

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM S-3  
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

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

**Delaware**  
(State or jurisdiction of  
incorporation or organization)

**8742**  
(Primary Standard Industrial  
Classification Code Number)

**20-2932652**  
(I.R.S. Employer  
Identification Number)

**7621 Little Avenue,  
Suite 414, Charlotte, NC 28226**  
(Address and telephone number of principal executive offices and principal place of business)

**Michael D. Pruitt**  
**Chief Executive Officer**  
**Chanticleer Holdings, Inc.**  
**7621 Little Avenue, Suite 414**  
**Charlotte, NC 28226**  
**(704) 366-5122**  
(Name, address and telephone number of agent for service)

*With copy to:*

**Ruba Qashu**  
**Libertas Law Group, Inc.**  
**225 Santa Monica Boulevard, 11<sup>th</sup> Floor**  
**Santa Monica, CA 90401**

**Approximate date of commencement of proposed sale to the public:** As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective Registration Statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box.

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 12b2 of the Exchange Act.

Large accelerated filer

Non-accelerated filer

(Do not check if a smaller reporting company)

Accelerated filer

Smaller reporting company

**CALCULATION OF REGISTRATION FEE**

<b>Title of Each Class of Securities to be Registered</b>	<b>Amount to be Registered (1)</b>	<b>Proposed Maximum Offering Price per Share (2)</b>	<b>Estimated Proposed Maximum Aggregate Offering Price</b>	<b>Amount of Registration Fee</b>
<i>Primary Offering by Chanticleer Holdings, Inc.:</i>				
Common Stock, par value \$0.0001 par value				
Warrants				
Units				
Rights				
Total for Primary Offering			\$ 15,000,000	\$ 1,743(3)
<i>Secondary Offering by Selling Shareholders:</i>				
Common Stock, par value \$0.0001 per share (5)	900,000	\$ 2.70	\$ 2,430,000	\$ 283(4)
<i>Total for Primary and Secondary Offerings</i>			\$ 17,331,000	\$ 2,013.86

(1) There are being registered hereunder such indeterminate number of shares of common stock, such indeterminate number of warrants and rights to purchase common stock, and such indeterminate number of units as shall have an aggregate initial offering price not to exceed \$15,000,000. In addition, up to 900,000 shares of common stock may be sold from time to time pursuant to this registration statement by the selling shareholders named herein. Any securities registered hereunder may be sold separately or as units with the other securities registered hereunder. The securities registered hereunder also include such indeterminate number of shares of common stock as may be issued upon exercise of warrants or rights or pursuant to the antidilution provisions of any of such securities. In addition, pursuant to Rule 416 under the Securities Act, the shares being registered hereunder include such indeterminate number of shares of common stock as may be issuable with respect to the shares being registered hereunder as a result of stock splits, stock dividends or similar transactions.

- (2) The proposed maximum offering price per unit of each class of security registered hereunder will be determined from time to time in connection with, and at the time of, the issuance of the securities and is not specified as to each class of security pursuant to General Instruction II.D. of Form S-3, as amended.
- (3) Calculated pursuant to Rule 457(o) under the Securities Act, based on the proposed maximum aggregate offering price of all securities listed.
- (4) With respect to shares of common stock to be offered by the selling shareholders in the secondary offering, the price has been estimated solely for the purpose of calculating the registration fee, pursuant to Rule 457(g) and (c) under the Securities Act, based on the average of the high and low prices reported for the shares of common stock as reported on the Nasdaq Capital Market on April 22, 2015.
- (5) Includes 400,000 shares issuable upon exercise of outstanding warrants and 500,000 shares issuable upon conversion of outstanding notes.

**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

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**The information in this prospectus is not complete and may be changed. Neither we nor the selling shareholders may sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is prohibited.**

**Subject to completion, dated April 27, 2015**

**PROSPECTUS**

## **CHANTICLEER HOLDINGS, INC.**

**\$15,000,000**  
**Common Stock, Warrants, Units and Rights**  
**and**  
**900,000 Shares of Common Stock**

This prospectus covers our offer and sale from time to time of any combination of common stock, warrants, units or rights described in this prospectus in one or more offerings. This prospectus provides a general description of the securities we may offer and sell. Each time we offer and sell securities we will provide specific terms of the securities offered in a supplement to this prospectus. The prospectus supplement may also add, update or change information contained in this prospectus. The aggregate offering price of all securities sold by us under this prospectus may not exceed \$15,000,000.

This prospectus also covers the resale by the selling shareholders identified in the "Selling Shareholders" section of this prospectus of up to an aggregate of 900,000 shares of our common stock, consisting of 400,000 shares issuable upon exercise of outstanding warrants and 500,000 shares issuable upon conversion of outstanding notes. We will not receive any of the proceeds from the sale of shares of our common stock by the selling shareholders. We may receive up to \$1,000,000 upon the exercise of the outstanding warrants.

Shares of our common stock are traded on the NASDAQ Capital Market ("Nasdaq") under the symbol "HOTR". On April 22, 2015, the closing sales price for our common stock was \$2.70 per share.

**Investing in our securities involves risks. See "Risk Factors" beginning on page 7 of this prospectus as well as the risk factors and other information in any documents we incorporate by reference into this prospectus to read about important factors you should consider before investing.**

**Neither we nor any selling shareholder has authorized any dealer, salesman or other person to give any information or to make any representation other than those contained or incorporated by reference in this prospectus and an accompanying supplement to this prospectus. You must not rely upon any information or representation not contained or incorporated by reference in this prospectus or the accompanying prospectus supplement.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.**

**The date of this prospectus is April 27, 2015**

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## ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement on Form S-3 that we filed with the Securities and Exchange Commission, or the SEC, utilizing a “shelf” registration process. Under this shelf process, we may offer and sell any combination of the securities described in this prospectus and the selling shareholders may offer and sell shares of common stock in one or more offerings. This prospectus provides you with a general description of the securities we or the selling shareholders may offer and sell. Each time we or the selling shareholders sell securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with additional information described under the heading “Where You Can Find More Information”.

