securities | $ 33,185 | $ 31,685 | $ 1,500 | $ - |
| | | | | |
| **December 31, 2012** | | | | |
| Assets: | | | | |
| Available-for-sale securities | $ 56,949 | $ 55,449 | $ 1,500 | $ - |

At March 31, 2013 and December 31, 2012, the Company's available-for-sale equity securities were valued using Level 1 and Level 2 inputs as summarized above. Level 1 inputs are based on unadjusted prices for identical assets in active markets that the Company can access. Level 2 inputs are based on quoted prices for similar assets other than quoted prices in Level 1, quoted prices in markets that are not yet active, or other inputs that are observable or can be derived principally from or corroborated by observable market data for substantially the full term of the assets.

The Company does not have any investments that are measured on a recurring basis using Level 3 inputs.

Certain assets are not carried at fair value on a recurring basis, including investments accounted for under the equity and cost methods. Accordingly, such investments are only included in the fair value hierarchy disclosure when the investment is subject to re-measurement at fair value after initial recognition and the resulting re-measurement is reflected in the consolidated financial statements.

See Note 4 for further details of the Company's investments.

**15. SUBSEQUENT EVENTS**

On April 11, 2013 (the "Closing Date'), Chanticleer Holdings, Inc. and Paragon Commercial Bank ("Paragon") entered into a credit agreement (the "Credit Agreement"). The Credit Agreement provides for an additional $500,000 revolving credit facility with a one (1) year term from the Closing Date. This increases the Company's obligation to Paragon to a total of approximately $734,000, including a prior note payable's current outstanding balance of approximately $234,000. The Credit Agreement is available to be drawn at the Company's discretion to finance investments in new business ventures and for the Company's general corporate working capital requirements in the ordinary course of business. As of May 9, 2013, the Company has drawn $130,000 on the revolving credit facility. The note payable expires on August 10, 2013, whereas the new credit facility expires on April 10, 2014.

Borrowings under the Credit Agreement bear monthly interest at the greater of: (i) floor rate of 5.00% or (ii) the Wall Street Journal's prime plus rate (currently 3.25%) plus 1.00%. All unpaid principal and interest are due one (1) year after the Closing Date. Any borrowings are secured by a lien on all of the Company's assets. The obligations under the Credit Agreement are guaranteed by Mike Pruitt, the Company's Chief Executive Officer.

On April 22, 2013, the Company issued 4,000 shares of the Company's common stock in exchange for investor relations services to be performed over a 12 month period, valued at $7,720.

**16. RESIGNATION OF SOUTH AFRICAN CHIEF FINANCIAL OFFICER**

On September 7, 2012, the audit committee of Chanticleer Holdings, Inc. (the "Company"), upon recommendation of the Company's management determined that the Company's Consolidated Financial Statements for its fiscal year ended December 31, 2011 as originally filed in the Form 10-K could no longer be relied on. The Company determined that the Financial Statements of Kiarabrite (Pty) Ltd., Dimaflo (Pty) Ltd., Tundraspex (Pty) Ltd., Civisign (Pty) Ltd., Dimalogix (Pty) Ltd., and Chanticleer & Shaw Foods (Pty.) Ltd. (collectively referred to as the "South Africa Operations") which are the South African management company and the four entities organized for the stores we operate in South Africa and the company that owns the HOA franchise rights for the territory of South Africa, were not audited as the Company was led to believe. Accordingly, this Amendment is being filed to include the report of the independent registered public accounting firm responsible for performing the audit of our South Africa Operations. The following tables reflect the items which changed as a result of the restatement and includes the balances as previously reported, the adjustments and the restated balance.

On September 7, 2012, the Company's South African Chief Financial Officer ("SA CFO") resigned. It was determined that the SA CFO had committed certain illegal acts, fraud and certain misrepresentations of facts. Due to the SA CFO's actions, certain taxes were not paid. In addition, the applicable tax forms were not filed during the proper periods. The Company has engaged tax experts to assist in the tax process. The Company also discovered approximately $128,000 (net of repayments of approximately $50,000) and approximately $85,000 (net of repayments of approximately $43,000) of cash that was misappropriated by the SA CFO during the periods ended March 31, 2013 and December 31, 2012, respectively (presented as "other receivable" on the Company's combined balance sheets). As of March 31, 2013, approximately $50,000 has been recovered by the Company and payment plans are in place for the remainder.

