

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-Q/A

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

For Quarter Ended: **March 31, 2009**

Commission File Number: **000-29507**

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, NC 28209
(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 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 23, 2009, was 946,376 shares.

EXPLANATORY NOTE

We filed our Annual Report on Form 10-Q for the quarter ended March 31, 2009 on May 5, 2009 (the "Original Report"). We are filing this Amendment No. 1 on Form 10-Q/A (this "Amendment") to make the following changes:

- Record an other than temporary decline in available-for-sale securities,
- Record the write-off of previously capitalized deferred acquisition costs pursuant to paragraph 59 of SFAS 141(R) which became effective on January 1, 2009,
- Revise and expand disclosure of investments in Note 4,
- Revise and expand disclosure in Item 4, and
- Provide currently dated Exhibit Nos. 31-1 and 32-1.

This Amendment is being filed in response to comments we received from the staff of the Division of Corporation Finance of the Securities and Exchange Commission (the "SEC") in connection with the staff's review of the Original Report. We have made no attempt in this Amendment to modify or update the disclosures presented in the Original Report other than as noted in the previous paragraph. Also, this Amendment does not reflect events occurring after the filing of the Original Report. Accordingly, this Amendment should be read in conjunction with the Original Report and our other filings with the SEC subsequent to the filing of the Original Report.

Chanticleer Holdings, Inc. and Subsidiaries

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PART 1: FINANCIAL INFORMATION
ITEM 1: CONDENSED FINANCIAL STATEMENTS

Chanticleer Holdings, Inc. and Subsidiaries
Consolidated Balance Sheets
March 31, 2009 (Unaudited) and December 31, 2008

	<u>2009</u>	<u>2008</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 27,819	\$ 14,151
Due from affiliate	6,807	5,150
Prepaid expenses	-	4,255
Total current assets	<u>34,626</u>	<u>23,556</u>
Property and equipment, net	34,010	36,161
Deferred acquisition costs	-	279,050
Investments at fair value	44,263	108,545
Other investments, principally accounted for under the equity method	2,037,598	1,773,969
Deposits	<u>3,980</u>	<u>3,980</u>
Total assets	<u>\$ 2,154,477</u>	<u>\$ 2,225,261</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 194,493	\$ 178,325
Accrued expenses	500	500
Notes payable	500,000	500,000
Deferred revenue	302,083	-
Due to related party	<u>55,550</u>	<u>7,300</u>
Total current liabilities	<u>1,052,626</u>	<u>686,125</u>
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$.0001 par value. Authorized 200,000,000 shares; issued and outstanding 946,376 shares at March 31, 2009 and at December 31, 2008	946	946
Additional paid in capital	4,642,347	4,642,347
Accumulated deficit	<u>(3,541,442)</u>	<u>(3,104,157)</u>
Total stockholders' equity	<u>1,101,851</u>	<u>1,539,136</u>
Total liabilities and stockholders' equity	<u>\$ 2,154,477</u>	<u>\$ 2,225,261</u>

See accompanying notes to condensed consolidated financial statements.

Chanticleer Holdings, Inc. and Subsidiaries
Consolidated Statements of Operations
For the Three Months Ended March 31, 2009 and 2008
(Unaudited)

	<u>2009</u>	<u>2008</u>
Revenue		
Management fee income from affiliate	\$ 25,000	\$ 25,000
Consulting income	78,417	128,555
	<u>103,417</u>	<u>153,555</u>
Expenses:		
General and administrative expense	205,004	298,641
	<u>205,004</u>	<u>298,641</u>
Loss from operations before income taxes	(101,587)	(145,086)
Income taxes	-	-
Loss from operations	<u>(101,587)</u>	<u>(145,086)</u>
Other income (expense)		
Unrealized loss from marketable equity securities	-	(17,500)
Equity in earnings of investments	11,500	3,348
Interest expense	(3,866)	(2,047)
Other than temporary decline in available-for-sale securities	(64,282)	-
Total other income (expense)	<u>(56,648)</u>	<u>(16,199)</u>
Net loss before cumulative effect of change in accounting principle	(158,235)	(161,285)
Cumulative effect of change in accounting principle	<u>(279,050)</u>	<u>-</u>
Net loss	<u>(437,285)</u>	<u>(161,285)</u>
Other comprehensive loss:		
Unrealized loss on available-for-sale securities	-	(20,938)
Net comprehensive loss	<u>\$ (437,285)</u>	<u>\$ (182,223)</u>
Net loss per share, basic and diluted	<u>\$ (0.17)</u>	<u>\$ (0.19)</u>
Weighted average shares outstanding	<u>946,376</u>	<u>859,292</u>