Unless the context otherwise requires, “Chanticleer,” “Company,” “we,” “us” and “our” refer to Chanticleer Holdings, Inc. and its consolidated subsidiaries, and “selling shareholders” and “selling shareholder” refer to one or more selling shareholders identified in the “Selling Shareholders” section of this prospectus. References to “securities” include any security that we or the selling shareholders might offer under this prospectus or any prospectus supplement.

We have filed or incorporated by reference exhibits to the registration statement of which this prospectus forms a part. You should read the exhibits carefully for provisions that may be important to you.

## WHERE YOU CAN FIND MORE INFORMATION

We file periodic reports, proxy statements and other information with the SEC. Our filings are available to the public over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file with the SEC at the SEC's Public Reference Room, located at 100 F Street, N.E., Washington, D.C. 20549. You can also obtain copies of the documents at prescribed rates by writing to the Public Reference Section of the SEC at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of its Public Reference Room. We will also provide you with a copy of any or all of the reports or documents that have been incorporated by reference into this prospectus or the registration statement of which it is a part upon written or oral request, and at no cost to you. If you would like to request any reports or documents from the company, please contact Investor Relations at Chanticleer Holdings, Inc., 7621 Little Avenue, Suite 414, Charlotte, NC 28226, (704) 366-5122 or at [ir@chanticleerholdings.com](mailto:ir@chanticleerholdings.com).

Our Internet address is [www.chanticleerholdings.com](http://www.chanticleerholdings.com). We have not incorporated by reference into this prospectus the information on our website, and you should not consider it to be a part of this document. Our web address is included in this document as an inactive textual reference only.

## INCORPORATION OF INFORMATION BY REFERENCE

The SEC allows us to “incorporate by reference” into this prospectus the information we file with the SEC. This means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus.

We are incorporating by reference the following documents that we have filed with the SEC (other than any filing or portion thereof that is furnished, rather than filed, under applicable SEC rules):

- our Annual Report on Form 10-K for the year ended December 31, 2014, filed with the SEC on April 15, 2015;
- all other reports filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act since the end of our 2014 fiscal year;
- the description of our common stock contained in the prospectus, constituting part of our Registration Statement on Form S-1 (File No. 333-178307) filed with the SEC on December 2, 2011, and subsequently amended on December 8, 2011, February 3, 2012, February 22, 2012, April 12, 2012, May 21, 2012, May 30, 2012, June 5, 2012, and June 19, 2012.

All documents that we subsequently file pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 prior to the termination of this offering shall be deemed to be incorporated by reference into this prospectus.

Our Internet address is [www.chanticleerholdings.com](http://www.chanticleerholdings.com) and the URL where incorporated reports and other reports may be accessed is <http://ir.stockpr.com/chanticleerholdings/all-sec-filings>.

The reports incorporated by reference into this prospectus are available from us upon request. We will provide a copy of any and all of the reports and documents that are incorporated by reference, including exhibits to such reports and documents, in this prospectus to any person, including a beneficial owner, to whom a prospectus is delivered, without charge, upon written or oral request. Requests for such copies should be directed to the following:

Chanticleer Holdings, Inc.  
Investor Relations  
7621 Little Avenue, Suite 414  
Charlotte, North Carolina 28226  
(704) 366-5122  
[ir@chanticleerholdings.com](mailto:ir@chanticleerholdings.com)

Except as expressly provided above, no other information, including none of the information on our website, is incorporated by reference into this prospectus.

## INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements, within the meaning of the Federal securities laws, which involve substantial risks and uncertainties. Any statements contained herein that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the foregoing, the words “outlook”, “believes”, “plans”, “intends”, “expects”, “goals”, “potential”, “continues”, “may”, “should”, “seeks”, “will”, “would”, “approximately”, “predicts”, “estimates”, “anticipates” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these words. You should read statements that contain these words carefully because they discuss our plans, strategies, prospects and expectations concerning our business, operating results, financial condition and other similar matters. We believe that it is important to communicate our future expectations to our investors. There will be events in the future, however, that we are not able to predict accurately or control. The factors listed under “Risk Factors” in this prospectus and in any documents incorporated by reference into this prospectus as well as any cautionary language in this prospectus, provide examples of risks, uncertainties and events that may cause our actual results to differ materially from the expectations we describe in our forward-looking statements. Such risks and uncertainties include, among other things, risks and uncertainties related to:

- Operating losses continuing 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, find suitable sites and develop and construct locations in a timely and cost-effective way;
- 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 Hooters-branded restaurants are dependent on the Hooters’ franchise agreements;
- Our business depends on our relationship with Hooters;
- We do not have full operational control over the businesses of our franchise partners;
- Failure by Hooters to protect its intellectual property rights, including its brand image;
- 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;
- 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;
- Adverse effects on our operations resulting from the current class action litigation in which the Company is one of several defendants;
- 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.

Before you invest in our securities, you should be aware that the occurrence of the events described in these risk factors and elsewhere in this prospectus under the heading “Risk Factors” and in any documents incorporated by reference into this prospectus could have a material adverse effect on our business, results of operations and financial position. Any forward-looking statement made by us in this prospectus speaks only as of the date on which we make it. Factors or events that could cause our actual results to differ will emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. All forward-looking statements should be evaluated with the understanding of their inherent uncertainty. You are advised to consult any further disclosures we make on related subjects in the reports we file with the SEC pursuant to Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934, as amended (or the “Exchange Act”).

#### **RISK FACTORS**

Our business is influenced by many factors that are difficult to predict and that involve uncertainties that may materially affect our actual operating results, cash flows and financial condition. Before making an investment decision in our securities, you should carefully consider the specific factors set forth under the caption “Risk Factors” in the applicable prospectus supplement and in our periodic reports filed with the SEC that are incorporated by reference herein (including the “Risk Factors” section beginning on page 11 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2014) together with all of the other information appearing in this prospectus, in the applicable prospectus supplement or incorporated by reference into this prospectus in light of your particular investment objectives and financial circumstances.



