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 the quarterly period ended: September 30, 2015

Commission File Number: 001-35570

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

Delaware	**20-2932652**
(State or Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**

7621 Little Avenue, Suite 414, Charlotte, NC 28226
(Address of principal executive offices) (zip code)

(704) 366-5122
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter periods as the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ].

Indicate by check mark whether the registrant 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 [X] 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 the definitions of "large accelerated filer," accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer [ ] Accelerated filer [ ] Non-accelerated filer [ ] Smaller reporting company [X]

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

The number of shares outstanding of registrant's common stock, par value $.0001 per share, as of November 16, 2015 was 21,468,021 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)

	September 30, 2015	December, 31, 2014
ASSETS		
Current assets:		
Cash	$ 1,805,927	$ 245,828
Accounts and other receivables	194,589	313,509
Inventories	593,778	532,803
Due from related parties	45,615	46,015
Prepaid expenses and other current assets	421,508	330,745
TOTAL CURRENT ASSETS	**3,061,417**	**1,468,900**
Property and equipment, net	17,855,282	13,315,409
Goodwill	12,269,504	15,617,308
Intangible assets, net	7,542,395	3,396,503
Investments at fair value	35,362	35,362
Other investments	1,550,000	1,550,000
Deposits and other assets	297,037	408,492
TOTAL ASSETS	**$ 42,610,997**	**$ 35,791,974**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 4,420,370	$ 5,580,131
Current maturities of long-term debt and notes payable	1,134,025	1,813,647
Current maturities of convertible notes payable, net of debt discount of $359,243 and $63,730, respectively	215,757	436,270
Current maturities of capital leases payable	47,370	42,032
Due to related parties	212,399	1,299,083
Deferred rent	686,622	118,986
Derivative liabilities	1,318,661	1,945,200
Liabilities of discontinued operations	177,204	177,393
TOTAL CURRENT LIABILITIES	**8,212,408**	**11,412,742**
Long-term debt, less current maturities, net of debt discount of $214,833 and $343,733, respectively	5,419,925	5,009,283
Convertible notes payable, net of debt discount of $955,177 and $1,872,587, respectively	2,294,823	1,477,413
Capital leases payable, less current maturities	25,144	36,628
Deferred rent	1,784,840	2,196,523
Deferred tax liabilities	655,050	686,884
TOTAL LIABILITIES	**18,392,190**	**20,819,473**
Commitments and contingencies (Note 13)		
Stockholders' equity:		
Preferred stock: no par value; authorized 5,000,000 shares; none issued and outstanding	-	-
Common stock: $0.0001 par value; authorized 45,000,000 shares; issued and outstanding 21,328,830 and 7,249,442 shares, respectively	2,133	725
Additional paid in capital	55,208,098	32,601,400
Accumulated other comprehensive loss	(911,900)	(1,657,908)
Non-controlling interest	(527,590)	4,904,471
Accumulated deficit	(30,607,114)	(20,876,187)
TOTAL STOCKHOLDERS' EQUITY	**24,218,807**	**14,972,501**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 42,610,997**	**$ 35,791,974**

See accompanying notes to condensed consolidated financial statements

Chanticleer Holdings, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations and Comprehensive Loss
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Revenue:				
Restaurant sales, net	$ 10,005,324	$ 8,753,554	$ 28,907,536	$ 20,465,510
Gaming income, net	121,031	141,156	352,881	272,391
Management fee income - non-affiliates	25,000	417,842	204,124	467,993
Franchise income	119,950	-	270,948	-
Total revenue	**10,271,305**	**9,312,552**	**29,735,489**	**21,205,894**
Expenses:				
Restaurant cost of sales	3,358,602	2,927,629	9,937,190	7,097,300
Restaurant operating expenses	5,998,627	4,997,159	17,451,671	11,846,792
Restaurant pre-opening and closing expenses	141,306	62,293	739,495	323,274
General and administrative expenses	1,676,609	1,422,193	5,656,545	4,287,279
Asset impairment charge	4,489,043	-	4,489,043	-
Depreciation and amortization	358,307	435,404	1,205,255	1,162,088
Total expenses	**16,022,494**	**9,844,678**	**39,479,199**	**24,716,733**
Loss from operations	**(5,751,189)**	**(532,126)**	**(9,743,710)**	**(3,510,839)**
Other (expense) income				
Interest expense	(657,906)	(581,215)	(2,736,555)	(1,268,756)
Change in fair value of derivative liabilities	262,232	221,000	833,139	925,200
Loss on extinguishment of debt	(145,834)	-	(315,923)	-
Realized gains on securities	-	-	-	101,472
Equity in losses of investments	-	-	-	(40,694)
Other income (expense)	(40,262)	438,607	35,064	446,445
Total other (expense) income	(581,770)	78,392	(2,184,275)	163,667
Loss from continuing operations before income taxes	**(6,332,959)**	**(453,734)**	**(11,927,985)**	**(3,347,172)**
Income tax benefit (expense)	(7,356)	19,726	30,298	27,235
Loss from continuing operations	**(6,340,315)**	**(434,008)**	**(11,897,687)**	**(3,319,937)**
Gain (loss) from discontinued operations, net of taxes	-	(56,223)	189	(161,196)
Consolidated net loss	**(6,340,315)**	**(490,231)**	**(11,897,498)**	**(3,481,133)**
Less: Net loss (income) attributable to non-controlling interest	1,823,601	(61,209)	2,166,570	68,318
Net loss attributable to Chanticleer Holdings, Inc.	**$ (4,516,715)**	**$ (551,440)**	**$ (9,730,928)**	**$ (3,412,815)**
Net loss attributable to Chanticleer Holdings, Inc.:				
Loss from continuing operations	$ (4,516,715)	$ (495,217)	$ (9,731,117)	$ (3,251,619)
Gain (loss) from discontinued operations	-	(56,223)	189	(161,196)
Net loss attributable to Chanticleer				

Holdings, Inc.	**$ (4,516,715)**	**$ (551,448)**	**$ (9,730,928)**	**$ (3,412,815)**
Other comprehensive loss:				
Unrealized loss on available-for-sale securities (none applies to non-controlling interest)	$ -	$ -	$ -	$ (15,527)
Foreign currency translation (loss) gain	(572,954)	177,219	(891,772)	228,384
Total other comprehensive loss	(572,954)	177,219	(891,772)	212,857
Comprehensive loss	**$ (3,943,761)**	**$ (374,221)**	**$ (10,622,700)**	**$ (3,199,958)**
Net loss attributable to Chanticleer Holdings, Inc. per common share, basic and diluted:				
Continuing operations attributable to common stockholders, basic and diluted	**$ (0.31)**	**$ (0.07)**	**$ (0.69)**	**$ (0.52)**
Discontinued operations attributable to common stockholders, basic and diluted	**$ -**	**$ (0.01)**	**$ 0.00**	**$ (0.03)**
Weighted average shares outstanding, basic and diluted	14,802,370	6,628,011	14,059,116	6,279,688

See accompanying notes to condensed consolidated financial statements

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

	Nine Months Ended	
	September 30, 2015	**September 30, 2014**
Cash flows from operating activities:		
Net loss	$ (11,897,498)	$ (3,481,133)
Net (income) loss from discontinued operations	(189)	161,196
Net loss from continuing operations	(11,897,687)	(3,319,937)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	1,205,255	1,243,195
Deferred income taxes	(31,834)	-
Equity in losses of investments	-	40,694
Asset impairment charge	4,489,043	-
Loss on extinguishment of debt	315,923	-
Loss on disposal of property and equipment	514,522	-
Common stock and warrants issued for services	231,857	354,617
Amortization of debt discount	1,356,365	930,392
Amortization of warrants	22,375	152,325
Change in fair value of derivative liabilities	(833,139)	(925,200)
(Increase) decrease in accounts and other receivables	(70,421)	(244,553)
Decrease in prepaid expenses and other assets	(171,450)	(107,161)
Decrease in inventory	2,239	33,845
Increase in accounts payable and accrued expenses	1,224,599	3,150,118
(Decrease) increase in deferred rent	(311,104)	-
Net cash (used in) provided by operating activities from continuing operations	(3,953,457)	1,308,335
Net cash (used in) provided by operating activities from discontinued operations	(4,500)	(254,790)
Net cash (used in) provided by operating activities	(3,957,957)	1,053,545
Cash flows from investing activities:		
Purchase of property and equipment	(1,518,747)	(3,569,775)
Cash paid for acquisitions, net of cash acquired	(9,082,918)	27,527
Net cash used in investing activities from continuing operations	(10,601,665)	(3,542,248)
Cash flows from financing activities:		
Proceeds from sale of common stock and warrants	14,920,937	835,000
Loan proceeds	656,837	1,458,308
Loan repayments	(824,981)	-
Proceeds from convertible debt	2,150,000	-
Capital lease payments	(39,822)	(142,906)
Decrease in amounts payable to affiliate	(1,086,684)	-
Minority interest	333,342	33,500
Net cash provided by financing activities from continuing operations	16,109,629	2,183,902
Effect of exchange rate changes on cash	10,092	119,884
Net increase (decrease) in cash	1,560,099	(184,917)
Cash, beginning of period	245,828	442,694
Cash, end of period	$ 1,805,927	$ 257,777

See accompanying notes to condensed consolidated financial statements

Chanticleer Holdings, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows, continued

(Unaudited)

	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014
Supplemental cash flow information:		
Cash paid for interest and income taxes:		
Interest	$ 810,028	$ 63,503
Income taxes	$ 54,183	$ 1,776
Non-cash investing and financing activities:		
Purchase of equipment using capital leases	$ 50,087	$ -
Issuance of stock in connection with business combinations	$ 4,062,317	$ (5,401,639)
Debt discount for fair value of warrants and conversion feature issued in connection with debt	$ 1,176,108	$ -
Convertible debt settled through issuance of common stock	$ 2,175,000	$ -
Long-term debt settled through issuance of common stock	$ 100,000	$ -
Purchases of businesses:		
Current assets excluding cash	$ 476,569	$ 636,894
Property and equipment	5,386,141	7,945,152
Goodwill	4,019,972	11,394,009
Trade name/trademarks/franchise fees	4,300,000	559,304
Deposits and other assets	-	136,025
Liabilities assumed	(1,037,446)	(4,165,235)
Non-controlling interest	-	(4,753,288)
Chanticleer equity	-	(1,028,749)
Common stock issued	(4,062,317)	(5,401,639)
Assumption of debt	-	(5,000,000)
Cash paid	(9,276,429)	(350,000)
Cash acquired	$ 193,510	$ 27,527

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") is in the business of owning, operating and franchising fast casual dining concepts domestically and internationally. The Company was organized October 21, 1999, under its original name, Tulvine Systems, Inc., under the laws of the State of Delaware. On April 25, 2005, Tulvine Systems, Inc. formed a wholly owned subsidiary, Chanticleer Holdings, Inc., and 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 presented below (collectively referred to as the "Company"):