See accompanying notes to condensed consolidated financial statements.

Chanticleer Holdings, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
For the Three Months Ended March 31, 2009 and 2008
(Unaudited)

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities		
Net loss	\$ (437,285)	\$ (161,287)
Adjustments to reconcile net loss to net cash used in operating activities:		
Change in unrealized (gain) loss of marketable securities	-	17,500
Other than temporary decline in available-for-sale securities	64,282	-
Depreciation	3,000	2,930
Change in accounting method	279,050	-
Equity in (earnings) loss of investments	(11,500)	(3,348)
Change in other assets and liabilities:		
(Increase) decrease in accounts receivable	(1,657)	-
(Increase) decrease in prepaid expenses and other assets	4,255	(15,250)
Increase (decrease) in accounts payable and accrued expenses	16,169	11,152
Increase (decrease) in deferred revenue	(72,917)	(128,555)
Advances from related party	48,250	-
Net cash used in operating activities	<u>(108,353)</u>	<u>(276,858)</u>
Cash flows from investing activities		
Purchase of fixed assets	(850)	(1,822)
Purchase of investments	-	(120,000)
Distributions from equity investments	11,500	11,500
Proceeds from sale of investments	111,371	-
Net cash provided by (used in) operating activities	<u>122,021</u>	<u>(110,322)</u>
Cash flows from financing activities		
Proceeds from sale of common stock	-	200,000
Cash overdraft	-	(25,736)
Loan proceeds	-	214,228
Net cash provided by financing activities	<u>-</u>	<u>388,492</u>
Net increase in cash and cash equivalents	13,668	1,312
Cash and cash equivalents, beginning of period	14,151	183
Cash and cash equivalents, end of period	<u>\$ 27,819</u>	<u>\$ 1,495</u>
Supplemental cash flow information		
Cash paid for interest and income taxes:		
Interest	\$ 3,866	\$ 2,047
Income taxes	-	-
Non-cash investing and financing activities:		
Investments received for management consulting contracts	\$ 375,000	\$ -

See accompanying notes to condensed consolidated financial statements.

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

NOTE 1: NATURE OF BUSINESS

(1) **Organization** – The consolidated financial statements include the accounts of Chanticleer Holdings, Inc. (“Holdings”) and its wholly owned subsidiaries Chanticleer Advisors LLC (“Advisors”), Avenel Ventures LLC (“Ventures”) and Avenel Financial Services LLC (“Financial”) (collectively the “Company”, “Companies,” “we”, or “us”). All significant intercompany balances and transactions have been eliminated in consolidation. Holdings 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. Ventures has entered into consulting agreements with two clients and has received common stock from the clients for its business management and consulting services. Financial was organized to provide unique financial services to the restaurant, real estate development, investment advisor/asset management and philanthropic organizations. Initial services have not yet commenced and are expected to include captive insurance, CHIRA and trust services.

(2) **Shareholder Actions** – The holders of a majority of the Company’s issued and outstanding common stock, pursuant to a written consent in lieu of a meeting, in accordance with the Company’s certificate of incorporation and Delaware General Corporation Law Section 228, have approved: (i) the withdrawal of the Company’s election to be treated as a BDC under the 1940 Act and (ii) the reverse split of the Company’s issued and outstanding common stock at a ratio of 1:10.