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

### FORWARD-LOOKING STATEMENTS

Certain statements contained in this report that are not historical fact are "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995. The words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "believes," "estimates," "projects" or similar expressions are intended to identify these forward-looking statements. These statements are subject to risks and uncertainties beyond our reasonable control that could cause our actual business and results of operations to differ materially from those reflected in our forward-looking statements. The safe harbor provisions provided in the Securities Litigation Reform Act do not apply to forward-looking statements we make in this report. Forward-looking statements are not guarantees of future performance. Our forward-looking statements are based on trends which we anticipate in our industry and our good faith estimate of the effect on these trends of such factors as industry capacity, product demand and product pricing. The inclusion of projections and other forward-looking statements should not be regarded a representation by us or any other person that we will realize our projections or that any of the forward-looking statements contained in this prospectus will prove to be accurate.

**Management's Analysis of Business**

We have changed our focus recently from managing investments to owning and operating Hooters franchises internationally.  Hooters restaurants are casual beach-themed establishments with sports on television, jukebox music, and the "nearly world famous" Hooters Girls.  The menu consists of spicy chicken wings, seafood, sandwiches and salads.  Each locations menu can vary with the tastes of the locality it is in.  Hooters began in 1983 with its first restaurant in Clearwater, Florida. From the original restaurant and licensee Mr. Robert Brooks, Hooters has become a global brand, with locations in 44 states domestically and over 430 Hooters restaurants worldwide. Besides restaurants, Hooters has also branched out to other areas, including licensing its name to a golf tour and the sale of packaged food in supermarkets.

We expect to either own 100% of the Hooters franchise or partner with a local franchisee in the countries we target.   We based this decision on what we believe to be the successful launch of our South African Hooters venture and believe we have aligned partners and operators in various international markets. We are focused on expanding our Hooters operations, and expect to use substantially all of our capital in South Africa, Brazil, Hungary, Australia and Europe.

Accordingly, we operate in two business segments; Hooters franchise restaurants and our legacy investment management and consulting services businesses.

### LIQUIDITY AND CAPITAL RESOURCES AND GOING CONCERN

Historical information:

The accompanying unaudited condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. At March 31, 2013, the Company had current assets of $1,139,221, current liabilities of $1,638,713, and a working capital deficit of $483,842. The Company incurred a loss of $737,843 during the three months ended March 31, 2013 and had an unrealized loss from available-for-sale securities of $23,764 and foreign currency translation gains of $13,516, resulting in a comprehensive loss of $748,091.

The Company's corporate general and administrative expenses was approximately $730,000 in the first quarter of 2013 and averaged approximately $650,000 per quarter during 2012. The Company expects costs to increase as we expand our footprint internationally in 2013. In addition, as announced in March 2013, the Company will close our investment management business, which we believe will save us approximately $50,000 per quarter starting fully in the third quarter of 2013. Effective October 1, 2011, the Company acquired majority control of the restaurants in South Africa and began consolidating these operations. In August 2012, the Company opened a restaurant in Budapest, Hungary, and shares 80% of the profits. The Company also shares 49% of the profits in our Hooters location opened in January 2012 in Campbelltown, Australia, a suburb of Sydney.

In addition, the Company has a note with a balance at March 31, 2013 of $234,121 owed to its bank which is due in August 2013. In April 2013, the Company secured a $500,000 line of credit. The Company's South African subsidiaries have bank overdraft and term facilities of $235,902. The Company plans to continue to use limited partnerships, if necessary, to fund its share of costs for additional Hooters restaurants.

On January 31, 2013, the Company settled outstanding liabilities of approximately $170,000 from a South African bank, previously presented in our consolidated balance sheets in "other liabilities". Upon making a payment of approximately $99,000, the Company received a release from all other bank liabilities, resulting in a total gain on extinguishment of debt of approximately $71,000, which is presented in our financials as other income.

The Company expects to meet its obligations in 2013 with some or all of the following:

- The Company received $100,000 in January 2013 as a fee for its CEO to be a board member of Hooters of America and expects to continue to receive this fee for the next three years based on the current agreement;
- Borrow, if and to the extent available, additional funds;
- Form joint ventures or other financing vehicles.

If the above events do not occur or if the Company does not raise sufficient capital, substantial doubt about the Company's ability to continue as a going concern exists. These consolidated financial statements do not reflect any adjustments that might result from the outcome of these uncertainties.