Name	Jurisdiction of Incorporation	Percent Owned	Name	Jurisdiction of Incorporation	Percent Owned
CHANTICLEER HOLDINGS, INC.	**Delaware, USA**				
Burger Business			***Pacific Northwest Hooters***		
American Roadside Burgers, Inc.	Delaware, USA	100%	Oregon Owl's Nest, LLC	Oregon, USA	100%
ARB Stores			Jantzen Beach Wings, LLC	Oregon, USA	100%
American Roadside McBee, LLC	North Carolina, USA	100%	Tacoma Wings, LLC	Washington, USA	100%
American Burger Morehead, LLC	North Carolina, USA	100%			
American Roadside Morrison, LLC	North Carolina, USA	100%	***South African Hooters***		
American Burger Ally, LLC	North Carolina, USA	100%	Hooters On The Buzz (Pty) Ltd	South Africa	95%
American Roadside Cross Hill, LLC	North Carolina, USA	100%	Chanticleer South Africa (Pty) Ltd.	South Africa	100%
BGR Acquisition, LLC	North Carolina, USA	100%	Hooters Emperors Palace (Pty.) Ltd.	South Africa	88%
BGR Franchising, LLC	Virginia, USA	100%	Hooters PE (Pty) Ltd	South Africa	100%
BGR Operations, LLC	Virginia, USA	100%	Hooters Ruimsig (Pty) Ltd.	South Africa	90%
BGR Old Town, LLC	Maryland, USA	100%	Hooters Umhlanga (Pty.) Ltd.	South Africa	82%
BGR Dupont, LLC	Virginia, USA	100%	Hooters SA (Pty) Ltd	South Africa	90%
BGR Arlington, LLC	Virginia, USA	100%	Hooters Willows Crossing (Pty) Ltd	South Africa	100%
BGR Old Keene Mill, LLC	Virginia, USA	100%			
BGR Potomac, LLC	Maryland, USA	100%	***Australian Hooters***		
BGR Cascades, LLC	Virginia, USA	100%	HOTR AUSTRALIA PTY LTD	Australia	80%
BGR Washingtonian, LLC	Maryland, USA	100%	HOTR CAMPBELLTOWN PTY LTD	Australia	80%
BGR Tysons, LLC	Virginia, USA	100%	HOTR GOLD COAST PTY LTD	Australia	80%
BGR Springfield Mall, LLC	Virginia, USA	100%	HOTR PARRAMATTA PTY LTD	Australia	80%
Capitol Burger, LLC	Maryland, USA	100%	HOTR PENRITH PTY LTD	Australia	80%
BT Burger Acquisition, LLC	North Carolina, USA	100%	HOTR TOWNSVILLE PTY LTD	Australia	80%
BT's Burgerjoint Biltmore, LLC	North Carolina, USA	100%			
BT's Burgerjoint Promenade, LLC	North Carolina, USA	100%	***European Hooters***		
BT's Burgerjoint Sun Valley, LLC	North Carolina, USA	100%	Chanticleer Holdings Limited	Jersey	100%
BT's Burgerjoint	North Carolina,				

Rivergate LLC	USA	100%	West End Wings LTD	United Kingdom	100%
LBB Acquisition, LLC	North Carolina, USA	100%	Crown Restaurants Kft.	Hungary	80%
Cuarto LLC	Oregon, USA	100%			
Segundo LLC	Oregon, USA	100%	***Inactive Entities***		
Noveno LLC	Oregon, USA	100%	Hooters Brazil	Brazil	100%
Primero LLC	Oregon, USA	100%	DineOut SA Ltd.	England	89%
Septimo LLC	Oregon, USA	100%	Avenel Financial Services, LLC	Nevada, USA	100%
Quinto LLC	Oregon, USA	100%	Avenel Ventures, LLC	Nevada, USA	100%
Octavo LLC	Oregon, USA	100%	Chanticleer Advisors, LLC	Nevada, USA	100%
Sexto LLC	Oregon, USA	100%	Chanticleer Investment Partners, LLC	North Carolina, USA	100%
			Dallas Spoon Beverage, LLC	Texas, USA	100%
Just Fresh			Dallas Spoon, LLC	Texas, USA	100%
JF Franchising Systems, LLC	North Carolina, USA	56%	Hoot Campbelltown Pty Ltd	Australia	60%
JF Restaurants, LLC	North Carolina, USA	56%	Chanticleer Holdings Australia Pty, Ltd.	Australia	100%
			Hoot Australia Pty Ltd	Australia	60%
			TMIX Management Australia Pty Ltd.	Australia	60%
			Hoot Parramatta Pty Ltd	Australia	60%
			Hoot Penrith Pty Ltd	Australia	60%
			Hoot Gold Coast Pty Ltd	Australia	60%
			Hoot Townsville Pty. Ltd	Australia	60%
			Hoot Surfers Paradise Pty. Ltd.	Australia	60%
			MVLE DARLING HARBOUR PTY LTD	Australia	50%
			MVLE GAMING PTY LTD	Australia	100%

All significant inter-company balances and transactions have been eliminated in consolidation.

The Company operates on a calendar year-end. The accounts of two subsidiaries, Just Fresh and Hooters Nottingham ("WEW"), are consolidated based on either a 52- or 53-week period ending on the Sunday closest to each December 31. No events occurred related to the difference between the Company's reporting calendar quarter end and the Company's two subsidiaries quarter ends that materially affected the company's financial position, results of operations, or cash flows.

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 periods ended September 30, 2015 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 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 on Form 10-K for the year ended December 31, 2014 filed with the SEC on April 15, 2015 and amended on April 30, 2015.

LIQUIDITY AND CAPITAL RESOURCES

As of September 30, 2015, our cash balance was $1.8 million and working capital was a deficit of $3.2 million (excluding non-cash derivative liabilities and deferred rent). Cash and working capital as of September improved by $1.6 million and $4.1 million, respectively, as compared with December 31, 2014. The level of additional cash needed to fund operations and our ability to conduct business for the next twelve months will be influenced primarily by the following factors:

● the pace of growth in our restaurant businesses and related investments in opening new stores;

● the level of investment in acquisition of new restaurant businesses and entering new markets;

● our ability to manage our operating expenses and maintain gross margins as we grow:

● our ability to access the capital and debt markets;

● popularity of and demand for our fast casual dining concepts; and

● general economic conditions and changes in consumer discretionary income.

We have typically funded our operating costs, acquisition activities, working capital investments and capital expenditures with proceeds from the issuances of our common stock and other financing arrangements, including convertible debt, lines of credit, notes payable and capital leases.

Our operating plans for the next twelve months contemplate moderate organic growth, opening 3-4 new stores within our current markets and restaurant concepts. During the first nine months of 2015:

- During the first quarter of 2015, we completed a rights offering raising net proceeds of approximately $7.1 million and issued $2.2 million in convertible debt to fund the acquisition of BGR: The Burger Joint and for general corporate purposes.

- During the second quarter of 2015, we completed an equity transaction raising net proceeds of approximately $1.9 million to complete the acquisition of BT's Burger Joints and for general corporate purposes.

- During the third quarter of 2015, we completed a rights offering raising net proceeds of approximately $6.0 million to fund the acquisition of Little Big Burger, investments in Australia and general corporate purposes.

As we execute our growth plans throughout the balance of 2015 and 2016, we intend to carefully monitor the impact of growth on our working capital needs and cash balances relative to the availability of cost-effective debt and equity financing. We believe the capital resources available to us will be sufficient to fund our ongoing operations and to support our operating plans. We may raise additional capital from the issuance of new debt and equity to continue to execute our growth plans, although there can be no assurance that we will be able to do so. In the event that such capital is not available, we may have to scale back or freeze our organic growth plans, reduce general and administrative expenses and/or curtail future acquisition plans to manage our liquidity and capital resources.

2. SIGNIFICANT ACCOUNTING POLICIES

There have been no material changes to our significant accounting policies previously disclosed in the Annual Report on Form 10-K for the fiscal year ended December 31, 2014. The Company is now engaged in franchising operations as a result of its acquisition of BGR: The Burger Joint ("BGR") in March 2015. Accordingly, the Company's policy regarding revenue recognition has been expanded to address revenue recognition for franchise operations.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Significant estimates include the valuation of the investments in portfolio companies, deferred tax asset valuation allowances, valuing options and warrants using the Binomial Lattice and Black Scholes models, intangible asset valuations and useful lives, depreciation and uncollectible accounts and reserves. Actual results could differ from those estimates.

REVENUE RECOGNITION

Revenue is recognized when all of the following criteria have been satisfied:

- Persuasive evidence of an arrangement exists;

- Delivery has occurred or services have been rendered;

- The seller's price to the buyer is fixed or determinable; and

- Collectability is reasonably assured.

Restaurant Net Sales and Food and Beverage Costs

The Company records revenue from restaurant sales at the time of sale, net of discounts, coupons, employee meals, and complimentary meals and gift cards. Sales, value added tax ("VAT") and goods and services tax ("GST") collected from customers and remitted to governmental authorities are presented on a net basis within sales in our consolidated statements of operations. Restaurant cost of sales primarily includes the cost of food, beverages, and merchandise and disposable paper and plastic goods used in preparing and selling our menu items, and exclude depreciation and amortization. Vendor allowances received in connection with the purchase of a vendor's products are recognized as a reduction of the related food and beverage costs as earned.

Management Fee Income

The Company receives revenue from management fees from certain non-affiliated companies, including Hooters of America.

Gaming Income

The Company receives revenue from operating a gaming facility adjacent to its Hooters restaurant in Jantzen Beach, Oregon. The Company also previously received gaming revenue from gaming machines located in Sydney, Australia. Revenue from gaming is recognized as earned from gaming activities, net of taxes and other government fees.

Franchise Income

The Company accounts for initial franchisee fees in accordance with FASB ASC 952, Franchisors. The Company grants franchises to operators in exchange for initial franchise license fees and continuing royalty payments. Franchise license fees are deferred when received and recognized as revenue when the Company has performed substantially all initial services required by the franchise or license agreement, which is generally upon the opening of a store. Continuing fees, which are based upon a percentage of franchisee and licensee sales are recognized on the accrual basis as those sales occur.

BUSINESS COMBINATIONS

For business combinations, the assets acquired, the liabilities assumed, and any non-controlling interest are recognized at the acquisition date, measured at their fair values as of that date. In a business combination achieved in stages, the identifiable assets and liabilities, as well as the non-controlling interest in the acquiree, are recognized at the full amounts of their fair values. In a bargain purchase in which the total acquisition-date fair value of the identifiable net assets acquired exceeds the fair value of the consideration transferred plus any non-controlling interest in the acquire, that excess in earnings was recognized as a gain attributable to the Company.

AMORTIZATION OF DEBT DISCOUNT

The Company has issued various debt with warrants and conversion features for which total proceeds were allocated to individual instruments based on the relative fair value of the each instrument at the time of issuance. The value of the debt was recorded as discount on debt and amortized over the term of the respective debt. For the nine months ended September 30, 2015 and 2014 amortization of debt discount was $1,356,365 and $930,392, respectively.

FOREIGN CURRENCY TRANSLATION

Assets and liabilities denominated in local currency are translated to US dollars using the exchange rates as in effect at the balance sheet date. Results of operations are translated using average exchange rates prevailing throughout the period. Adjustments resulting from the process of translating foreign currency financial statements from functional currency into U.S. dollars are included in accumulated other comprehensive loss within stockholders' equity. Foreign currency transaction gains and losses are included in current earnings. The Company has determined that local currency is the functional currency for each of its foreign operations.

RESTAURANT PRE-OPENING AND CLOSING EXPENSES

Restaurant pre-opening and closing expenses are non-capital expenditures, and are expensed as incurred. Restaurant pre-opening expenses consist of the costs of hiring and training the initial hourly work force for each new restaurant, travel, the cost of food and supplies used in training, grand opening promotional costs, the cost of the initial stocking of operating supplies and other direct costs related to the opening of a restaurant, including rent during the construction and in-restaurant training period. Restaurant closing expenses consists of the costs related to the closing of a restaurant location and include write-off of property and equipment, lease termination costs and other costs directly related to the closure. Pre-opening and closing expenses are expensed as incurred.

LOSS PER COMMON SHARE

The Company is required to report both basic earnings per share, which is based on the weighted-average number of shares outstanding and diluted earnings per share, which is based on the weighted-average number of common shares outstanding plus all dilutive shares outstanding. The following table summarizes the number of common shares potentially issuable upon the exercise of certain warrants, convertible notes payable and convertible interest as of September 30, 2015 and December 31, 2014 that have been excluded from the calculation of diluted net loss per common share since the effect would be antidilutive.

	September 30, 2015	September 30, 2014
Warrants	9,556,304	8,965,048
Convertible notes payable	3,446,003	1,916,559
Convertible interest	53,405	88,649
Total	13,055,712	10,970,256

CONCENTRATION OF CREDIT RISK

The Company maintains its cash with major financial institutions. Cash held in U.S. bank institutions is currently insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000 at each institution. No similar insurance or guarantee exists for cash held in Australia, South Africa, Hungary or United Kingdom bank accounts. There was approximately $60,000 and $125,000 aggregate uninsured cash balances at September 30, 2015 and December 31, 2014, respectively.

SUBSEQUENT EVENTS

Management has evaluated all events and transactions that occurred from September 30, 2015 through the date these condensed consolidated financial statements were issued for subsequent events requiring recognition or disclosure in the condensed consolidated financial statements.

RECLASSIFICATIONS

Certain amounts in the prior period have been reclassified to conform to the current period presentation. These reclassifications have no effect on previously reported results of operations or loss per share.