## THE COMPANY

### **The Company**

Chanticleer Holdings, Inc. (“Chanticleer” or the “Company”) was organized in October 1999, under the laws of the State of Delaware, using the original name, Tulvine Systems, Inc. The Company previously had limited operations and was considered a development stage company until July 2005. In May 2005, Tulvine Systems, Inc. merged with and changed its name to Chanticleer Holdings, Inc.

### **Our Business**

The Company is in the business of owning and operating fast casual dining concepts, including Hooters franchises and other fast casual restaurant and bar concepts domestically and internationally.

### **Restaurant Brands**

#### ***Hooters***

Hooters restaurants are casual beach-themed establishments that feature 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. The menu of each location can vary with the local tastes. Hooters began in 1983 with its first restaurant in Clearwater, Florida. From the original restaurant and licensee Mr. Robert Brooks, Hooters has become a global brand, with 430 Hooters restaurants in more than 28 countries.

Chanticleer currently owns, in whole or part, the exclusive franchise rights to develop and operate Hooters restaurants in South Africa, Hungary, Poland, Brazil, Australia and the United Kingdom. The Company currently owns and operates in whole or part of thirteen Hooters restaurants: Pretoria, Durban and Johannesburg (three restaurants with our most recent being Ruimsig) in South Africa; Campbelltown, Parramatta, Penrith and Surfers Paradise in Australia; Budapest in Hungary; Nottingham in the United Kingdom; Tacoma, Washington; and Portland, Oregon.

We expect to either own 100% of the Hooters franchise or partner with a local franchisee in the countries we target. We are focused on expanding our Hooters operations in the following areas: United Kingdom, South Africa, Brazil, Hungary, Poland and Australia. We may also expand in the United States if the opportunity presents itself.

### *American Burger Company*

In September 2013, we acquired all of the outstanding shares of American Roadside Burgers, Inc., which we are operating under the brand name American Burger Company (“ABC”). ABC focuses on American food menu offerings, which include its signature burgers, turkey and veggie burgers, chicken sandwiches, wings, a variety of salads, and homemade milkshakes. ABC is a fast casual concept, with a warm and relaxing atmosphere and a strong focus on customer service. Each restaurant features a nostalgic “Made in America” feel with sustainable features throughout, including reclaimed barn siding on the walls and floors and chairs made from recycled materials. The first ABC location opened in 2006 in Smithtown, New York, and it has expanded to two locations in Charlotte, North Carolina, one location in Columbia, South Carolina and one location in Greenville, South Carolina. On September 9, 2014, the Company acquired The Burger Company in Charlotte, North Carolina, an award winning casual burger joint in the fast growing better-burger space, which is an integral step in the Company’s strategic growth plan to take the better-burger category into its international markets.

### *Just Fresh*

In November 2013, we acquired a majority (51%) interest in each of JF Restaurants, LLC, and JF Franchising Systems, LLC, owners of Just Fresh, a Charlotte, North Carolina-based casual dining concept. Just Fresh opened its first café in 1993 and has expanded to seven restaurants in the Charlotte, North Carolina area. The menu consists of fresh, health-conscious items such as salads, wraps, sandwiches, soups, freshly baked items, and smoothies. In December 2013, we acquired an additional five percent (5%) interest in each of JF Restaurants, LLC and JF Franchising Systems, LLC, bringing our total ownership to 56% of each entity as of December 31, 2014. In November 2014, we opened our latest Just Fresh location in the Ballantyne Corporate Place in Charlotte, North Carolina.

### **Recent Restaurant Acquisitions**

On March 15, 2015, the Company purchased the assets of BGR Holdings, LLC, through a wholly owned subsidiary of the Company. Our subsidiary acquired substantially all of the assets of BGR, including the ownership interests of a franchising subsidiary, an operating subsidiary and various restaurant locations engaged in the fast casual hamburger restaurant business under the name “BGR The Burger Joint” in Maryland, Virginia, and Washington DC. BGR operates 9 company-owned stores and 11 franchisee-owned stores.

On March 31, 2015, the Company entered into an Asset Purchase Agreement with BT’s Burgerjoint Management, LLC, a fast casual hamburger concept with several restaurants in the Charlotte and Asheville, North Carolina markets. The closing is scheduled to occur on or before June 1, 2015 and is dependent on various closing conditions. Pursuant to the terms of the Asset Purchase Agreement, the Company is acquiring substantially all of the assets, including ownership interests of a franchising subsidiary, an operating subsidiary and four restaurant locations engaged in the fast casual hamburger restaurant business under the name “BT’s Burger Joint”.

Investing in our securities involves a high degree of risk. As an investor, you should be able to bear a complete loss of your investment. You should carefully consider the information set forth in the section titled “Risk Factors”.

### *Corporate Information*

Our principal executive offices are located at 7621 Little Avenue, Suite 414, Charlotte, North Carolina 28226. Our telephone number is (704) 366-5122. Our corporate website is [www.chanticleerholdings.com](http://www.chanticleerholdings.com). Information contained in or accessible through our website is not part of this prospectus. Our transfer agent is Securities Transfer Corp., telephone (469) 633-0101.

## USE OF PROCEEDS

Unless otherwise indicated in a prospectus supplement, we anticipate that the net proceeds from our sale of any securities will be used for general corporate purposes, including working capital, acquisitions, retirement of debt and other business opportunities. In the case of a sale by the selling shareholders, we will not receive any of the proceeds from such sale. We may however receive up to \$1,000,000 from the exercise of outstanding warrants by selling shareholders.

## DESCRIPTION OF SECURITIES

This prospectus contains a summary of the securities that Chanticleer or certain selling shareholders to be identified in a prospectus supplement may sell. These summaries are not meant to be a complete description of each security. However, this prospectus and the accompanying prospectus supplement contain the material terms of the securities being offered.

### **DESCRIPTION OF COMMON STOCK**

The following is a summary of the material terms of our common stock. This summary does not purport to be exhaustive and is qualified in its entirety by reference to our amended and restated certificate of incorporation, amended and restated bylaws and to the applicable provisions of Delaware law.