Evaluation of the amounts and certainty of cash flows:

The Company has used short-term financing to meet the preliminary requirements of its planned expansion, principally in South Africa, Europe and Australia. If the Company is unable to obtain necessary additional funding, the Company would be required to limit its expansion plans. We would use limited partner funding and other sources of capital to the extent necessary to attempt to fund as much of the planned expansion as possible. There can be no assurance that any of this funding will be available when needed.

Cash requirements and capital expenditures:

In 2013, we expect to open one restaurant in each of the following countries or continents – Australia, Brazil, Europe and South Africa. The Company expects the total cash requirements for these restaurants to be approximately $3.3 million, of which approximately $650,000 has been paid as of March 31, 2013.

In addition, we expect general and administrative expenses to be approximately $2.6-$2.8 million for 2013.

Discussion and analysis of known trends and uncertainties:

The World economy has been in a state of flux for some time with the debt problems of a number of countries in Europe, the recent recession in the United States, the significant increase to debt in the United States compounded by continuing to give away more than can reasonably be collected, the slowing economy in China and other factors. It is impossible to forecast what this will mean to our expansion plans in South Africa, Brazil, Australia, Poland and Hungary. We feel that we minimize our risks through investment in different geographical areas.

Expected changes in the mix and relative cost of capital resources:

Since the middle of 2010, the Company has utilized high cost capital to finance its international growth. The Company hopes to eliminate the majority of this debt with new equity and further, to use this equity to complete its expansion plans over the next two years.

Other prospective sources for and uses of cash:

If the Company is unable to obtain sufficient funding, it will seek other sources of interim funding to maintain its current operations and complete the restaurants already underway.

If the above events do not occur or the Company is unable to develop its business model, substantial doubt about the Company's ability to continue as a going concern exists.

**RESULTS OF OPERATIONS**

**Comparison of three months ended March 31, 2013 and 2012**

Revenue

Revenue amounted to $1,667,122 in the three months ended March 31, 2013 and $1,412,495 in the year earlier period.

Restaurant sales, net for our four locations in South Africa (one location opened to the public on February 17, 2012) amounted to $1,436,037 in the three months ended March 31, 2013 and $1,387,495 in the year earlier period. Restaurant sales, net for our Budapest location amounted to $206,085 in the three months ended March 31, 2013 and was not opened until August 2012.

Revenues for the management business for the three months ended March 31, 2013 and March 31, 2012, amounted to $25,000 in each period.

Restaurant cost of sales

Restaurant cost of sales amounted to $627,888, or 38.2% of restaurant net sales in the three months ended March 31, 2013 and $581,551, or 41.9% of restaurant net sales in the year earlier period. We expect the percentage to remain approximately the same in 2013 as we expand our business internationally.

Restaurant operating expenses

Restaurant operating expenses amounted to $980,155, or 59.7% of restaurant net sales in the three months ended March 31, 2013 and $769,332, or 55.4% of restaurant net sales in the year earlier period. We expect the percentage of operating expenses to restaurant net sales to decline as we open more Hooters locations, however we have a limited history to be able to forecast a range.

Restaurant pre-opening expenses

Restaurant pre-opening expenses amounted to $40,721 incurred for the opening of our location at the Emperor’s Palace Casino in Johannesburg, South Africa in February 2012. We did not incur any pre-opening costs in the first quarter of 2013.

General and Administrative Expense ("G&A")

G&A amounted to $729,678 in the three months ended March 31, 2012 and $449,659 in the year earlier period. The more significant components of G&A are summarized as follows:

| | | 2013 | | 2012 |
|---|---|---|---|---|
| Professional fees | $ | 208,133 | $ | 83,728 |
| Payroll and benefits | | 235,690 | | 166,615 |
| Consulting and investor relation fees | | 153,333 | | 118,597 |
| Travel and entertainment | | 17,098 | | 41,661 |
| Shareholder services and fees | | 22,163 | | 112 |
| Other G&A | | 93,261 | | 38,946 |
| | $ | 729,678 | $ | 449,659 |

G&A costs are expected to range from $600-$700,000 per quarter for the remainder of 2013, with the costs associated with the activities of the restaurant business continuing to grow. Revenue from the restaurants is expected to exceed this increase in expense.

Professional fees increased $124,405 as a result of the Company expanding it's operations both domestically and internationally.