RECENT ACCOUNTING PRONOUNCEMENTS

In July 2015, the FASB issued ASU 2015-11, "Inventory (Topic 330): Simplifying the Measurement of Inventory," which applies to inventory that is measured using first-in, first-out ("FIFO") or average cost. Under the updated guidance, an entity should measure inventory that is within scope at the lower of cost and net realizable value, which is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. Subsequent measurement is unchanged for inventory that is measured using last-in, last-out ("LIFO"). This ASU is effective for annual and interim periods beginning after December 15, 2016, and should be applied prospectively with early adoption permitted at the beginning of an interim or annual reporting period. The Company is currently evaluating the impact of adopting this guidance.

3. ACQUISITIONS

During the first nine months of 2105, the Company acquired three businesses to complement and expand its current operations in the better burger fast casual restaurant category. In connection with these acquisitions, the Company acquired strategic opportunities to expand its scale and presence in the better burger category.

Acquisition of BGR: The Burger Joint

The Company completed the acquisition of BGR: The Burger Joint effective March 15, 2015. As of June 30, 2015, the Company allocated the purchase price as of the date of acquisition based on appraisals and estimated the fair value of the acquired assets and assumed liabilities. In consideration of the purchased assets, the Company paid a purchase price consisting of $4,000,000 in cash, 500,000 shares of the Company's common stock valued at $1.0 million, and a contractual working capital adjustment of $276,429.

Acquisition of BT's Burger Joint

On July 1, 2015, the Company completed the acquisition with BT's Burgerjoint Management, LLC, a limited liability company organized under the laws of North Carolina ("BT's"), including the ownership interests of four operating restaurant subsidiaries engaged in the fast casual hamburger restaurant business under the name "BT's Burger Joint." In consideration of the purchased assets, the Company paid a purchase price consisting of $1,400,000 in cash and 424,080 shares of the Company's common stock valued at $1.0 million.

Acquisition of Little Big Burger

On September 30, 2015, the Company completed the acquisition of various entities operating eight Little Big Burger restaurants in the State of Oregon. In consideration of the purchased assets, the Company paid a purchase price consisting of $3,600,000 in cash and 1,874,063 shares of the Company's common stock valued at $2.1 million.

In connection with each acquisition, the Company determined the purchase price allocation in consideration of all identifiable intangibles. Based on our evaluation, there were no marketing related assets, customer related intangibles or contract based arrangements for which the purchase price would be required to be allocated. The value of any trademark/tradename was calculated using a relief of royalty method considering future franchise opportunities. With respect to customer related intangibles, the Company did not acquire any customer lists or enter into any customer contractual arrangements nor did the Company enter into any licensing or royalty arrangements requiring a further allocation of the purchase price.

The premium paid for the businesses represents the economic value which is not captured by other assets such as the reputation of the businesses, the value of its human capital, its future growth potential and its professional management. The acquisition of these businesses will help the Company expand its domestic operations and presence in the Fast Casual burger market.

The Company's acquisitions were accounted for using the purchase method of accounting in accordance with ASC 805 "Business Combinations" and, accordingly, the condensed consolidated statements of operations include the results of these operations from the dates of acquisition. The assets acquired and the liabilities assumed were recorded at estimated fair values based on information currently available and based on certain assumptions as to future operations.

The allocation of purchase price presented below is based on preliminary analyses which are still continuing and may be subject to change as such analyses are finalized in future periods:

	2015 Acquisitions			
	BGR: The Burger Joint	BT's Burger Joint	Little Big Burger	Total
Consideration paid:				
Common stock	$ 1,000,000	$ 1,000,848	$ 2,061,469	$ 4,062,317
Cash	4,276,429	1,400,000	3,600,000	9,276,429
Total consideration paid	5,276,429	2,400,848	5,661,469	13,338,746
Property and equipment	2,164,023	1,511,270	1,710,849	5,386,141
Goodwill	663,037	939,281	2,417,653	4,019,972
Trademark/trade name/franchise fee	2,750,000	-	1,550,000	4,300,000
Inventory, deposits and other assets	296,104	103,451	77,014	476,569
Total assets acquired, less cash	5,873,164	2,554,002	5,755,516	14,182,682
Liabilities assumed	(607,735)	(161,154)	(268,557)	(1,037,446)
Common stock and warrants issued	(1,000,000)	(1,000,848)	(2,061,469)	(4,062,317)
Cash paid	(4,276,429)	(1,400,000)	(3,600,000)	(9,276,429)
Cash acquired	$ 11,000	$ 8,000	$ 174,511	$ 193,511

The allocation of purchase price presented for the Company's 2014 acquisitions:

	2014 Acquisitions					
	Hooters Pacific NW	Spoon	Hooters Australia April 1, 2014	Hooters Australia July 1, 2014	The Burger Co.	Total
Consideration paid:						
Common stock	$ 2,891,156	$ 828,750	$ -	$ -	$ 300,000	$ 4,019,906
Warrants	978,000	280,400	-	123,333	-	1,381,733
Assumption of debt	-	-	-	5,000,000	-	5,000,000
Cash	-	-	100,000	-	250,000	350,000
Total consideration paid	3,869,156	1,109,150	100,000	5,123,333	550,000	10,751,639
Current assets, excluding cash	112,078	89,817	377,296	47,777	9,926	636,894
Property and equipment	2,731,031	391,462	2,934,307	1,603,557	284,795	7,945,152
Goodwill	1,951,909	698,583	-	8,487,138	256,379	11,394,009
Trademark/trade name/franchise fee	60,937	-	277,867	220,500	-	559,304
Deposits and other assets	20,275	5,193	90,371	20,186	-	136,025
Total assets acquired, less cash	4,876,230	1,185,055	3,679,841	10,379,158	551,100	20,671,384
Liabilities assumed	(1,009,348)	(97,541)	(1,560,710)	(1,496,536)	(1,100)	(4,165,235)
Deferred tax liabilities	-	-			-	-
Non-controlling interest	-	-	(993,999)	(3,759,289)	-	(4,753,288)
Chanticleer equity	-	-	(1,028,749)	-	-	(1,028,749)
Common stock and warrants issued	(3,869,156)	(1,109,150)	-	(123,333)	(300,000)	(5,401,639)
Assumption of debt	-	-	-	(5,000,000)	-	(5,000,000)
Cash paid	-	-	(100,000)	-	(250,000)	(350,000)
Cash acquired	$ 2,274	$ 21,636	$ 3,617	$ -	$ -	$ 27,527

Unaudited pro forma results of operations for the three and nine month periods ended September 30, 2015 and 2014, as if the Company had acquired majority ownership of all operations acquired during 2014 and 2015 on January 1, 2014 is as follows.

	Three Months Ended September 30, 2015	Three Months Ended September 30, 2014	Nine Months Ended September 30, 2015	Nine Months Ended September 30, 2014
Total revenues	$ 11,551,329	$ 13,473,304	$ 36,159,199	$ 37,626,727
Loss from continuing operations	(2,972,928)	(1,287,982)	(5,255,488)	(2,091,978)
Gain (loss) from discontinued operations	2,088	(72,300)	189	(104,973)
Loss attributable to non-controlling interest	69,397	(61,209)	412,366	88,163
Net loss	$ (2,901,443)	$ (1,421,491)	$ (4,842,933)	$ (2,108,788)
Net loss per share, basic and diluted	$ (0.20)	$ (0.21)	$ (0.34)	$ (0.34)
Weighted average shares outstanding, basic and diluted	14,802,370	6,628,011	14,059,116	6,279,688

The pro forma results include estimates and assumptions which management believes are reasonable. However, pro forma results do not include any adjustments to reflect expected synergies or profit improvements that might be anticipated post-acquisition, and are not necessarily indicative of the results that would have occurred if the business combination had been in effect on the dates indicated, or which may result in the future.

4. DISCONTINUED OPERATIONS

On December 31, 2014, management concluded it was in the best interest of the Company to exit the Spoon business, whereby the Company executed an Asset Purchase Agreement to sell the assets of Spoon Bar & Kitchen back to the original owner. In connection with the sale of Spoon, the Company reacquired 185,000 Stock Units that had been issued at acquisition in exchange for the asset transferred pursuant to the Asset Purchase Agreement. The stock was valued at $446,050 and the carrying value of net assets was valued at $1,109,062, resulting in a loss of $683,012 in December 2014.

The results of operations and related non-recurring costs associated with Spoon have been presented as discontinued operations. Additionally, the assets and liabilities of the discontinued operations have been segregated in the accompanying consolidated balance sheets.

The operating results from the discontinued operations for the three and nine months ended September 30, 2015 and 2014 consisted of the following:

	Three Months Ended		Nine Months Ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Total revenue	$ -	$ 314,190	$ -	$ 968,103
Total operating (income) expenses	-	370,413	(189)	1,129,299
Net (income) loss from discontinued operations	$ -	$ (56,223)	$ 189	$ (161,196)

As of September 30, 2015 and December 31, 2014, liabilities from discontinued operations totaled $177,204 and $177,393, respectively. The Company did not retain any assets related to the discontinued operation.

5. PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	2015	2014
Restaurant equipment and furniture and fixtures	$ 11,067,483	$ 7,827,926
Leasehold improvements	11,916,630	9,940,517
Construction in progress	54,602	727,934
Land and buildings	586,275	437,223
Office and computer equipment	11,734	51,746
Other furniture and fixtures	109,450	60,301
	23,746,173	19,045,647
Accumulated depreciation and amortization	(5,890,891)	(5,730,238)
	$ 17,855,282	$ 13,315,409

6. GOODWILL AND OTHER INTANGIBLE ASSETS, NET

Goodwill is summarized by location as follows:

	September 30, 2015	December 31, 2014
South Africa	$ 226,795	$ 273,737
ABC	2,806,990	2,806,990
WEW	2,800,504	2,868,192
Just Fresh	425,151	425,151
Australia	-	7,291,329
Hooters Pacific NW	1,951,909	1,951,909
BGR: The Burger Joint	663,037	-
Little Big Burger	2,417,653	-
BT's Burger Joint	977,465	-
Total	$ 12,269,504	$ 15,617,308

The changes in the carrying amount of goodwill are summarized as follows:

	Nine Months Ended	
	September 30, 2015	September 30, 2014
Beginning Balance	$ 15,617,308	$ 6,496,756
Acquisitions	4,058,155	11,000,045
Impairment	(6,803,537)	-
Foreign currency translation (loss) gain	(602,422)	41,981
Ending Balance	$ 12,269,504	$ 17,538,782

Other intangible assets, consisting of franchise costs, trademarks and tradenames, is summarized by location as follows:

Intangible assets	September 30, 2015	December 31, 2014
Trademark, Tradenames:		
Just Fresh	$ 1,010,000	$ 1,010,000
American Roadside Burger	1,786,930	1,783,954
BGR: The Burger Joint	1,430,000	-
Little Big Burger	1,550,000	-
	5,776,930	2,793,954
Franchise fees:		
South Africa	316,086	290,986
Europe	59,129	106,506
Australia	353,775	383,529
Hooters Pacific NW	90,000	90,000
BGR: The Burger Joint	1,320,000	-
Chanticleer Holdings *	135,000	135,000
	2,273,990	1,006,021
Total Intangibles at cost	8,050,920	3,799,975
Accumulated amortization	(508,525)	(403,472)
Intangible assets, net	$ 7,542,395	$ 3,396,503

* Amortization of the Chanticleer franchise cost will begin with the opening of a related restaurant.