We are authorized to issue 45,000,000 shares of common stock, \$0.0001 par value. Holders of common stock are each entitled to cast one vote for each share held of record on all matters presented to shareholders. Cumulative voting is not allowed; the holders of a majority of our outstanding shares of common stock may elect all directors. Holders of common stock are entitled to receive such dividends as may be declared by our board out of funds legally available and, in the event of liquidation, to share pro rata in any distribution of our assets after payment of liabilities. Our directors are not obligated to declare a dividend. It is not anticipated that dividends will be paid in the foreseeable future. Holders of common stock do not have preemptive rights to subscribe to any additional shares we may issue in the future. There are no conversion, redemption, sinking fund or similar provisions regarding the common stock. All outstanding shares of common stock are fully paid and nonassessable.

### **Anti-Takeover Effects of Certain Provisions of Delaware Law and Our Certificate of Incorporation and Bylaws**

We are subject to the provisions of Section 203 of the Delaware General Corporation Law, an anti-takeover law. Subject to certain exceptions, the statute prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date of the transaction in which the person became an interested stockholder unless:

- prior to such date, the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the number of shares outstanding those shares owned (1) by persons who are directors and also officers and (2) by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- on or after such date, the business combination is approved by the board of directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock that is not owned by the interested stockholder.

For purposes of Section 203, a "business combination" includes a merger, asset sale or other transaction resulting in a financial benefit to the interested stockholder, and an "interested stockholder" is a person who, together with affiliates and associates, owns, or within three years prior to the date of determination whether the person is an "Interested Stockholder" did own, 15% or more of the corporation's voting stock.

In addition, our authorized but unissued shares of common stock are available for our board to issue without stockholder approval. We may use these additional shares for a variety of corporate purposes, including future public or private offerings to raise additional capital, corporate acquisitions and employee benefit plans. The existence of our authorized but unissued shares of common stock could render more difficult or discourage an attempt to obtain control of our company by means of a proxy contest, tender offer, merger or other transaction. Our authorized but unissued shares may be used to delay, defer or prevent a tender offer or takeover attempt that a stockholder might consider in its best interest, including those attempts that might result in a premium over the market price for the shares held by our stockholders. The board of directors is also authorized to adopt, amend or repeal our bylaws, which could delay, defer or prevent a change in control.

#### **DESCRIPTION OF WARRANTS**

The following description, together with the additional information we may include in any applicable prospectus supplements, summarizes the material terms and provisions of the warrants that we may offer under this prospectus and the related warrant agreements and warrant certificates. While the terms summarized below will apply generally to any warrants that we may offer, we will describe the particular terms of any series of warrants in more detail in the applicable prospectus supplement. If we indicate in the prospectus supplement, the terms of any warrants offered under that prospectus supplement may differ from the terms described below. If there are differences between that prospectus supplement and this prospectus, the prospectus supplement will control. Thus, the statements we make in this section may not apply to a particular series of warrants. Specific warrant agreements will contain additional important terms and provisions and will be incorporated by reference as an exhibit to the registration statement which includes this prospectus.

## General

We may issue warrants for the purchase of common stock in one or more series. We may issue warrants independently or together with common stock, and the warrants may be attached to or separate from these securities.

We will evidence each series of warrants by warrant certificates that we may issue under a separate agreement. We may enter into the warrant agreement with a warrant agent. Each warrant agent may be a bank that we select which has its principal office in the United States and a combined capital and surplus of at least \$50,000,000. We may also choose to act as our own warrant agent. We will indicate the name and address of any such warrant agent in the applicable prospectus supplement relating to a particular series of warrants.

We will describe in the applicable prospectus supplement the terms of the series of warrants, including:

- the offering price and aggregate number of warrants offered;
- the currency for which the warrants may be purchased;
- if applicable, the designation and terms of the securities with which the warrants are issued and the number of warrants issued with each such security or each principal amount of such security;
- if applicable, the date on and after which the warrants and the related securities will be separately transferable;
- in the case of warrants to purchase debt securities, the principal amount of debt securities purchasable upon exercise of one warrant and the price at, and currency in which, this principal amount of debt securities may be purchased upon such exercise;
- in the case of warrants to purchase common stock, the number of shares of common stock, as the case may be, purchasable upon the exercise of one warrant and the price at which these shares may be purchased upon such exercise;
- the warrant agreement under which the warrants will be issued;
- the effect of any merger, consolidation, sale or other disposition of our business on the warrant agreement and the warrants;
- anti-dilution provisions of the warrants, if any;
- the terms of any rights to redeem or call the warrants;

- any provisions for changes to or adjustments in the exercise price or number of securities issuable upon exercise of the warrants;
- the dates on which the right to exercise the warrants will commence and expire or, if the warrants are not continuously exercisable during that period, the specific date or dates on which the warrants will be exercisable;
- the manner in which the warrant agreement and warrants may be modified;
- the identities of the warrant agent and any calculation or other agent for the warrants;
- federal income tax consequences of holding or exercising the warrants;
- the terms of the securities issuable upon exercise of the warrants;
- any securities exchange or quotation system on which the warrants or any securities deliverable upon exercise of the warrants may be listed; and
- any other specific terms, preferences, rights or limitations of or restrictions on the warrants.

Before exercising their warrants, holders of warrants will not have any of the rights of holders of the securities purchasable upon such exercise, including:

- in the case of warrants to purchase common stock, the right to receive dividends, if any, or, payments upon our liquidation, dissolution or winding up or to exercise voting rights, if any.

#### **Exercise of Warrants**

Each warrant will entitle the holder to purchase the securities that we specify in the applicable prospectus supplement at the exercise price that we describe in the applicable prospectus supplement. Unless we otherwise specify in the applicable prospectus supplement, holders of the warrants may exercise the warrants at any time up to 5:00 P.M. eastern time on the expiration date that we set forth in the applicable prospectus supplement. After the close of business on the expiration date, unexercised warrants will become void.

Holders of the warrants may exercise the warrants by delivering the warrant certificate representing the warrants to be exercised together with specified information and paying the required amount to the warrant agent in immediately available funds or otherwise as provided in the applicable prospectus supplement. We will set forth on the reverse side of the warrant certificate, and in the applicable prospectus supplement, the information that the holder of the warrant will be required to deliver to the warrant agent.