Withdrawal of the Company’s election to be treated as a BDC under the 1940 Act became effective on July 21, 2008, when the Company filed Form N-54c with the U.S. Securities and Exchange Commission (“SEC”).

The 1:10 reverse split of the Company’s issued and outstanding common stock was effective on July 17, 2008, at which time the Company began trading under a new symbol on the OTC Bulletin Board (CCLR). All share amounts and transactions have been restated to give effect to the reverse split as if it happened at the beginning of the earliest period presented.

(3) **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, 2008, which is included in the Company's Form 10-K/A.

NOTE 2: CHANGE IN REPORTING ENTITY

From May 23, 2005 until July 21, 2008, the Company operated as a business development company ("BDC") under the Investment Company Act of 1940, as amended (the "1940 Act"). As such, the Company was subject to different reporting requirements and methods of accounting for its investments. With the change back to being an operating company, the Company is no longer subject to the requirements of a BDC and the Company was required pursuant to SFAS No. 154, "Accounting Changes and Error Corrections" ("SFAS 154") to retroactively modify its financial statements as if it were not subject to the requirements of a BDC during all periods presented.

The following reports the effect of the change on net earnings (loss), other comprehensive income and net earnings per-share for the three months ended March 31, 2008:

	<u>2008</u>
Net decrease in net assets from operations	\$ (168,176)
Fair value decrease recorded for available- for-sale securities now included in other comprehensive loss	20,938
Equity in loss of investments	(8,152)
Net loss of wholly-owned subsidiary not previously consolidated	(5,895)
Net loss	<u>(161,285)</u>
Other comprehensive loss:	
As originally reported	-
Unrealized losses on available-for- sale securities	(20,938)
Net comprehensive loss	<u>\$ (182,223)</u>
Net loss per share, basic and diluted:	
As originally reported	\$ (0.20)
Restated	<u>\$ (0.19)</u>

NOTE 3: RESTATEMENT

As more fully explained below, effective as of August 11, 2009, the Board of Directors of the Company concluded that the financial statements for the three months ended March 31, 2009, as presented in our Quarterly Report on Form 10-Q filed with the SEC on May 5, 2009 should no longer be relied upon due to an error in reporting the Company's available-for-sale securities in such financial statements. In addition, SFAS 141(R) became effective on January 1, 2009 which provided, in part, that any acquisition costs deferred pursuant to prior accounting requirements should be charged off on January 1, 2009.

We determined that our available-for-sale investments were impaired at March 31, 2009, and that this impairment was other than temporary. In accordance with the provisions of paragraph 16 of SFAS No. 115, paragraph 7 through 15 of FSP FAS 115-1/124-1, and to SAB Topic 5.M, the other than temporary loss should be recorded as a realized loss in the statement of operations rather than being included in accumulated other comprehensive loss as an element of stockholders' equity.

At January 1, 2009, SFAS 141(R) became effective and provided, in part, that any acquisition costs deferred pursuant to prior accounting requirements should be charged off on January 1, 2009. This adjustment is also included as an amendment to the March 31, 2009 Form 10-Q/A.

	March 31, 2009		
	As Previously Reported	Adjustments	As Restated
Consolidated balance sheet:			
Deferred acquisition costs	\$ 279,050	\$ (279,050)	\$ -
Accumulated other comprehensive loss	(1,188,594)	1,188,594	-
Accumulated deficit	(2,048,085)	(1,493,357)	(3,541,442)
Total stockholders equity	1,406,614	(304,763)	1,101,851
Consolidated statements of operations:			
Net loss	(93,953)	(343,332)	(437,285)
Other comprehensive loss	(38,569)	38,569	-
Net comprehensive loss	(132,522)	(304,763)	(437,285)
Net loss per share, basic and diluted	\$ (0.10)	\$ (0.36)	\$ (0.46)

NOTE 4: INVESTMENTS

Investments are summarized as follows at March 31, 2009 and December 31, 2008:

	2009	2008
Available for sale securities:		
Cost	\$ 108,545	\$ 1,258,570
Realized loss	(64,282)	(1,150,025)
Unrealized loss	-	-
Total	<u>\$ 44,263</u>	<u>\$ 108,545</u>
Other investments:		
Investments using the equity method:		
Balance, beginning of period	\$ 1,241,371	\$ 1,410,482
Equity in earnings (loss)	11,500	(123,111)
Distributions from investments	(52,871)	(46,000)
Balance, end of period	1,200,000	1,241,371
Investments at cost	817,598	442,598
Investment deposits	20,000	90,000
	<u>\$ 2,037,598</u>	<u>\$ 1,773,969</u>

Equity investments consist of the following at March 31, 2009 and December 31, 2008:

	2009	2008
Carrying value:		
Chanticleer Investors, LLC (23%)	\$ 1,150,000	\$ 1,150,000
First Choice Mortgage (33 1/3%) (a)	-	41,371
Confluence Partners, LLC (50%)	50,000	50,000
	<u>\$ 1,200,000</u>	<u>\$ 1,241,371</u>
Equity in earnings (loss):		
Chanticleer Investors, LLC	\$ 11,500	\$ 46,000
First Choice Mortgage	-	(169,111)
	<u>\$ 11,500</u>	<u>\$ (123,111)</u>
Distributions:		
Chanticleer Investors, LLC	\$ 52,871	\$ 46,000
Undistributed earnings (loss) included in accumulated deficit	<u>\$ 11,500</u>	<u>\$ (208,629)</u>

(a) liquidated in January 2009.

The Company received investments in two companies in exchange for providing management services for one year. The Company recorded the investments at their estimated fair market value and is amortizing the related deferred revenue over the one year period in which services are being provided.

Both companies are currently raising funds through the sale of equity securities. Our investment in Remodel Auction Incorporated is approximately 3% and our investment in Breezplay, Inc. is approximately 2.8%.

Remodel Auction Incorporated was formed to launch and operate an online listing service for remodeling projects. We valued our investment at 50% of the price Remodel was receiving from third parties for its stock. Remodel Auction Incorporated is now listed on the Pink Sheets under the symbol REMD.

BreezePlay™ LLC (“BreezePlay” or the “Company”), headquartered in Charlotte, NC, is an energy solutions provider serving the needs of residents and utilities via partnership programs with major utilities. The Company offers a proprietary monitoring system called EnviroScape™, which is the only residential consumer energy management product on the market that monitors residential energy consumption 24/7 to provide actual usage and rate data, and that enables customers the ability to automatically adjust systems to effect consumption and automate savings. BreezePlay field data demonstrate that energy consumption awareness will result in a 10-25% overall energy savings to the customer. Continuous monitoring and reporting of energy use via the EnviroScape Energy Management and Control panel, as well as the Internet, is provided so both customers and utilities can track how conservation efforts are saving energy and money. Energy providers can use this panel as a gateway to educate and encourage consumer restraint during peak load periods, thereby assisting in their Demand Response Management (DRM) programs. Furthermore, the panel allows the participating utility to monitor and control overall usage, in addition to certain energy-intensive systems within the home, such as HVAC systems, water heaters, swimming pool and spa pumps, and electric vehicle charging stations. BreezePlay has aligned with some of the country’s largest Investor Owned Utilities (IOUs), Electrical Cooperatives, and Municipal Power Companies, all of which have shown a strong interest to install the BreezePlay system into their customer base as rapidly as possible.

The Company’s unique technology process and business model gives it significant advantages over other home energy management systems, which are generally too complex, too expensive, and/or require smart meters (see Appendix D). Unlike many other software solutions in the marketplace, utilities are encouraged to be strategic partners with The Company, but the business model is not reliant on their participation. There is a pay per-unit installation price, as well as a monthly fee to BreezePlay for ongoing monitoring. Interactive, real-time, consumer energy management using smart grid technology has been an imperative goal of utilities for years and many are aggressively pursuing the BreezePlay system.