7. LONG-TERM DEBT AND NOTES PAYABLE

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

		September 30, 2015	December 31, 2014
Note payable to a bank due in monthly installments of $4,406 including interest at Wall Street Journal Prime plus 1% (minimum of 5.5%); remaining balance due October 10, 2018; collateralized by substantially all of the Company's assets and guaranteed by an officer of the Company	(a)	$ 143,870	$ 176,731
Line of credit to a bank, expired on October 10, 2015.	(b)	-	500,000
Note payable to a bank due interest only at a 5% rate; balloon principal payment due June 10, 2019; collateralized by substantially all of the Company's assets and guaranteed by an officer of the Company	(c)	971,670	500,000
Loan agreement with an outside company dated December 23, 2013, interest at 1% per month, paid in full in 2015	(d)	-	100,000
Loan agreement with an outside company dated June 20, 2014, interest at 8% annual rate, paid in full in 2015	(e)	-	100,000
Mortage loan dated April, 2014, interest ar South African prime rate + 2.6% (11.85% as of September 30, 2015); due July 31, 2024; secured by a bond on all assets at our Port Elizabeth, South Africa location and partially guaranteed by our CEO and South African COO	(f)	232,677	294,362
Loan agreement with an outside company on July 1, 2014, interest at 12% annual rate, secured by certain secured assets and gaming revenue of the Australian entities, net of discount of $214,834 and $343,733, respectively; matures January 31, 2017	(g)	4,785,166	4,656,267
Bank overdraft facilities; unsecured; maximum facilities $260,000; interest rate 11% at September 30, 2015, with annual renewal each December.	(h)	192,428	151,868
Term facility with monthly payments of 45,288 Rand, including interest at South African Prime + 1.0% (10.25% as of September 30, 2015); due June 14, 2016	(i)	27,182	64,309
Term facility with monthly payments of 44,727 Rand including interest at South Afican Prime + 3.0% (12.25% as of September 30, 2015); due November 15, 2019.	(j)	124,183	170,053
Term facility with monthly payments of 33,750 Rand, including interest at South Afican Prime + 3.0% (12.25% as of September 30, 2015); due December 1, 2018.	(k)	76,774	109,340
Total long-term debt		**$ 6,553,950**	**$ 6,822,930**
Current portion of long-term debt		**1,134,025**	**1,813,647**
Long-term debt, less current portion		**$ 5,419,925**	**$ 5,009,283**

(a) and (b) On April 11, 2013, the Company and Paragon Commercial Bank ("Paragon") entered into a credit agreement (the "Credit Agreement") which provided for a $500,000 revolving credit facility with a one-year term from the closing date. The note payable originally matured on August 10, 2013 and on November 4, 2013 the note was extended to October 10, 2018 with monthly principal and interest payments of $4,406. The credit facility expired on October 10, 2015. 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 (3.25% as of June 30, 2015) plus 1.00%. 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.

(c) Note with Paragon, due on June 10, 2019. The note bears interest at a 5% annual rate, with principal and interest monthly payments of $11,532 starting in June 2015 until the maturity date.

(d) On December 23, 2013, the Company entered into a loan agreement with an outside company for $150,000, originally due on February 23, 2014. Interest is compounded monthly at a rate of 1%. As of February 23, 2014, the Company was not in compliance with the terms of this note due to non-payment of principal and interest. On March 21, 2014 and August 20, 2014, the Company paid the note holder $25,000 each of principal and accrued interest. In March 2015, the Company repaid the loan in full.

(e) On June 20, 2014, the Company entered into a loan agreement with an outside company for $100,000, originally due on July 11, 2014. In March 2015, the Company issued 100,000 shares of its common stock to repay the loan, accrued interest and penalties in full. The Company recognized a loss on extinguishment of debt of $45,000 during the three months ended March 31, 2015, representing the difference between the fair value of the shares issued and the carrying value of the outstanding debt and accrued interest.

(f) In April 2014, our South African subsidiary entered into a mortgage note with a South African bank for the purchase of the building in Port Elizabeth for our Hooters location. The 10-year note was originally issued in the amount of $330,220 with an annual interest rate of 2.6% above the South African prime rate (prime currently 9.25%). Monthly principal and interest payments of approximately $4,600 commenced in August, 2014. The mortgage note is personally guaranteed by our CEO and South African COO and secured by the assets of the Port Elizabeth building.

(g) On July 1, 2014, pursuant to Purchase Agreements executed on June 30, 2014, the Company completed the acquisition of a sixty percent (60%) ownership interest in Hoot Parramatta Pty Ltd, Hoot Australia Pty Ltd, Hoot Penrith Pty Ltd, and TMIX Management Australia Pty Ltd (collectively, the "Australian Entities"), which own, operate, and manage Hooters restaurant locations and gaming operations in Australia. The ownership interest in the Australian Entities was purchased from the respective entities in exchange for the Company agreeing to assume a five million dollar ($5,000,000) debt bearing interest at 12% annually and issuing two hundred fifty thousand (250,000) warrants to purchase shares of our common stock. Originally principal repayments were as follows: $2,000,000 on December 31, 2014, $2,000,000 on June 30, 2015, and $1,000,000 on December 31, 2015. On October 15, 2014, principal repayments were restructured whereby $200,000 was due on December 31, 2014, $50,000 is payable each month from January 2015 through December 2015, $2,000,000 is payable January 31, 2016, $1,200,000 is payable on July 31, 2016 and the remaining $1,000,000 is due by January 31, 2017. The Company and the note holder are currently in discussion to renegotiate the terms of the above payments and other terms of the agreement. The note holder has not demanded the above payments (as of December 31, 2014 through currently) nor will they unless the negotiations terminate. The Company has paid the agreed upon monthly interest payments in 2015 and is currently negotiating a change in payment terms.

(h) The Company's South African subsidiary has local bank financing in the form of term and overdraft facilities with $192,428 and $151,868 outstanding as of September 30, 2015 and December 31, 2014 respectively.

(i) The Company's South African subsidiary has local bank financing in the form of a term loan with monthly payments of approximately $3,500, including interest at South African Prime +1.0%. The term loan matures on June 14, 2016.

(j) The Company's South African subsidiary has local bank financing in the form of a term loan with monthly payments of approximately $3,500, including interest South African Prime +3.0%. The term loan matures on November 15, 2019.

(k) The Company’s South African subsidiary has local bank financing in the form of a term loan with monthly payments of approximately $2,700, including interest at South African Prime + 3.0%. The term loan matures on December 1, 2018.

8. CONVERTIBLE NOTES PAYABLE

Convertible notes payable are as follows:

		September 30. 2015		December 31, 2014
6% Convertible notes payable issued in November 2013	$	3,000,000	$	3,000,000
Discounts on above convertible note		(833,340)		(1,583,333)
15% Convertible notes payable issued in March 2014		-		500,000
Discounts on above convertible note		-		(63,730)
8% Convertible notes payable issued in Nov/Dec 2014		100,000		350,000
Discounts on above convertible note		(17,029)		(289,254)
8% Convertible notes payable issued in January 2015		150,000		-
Discounts on above convertible note		(104,808)		-
8% Convertible notes payable issued in January 2015		575,000		-
Discounts on above convertible note		(359,243)		-
		2,510,580		1,913,683
Current portion of convertible notes payable		215,757		436,270
Convertible notes payable, less current portion	$	2,294,823	$	1,477,413

In the first nine months of 2015, the Company entered into agreements whereby the Company issued new convertible promissory notes for a total of $2,150,000. In addition, the holders convertible notes in the aggregate amount of $2,175,000 elected to convert their notes to common stock during the first nine months of 2015.

In January 2015, the Company issued convertible promissory notes for $1,000,000. The notes accrue interest at 8% per annum until the date the notes are converted. The notes are convertible into the Company’s common stock at 85% of the average of the lowest three closing trading prices over ten days prior the conversion date. The conversion price is subject to a floor of $1.00 per share and a ceiling of $2.00. If not converted, the notes mature three years from the issuance date. The holder could demand payment in full after one year from the issuance date. The Company also issued warrants to purchase 250,000 shares of common stock, exercisable at $2.50 per share for a period of up to 5 years from the note’s original issuance date. The fair value of the embedded conversion feature and the warrants is $670,300 and $202,358, respectively. The resulting debt discount is being amortized over the earlier of (i) the term of the debt or (ii) conversion of the debt, using the straight-line method which approximates the interest method. The amortization of debt discount is included as a component of interest expense in the condensed consolidated statements of operations and comprehensive loss. The embedded conversion feature is accounted for as a derivative liability in the accompanying condensed consolidated balance sheet, with its carrying value marked to market at each balance sheet date. $425,000 of the $1,000,000 note has been converted into common stock during the first nine months of 2015.

In January 2015, the Company also issued a convertible promissory note for a total of $150,000. The note accrues interest at 8% per annum until the date the notes are converted. The notes are convertible into the Company's common stock at 85% of the average of the lowest three closing trading prices over ten days prior the conversion date. The conversion price is subject to a floor of $1.00 per share and a ceiling of $2.00. If not converted, the note matures three years from the issuance date. The Company also issued warrants to purchase 37,500 shares of common stock, exercisable at $2.50 per share for a period of up to 5 years from the note's original issuance date. The fair value of the embedded conversion feature and the warrants is $108,600 and $30,314, respectively. The resulting debt discount is being amortized over the earlier of (i) the term of the debt or (ii) conversion of the debt, using the straight-line method which approximates the interest method. The amortization of debt discount is included as a component of interest expense in the condensed consolidated statements of operations and comprehensive loss. The embedded conversion feature is accounted for as a derivative liability in the accompanying condensed consolidated balance sheet, with its carrying value marked to market at each balance sheet date.

In January 2015, a convertible debt holder converted $500,000 principal plus accrued interest into 373,333 shares of the Company's common stock. In addition, another convertible debt holder converted $250,000 principal plus accrued interest into 168,713 shares of the Company's common stock. In connection with the conversions, the Company recognized a loss on extinguishment of convertible debt, related accrued interest, penalties and derivative liabilities totaling $125,089 during the three months ended March 31, 2015.

In March 2015, the Company issued a convertible promissory note for $1,000,000, which was subsequently converted to common stock in June 2015. The note accrued interest at 9% per annum until the date the note was converted. The note was convertible into the Company's common stock at $2.00 per share. If not converted, the note matured two years from the issuance date. The Company also issued warrants to purchase 320,000 shares of common stock, exercisable at $2.50 per share for a period of up to 5 years from the note's original issuance date. The fair value of the embedded conversion feature and the warrants on the date of issuance was $455,008 and $315,008, respectively. The resulting debt discount was being amortized over the earlier of (i) the term of the debt or (ii) conversion of the debt, using the straight-line method which approximates the interest method. The amortization of debt discount is included as a component of interest expense in the condensed consolidated statements of operations and comprehensive loss. The embedded conversion feature is accounted for as a component of additional paid-in capital in the accompanying condensed consolidated balance sheet. During June 2015, this $1,000,000 million note was converted into 500,000 shares of common stock at the $2.00 per share contractual conversion price. On the date of conversion, $643,371 of unamortized debt discount was accelerated and recognized as interest expense in the accompanying condensed consolidated statement of operations and comprehensive loss.

The fair value of the embedded conversion feature and the warrants were estimated using the Black-Scholes option-pricing model which approximates the Binomial Lattice model. The model includes subjective input assumptions that can materially affect the fair value estimates. The Company determined the fair value of the Binomial Lattice Model and the Black-Scholes Valuation Model to be materially the same. The expected stock price volatility was determined by the historical volatilities for industry peers and used an average of those volatilities. The risk free interest rate was obtained from U.S. Treasury rates for the applicable periods. The contractual terms of the agreement does not provide for and the Company does not expect to declare dividends in the near future. Key assumptions used to apply this pricing model as of the date of issuance, December 31, 2014 and September 30, 2015 are presented in the table below:

	6% Note Issued on August 2, 2013	15% Note Issued on March 19, 2014	8% Note Issued on November 19, 2014	8% Note Issued on December 16, 2014	8% Notes Issued on January 5, 2015	8% Notes Issued on January 5, 2015
Common stock closing price	$ 4.15	$ 3.87	$ 1.70	$ 1.53	$ 1.75	$ 1.75
Conversion per share price	$ 3.73	$ 3.29	$ 1.45	$ 1.30	$ 1.33	$ 1.33
Conversion shares	804,764	151,999	172,672	77,061	112,402	749,344
Expected life (in years)	3.0	1.0	3.0	3.0	3.0	3.0
Expected volatility	110%	62%	74%	74%	73%	73%
Call option value	$ 2.82	$ 1.19	$ 0.90	$ 0.81	$ 0.97	$ 0.97
Risk-free interest rate	0.59%	0.15%	1.10%	1.10%	0.90%	0.90%
Dividends	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

	December 31, 2014	December 31, 2014	December 31, 2014	December 31, 2014	December 31, 2014	December 31, 2014
Common stock closing price	$ 1.73	$ 1.73	$ 1.73	$ 1.73	NA	NA
Conversion per share price	$ 1.49	$ 1.47	$ 1.26	$ 1.26	NA	NA
Conversion shares	2,008,032	340,020	199,177	77,061	NA	NA
Expected life (in years)	1.6	0.2	2.9	3.0	NA	NA
Expected volatility	64%	66%	74%	74%	NA	NA
Call option value	$ 0.64	$ 0.35	$ 0.77	$ 0.78	NA	NA
Risk-free interest rate	0.67%	0.40%	1.10%	1.10%	NA	NA
Dividends	0.00%	0.00%	0.00%	0.00%	NA	NA

	September 30, 2015	September 30, 2015	September 30, 2015	September 30, 2015	September 30, 2015	September 30, 2015
Common stock closing price	$ 1.10	NA	NA	$ 1.10	$ 1.10	$ 1.10
Conversion per share price	$ 1.16	NA	NA	$ 0.95	$ 0.95	$ 0.95
Conversion shares	2,581,978	NA	NA	104,730	157,095	602,199
Expected life (in years)	0.8	NA	NA	2.2	2.3	2.3
Expected volatility	73%	NA	NA	77%	77%	77%
Call option value	$ 0.27	NA	NA	$ 0.53	$ 0.53	$ 0.53
Risk-free interest rate	0.37%	NA	NA	1.01%	1.01%	1.01%
Dividends	0.00%	NA	NA	0.00%	0.00%	0.00%

9. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses are summarized as follows:

	September 30, 2015	December 31, 2014
Accounts payable	$ 3,433,738	$ 3,382,818
Accrued taxes (VAT, GST, Sales, Payroll)	650,012	1,604,829
Accrued income taxes	22,945	92,618
Accrued interest	313,675	499,866
	$ 4,420,370	$ 5,580,131

10. STOCKHOLDERS' EQUITY

The Company has 45,000,000 shares of its $0.0001 par value common stock authorized at both September 30, 2015 and December, 2014, and 21,238,830 and 7,249,442 shares issued and outstanding at September 30, 2015 and December 31, 2014, respectively.