Until the warrant is properly exercised, no holder of any warrant will be entitled to any rights of a holder of the securities purchasable upon exercise of the warrant.

Upon receipt of the required payment and the warrant certificate properly completed and duly executed at the corporate trust office of the warrant agent or any other office indicated in the applicable prospectus supplement, we will issue and deliver the securities purchasable upon such exercise. If fewer than all of the warrants represented by the warrant certificate are exercised, then we will issue a new warrant certificate for the remaining amount of warrants. If we so indicate in the applicable prospectus supplement, holders of the warrants may surrender securities as all or part of the exercise price for warrants.

#### **Enforceability of Rights By Holders of Warrants**

Any warrant agent will act solely as our agent under the applicable warrant agreement and will not assume any obligation or relationship of agency or trust with any holder of any warrant. A single bank or trust company may act as warrant agent for more than one issue of warrants. A warrant agent will have no duty or responsibility in case of any default by us under the applicable warrant agreement or warrant, including any duty or responsibility to initiate any proceedings at law or otherwise, or to make any demand upon us. Any holder of a warrant may, without the consent of the related warrant agent or the holder of any other warrant, enforce by appropriate legal action its right to exercise, and receive the securities purchasable upon exercise of, its warrants in accordance with their terms.

#### **Warrant Agreement Will Not Be Qualified Under Trust Indenture Act**

No warrant agreement will be qualified as an indenture, and no warrant agent will be required to qualify as a trustee, under the Trust Indenture Act. Therefore, holders of warrants issued under a warrant agreement will not have the protection of the Trust Indenture Act with respect to their warrants.

#### **DESCRIPTION OF UNITS**

As specified in the applicable prospectus supplement, we may issue units consisting of warrants, and shares of common stock or any combination of such securities.

#### **DESCRIPTION OF RIGHTS**

We may offer to our shareholders rights to purchase common stock or other securities. Rights may be issued independently or together with any other offered security and may or may not be transferable by the person purchasing or receiving the rights. In connection with any rights offering to our shareholders, we may enter into a standby underwriting or other arrangement with one or more underwriters or other persons pursuant to which such underwriters or other person would purchase any offered securities remaining unsubscribed for after such rights offering. Each series of rights will be issued under a separate rights agent agreement to be entered into between us and a bank or trust company, as rights agent, that we will name in the applicable prospectus supplement. The rights agent will act solely as our agent in connection with the certificates relating to the rights that we may issue and will not assume any obligation or relationship of agency or trust for or with any holders of rights certificates or beneficial owners of rights.

The prospectus supplement relating to any rights we offer will include specific terms relating to the offering, including, among others, the date of determining the shareholders entitled to the rights distribution, the aggregated number of rights issued and the aggregate number of shares of common stock or other securities purchasable upon exercise of the rights, the exercise price, the conditions to completion of the offering, the date on which the right to exercise the rights will commence and the date on which the right will expire and any applicable U.S. federal income tax considerations. To the extent that any particular terms of the rights, rights agent agreements or rights certificates described in a prospectus supplement differ from any of the terms described herein, then the terms described herein will be deemed to have been superseded by that prospectus supplement.

Each right would entitle the holder of the rights to purchase for cash the principal amount of shares of common stock or other securities at the exercise price set forth in the applicable prospectus supplement. Rights may be exercised at any time up to the close of business on the expiration date for the rights provided in the applicable prospectus supplement. After the close of business on the expiration date, all unexercised rights would become void and have no further force or effect.

Holders may exercise rights as described in the applicable prospectus supplement. Upon receipt of payment and the rights certificate properly completed and duly executed at the corporate trust office of the rights agent or any other office indicated in the prospectus supplement, we will, as soon as practicable, forward the shares of common stock purchasable upon exercise of the rights. If less than all of the rights issued in any rights offering are exercised, we may offer any unsubscribed securities directly to persons other than shareholders, to or through agents, underwriters or dealers or through a combination of such methods, including pursuant to standby arrangements, as described in the applicable prospectus supplement.

The description in the applicable prospectus supplement and other offering material of any rights we offer will not necessarily be complete and will be qualified in its entirety by reference to the applicable rights agent agreement which will be filed with the SEC if we offer rights. For more information on how you can obtain copies of the applicable rights agent agreement if we offer rights, see the sections above entitled “Where You can Find More Information” and “Incorporation of Certain Information by Reference”. We urge you to read the applicable rights agent agreement and the applicable prospectus supplement and any other offering material in their entirety.

#### **FORMS OF SECURITIES**

Each warrant, unit and right will be represented either by a certificate issued in definitive form to a particular investor or by one or more global securities representing the entire issuance of securities. Certificated securities in definitive form and global securities will be issued in registered form. Definitive securities name you or your nominee as the owner of the security, and in order to transfer or exchange these securities or to receive payments other than interest or other interim payments, you or your nominee must physically deliver the securities to the trustee, registrar, paying agent or other agent, as applicable. Global securities name a depository or its nominee as the owner of warrants, units or rights represented by these global securities. The depository maintains a computerized system that will reflect each investor’s beneficial ownership of the securities through an account maintained by the investor with its broker/dealer, bank, trust company or other representative, as we explain more fully below.



## Registered Global Securities

We may issue the registered warrants, units and rights in the form of one or more fully registered global securities that will be deposited with a depository or its nominee identified in the applicable prospectus supplement and registered in the name of that depository or nominee. In those cases, one or more registered global securities will be issued in a denomination or aggregate denominations equal to the portion of the aggregate principal or face amount of the securities to be represented by registered global securities. Unless and until it is exchanged in whole for securities in definitive registered form, a registered global security may not be transferred except as a whole by and among the depository for the registered global security, the nominees of the depository or any successors of the depository or those nominees.

If not described below, any specific terms of the depository arrangement with respect to any securities to be represented by a registered global security will be described in the prospectus supplement relating to those securities. We anticipate that the following provisions will apply to all depository arrangements.