Payroll and benefits increased $69,075 from 2013 from 2012 primarily from the addition of restaurant management personnel in Hungary in the third quarter of 2012 and additional corporate staff in our head office.

Consulting and investor relations fees increased $34,736 from 2013 to 2012 as the Company engaged experienced personnel to startup our European subsidiary and Brazil operations and to increase the Company's recognition in the investment arena. Non-cash fees for services were $647 and $0 in 2013 and 2012, respectively. Non-cash amortization of warrant expense for services were $25,910 and $23,495 in 2013 and 2012, respectively.

Travel and entertainment decreased $24,563 from 2013 to 2012 as Company personnel, primarily the CEO, had traveled extensively in the first quarter of 2012 to increase our company awareness and lockdown financing and partners for the restaurant locales.

Depreciation and amortization

Depreciation expense for the three months ended March 31, 2013 and 2012 amounted to $109,091 and $76,265, respectively. The restaurant segment for the three months ended March 31, 2013 and 2012 amounted to $106,091 and 74,075, respectively, and the management business amounted to $2,190 and $2,190, respectively.

Amortization expense for the three months ended March 31, 2013 and 2012 for the restaurant businesses related to franchise fees was $5,133 and $3,759, respectively.

**OTHER INCOME (EXPENSE)**

Other income (expense) consisted of the following at March 31, 2013 and 2012:

| | 2013 | 2012 |
|---|---|---|
| Other income (expense): | | |
| Equity in earnings (losses) of investments | $ (14,247) | $ (10,538) |
| Gain on extinguishment of debt | 70,900 | - |
| Interest expense | (36,943) | (185,110) |
| Miscellaneous income | 2,562 | - |
| | $ 22,272 | $ (195,648) |

Equity in Earnings of Investments

Equity in earnings of investments includes our share of earnings from investments in which we own at least 20% and are being accounted for using the equity method. This included losses from the Hoot Campbelltown partnership in the three months ended March 31, 2013 and 2012 of $14,247 and $10,538, respectively.

Gain on extinguishment of debt

Gain on extinguishment of debt of $70,900 was recorded upon settlement of certain debts related to our South African subsidiary.

Interest Expense

Interest expense decreased by $148,167 in 2013 from 2012, due to the payoff of primarily all our prior debt with the completion of our secondary raise in June 2012.

Income (loss) from discontinued operations

Income from discontinued operations was $9,468 for the three months ended March 31, 2013 and loss from discontinued operations was $61,863 for the three months ended March 31, 2012. The primary reason for the decrease in loss was management fee income earned of $61,793 for the three months ended was March 31, 2013 compared to $0 in the year earlier period.

**ITEM 3: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Not applicable.

**ITEM 4: CONTROLS AND PROCEDURES**

**Evaluation of disclosure controls and procedures**

Under the PCAOB standards, a control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit the attention by those responsible for oversight of the company's financial reporting. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) and Rule 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (Exchange Act), as of March 31, 2013. Our management has determined that, as of March 31, 2013, the Company's disclosure controls and procedures were not effective.

**Management's report on internal control over financial reporting**

Management Responsibility for ICOFR. Management is responsible for establishing and maintaining effective internal control over financial reporting, as defined in Rule 13a-15(f) under the Exchange Act. The Company's internal control over financial reporting is designed to provide reasonable assurance to the Company's management and Board of Directors regarding the preparation and fair presentation of published financial statements in accordance with the United States' generally accepted accounting principles (US GAAP), including those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with US GAAP and that receipts and expenditures are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management's Evaluation of ICOFR. Management evaluated our internal control over financial reporting as of March 31, 2013. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control — Integrated Framework*. As a result of this assessment and based on the criteria in this framework, management has concluded that, as of March 31, 2013, our internal control over financial reporting was not effective due to material weaknesses in our Company's South African subsidiaries.

In September 2012, the Company's management became aware that the financial statements of the Company's South African subsidiaries for the fiscal year ending December 31, 2011, had not been audited. On September 7, 2012, the Company's chief financial officer of the South African subsidiaries resigned. The Company initiated an investigation of the circumstances surrounding the foregoing in October 2012, led by the Audit Committee. The Audit Committee engaged independent legal counsel and a certified public accounting firm to consult the Audit Committee in connection with the investigation. Among other findings, the investigation discovered that the chief financial officer of the South African subsidiaries had misappropriated approximately $128,000 of cash from the entities between October 2011 and the date of his resignation. The Audit Committee determined the following material weaknesses existed in its South African subsidiaries, which enabled the foregoing events to occur: (i) insufficient financial and accounting personnel; (ii) failure to segregate duties within the financial and accounting functions; (iii) failure to adopt and implement written policies and procedures with respect to the financial and accounting functions.