The Company has 5,000,000 shares of its no par value preferred stock authorized at both September 30, 2015 and December 31, 2014. No shares have been issued or outstanding at either September 30, 2015 or December 31, 2014.

In January 2015, a convertible debt holder converted $500,000 principal plus accrued interest into 373,333 shares of the Company's common stock. In addition, another convertible debt holder converted $250,000 principal plus accrued interest into 168,713 shares of the Company's common stock. In March 2015, the Company issued 100,000 shares of its common stock to repay $100,000 of long term debt and related accrued interest and penalties. (See Note 7 – Long Term Debt and Notes Payable and Note 8 – Convertible Notes Payable).

On March 16, 2015, the Company completed a rights offering, receiving subscriptions (including both basic and oversubscriptions) for 3,899,742 shares of its common stock for net proceeds of $7,062,325.

Effective March 15, 2015, the Company closed the purchase of BGR Holdings, LLC. In consideration of the purchased assets, the Company issued 500,000 shares of the Company's common stock as a component of the total purchase price (See Note 3- Acquisitions).

In June 2015, a convertible debt holder converted $1,000,000 principal into 500,000 shares of the Company's common stock.

On June 19, 2015, the Company entered into an agreement with an institutional investor and accredited investors for a registered direct placement of 860,000 shares of common stock at $2.50 per share. The agreement also provides an overallotment right for the investor(s) to purchase up to 860,000 additional shares of common stock at $2.50 per share during the 75 days following the initial closing.

On September 22, 2015, the Company completed a rights offering, receiving subscriptions (including both basic and oversubscriptions) for 4,894,692 shares of its common stock for net proceeds of $6.0 million.

From July through September 2015, convertible debt holders converted an aggregate of $425,000 principal into 289,176 shares of the Company's common stock.

During the first nine months of 2015, the Company issued 49,800 shares of common stock and warrants for services valued at $231,857. The recorded value for common stock issued for services was based on the closing market prices for the Company's common stock. The recorded value of the warrants issued for services valued utilizing the Black-Scholes model.

Options and Warrants

There are no options outstanding as of September 30, 2015 and December 31, 2014.

Fair value of any warrant issuances are valued utilizing the Black-Scholes model. The model includes subjective input assumptions that can materially affect the fair value estimates. The Company determined the fair value of the Binomial Lattice Model and the Black-Scholes Valuation Model to be materially the same. The expected stock price volatility for the Company's warrants was determined by the historical volatilities for industry peers and used an average of those volatilities.

A summary of warrant activity is presented below:

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Life
Outstanding January 1, 2015	8,715,804	$ 5.17	2.2
Granted	840,500	2.55	
Exercised	-	-	
Forfeited	-	-	
Outstanding September 30, 2015	9,556,304	$ 4.94	2.3
Exercisable September 30, 2015	9,556,304	$ 4.94	2.3

The following table presents information related to stock warrants as of September 30, 2015:

Exercise Price	Outstanding Number of Warrants	Weighted Average Remaining Life in Years	Exerciseable Number of Warrants
>$5.00	3,554,514	2.1	3,554,514
$4.00-$4.99	3,935,117	2.2	3,935,117
$3.00-$3.99	413,901	3.7	413,901
$2.00-$2.99	1,340,272	3.1	1,340,272
$1.00-$1.99	312,500	4.2	312,500
	9,556,304		9,556,304

Warrant amortization is summarized as follows:

	Three Months Ended		Nine Months Ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Interest expense	$ 407,263	$ 259,442	$ 1,356,365	$ 930,392
Consulting expense	-	22,375	22,375	152,325
	$ 407,263	$ 281,817	$ 1,378,740	$ 1,082,717

11. RELATED PARTY TRANSACTIONS

Due to related parties

The Company has received non-interest bearing loans and advances from related parties as follows:

	September 30, 2015	December 31, 2014
Hoot SA I, LLC	$ 12,963	$ 12,196
Hooters Australia Partner	-	1,087,451
Chanticleer Investors, LLC	199,436	199,436
	$ 212,399	$ 1,299,083

Due from related parties

The Company has made non-interest bearing advances to related parties. The amounts owed to the Company are as follows:

	September 30, 2015	December 31, 2014
Hoot SA II, III, IV LLC	$ 45,615	$ 46,015
	$ 45,615	$ 46,015

12. SEGMENT INFORMATION

The Company operates and reports its results as a single operating segment. Revenues and operating loss by geographic area were as follows:

	Three Months Ended		Nine Months Ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Revenue:				
United States	$ 6,872,531	$ 3,642,971	$ 17,200,288	$ 9,477,879
South Africa	1,380,665	1,601,493	4,626,094	4,905,249
Australia	830,653	2,641,909	4,824,036	3,153,589
Europe	1,187,456	1,426,179	3,085,071	3,669,177
	$ 10,271,305	$ 9,312,552	$ 29,735,489	$ 21,205,894
Operating Income (Loss):				
United States	$ (1,150,856)	$ (673,118)	$ (4,267,634)	$ (3,247,467)
South Africa	(25,739)	(70,571)	(43,178)	(220,186)
Australia	(4,608,773)	192,556	(5,466,548)	(88,002)
Europe	34,179	19,007	33,650	44,816
	$ (5,751,189)	$ (532,126)	$ (9,743,710)	$ (3,510,839)

Non-current assets by geographic area were as follows:

	September 30, 2015	December 31, 2014
Non-current Assets:		
United States	$ 33,226,470	$ 15,299,108
South Africa	2,428,590	2,172,528
Australia	404,717	13,068,305
Europe	3,354,803	3,648,133
Brazil	135,000	135,000
	$ 39,549,580	$ 34,323,074

13. COMMITMENTS AND CONTINGENCIES

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 two Notices were defended and argued in the High Court of South Africa (Durban) on January 31, 2014. Madam Justice Steryi dismissed the action with costs on May 5, 2014. Ms. Shaw has appealed this decision, and a court date has been set for February 1, 2016.

In connection with our 2011 acquisitions of the South African entities (whereby, on October 1, 2011, Rolalor, Alimenta 177(Pty.) Ltd. and Labyrinth 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, (i.e. not filed certain corporate tax returns for previous years) as well as whether the local authorities could seek to recover any unpaid taxes, interest, penalties, 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 to the matters disclosed above, the Company may be involved in legal proceedings and claims that have arisen in the ordinary course of business. These actions, when ultimately concluded and settled, will not, in the opinion of management, have a material adverse effect upon the financial position, results of operations or cash flows of the company.

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)**
September 30, 2015				
Assets:				
Available-for-sale securities	$ 35,362	$ 35,362	$ -	$ -
Liabilities:				
Embedded conversion feature	$ 1,150,300	$ -	$ -	$ 1,150,300
Warrants	$ 168,361			$ 168,361
December 31, 2014				
Assets:				
Available-for-sale securities	$ 35,362	$ 35,362	$ -	$ -
Liabilities:				
Embedded conversion feature	$ 1,610,900	$ -	$ -	$ 1,610,900
Warrants	$ 334,300	$ -	$ -	$ 334,300

At September 30, 2015 and December 31, 2014, the Company's available-for-sale equity securities were valued using Level 1 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 derivative liabilities are measured at fair value using quoted market prices and estimated volatility factors based on historical quoted market prices for the Company's common stock, and are classified within Level 3 of the valuation hierarchy.

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.

15. AUSTRALIA ADMINISTRATION TRANSACTIONS

On July 14, 2015, voluntary administrators were appointed to review the affairs and assess the financial condition of the Hooters Australia stores. The initiation of voluntary administration followed the request of the Company because the Company believed its operating partner had been mismanaging the business. The Company believed that the Administration process would be the most effective means to objectively evaluate the state of the business and enhance the Company's position and ability to restore the operational and financial performance of the Hooters Australia stores.

From July 14, 2015 through the end of September, the Hooters Australia stores operated under the management of administrators which were appointed by the directors of the Australia entities to facilitate the Administration process. In August, 2015, the Company entered into definitive agreements to invest additional consideration into the Australia business to increase its ownership in the Australia Hooters stores from 60% to 80% and to obtain the assets of those stores free of any prior liabilities or liens. In addition, the Company agreed to purchase the Margaritaville property in Australia which it did not previously control.

The Company and a new local partner, PCS Investments, Pty ("PCS") closed on the purchase of the five Hooters Australia stores in early October 2015, with the Company contributing $1.0 million in additional capital for 80% ownership and PCS investing $0.3 million for 20% ownership in the five Hooters stores. The Company did not complete the purchase the Margaritaville site as the administrator was unable to provide an acceptable lease transfer for the property. Effective early October, the Company resume management and operating control for the Hooters stores.

During the Administration period from July 14, 2015 through early October, 2015, the Company's control was temporarily restricted and management did not recognize revenue or expenses related to the operation of the stores during this brief period. Effective with the resumption of control in early October, 2015, the Company resume normal operations and recognition of revenue.

In connection with the Administration process, the Company evaluated its long-lived assets for impairment and evaluated the carrying value of all other assets and liabilities related to the Australia stores to their net realizable value. As a result of that analysis, management concluded that the goodwill balance had been impaired and that certain other balances were no longer valid or realizable as a consequence of the Administration process. As a result, the Company recorded a net impairment charge of $4.5 million during the three months ended September 30, 2015.

16. SUBSEQUENT EVENTS

During October 2015, the Company issued 100,000 common shares for the conversion of a convertible note payable.