Ownership of beneficial interests in a registered global security will be limited to persons, called participants, that have accounts with the depository or persons that may hold interests through participants. Upon the issuance of a registered global security, the depository will credit, on its book-entry registration and transfer system, the participants' accounts with the respective principal or face amounts of the securities beneficially owned by the participants. Any dealers, underwriters or agents participating in the distribution of the securities will designate the accounts to be credited. Ownership of beneficial interests in a registered global security will be shown on, and the transfer of ownership interests will be effected only through, records maintained by the depository, with respect to interests of participants, and on the records of participants, with respect to interests of persons holding through participants. The laws of some states may require that some purchasers of securities take physical delivery of these securities in definitive form. These laws may impair your ability to own, transfer or pledge beneficial interests in registered global securities.

So long as the depositary, or its nominee, is the registered owner of a registered global security, that depositary or its nominee, as the case may be, will be considered the sole owner or holder of the securities represented by the registered global security for all purposes under the applicable indenture, warrant agreement or unit agreement. Except as described below, owners of beneficial interests in a registered global security will not be entitled to have the securities represented by the registered global security registered in their names, will not receive or be entitled to receive physical delivery of the securities in definitive form and will not be considered the owners or holders of the securities under the applicable indenture, warrant agreement or unit agreement. Accordingly, each person owning a beneficial interest in a registered global security must rely on the procedures of the depositary for that registered global security and, if that person is not a participant, on the procedures of the participant through which the person owns its interest, to exercise any rights of a holder under the applicable indenture, warrant agreement or unit agreement. We understand that under existing industry practices, if we request any action of holders or if an owner of a beneficial interest in a registered global security desires to give or take any action that a holder is entitled to give or take under the applicable indenture, warrant agreement or unit agreement, the depositary for the registered global security would authorize the participants holding the relevant beneficial interests to give or take that action, and the participants would authorize beneficial owners owning through them to give or take that action or would otherwise act upon the instructions of beneficial owners holding through them.

Any payments to holders with respect to warrants, units or rights, represented by a registered global security registered in the name of a depositary or its nominee will be made to the depositary or its nominee, as the case may be, as the registered owner of the registered global security. None of Chanticleer, the trustees, the warrant agents, the unit agents or any other agent of Chanticleer, agent of the trustees or agent of the warrant agents or unit agents will have any responsibility or liability for any aspect of the records relating to payments made on account of beneficial ownership interests in the registered global security or for maintaining, supervising or reviewing any records relating to those beneficial ownership interests.

We expect that the depositary for any of the securities represented by a registered global security, upon receipt of any payment of principal, premium, interest or other distribution of underlying securities or other property to holders on that registered global security, will immediately credit participants' accounts in amounts proportionate to their respective beneficial interests in that registered global security as shown on the records of the depositary. We also expect that payments by participants to owners of beneficial interests in a registered global security held through participants will be governed by standing customer instructions and customary practices, as is now the case with the securities held for the accounts of customers in bearer form or registered in "street name" and will be the responsibility of those participants.

If the depositary for any of these securities represented by a registered global security is at any time unwilling or unable to continue as depositary or ceases to be a clearing agency registered under the Exchange Act and a successor depositary registered as a clearing agency under the Exchange Act is not appointed by us within 90 days, we will issue securities in definitive form in exchange for the registered global security that had been held by the depositary. Any securities issued in definitive form in exchange for a registered global security will be registered in the name or names that the depositary gives to the relevant trustee, warrant agent, unit agent or other relevant agent of ours or theirs. It is expected that the depositary's instructions will be based upon directions received by the depositary from participants with respect to ownership of beneficial interests in the registered global security that had been held by the depositary.

## **SECURITIES HELD BY SELLING SECURITY HOLDERS**

On February 11, 2015, the Company executed a Securities Purchase Agreement with an accredited investor whereby it agreed to issue and sell an initial note in the amount of \$200,000 with an initial warrant with a five-year term to purchase 80,000 shares of common stock at an exercise price of \$2.50 per share. The initial note was convertible into shares of the Company's common stock at an exercise price of \$2.00 per share. On March 13, 2015, the Company conducted a subsequent closing with respect to the Securities Purchase Agreement. At the subsequent closing, the Company cancelled the initial note issued on February 11, 2015 in the amount of \$200,000 and issued an Amended and Restated Note with an aggregate principal amount of \$1,000,000 and a subsequent warrant with a five-year term to purchase 320,000 shares. The Amended and Restated Note is convertible into shares of the Company's common stock at an exercise price of \$2.00 per share and the subsequent warrant may be exercised at an exercise price of \$2.50 per share. The shares of common stock underlying the Amended and Restated Note and initial and subsequent warrants are subject to a Registration Rights Agreement dated as of February 11, 2015 by and between the Company and the investor.

Pursuant to the terms of the Amended and Restated Note and initial and subsequent warrants, the investor may not exercise such securities if such exercise would result in the investor beneficially owning in excess of 4.99% of the Company's then issued and outstanding common stock. The investor may, however, increase or decrease this limitation (but in no event exceed 9.99% of the number of shares of common stock issued and outstanding) by providing the Company with 61 days' notice that such holder wishes to increase or decrease this limitation.

## **SELLING SHAREHOLDERS**

An aggregate of 900,000 shares of common stock may be offered for sale and sold from time to time pursuant to this prospectus by the selling shareholders and their respective transferees, distributees, pledgees, donees, assignees or other successors. We are paying all of the expenses in connection with such registration and the sale of the shares, other than selling commissions and the fees and expenses of counsel and other advisors to the selling shareholders. Information concerning the selling shareholders may change from time to time, and any changed information will be set forth if and when required in prospectus supplements or other appropriate forms permitted to be used by the SEC.

The following table sets forth, for the selling shareholders to the extent known by us, the number of shares of our common stock beneficially owned, the number of shares of our common stock offered hereby and the number of shares and percentage of outstanding common stock to be owned after completion of this offering, assuming all shares offered hereby are sold. None of the selling shareholders has had any material relationship within the past three years with us or, to our knowledge, our affiliates. To our knowledge, none of the selling shareholders is a broker-dealer and/or affiliated with a broker-dealer.