BreezePlay had raised more capital at the time of our contract and we valued our investment at the price at which BreezePlay was selling its common stock to third parties.

Following is a schedule of our two available for sale equity securities at March 31, 2009 and December 31, 2008.

	Cost	Realized Holding Losses	Unrecognized Holding Losses	Fair Value
March 31, 2009				
Special Projects Group	\$ 31,407	\$ -	\$ -	\$ 31,407
Syzygy Entertainment, Ltd.	77,138	(64,282)	-	12,856
	<u>\$ 108,545</u>	<u>\$ (64,282)</u>	<u>\$ -</u>	<u>\$ 44,263</u>
December 31, 2008				
Special Projects Group	\$ 144,350	\$ (112,943)	\$ -	\$ 31,407
Syzygy Entertainment, Ltd.	1,114,220	(1,037,082)	-	77,138
	<u>\$ 1,258,570</u>	<u>\$ (1,150,025)</u>	<u>\$ -</u>	<u>\$ 108,545</u>

NOTE 5: RELATED PARTY TRANSACTIONS

Michael D. Pruitt, the Company's Chief Executive Officer, is also CFO and the sole director of Syzygy Entertainment, Ltd.

The Company had non-interest bearing advances in the amount of \$55,550 and \$7,300 at March 31, 2009 and December 31, 2008, respectively, from a company partly owned by Mr. Pruitt.

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 and is managed by Advisors.

The Company's CEO contributed 300,000 shares of SYZG to the Company in 2007. The shares were valued at \$600,000 based upon a liquidity discount to the price at which SYZG was trading at the time.

NOTE 6: COMMITMENTS AND CONTINGENCIES

PENDING ACQUISITIONS

Hooters, Inc.

On March 11, 2008, the Company entered into a Stock Purchase Agreement for the purchase of Hooters, Inc., Hooters Management Corporation and their related restaurants (collectively "HI") from the nine current individual HI shareholders, many of whom will continue to stay involved in the ongoing operation as shareholders of Chanticleer. The transaction is valued at approximately \$55.1 million and could close in the second quarter of 2009.

The closing of the transaction is subject to Chanticleer raising the necessary debt and equity financing to complete the acquisition. Chanticleer has retained an investment banking firm to assist in securing the equity capital necessary to close the proposed transaction. Chanticleer has completed all other conditions and is in process of raising the necessary debt and equity financing to complete the transaction. (See current status below.)

HI was founded in 1983 and was the creator of the Hooters brand and concept. In 1984, HI licensed Neighborhood Restaurants of America, n/k/a Hooters of America, Inc. ("HOA"), owned by a separate group of shareholders, to be its exclusive licensee in the development and expansion of its restaurant business. In 2001 HI went on to sell the Hooters trademarks and other related proprietary rights to HOA. HI retained and continues to own certain rights including a perpetual irrevocable license agreement with greatly reduced royalties, to operate its restaurants in its retained territories and, most importantly, to acquire franchisees within the Hooters system. These rights will be acquired by Chanticleer as a part of the transaction.

Chanticleer has an existing relationship with HOA through its position as the lead investor in a \$5 million, 6% convertible three-year promissory note from the Estate of Robert Brooks, the former Chairman of HOA. This note is secured by and contains conversion options into 2% of Hooters of America outstanding stock. Chanticleer was also granted a right of first refusal and a right to match any equity financing proposed to, or sought by, HOA. Additionally, Chanticleer currently holds an Option Agreement with HOA to open Hooters franchises in the Republic of South Africa which is under development. The entire Hooters system, consisting of 433 restaurants in 28 countries, is currently celebrating its 25th anniversary with events on the 25th of each month and a grand pageant in Miami on July 23, 2008.

HI currently owns and operates 22 restaurants, which comprise the highest average unit gross sales within the Hooters system, and includes locations in and around Tampa, Florida, Chicago, Illinois and the Manhattan regions, including the original Hooters restaurant located in Clearwater, Florida. These are the operations of HI being acquired by Chanticleer.