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

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995. These statements include projections, predictions, expectations or statements as to beliefs or future events or results or refer to other matters that are not historical facts. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that could cause the actual results to differ materially from those contemplated by these statements. The forward-looking statements contained in this Quarterly Report are based on various factors and were derived using numerous assumptions. In some cases, you can identify these forward-looking statements by the words "anticipate", "estimate", "plan", "project", "continuing", "ongoing", "target", "aim", "expect", "believe", "intend", "may", "will", "should", "could", or the negative of those words and other comparable words. You should be aware that those statements reflect only the Company's predictions. If known or unknown risks or uncertainties should materialize, or if underlying assumptions should prove inaccurate, actual results could differ materially from past results and those anticipated, estimated or projected. You should bear this in mind when reading this Quarterly Report and not place undue reliance on these forward-looking statements. Factors that might cause such differences include, but are not limited to:

- Operating losses may continue for the foreseeable future; we may never be profitable;

- Inherent risks in expansion of operations, including our ability to acquire additional territories, generate profits from new restaurants and franchise operations, find suitable sites and develop and construct locations in a timely and cost-effective way;
- Inherent risks associated with acquiring and starting new restaurant concepts and store locations:
- General risk factors affecting the restaurant industry, including current economic climate, costs of labor and food prices;
- Intensive competition in our industry and competition with national, regional chains and independent restaurant operators;
- Our rights to operate and franchise the Hooters-branded restaurants are dependent on the Hooters' franchise agreements;
- We do not have full operational control over the businesses of our franchise partners or operations where we hold less 100% ownership;
- Failure to protect our intellectual property rights, including the brand image of our restaurants;
- Our business has been adversely affected by declines in discretionary spending and may be affected by changes in consumer preferences;
- Increases in costs, including food, labor and energy prices;
- Our business and the growth of our Company is dependent on the skills and expertise of management and key personnel;
- Constraints could affect our ability to maintain competitive cost structure, including, but not limited to labor constraints;
- Work stoppages at our restaurants or supplier facilities or other interruptions of production;
- Our food service business and the restaurant industry are subject to extensive government regulation;
- We may be subject to significant foreign currency exchange controls in certain countries in which we operate;
- Inherent risk in foreign operations and currency fluctuations;
- We may not attain our target development goals and aggressive development could cannibalize existing sales;
- Current conditions in the global financial markets and the distressed economy;
- A decline in market share or failure to achieve growth;
- Unusual or significant litigation, governmental investigations or adverse publicity, or otherwise;
- Our debt financing agreements expose us to interest rate risks, contain obligations that may limit the flexibility of our operations, and may limit our ability to raise additional capital;
- Adverse effects on our results from a decrease in or cessation or clawback of government incentives related to investments; and
- Adverse effects on our operations resulting from certain geo-political or other events.

You should also consider carefully the Risk Factors contained in Item 1A of Part I of this Quarterly Report filed on Form 10-Q and Item 1A of Part I of our Annual Report filed on Form 10-K for the period ended December 31, 2014, which address additional factors that could cause its actual results to differ from those set forth in the forward-looking statements and could materially and adversely affect the Company's business, operating results and financial condition. The risks discussed in this Quarterly Report and the Annual Report are factors that, individually or in the aggregate, the Company believes could cause its actual results to differ materially from expected and historical results. You should understand that it is not possible to predict or identify all such factors. Consequently, you should not consider such disclosures to be a complete discussion of all potential risks or uncertainties.

The forward-looking statements are based on information available to the Company as of the date hereof, and, except to the extent required by federal securities laws, the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. In addition, the Company cannot assess the impact of each factor on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Management's Analysis of Business

We are in the business of owning, operating and franchising fast casual and full service dining concepts in the United States and internationally.

We own and operate fifteen Hooters full service restaurants in the United States, Australia, South Africa, Hungary and the United Kingdom. Hooters restaurants are casual beach-themed establishments featuring music, sports on large flat screens, and a menu that includes seafood, sandwiches, burgers, salads, and of course, Hooters original chicken wings and the "nearly world famous" Hooters Girls.

We own, operate and franchise a system-wide total of thirty-nine fast casual restaurants specializing the "Better Burger" category of which twenty-six are company-owned and thirteen are operated by franchisees under franchise agreements. American Burger Company ("ABC") is a fast casual dining chain consisting of five locations in New York and the Carolinas, known for its diverse menu featuring fresh salads, customized burgers, milk shakes, sandwiches, and beer and wine. BGR: The Burger Joint ("BGR"), was acquired in March 2015 and consists of nine company-owned locations in the United States and thirteen franchisee-operated locations in the United States and the Middle East. BT's Burger Joint ("BT") was acquired in July 2015 and consists of four locations in North Carolina. On September 30, 2015, Little Big Burger ("LBB") was acquired, adding eight locations in Oregon.

We also own and operate Just Fresh, our healthier eating fast casual concept with seven company owned locations in Charlotte, North Carolina. Just Fresh offers fresh-squeezed juices, gourmet coffee, fresh-baked goods and premium-quality, made-to-order sandwiches, salads and soups.

As of September, 30, 2015, system-wide store count totaled 61 locations, consisting of 48 company-owned locations and 13 franchisee-operated locations.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2015 COMPARED TO THE THREE MONTHS ENDED SEPTEMBER 30, 2014

Our results of operations are summarized below:

	Three Months Ended September 30, 2015		2014		
	Amount	% of Revenue*	Amount	% of Revenue*	% Change
Restaurant sales, net	$ 10,005,324		$ 8,753,554		14.3%
Gaming income, net	121,031		141,156		-14.3%
Management fees - non-affiliate	25,000		417,842		-94.0%
Frachise income	119,950		-		-
Total revenue	10,271,305		9,312,552		10.3%
Expenses:					
Restaurant cost of sales	3,358,602	33.6%	2,927,629	33.4%	14.7%
Restaurant operating expenses	5,998,627	60.0%	4,997,159	57.1%	20.0%
Restaurant pre-opening and closing expenses	141,306	1.4%	62,293	0.7%	126.8%
General and administrative	1,676,609	16.3%	1,422,193	15.3%	17.9%
Asset impairment charge	4,489,043	43.7%	-	0.0%	-
Depreciation and amortization	358,307	3.5%	435,404	4.7%	-17.7%
Total expenses	16,022,494	156.0%	9,844,678	105.7%	61.7%
Loss from operations	$ (5,751,189)		$ (532,126)		

** Restaurant cost of sales, operating expenses and pre-opening and closing expense percentages are based on restaurant sales, net. Other percentages are based on total revenue.*

Revenue

Total revenue increased 10.3% to $10.3 million for the three months ended September 30, 2015 from $9.3 million for the three months ended September 30, 2014.

Revenues by concept, revenue type and store count are summarized below for each period:

Revenue	Three Months Ended September 30, 2015 Restaurant	Gaming	Franchise	Mgmt Fee	Total	% of Total	Store Count, end of period Company	Franchise	Total
Hooters Full Service	$ 4,520,586	$121,031	$ -	$ -	$ 4,641,617	45.3%	15	-	15
Better Burgers Fast Casual	4,064,881	-	119,950	-	4,184,831	40.7%	26	13	39
Other Fast Casual	1,419,857	-	-	-	1,419,857	13.8%	7	-	7
Corporate and Other	-	-	-	25,000	25,000	0.2%	-	-	-
Total Revenue	$10,005,324	$121,031	$ 119,950	$25,000	$10,271,305	100.0%	48	13	61

Revenue	Three Months Ended September 30, 2014 Restaurant	Gaming	Franchise	Mgmt Fee	Total	% of Total	Store Count, end of period Company	Franchise	Total
Hooters Full Service	$ 6,732,422	$141,156	$ -	$ -	$6,873,578	73.8%	13	-	13
Better Burgers Fast Casual	797,172	-	-	-	797,172	8.6%	6	-	6
Other Fast Casual	1,223,960	-	-	-	1,223,960	13.1%	6	-	6
Corporate and Other	-	-	-	417,842	417,842	4.5%	-	-	-
Total Revenue	$ 8,753,554	$141,156	$ -	$417,842	$9,312,552	100.0%	25	-	25

Restaurant sales increased 14.3% for the nine months ended September 30, 2015 as compared with the nine months ended September 30, 2014. Revenue increases from growth in store count and favorable same store sales were offset by lower revenues from Australia and by foreign currency translation.

Revenue from the Company's Hooter's restaurants declined to $4.5 million for the three months ended September 30, 2015 from $6.7 million for the three months ended September 30, 2014. The temporary cessation of revenues from the Hooters stores in Australia during the Administration period from July 14, 2015 through the end of the quarter accounted for approximately $2.0 million of the decline. The Company resumed normal operations and recognition of restaurant revenue from the five Hooters stores in Australia in early October 2015.

Gaming revenue decreased slightly as increased gaming revenue in the United States were partially offset by the cessation of gaming revenue in Australia during the current quarterly period.

Management fee income decreased $0.4 million due to timing. In the prior year period, the Company recognized $0.4 million in management fees in connection with the distribution from Hooters of America in September 2014. In the current year, the Company received and will recognize management fees related to the current year Hooters of America distribution in October 2015.

Franchise income was $0.1 million for the three months ended September 30, 2015 compared with zero in the prior year. The Company commenced franchise operations in March 2015 with the acquisition of BGR.

We expect revenue to increase with the resumption of normal operations in Australia in October, additional revenue from LBB starting in October, and incremental revenue from several planned new store openings. Management expects the Company to generate total revenues of approximately $55 million on an annualized basis going forward with a current portfolio of 48 company owned and 13 franchisee-owned restaurants system-wide.

Restaurant cost of sales

Restaurant cost of sales increased 14.7% to $3.4 million for the three months ended September 30, 2015 from $2.9 million for the three months ended September 30, 2014. Restaurant revenues increased 14.3% over the same period.

Cost of Restaurant Sales	Three Months Ended September 30, 2015 Amount	2015 % of Restaurant Net Sales	2014 Amount	2014 % of Restaurant Net Sales	% Change
Hooters Full Service	$ 1,520,277	33.6%	$ 2,190,615	32.5%	-30.6%
Better Burgers Fast Casual	1,338,165	32.9%	293,021	36.8%	356.7%
Other Fast Casual	500,160	35.2%	443,993	36.3%	12.7%
	$ 3,358,602	33.6%	$ 2,927,629	33.4%	14.7%

As a percentage of restaurant sales, cost of sales were essentially flat, increasing to 33.6% for the three months ended September 30, 2015 from 33.4% for the three months ended September 30, 2014.

Cost of restaurant sales improved significantly for the Fast Casual stores as the Company continued to focus on driving cost of food, paper and other products lower by leveraging the increasing scale and purchasing volumes of the combined company. Cost of sales for the Better Burger group improved from 36.8% to 32.9% while cost of sales at Just Fresh improved from 36.3% to 35.2%.

Cost of restaurant sales improved as a percent of revenues at the Hooter's restaurants in the United States, South Africa and Europe when compared with the prior year quarter. Those improvements, however, were more than offset by higher costs in Australia. The higher costs in Australia arose primarily from our temporary operation of the Sydney Margaritaville restaurant during Administration. Costs for Hooters Australia, and accordingly for the Hooters group as a whole, are expected to improve in future periods with resumption of normal operations at the five Hooters stores in October 2015.

Restaurant operating expenses

Restaurant operating expenses increased 20.0% to $6.0 million for the three months ended September 30, 2015 from $5.0 for the three months ended September 30, 2014. The increase was primarily driven by increased store locations in the Better Burger group.

Operating Expenses	Three Months Ended September 30, 2015 Amount	2015 % of Restaurant Net Sales	2014 Amount	2014 % of Restaurant Net Sales	% Change
Hooters Full Service	$ 2,821,729	62.4%	$ 3,767,193	56.0%	-25.1%
Better Burgers Fast Casual	2,374,730	58.4%	577,069	72.4%	311.5%
Other Fast Casual	802,169	56.5%	652,898	53.3%	22.9%
	$ 5,998,628	60.0%	$ 4,997,160	57.1%	20.0%

As a percent of restaurant sales, operating expenses increased from 57.1% to 60.0% due to higher operating expenses as a percent of revenue incurred in the temporary operation of the Margaritaville restaurant during the administration process. Operating expenses for Hooters Australia, and accordingly for the Hooters group as a whole, are expected to improve in future periods with resumption of normal operations at the five Hooters stores in October 2015.

As a percent of restaurant net sales, the operating expenses improved in the Better Burger Group with increased efficiencies and the ability to leverage the increased scope of operations.

Restaurant pre-opening and closing expenses

Restaurant pre-opening and closing expenses totaled $141 thousand for the three months ended September 30, 2015 compared to $62 thousand for the three months ended September 30, 2014. The primary activity during the current period was the opening of a new Hooters location in Port Elizabeth, South Africa in August 2015.

General and Administrative Expense ("G&A")

G&A increased 17.9% to $1.7 million for the three months ended September 30, 2015 from $1.4 million for the three months ended September 30, 2014. Significant components of G&A are summarized as follows:

General and Administrative Expenses	Three Months Ended September 30, 2015	2014	% Change
Professional fees	$ 347,707	$ 264,288	31.6%
Salary and benefits	702,007	395,786	77.4%
Consulting and investor relations fees	255,969	292,583	-12.5%
Travel and entertainment	122,902	87,185	41.0%
Shareholder services and fees	27,361	28,848	-5.2%
Other G&A	220,663	353,503	-37.6%
Total G&A Expenses	$ 1,676,609	$ 1,422,193	17.9%

As a percentage of restaurant revenue, G&A was 16.8% for the three months ended September 30, 2015 compared with 16.2% for the three months ended September 30, 2014. G&A increased modestly even as the scope of operations and number of restaurant locations more than doubled from 25 to 61 stores over the past twelve months.