All of the information contained in the table below is based solely upon information provided to us by the selling shareholders or otherwise known by us. In addition to the shares offered hereby, the selling shareholders may otherwise beneficially own our shares of common stock as a result of, among others, open market purchases, which information is not obtainable by us without undue effort and expense. The selling shareholders may have sold, transferred or otherwise disposed of, or may sell, transfer or otherwise dispose of, at any time or from time to time since the date on which the information regarding the shares beneficially owned was last known by us, all or a portion of the shares beneficially owned in transactions exempt from the registration requirements of the Securities Act.

The number of shares outstanding and the percentages of beneficial ownership are based on 12,306,230 shares of our common stock issued and outstanding as of March 25, 2015.

For the purposes of the following table, the number of shares of our common stock beneficially owned has been determined in accordance with Rule 13d-3 under the Exchange Act, and such information is not necessarily indicative of beneficial ownership for any other purpose. Under Rule 13d-3, beneficial ownership includes any shares as to which a selling shareholder has sole or shared voting power or investment power and also any shares that that selling shareholder has the right to acquire within 60 days of the date of this prospectus through the exercise of any stock option.

<u>Name of Selling Shareholder</u>	<u>Number of Shares Owned Before Offering</u>	<u>Number of Shares Being Offered</u>	<u>Number of Shares Owned After Offering</u>	<u>Percent of Shares Owned After Offering</u>
At Media Corp. (1)	180,000	180,000	0	0
Aton Select Fund LTD (2)	720,000	720,000	0	0

(1) Shares consist of 80,000 shares of common stock underlying exercisable warrant and 100,000 shares of common stock issuable upon exercise of convertible Amended and Restated Note. Carl Caserta and Alessandro Dubini exercise voting and dispositive control over these shares.

(2) Shares consist of 320,000 shares of common stock underlying exercisable warrant and 400,000 shares of common stock issuable upon exercise of convertible Amended and Restated Note. David Danes exercises voting and dispositive control over these shares.

#### PLAN OF DISTRIBUTION

We and/or the selling shareholders, if applicable, may sell or dispose of the securities in one or more of the following ways (or in any combination) from time to time:

- through underwriters or dealers;
- directly to a limited number of purchasers or to a single purchaser (including block transactions);
- through agents; or

- an offering of shares by way of a distribution to shareholders, partners or members.

The prospectus supplement will state the terms of the offering of the securities, including:

- the name or names of any underwriters, dealers or agents;
- the purchase price of such securities and the proceeds to be received by us, if any;
- any underwriting discounts or agency fees and other items constituting underwriters' or agents' compensation;
- any initial public offering price;
- any discounts or concessions allowed or reallocated or paid to dealers; and
- any securities exchanges on which the securities may be listed.

Any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers may be changed from time to time.

If we and/or the selling shareholders, if applicable, use underwriters in the sale, the securities will be acquired by the underwriters for their own account(s) and may be resold from time to time in one or more transactions, including:

- negotiated transactions;
- at a fixed public offering price or prices, which may be changed;
- at market prices prevailing at the time of sale;
- at prices related to prevailing market prices; or
- at negotiated prices.

Broker-dealers engaged by us or the selling shareholders may arrange for other broker-dealers to participate in sales. Broker-dealers may receive commissions or discounts from the selling shareholders (or, if any broker-dealer acts as agent for the purchaser of shares of common stock, from the purchaser) in amounts to be negotiated, but, except as set forth in a supplement to this prospectus, in the case of an agency transaction, not in excess of a customary brokerage commission in compliance with FINRA Rule 2440; and in the case of a principal transaction a markup or markdown in compliance with FINRA IM-2440.

Unless otherwise stated in a prospectus supplement, the obligations of the underwriters to purchase any securities will be conditioned on customary closing conditions and the underwriters will be obligated to purchase all of such series of securities, if any are purchased.

We and/or the selling shareholders, if applicable, may sell the securities through agents from time to time. The prospectus supplement will name any agent involved in the offer or sale of the securities and any commissions we pay to them. Generally, any agent will be acting on a best-efforts basis for the period of its appointment.

We and/or the selling shareholders, if applicable, may authorize underwriters, dealers or agents to solicit offers by certain purchasers to purchase the securities from us at the public offering price set forth in the prospectus supplement pursuant to delayed delivery contracts providing for payment and delivery on a specified date in the future. The contracts will be subject only to those conditions set forth in the prospectus supplement, and the prospectus supplement will set forth any commissions we pay for solicitation of these contracts.

The selling shareholders may enter into hedging transactions with broker-dealers or other financial institutions. In connection with such transactions, broker-dealers or other financial institutions may engage in short sales of our common stock in the course of hedging the positions they assume with the selling shareholders. The selling shareholders may also enter into options or other transactions with broker-dealers or other financial institutions which require the delivery to such broker-dealer or other financial institution of shares offered hereby, which shares such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction).

The selling shareholders and any broker-dealers or agents that are involved in selling the shares of common stock may be deemed to be “underwriters” within the meaning of the Securities Act in connection with such sales. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the shares of common stock purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act. Each selling shareholder has informed us that it does not have any written or oral agreement or understanding, directly or indirectly, with any person to distribute the shares of common stock. In no event shall any broker-dealer receive fees, commissions and markups, which, in the aggregate, would exceed eight percent (8%).

Because selling shareholders may be deemed to be “underwriters” within the meaning of the Securities Act, they will be subject to the prospectus delivery requirements of the Securities Act including Rule 172 thereunder. In addition, any shares of common stock covered by this prospectus which qualify for sale pursuant to Rule 144 under the Securities Act may be sold under Rule 144 rather than under this prospectus. The selling shareholders have advised us that there is no underwriter or coordinating broker acting in connection with the proposed sale of the shares of common stock by the selling shareholders.

As used herein, “selling shareholders” includes donees, pledgees, distributees, transferees or other successors-in-interest selling shares received after the date of this prospectus from a named selling shareholder as a gift, pledge, partnership distribution or other non-sale related transfer.