**Changes in Internal Control over Financial Reporting**

As a result of the investigation into the Company's South African subsidiaries financial and accounting functions as set forth above, the Audit Committee made several recommendations to the Board to address the identified material weaknesses in Company's internal control over financial reporting. During the fourth quarter of 2012, the Company implemented the following changes to its internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting: (i) hired a new chief financial officer for its South African subsidiaries; (ii) hired an in-house general counsel; (iii) improved its segregation of duties; and (iv) adopted and implemented new written policies and procedures for accounting and financial reporting, including, but not limited to, policies and procedures related to: (a) documentation and testing; (b) data validation from the Company's systems into its general ledger; (c) testing of systems; (d) validation of results; (e) disclosure review; and (f) other analytics.

## 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**

None.

**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**

None.

**ITEM 6: EXHIBITS**

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

| | |
|---|---|
| Exhibit 31.1 | Certification pursuant to 18 U.S.C. Section 1350 Section 302 of the Sarbanes-Oxley Act of 2002 |
| Exhibit 31.2 | Certification pursuant to 18 U.S.C. Section 1350 Section 302 of the Sarbanes-Oxley Act of 2002 |
| Exhibit 32.1 | Certification pursuant to 18 U.S.C. Section 1350 Section 906 of the Sarbanes-Oxley Act of 2002 |
| Exhibit 32.2 | Certification pursuant to 18 U.S.C. Section 1350 Section 906 of the Sarbanes-Oxley Act of 2002 |

**SIGNATURES**

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: May 15, 2013

By: /s/ Michael D. Pruitt
Michael D. Pruitt,
Chief Executive Officer

/s/ Eric S. Lederer
Eric S. Lederer
Chief Financial Officer
Principal Accounting Officer

**Exhibit 31.1**

CHANTICLEER HOLDINGS, INC. FORM 10-Q FOR THE QUARTER ENDED MARCH 31, 2013
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 Report on Form 10-Q of Chanticleer Holdings, Inc. (the registrant);
2. Based on my knowledge, this 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this 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 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-a15(f) and 15d-15(f) 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, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;
    b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. evaluated the ineffectiveness 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
    d. disclosed in this report any change in the registrant’s internal controls over financial reporting that occurred during the registrant’s current fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) 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 controls 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 controls.

May 15, 2013

/s/ Michael D. Pruitt
Michael D. Pruitt
Chief Executive Officer

**Exhibit 31.2**

CHANTICLEER HOLDINGS, INC. FORM 10-Q FOR THE QUARTER ENDED MARCH 31, 2013
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, Eric S. Lederer, certify that:

I have reviewed this Report on Form 10-Q of Chanticleer Holdings, Inc. (the registrant);

1. Based on my knowledge, this 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 report;
2. Based on my knowledge, the financial statements, and other financial information included in this 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 report;
3. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-a15(f) and 15d-15(f) 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, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;
   b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. evaluated the ineffectiveness 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
   d. disclosed in this report any change in the registrant's internal controls over financial reporting that occurred during the registrant's current fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) 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 controls 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 controls.

May 15, 2013

/s/ Eric S. Lederer
Eric S. Lederer
Chief Financial Officer

**Exhibit 32.1**

CHANTICLEER HOLDINGS, INC. FORM 10-Q FOR THE QUARTER ENDED MARCH 31, 2013
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 March 31, 2013, 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.

May 15, 2013

/s/ Michael D. Pruitt
Michael D. Pruitt
Chief Executive Officer

**Exhibit 32.2**

CHANTICLEER HOLDINGS, INC. FORM 10-Q FOR THE QUARTER ENDED MARCH 31, 2013
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, Eric S. Lederer, certify that:

1. I am the Chief Financial Officer of Chanticleer Holdings, Inc.
2. Attached to this certification is Form 10-Q for the quarter ended March 31, 2013, 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.

May 15, 2013

/s/ Eric S. Lederer
Eric S. Lederer
Chief Financial Officer