G&A as a percent of revenue for the current quarterly period was negatively impacted by the temporary decline in Australia revenues combined with non-recurring costs related to the acquisition transactions and Australia administration. G&A in the current quarterly period includes approximately $195 thousand of legal, banking, consulting and other non-recurring professional fees related to the acquisition transactions, capital transactions and the Australia administration process. Excluding those non-recurring expenses, G&A was approximately 14.4% of total revenue.

We expect the G&A costs associated with restaurant operations and corporate overhead to continue to decline as a percent of revenues in future periods through a combination of expense rationalization, the absence of non-recurring transaction-related expenses, and increased revenue.

Asset impairment charge

In connection with the reorganization of our Australian subsidiaries, the Company recognized a non-cash charge of $4.5 million for the period ending September 30, 2015. The Company did not incur asset impairments in 2014.

Depreciation and amortization

Depreciation and amortization expense decreased 17.7% to $358 thousand for the three months ended September 30, 2015 from $435 thousand for the three months ended September 30, 2014, primarily due to Australia and certain assets becoming fully depreciated.

OTHER INCOME (EXPENSE)

Other income (expense) consisted of the following:

	Three Months Ended September 30,		
Other Income (Expense)	**2015**	**2014**	**% Change**
Interest expense	$ (657,906)	$ (581,215)	13.2%
Change in fair value of derivative liabilities	262,232	221,000	18.7%
Loss on extinguishment of debt	(145,834)	-	
Other income (expense)	(40,262)	438,607	-109.2%
Total Other Income (Expense)	$ (581,770)	$ 78,392	-842.1%

Interest expense increased 13.2% to $0.7 million for the three months ended September 30, 2015 from $0.6 million for the three months ended September 30, 2014 due to an increase in convertible notes outstanding.

Change in fair value of derivative liability was $0.3 million for the three months ended September 30, 2015 and $0.2 million for the three months ended September 30, 2014. The liability is a non-cash income or expense associated with our convertible debt and is adjusted quarterly based on the change in the fair value of the derivative price of the Company's common stock.

Loss on extinguishment of debt $0.1 million was for the three months ended September 30, 2015 and zero for the three months ended September 30, 2014. During the current period, the holder of a convertible note elected to exercise their right to convert the note to common stock resulting in a non-cash loss based on the difference between the fair value of the common stock issued and the carrying value of the convertible note and related discount balances.

Other income (expense) was a $40 thousand loss for the three months ended September 30, 2015 compared to income of $0.4 million for the prior year period. The prior year includes a distribution from Hooters of America. In the current year, the distribution was received and will be recognized during the fourth quarter of 2015.

NET GAIN (LOSS) FROM DISCONTINUED OPERATIONS

Net gain from discontinued operations was zero for the three months ended September 30, 2015 compared to a net loss of $56 thousand for the three months ended September 30, 2014. The Company discontinued the operations of its Spoon business in December 2014 and had no activity in the current period.

RESULTS OF OPERATIONS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015 COMPARED TO THE NINE MONTHS ENDED SEPTEMBER 30, 2014

Our results of operations are summarized below:

	Nine Months Ended September 30, 2015		Nine Months Ended September 30, 2014		
	Amount	% of Revenue*	Amount	% of Revenue*	% Change
Restaurant sales, net	$ 28,907,536		$ 20,465,510		41.3%
Gaming income, net	352,881		272,391		29.5%
Management fees - non-affiliate	204,124		467,993		-56.4%
Frachise income	270,948		-		
Total revenue	29,735,489		21,205,894		40.2%
Expenses:					
Restaurant cost of sales	9,937,190	34.4%	7,097,300	34.7%	40.0%
Restaurant operating expenses	17,451,671	60.4%	11,846,792	57.9%	47.3%
Restaurant pre-opening and closing expenses	739,495	2.6%	323,274	1.6%	128.8%
General and administrative	5,656,545	19.0%	4,287,279	20.2%	31.9%
Asset impairment charge	4,489,043	15.1%	-	-	-
Depreciation and amortization	1,205,255	4.1%	1,162,088	5.5%	3.7%
Total expenses	39,479,199	132.8%	24,716,733	116.6%	59.3%
Loss from operations	$ (9,743,701)		$ (3,510,839)		174.6%

** Restaurant cost of sales, operating expenses and pre-opening and closing expense percentages are based on restaurant sales, net. Other percentages are based on total revenue.*

Revenue

Total revenue increased 40.2% to $29.7 million for the nine months ended September 30, 2015 from $21.2 million for the nine months ended September 30, 2014.

Revenues by concept, revenue type and store count are summarized below for each period:

	Nine Months Ended September 30, 2015						Store Count, end of period		
Revenue	Restaurant	Gaming	Franchise	Mgmt Fee	Total	% of Total	Company	Franchise	Total
Hooters Full Service	$15,887,497	$352,881	$ -	$129,124	$16,369,502	55.0%	15	-	15
Better Burgers Fast Casual	8,828,761	-	270,948	-	9,099,709	30.6%	26	13	39
Other Fast Casual	4,191,278	-	-	-	4,191,278	14.1%	7	-	7
Corporate and Other	-	-	-	75,000	75,000	0.3%	-	-	-
Total Revenue	$28,907,536	$352,881	$ 270,948	$204,124	$29,735,489	100.0%	48	13	61

	Nine Months Ended September 30, 2014						Store Count, end of period		
Revenue	Restaurant	Gaming	Franchise	Management Fee	Total	% of Total	Company	Franchise	Total
Hooters Full Service	$14,623,681	$272,391	$ -	$ -	$14,896,072	70.2%	13	-	13
Better Burgers Fast Casual	2,201,747	-	-	-	2,201,747	10.4%	6	-	6
Other Fast Casual	3,640,082	-	-	-	3,640,082	17.2%	6	-	6
Corporate and Other	-	-	-	467,993	467,993	2.2%	-	-	-
Total Revenue	$20,465,510	$272,391	$ -	$ 467,993	$21,205,894	100.0%	25	-	25

Restaurant sales increased 41.3% to $28.9 million for the nine months ended September 30, 2015 from $20.5 for the nine months ended September 30, 2014. Revenue increased from growth and store count and favorable same store sales comparisons were partially offset by lower revenues from Australia and by foreign currency translations.

Revenue from the Company's Hooter's restaurants increased to $15.9 million for the nine months ended September 30, 2015 from $14.6 million for the nine months ended September 30, 2014. The comparisons were impacted by differences in the periods of consolidation for the Hooters Australia stores, the opening of 2 new stores as well as by foreign currency translation differences. The 2014 period includes revenue from Hooters Australia beginning with the acquisition of 2 stores on April 1, 2014 and another 2 stores on July 1, 2014. The 2015 period included revenue from all stores through July 14, 2015 (including a fifth store that opened in late May 2015), but does not include approximately $2.0 million of revenue for the period July 14, 2015 through September 30, 2015 while the stores were in Administration. The Company resumed normal operations and recognition of restaurant revenue from all five Hooters stores in Australia in early October 2015.

Gaming revenue increased primarily on increased gaming revenue in the United States and the impact of timing differences discussed above for the Hooters Australia operations.

Management fee income decreased $0.3 million due to timing. In the prior year period, the Company recognized $0.4 million in management fees in connection with the distribution from Hooters of America in September 2014. In the current year, the Company received and will recognize management fees related to the current year Hooters of America distribution in October 2015.

Franchise income was $0.3 million for the nine months ended September 30, 2015 compared with zero in the prior year. The Company commenced franchise operations in March 2015 with the acquisition of BGR.

We expect revenue to increase with the resumption of normal operations in Australia in October, additional of revenue from LBB starting in October, and incremental revenue from several planned new store openings. Management expects Company to generate total revenues of approximately $55 million on an annualized basis going forward with a current portfolio of 48 company owned and 13 franchisee-owned restaurants system-wide.

Restaurant cost of sales

Restaurant cost of sales increased 40.5% to $9.9 million for the nine months ended September 30, 2015 from $7.1 for the nine months ended September 30, 2014. Restaurant revenues increased 41.3% over the same period.

	Nine Months Ended September 30, 2015		2014		
Cost of Restaurant Sales	Amount	% of Restaurant Net Sales	Amount	% of Restaurant Net Sales	% Change
Hooters Full Service	$ 5,488,021	34.5%	$ 4,949,103	33.8%	10.9%
Better Burgers Fast Casual	2,974,273	33.7%	850,217	38.6%	249.8%
Other Fast Casual	1,474,896	35.2%	1,297,980	35.7%	13.6%
Corporate and Other					
	$ 9,937,190	34.4%	$ 7,097,300	34.7%	40.0%

As a percentage of restaurant sales, net, restaurant cost of sales decreased to 34.4% for the nine months ended September 30, 2015 from 34.7% for the nine months ended September 30, 2014.

Cost of restaurant sales improved significantly for the Fast Casual stores as the Company continued to focus on driving cost of food, paper and other products lower by leveraging the increasing scale and purchasing volumes of the combined company. Cost of sales for the Better Burger group improved from 38.6% to 33.7% while cost of sales at Just Fresh improved from 35.7% to 35.2%.

Cost of restaurant sales improved as a percent of revenues at the Hooter's restaurants in the United States, South Africa and Europe when compared with the prior year period. Those improvements, however, were more than offset by higher costs in Australia. Costs for Hooters Australia, and accordingly for the Hooters group as a whole, are expected to improve in future periods with resumption of normal operations at the five Hooters stores in October 2015.

Restaurant operating expenses

Restaurant operating expenses increased 47.3% to $17.5 million for the nine months ended September 30, 2015 from $11.9 million for the nine months ended September 30, 2014 due to the increase in the number of store locations and related restaurant business volumes.

	Nine Months Ended September 30, 2015		2014		
Operating Expenses	Amount	% of Restaurant Net Sales	Amount	% of Restaurant Net Sales	% Change
Hooters Full Service	$ 9,839,496	61.9%	$ 8,243,497	56.4%	19.4%
Better Burgers Fast Casual	5,365,131	60.8%	1,698,098	77.1%	215.9%
Other Fast Casual	2,247,045	53.6%	1,905,199	52.3%	17.9%
	$17,451,672	60.4%	$11,846,794	57.9%	47.3%

As a percent of restaurant sales operating expenses increased from 57.9% to 60.4% due to higher operating expenses as a percent of revenue incurred in the temporary operation of the Margaritaville restaurant during the administration process. Operating expenses for Hooters Australia, and accordingly for the Hooters group as a whole, are expected to improve in future periods with resumption of normal operations at the five Hooters stores in October 2015.

As a percent of restaurant net sales, the operating expenses improved in the Better Burger Group from 77.1% to 60.8% due to increased efficiencies and the ability to leverage the increased scope of operations.

Restaurant pre-opening and closing expenses

Restaurant pre-opening and closing expenses totaled $0.7 million for the nine months ended September 30, 2015 from $0.3 million for the nine months ended September 30, 2014. The increased expense was due primarily to the Company's opening of the Townsville Hooters location in Australia, Port Elizabeth Hooters location in South Africa and the closing of our ABC location in Columbia, South Carolina.

General and Administrative Expense ("G&A")

G&A increased 31.9% to $5.7 million for the nine months ended September 30, 2015 from $4.3 million for the nine months ended September 30, 2014. Significant components of G&A are summarized as follows:

	Nine Months Ended September 30,		
General and Administrative Expenses	**2015**	**2014**	**% Change**
Professional fees	$ 1,265,501	$ 899,285	40.7%
Salary and benefits	1,817,696	1,238,820	46.7%
Consulting and investor relations fees	1,378,254	1,083,031	27.3%
Travel and entertainment	275,515	221,490	24.4%
Shareholder services and fees	65,636	103,334	-36.5%
Other G&A	853,943	741,319	15.2%
Total G&A Expenses	$ 5,656,545	$ 4,287,279	31.9%

As a percentage of restaurant revenue, G&A decreased to 19.6% for the nine months ended September 30, 2015 from 20.9 % for the nine months ended September 30, 2014. The improvement in G&A as a percent of revenue is primarily due to the growth in revenues and store locations, allowing us to scale our overhead costs over a larger business.