Texas Wings

On July 8, 2008, the Company entered into an Asset Purchase Agreement to acquire substantially all of the assets of Texas Wings Incorporated and its 45 related Hooters branded restaurants (collectively "Texas Wings") for total consideration of approximately \$106 million, including approximately \$53 million in cash, approximately \$37 million in Chanticleer common stock and convertible notes with an aggregate principal amount of approximately \$16 million (the "Transaction").

The Company will create an operating company and combine Texas Wings with HI and its 22 Hooters restaurants, which the Company agreed to acquire in March 2008.

The Transaction is subject to a number of customary closing conditions and could close during the second quarter of 2009, concurrently with the closing of the HI acquisition. (See current status below.)

Current Status

The termination date for the Company's pending acquisition of the stock of HI and certain of its related entities followed immediately by the subsequent acquisition of Texas Wings and certain of its related entities has passed. Although the sellers have not, to date, exercised their rights to terminate the agreements and the Company continues to seek to consummate these transactions, there is no assurance that the Company will be able to close the pending acquisitions.

In addition, the commitment letters from certain financial institutions to provide one or more related entities of the Company the \$85,000,000 Senior Secured Credit have expired, primarily due to the inability of the Company to raise the necessary equity portion of the financing at acceptable terms in today's financial environment. The Company continues to communicate with the financial institutions that agreed to provide the credit facility; however, there can be no assurance that the Company will be successful in obtaining any financing or that the terms of any credit facility in the future will be acceptable to the Company.

NOTE 7: GOING CONCERN

At March 31, 2009 and December 31, 2008, the Company had current assets of \$34,626 and \$23,556; current liabilities of \$1,052,626 and \$686,125; and negative working capital of \$1,018,000 and \$662,569, respectively. The Company incurred a loss of \$437,285 during the three month period ended March 31, 2009. The Company receives quarterly cash inflow of \$25,000 from management fees and \$11,500 from investment distributions, but expects quarterly cash requirements of approximately \$130,000 per quarter commencing in the second quarter of 2009, assuming the acquisitions discussed above are not completed.

The Company expects to have sufficient funding available from related party loans, private placements of its common stock and sales of a portion of its investments until the possible second quarter of 2009 close of the acquisitions of HI and Texas Wings. Subsequent to the close, the overhead requirements will be covered by distributions from the operations of HI and Texas Wings.

In the event the acquisitions do not close, the Company expects to fund its reduced overhead of approximately \$130,000 per quarter from management income, distributions from its investments and a short-term loan of no more than \$100,000 until May 2009, when the Company is scheduled to receive a distribution from an investment in the amount of approximately \$1,275,000. At that time, the Company plans to repay the line of credit, any other short-term borrowings and have sufficient cash to cover all overhead requirements for at least another year while increasing the funds which Advisors manages.

The Company formed Chanticleer Holdings, Ltd., a Jersey corporation, during the first quarter of 2009. The Company plans to transfer the franchise rights for South Africa to this company and raise funds in Germany to develop up to four restaurant locations. The Company has a partner for half of the development costs.

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.

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 adopted corporate resolutions to operate as a closed-end management investment company as a BDC. We operated as a non-diversified company as that term is defined in Section 5(b)(2) of the 1940 Act and at all times conducted our business so as to retain our status as a BDC. We could 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.

Withdrawal of the Company's election to be treated as a BDC under the 1940 Act became effective on July 21, 2008, when the Company filed Form N-54c with the SEC, following approval by a majority of the Company's shareholders.

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.

Liquidity and capital resources

At March 31, 2009, we had a working capital deficit of \$1,018,000 as compared to \$662,569 at December 31, 2008. Our working capital declined \$355,431. The decline consisted primarily of the increase in deferred revenue of \$302,083.

As discussed in more detail in Note 6 to the condensed consolidated financial statements, on March 11, 2008, the Company entered into a Stock Purchase Agreement for the purchase of Hooters, Inc., Hooters Management Corporation and their related restaurants (collectively "HI") from the nine current individual HI shareholders, many of whom will continue to stay involved in the ongoing operation as shareholders of Chanticleer. The transaction is valued at approximately \$55.1 million and could close in the second quarter of 2009.

On July 8, 2008, the Company entered into an Asset Purchase Agreement to acquire substantially all of the assets of Texas Wings Incorporated and its 45 related Hooters branded restaurants (collectively "Texas Wings") for total consideration of approximately \$106 million, including approximately \$53 million in cash, approximately \$37 million in Chanticleer common stock and convertible notes with an aggregate principal amount of approximately \$16 million (the "Transaction").

The Company will create one operating company and combine Texas Wings with HI and its 22 Hooters restaurants, which the Company agreed to acquire in March 2008. Texas Wings is one of the strongest franchises in the Hooters restaurant system and when combined with HI, which was the original creator of the Hooters concept, are expected to become the standard bearer for the Hooters brand.

The closing of the transactions are subject to Chanticleer raising the necessary debt and equity financing to complete the acquisition and other customary closing conditions. Chanticleer has retained an investment banking firm to assist in securing the equity capital necessary to close the proposed transaction.

When HI sold the Hooters brand to Hooters of America, HI retained unique acquisition and operational rights, which will benefit the Company going forward. HI has the right to acquire existing Hooters franchisees without the consent of the franchisor, and HI has significant flexibility in the manner in which it operates its restaurants, rights that will benefit the Texas Wings business upon the closing of the Transaction.

On April 1, 2008, the Company advanced \$120,000 to Tyler NV, Inc. for the initial required deposit to Hooters of America for development rights within the state of Nevada for Hooters restaurants. The Company had \$50,000 of this amount returned in December 2008 and received the balance of \$70,000 in the first quarter of 2009.

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 400,000 and 714,286 shares of its common stock at prices ranging between \$7.00 and \$12.50 per share. The offering was closed on February 11, 2008 with \$650,000 received for 92,859 shares of common stock during the offering period.

On March 27, 2008, the Company filed a new Offering Circular under Regulation E to raise up to \$4,500,000 by selling between 500,000 and 1,000,000 shares of its common stock at prices ranging between \$4.50 and \$9.00 per share. The Company sold 83,532 shares for \$584,700 pursuant to this 1-E, which was closed on July 18, 2008.

Comparison of three months ended March 31, 2009 and 2008

Revenues amounted to \$103,417 (\$25,000 from Investors LLC) in the three months ended March 31, 2009, as compared to \$153,555 (\$25,000 from Investors LLC) in the year earlier period. The Company received cash from Investors LLC and was compensated with shares of common stock for the other revenue earned from unaffiliated companies.

General and administrative expense amounted to \$205,004 in the 2009 quarter as compared to \$298,641 in the 2008 quarter. The principal decreases were professional fees of \$69,705, printing and reproduction of \$14,315 and travel and entertainment of \$10,732. The professional fees in 2008 were higher due to the initial work being done to raise capital for the pending acquisitions.

Other income (expense) amounted to (\$56,648) in 2009 and (\$16,199) in 2008. The Company recorded an unrealized loss in 2008 from marketable equity securities in the amount of \$17,500. All marketable equity securities were sold by the end of 2008. The Company recorded a loss of \$64,282 in 2009 as a result of an other-than-temporary decline in valuation of its available-for-sale securities.

At January 1, 2009, SFAS 141(R) became effective and provided, in part, that any acquisition costs deferred pursuant to prior accounting requirements should be charged off on January 1, 2009. This adjustment amounted to \$279,050 at January 1, 2009.

ITEM 3: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4: CONTROLS AND PROCEDURES

Evaluation of disclosure controls and procedures (restated)

In our Quarterly Report on Form 10-Q for the quarter ended March 31, 2009, originally filed on May 5, 2009, our management, with the participation of our Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) to the Securities Exchange Act of 1934, as amended (the "Exchange Act")) were effective as of March 31, 2009. In connection with our decision to restate our Quarterly Report on Form 10-Q for the quarter ended March 31, 2009, our management, including our Chief Executive Officer and Chief Financial Officer, performed a reevaluation and concluded that our disclosure controls and procedures were not effective as of December 31, 2008 as a result of the material weaknesses in our internal control over financial reporting as discussed below.