G&A as a percent of revenue for the current period was negatively impacted by the temporary decline in Australia revenues combined with the incurrence of non-recurring costs related to the acquisition transactions and Australia administration during 2015. G&A in the current nine month period includes approximately $1.0 million of legal, banking, consulting and other non-recurring professional fees related to the acquisition transactions, capital transactions and Australia administration process. Excluding those non-recurring expenses, G&A was approximately 15.7% of total revenue.

We expect the G&A costs associated the restaurant operations and corporate overhead to continue to decline as a percent of revenues in future periods through a combination of expense rationalization, the absence of non-recurring transaction-related expenses, and increased revenue.

Asset impairment charge

In connection with the reorganization of our Australian subsidiaries, the Company recognized a non-cash charge of $4.5 million for the period ending September 30, 2015. The Company did not incur asset impairments in 2014.

Depreciation and amortization

Depreciation and amortization expense increased 3.7% to $1,205,255 for the nine months ended September 30, 2015 from $1,162,088 for the nine months ended September 30, 2014 due to increased depreciable property and equipment and franchise fees associated with acquired and newly opened restaurants.

OTHER INCOME (EXPENSE)

Other income (expense) consisted of the following:

Other Income (Expense)	Nine Months Ended September 30, 2015	2014	% Change
Interest expense	$ (2,736,555)	$ (1,268,756)	115.7%
Change in fair value of derivative liabilities	833,139	925,200	-10.0%
Loss on extinguishment of debt	(315,923)	-	-
Realized gains on securities	-	101,472	-100.0%
Equity in losses of investments	-	(40,694)	-100.0%
Other income	35,064	446,445	-92.1%
Total Other (Expense) Income	$ (2,184,275)	$ 163,667	-1434.6%

Interest expense increased 115.7% to $2.7 million for the nine months ended September 30, 2015 from $1.3 million for the nine months ended September 30, 2014. The Company increased its debt obligations and related interest expenses in connection with the Company's growth strategy and recent business combinations, which included the assumption of $5 million in additional long term debt for the acquisition of the Australia entities. The nine months ended September 30, 2015 also included one-time accelerated non-cash amortization of debt discount of approximately $0.6 million related to conversion of a note payable of $1 million.

Change in fair value of derivative liability was $0.8 million for the nine months ended September 30, 2015 and $0.9 million for the nine months ended September 30, 2014. The liability is a non-cash income or expense associated with our convertible debt and is adjusted quarterly based on the change in the fair value of the derivative price of the Company's common stock

Loss on extinguishment of debt was $0.3 million for the nine months ended September 30, 2015 and zero for the nine months ended September 30, 2014. During 2015, several or the Company's convertible notes and one of the Company's term debt instruments were converted by the holders into shares of the Company's common stock. In connection with the conversions, the Company recognized a loss on extinguishment of convertible debt, related accrued interest, penalties and derivative liabilities. The Company did not have any debt conversions in the prior year.

The Company sold a marketable security in the 2014, realizing a gain of $101,472 for the nine months ended September 30, 2014. The Company did not sell any marketable securities in the current year.

The Company recognized losses in connection with its minority ownership of the Hooters stores in Australia during the first quarter of 2014. From April 1, 2014 forward, the company increased its ownership and began consolidating Australia and does not have any equity investments subsequent to that date.

Other income was a $35 thousand loss for the nine months ended September 30, 2015 compared to income of $0.4 million for the prior year period. The prior year includes a distribution from Hooters of America. In the current year, the distribution was received and will be recognized during the fourth quarter of 2015.

NET GAIN (LOSS) FROM DISCONTINUED OPERATIONS

Net gain from discontinued operations was $189 for the nine months ended September 30, 2015 compared to a loss of $161 thousand for the nine months ended September 30, 2014. The Company discontinued the operations of its Spoon business in December 2014.

LIQUIDITY AND CAPITAL RESOURCES

As of September 30, 2015, our cash balance was $1.8 million and working capital was a deficit of $3.2 million (excluding non-cash derivative liabilities and deferred rent). Cash and working capital as of September improved by $1.6 million and $4.1 million, respectively, as compared with December 31, 2014. The level of additional cash needed to fund operations and our ability to conduct business for the next twelve months will be influenced primarily by the following factors:

● the pace of growth in our restaurant businesses and related investments in opening new stores;

● the level of investment in acquisition of new restaurant businesses and entering new markets;

● our ability to manage our operating expenses and maintain gross margins as we grow:

● our ability to access the capital and debt markets;

● popularity of and demand for our fast casual dining concepts; and

● general economic conditions and changes in consumer discretionary income.

We have typically funded our operating costs, acquisition activities, working capital investments and capital expenditures with proceeds from the issuances of our common stock and other financing arrangements, including convertible debt, lines of credit, notes payable and capital leases.

Our operating plans for the next twelve months contemplate moderate organic growth, opening 3-4 new stores within our current markets and restaurant concepts. During the first nine months of 2015:

- During the first quarter of 2015, we completed a rights offering raising net proceeds of approximately $7.1 million and issued $2.2 million in convertible debt to fund the acquisition of BGR: The Burger Joint and for general corporate purposes.

- During the second quarter of 2015, we completed an equity transaction raising net proceeds of approximately $1.9 million to complete the acquisition of BT's Burger Joints and for general corporate purposes.

- During the third quarter of 2015, we completed a rights offering raising net proceeds of approximately $6.0 million to fund the acquisition of Little Big Burger, investments in Australia and general corporate purposes.

As we execute our growth plans throughout the balance of 2015 and 2016, we intend to carefully monitor the impact of growth on our working capital needs and cash balances relative to the availability of cost-effective debt and equity financing. We believe the capital resources available to us will be sufficient to fund our ongoing operations and to support our operating plans. We may raise additional capital from the issuance of new debt and equity to continue to execute our growth plans, although there can be no assurance that we will be able to do so. In the event that such capital is not available, we may have to scale back or freeze our organic growth plans, reduce general and administrative expenses and/or curtail future acquisition plans to manage our liquidity and capital resources.

CRITICAL ACCOUNTING POLICIES

Our condensed consolidated financial statements and accompanying notes are prepared in accordance with accounting principles generally accepted in the United States of America. Preparation of these statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. These estimates and assumptions are affected by the application of our accounting policies. Critical accounting policies are those that require application of management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain and may change in subsequent periods. A summary of significant accounting policies and a description of accounting policies that are considered critical may be found in our 2014 Annual Report on Form 10-K, filed with the U.S. Securities and Exchange Commission on April 14, 2015, in the Notes to the Consolidated Financial Statements, Note 1, and the Critical Accounting Policies section of Management's Discussion and Analysis of Financial Condition and Results of Operations.

ITEM 3: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4: CONTROLS AND PROCEDURES

Evaluation of disclosure controls and 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 December 31, 2014. Our management has determined that, as of September 30, 2015, the Company's disclosure controls and procedures were ineffective.

Management evaluated our internal control over financial reporting as of September 30, 2015. 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 September 30, 2015, our internal control over financial reporting was ineffective.

Material Weaknesses

A material weakness is a control deficiency, or a combination of control deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

Management identified the following material weaknesses in its internal control over financial reporting:

- Lack of sufficient qualified personnel to design, implement, and maintain an effective control environment as it relates to financial reporting. Given the significant expansion of the business and all of our operations, we did not yet integrate an effective control environment with the sufficient complement of personnel with the appropriate level of accounting knowledge, experience, and training in U.S. GAAP to assess the completeness and accuracy of certain accounting and reporting matters.

- Period-end financial reporting process. Given the significant expansion of the business and all of our operations we did not design or maintain effective control over the period-end financial reporting process, including control with respect to the preparation, review, supervision, and monitoring of accounting operations and financial reporting. More specifically, due to the expansion of our business, we did not yet prepare timely accounting reconciliations nor did we have adequate financial reporting personnel to prepare timely and accurate financial statements, including related disclosures.

The material weaknesses described above could result in misstatements that would result in a material misstatement of the consolidated financial statements in a future annual or interim period that would not be prevented or detected.

Remediation Plans

We have initiated several steps and plan to continue to evaluate and implement measures designed to improve our internal control over financial reporting in order to remediate the material weaknesses, noted specifically above.

While our evaluation of the appropriate remediation plans is still ongoing, efforts to date have included recruiting additional experienced accounting personnel at certain of our acquired businesses and improving certain processes. The Company also engages third party consultants with expertise in the preparation of financial reporting and other financial aspects of the business, as well as continuing to integrate the Company's subsidiaries accounting personnel and processes.

Changes in Internal Control over Financial Reporting

As a result of the acquisitions, the Company is evaluating additional changes to processes and policies to further standardize the internal control over financial reporting with respect to the monitoring, reporting and consolidation of the financial results of the acquired operations into the Company's financial statements. Except for the activities described above, there were no changes in the Company's internal control over financial reporting that occurred during the period ended September 30, 2015, that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1: LEGAL PROCEEDINGS

We are subject to various legal proceedings from time to time in the ordinary course of business, which may not be required to be disclosed under this Item 1. For the nine month period ending September 30, 2015 covered by this Quarterly Report, there have been no reportable legal proceedings or material developments to previously reported legal proceedings.

ITEM 1A: RISK FACTORS

We rely in part on our franchisees. Disputes with our franchisees, or failures by our franchisees to operate successfully, to develop or finance new stores or build them on suitable sites or open them on schedule, could adversely affect our growth and our operating results.

Our franchisees could take actions that could harm our business.

A portion of our growth strategy depends on opening new stores both domestically and internationally. Our ability to expand our store base is influenced by factors beyond our and our franchisees' control, which may slow store development and impair our strategy.

Other than the addition of the foregoing risk factors, there have been no material changes to our risk factors as previously disclosed in "Risk Factors" in Item 1A of Part I of our Annual Report on Form 10-K for the year ended December 31, 2014. Readers should carefully consider the other risk factors discussed in "Risk Factors" in Item 1A of Part I of the Annual Report on Form 10-K, which could materially affect our business, financial condition or future results. The risks described in this Quarterly Report and the Annual Report on Form 10-K are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or future results.

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

None.

ITEM 3: DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4: MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5: OTHER INFORMATION

None.

ITEM 6: EXHIBITS

Exhibit No.	Description
31.1	Certification of Principal Executive Officer, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
31.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
32.1	Certification of Principal Executive Officer of the Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith)
32.2	Certification of Principal Financial Officer of the Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith)
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

In accordance with SEC Release 33-8238, Exhibits 32.1 and 32.2 are furnished and not filed.

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: November 16, 2015

By: */s/ Michael D. Pruitt*
Michael D. Pruitt
Chief Executive Officer
(Principal 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 SEPTEMBER 30, 2015
CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael D. Pruitt, certify that:

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

2. Based on my knowledge, this 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. The registrant's other certifying officer and I are 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-15(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 our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us 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 our 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 our 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 control over financial reporting that occurred during the registrant's most recent 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. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 16, 2015

/s/ Michael D. Pruitt
Michael D. Pruitt
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CHANTICLEER HOLDINGS, INC. FORM 10-Q FOR THE QUARTER ENDED SEPTEMBER 30, 2015
CERTIFICATION OF 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:

1. I have reviewed this Quarterly Report on Form 10-Q of Chanticleer Holdings, Inc.;

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. The registrant's other certifying officer and I are 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-15(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 our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us 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 our 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 our 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 control over financial reporting that occurred during the registrant's most recent 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. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions);

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 16, 2015

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

Exhibit 32.1

CHANTICLEER HOLDINGS, INC. FORM 10-Q FOR THE QUARTER ENDED SEPTEMBER 30, 2015
CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with this Quarterly Report of Chanticleer Holdings, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2015, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Michael D. Pruitt, Chief Executive Officer of the Company, does hereby certify, pursuant to § 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. § 1350), that to his knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Chanticleer Holdings, Inc.

Date November 16, 2015

/s/ Michael D. Pruitt
Michael D. Pruitt
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CHANTICLEER HOLDINGS, INC. FORM 10-Q FOR THE QUARTER ENDED SEPTEMBER 30, 2015
CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with this Quarterly Report of Chanticleer Holdings, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2015, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Eric S. Lederer, Chief Financial Officer of the Company, does hereby certify, pursuant to § 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. § 1350), that to his knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Chanticleer Holdings, Inc.

Date: November 16, 2015

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