Under the PCAOB standards, a significant deficiency is a control deficiency, or combination of control deficiencies, that, in the Company's judgment, would adversely affect the ability to initiate, authorize, record, process, or report external financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the annual or interim financial statements that is more than inconsequential will not be prevented or detected. A material weakness is a significant deficiency, or combination of significant deficiencies, that, in our judgment, results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected.

The material weaknesses identified were:

- Due to the limited number of accounting employees, the Company is unable to segregate all noncompatible duties, which would prevent one person from having significant control over the initiation, authorization and recording of transactions. This condition is characteristic of all companies except those with large numbers of accounting personnel. A mitigating control is the personal involvement of the members of the Board of Directors in the analysis and review of internal financial data, as well as the consultant retained by the Company to serve the functions of a controller for assistance and preparation of financial reporting.
- An effective Audit Committee is an integral part to the integrity of the Company's financial reporting. The responsibilities of the Audit Committee should be detailed in the Committee's charter and provided to its members. These responsibilities should, at a minimum, require inquiry and awareness of current Company transactions, analysis of interim and annual financial data and review of minutes of the Board of Directors. The Audit Committee's oversight and periodic investigation can serve as a mitigating control to the lack of segregation of duties inherent to companies with a limited number of personnel. The current practices of the Company's Audit Committee do not fulfill these criteria.

- We did not maintain effective control over the application, monitoring and reporting of the appropriate accounting policies related to available-for-sale securities. Specifically, we did not take into account the other than temporary impairment of available-for-sale securities and did not record the other than temporary impairment as a realized loss rather than as a component of other comprehensive loss in stockholders' equity.
- We did not maintain effective control over the application, monitoring and reporting of the appropriate accounting policies related to deferred acquisition costs. Specifically, we did not take into account paragraph 59 of SFAS 141(R) which became effective on January 1, 2009 and provides that acquisition related costs shall be expensed in the period in which they are incurred.

Our management has discussed these material weaknesses with our board of directors and has commenced the following remediation efforts to ensure that the significant deficiencies are mitigated. The board of directors has reviewed the lack of segregation of duties issue and has determined it is not practical to add personnel merely to allow for segregation of noncompatible duties. The Company already retains a third party consultant who acts as controller for the Company, who has no check signing authority and no access to assets, to oversee its reporting responsibilities. In addition, as discussed below, the Company plans on expanding the duties of its Audit Committee, which will also further mitigate any perceived weakness due to a lack of segregation of duties.

The board of directors is updating the Audit Committee procedures and responsibilities and will require active participation from the Audit Committee. This is expected to be completed before the end of 2009.

Management of the Company is working with its consultants to implement procedures to reduce the likely-hood of a reoccurrence of the miss-application of accounting procedures.

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, 2009. Based on the information set forth above, our management has determined that, as of the date of this report, we do not have effective disclosure controls and procedures.

Changes in internal control over financial reporting

There have been no significant changes in internal controls or in other factors that could significantly affect these controls during the quarter ended March 31, 2009, 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

Not applicable.

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/A.

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: September 9, 2009

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

CHANTICLEER HOLDINGS, INC. FORM 10-Q/A FOR THE QUARTER ENDED MARCH 31, 2009
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/A 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)) 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, is made known to me by others, 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 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
 - 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 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, 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.

September 9, 2009

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

CHANTICLEER HOLDINGS, INC. FORM 10-Q/A FOR THE QUARTER ENDED MARCH 31, 2009
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/A for the quarter ended March 31, 2009, 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.

September 9, 2009

/s/ Michael D. Pruitt

Michael D. Pruitt
Chief Executive Officer and
Chief Financial Officer