Underwriters and agents may be entitled under agreements entered into with us and/or the selling shareholders, if applicable, to indemnification by us and/or the selling shareholders, if applicable, against certain civil liabilities, including liabilities under the Securities Act of 1933, or to contribution with respect to payments which the underwriters or agents may be required to make. Underwriters and agents may be customers of, engage in transactions with or perform services for us and our affiliates in the ordinary course of business.

Each series of securities will be a new issue of securities and will have no established trading market other than the common stock, which is listed on the Nasdaq Capital Market. The securities, other than the common stock, may or may not be listed on a national securities exchange.

Under applicable rules and regulations under the Exchange Act, any person engaged in the distribution of the shares of common stock may not simultaneously engage in market making activities with respect to the common stock for the applicable restricted period, as defined in Regulation M, prior to the commencement of the distribution. In addition, the selling shareholders will be subject to applicable provisions of the Exchange Act and the rules and regulations thereunder, including Regulation M, which may limit the timing of purchases and sales of our securities by the selling shareholders or any other person. We will make copies of this prospectus available to the selling shareholders and have informed them of the need to deliver a copy of this prospectus to each purchaser at or prior to the time of the sale (including by compliance with Rule 172 under the Securities Act).

#### **LEGAL MATTERS**

The validity of the rights and the shares of common stock offered by this prospectus have been passed upon for us by Libertas Law Group, Inc., Santa Monica, California.

#### **EXPERTS**

The consolidated financial statements of Chanticleer Holdings, Inc. as of and for the years ended December 31, 2014 and 2013 incorporated in this prospectus by reference to the Annual Report on Form 10-K for the year ended December 31, 2014 have been audited by Marcum LLP, an independent registered public accounting firm, as stated in its report incorporated by reference herein, and have been so incorporated in reliance upon such report and upon the authority of such firm as experts in accounting and auditing.

#### **MATERIAL CHANGES**

There have been no material changes in the Company's affairs since its fiscal year ended December 31, 2014.

**DISCLOSURE OF COMMISSION POSITION ON INDEMNIFICATION FOR SECURITIES ACT LIABILITIES**

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable. In addition, indemnification may be limited by state securities laws.



**PART II**

**INFORMATION NOT REQUIRED IN PROSPECTUS**

**Item 14. Other Expenses of Issuance and Distribution.**

The following table sets forth the expenses payable by us in connection with this offering of securities described in this registration statement. All amounts shown are estimates, except for the SEC registration fee. The Registrant will bear all expenses shown below.

SEC filing fee	\$ 2,026
Accounting fees and expenses	*
Legal fees and expenses	*
Printing and engraving expenses	*
Other (including subscription and information agent fees)	*
Total	*

\* Not presently known.

**Item 15. Indemnification of Directors and Officers.**

We are subject to the laws of Delaware on corporate matters, including their indemnification provisions. Section 102 of the General Corporation Law of Delaware (the "DGCL") permits a corporation to eliminate the personal liability of directors of a corporation to the corporation or its stockholders for monetary damages for a breach of fiduciary duty as a director, except where the director breached his duty of loyalty, failed to act in good faith, engaged in intentional misconduct or knowingly violated a law, authorized the payment of a dividend or approved a stock repurchase in violation of Delaware corporate law or obtained an improper personal benefit.

Section 145 of the DGCL provides that a corporation has the power to indemnify a director, officer, employee, or agent of the corporation, or a person serving at the request of the corporation for another corporation, partnership, joint venture, trust or other enterprise in related capacities against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with an action, suit or proceeding to which he was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by reason of such position, if such person acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, in any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful, except that, in the case of actions brought by or in the right of the corporation, no indemnification shall be made with respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or other adjudicating court determines that, despite the adjudication of liability but in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper. The statute provides that indemnification pursuant to these provisions is not exclusive of other rights of indemnification to which a person may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise.

Article Tenth of our certificate of incorporation, as amended, states that to the fullest extent permitted by the DGCL, a director of the corporation shall not be liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director.

Under Article XI of our bylaws, any person who was or is made a party or is threatened to be made a party to or is in any way involved in any threatened, pending or completed action suit or proceeding, whether civil, criminal, administrative or investigative, including any appeal therefrom, by reason of the fact that he is or was a director or officer of ours or was serving at our request as a director or officer of another entity or enterprise (including any subsidiary), may be indemnified and held harmless by us, and we may advance all expenses incurred by such person in defense of any such proceeding prior to its final determination, if this person acted in good faith and in a manner reasonably believed to be in and not opposed to our best interest, and, with respect to any criminal action or proceeding, the indemnified party had no reason to believe his or her conduct was unlawful. The indemnification provided in our bylaws is not exclusive of any other rights to which those seeking indemnification may otherwise be entitled.

We maintain a general liability insurance policy that covers certain liabilities of directors and officers of our corporation arising out of claims based on acts or omissions in their capacities as directors or officers.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

**Item 16. Exhibits**

See Exhibit Index attached hereto and incorporated herein by reference.

**Item 17. Undertakings**

- (a) The undersigned registrant hereby undertakes:
  - (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:
  - (i) To include any prospectus required by Section 10(a)(3) of the Securities Act.

(ii) To reflect in the prospectus any facts or events arising after the effective date of this registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the SEC pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in this registration statement or any material change to such information in this registration statement.

*provided, however*, that paragraphs (i), (ii) and (iii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the Registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability under the Securities Act to any purchaser, each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5) or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii) or (x) for the purpose of providing the information required by Section 10(a) of the Securities Act of 1933 shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which the prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof, provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date.

(5) That, for the purpose of determining liability of the registrant under the Securities Act to any purchaser in the initial distribution of the securities, the undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

- (i) Any preliminary prospectus or prospectus of an undersigned registrant relating to this offering required to be filed pursuant to Rule 424;
- (ii) Any free writing prospectus relating to this offering prepared by, or on behalf of, the undersigned registrant or used or referred to by the undersigned registrant;
- (iii) The portion of any other free writing prospectus relating to this offering containing material information about an undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and
- (iv) Any other communication that is an offer in this offering made by the undersigned registrant to the purchaser.

(6) That, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(7) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

## SIGNATURES

In accordance with the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and authorized this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Charlotte, State of North Carolina, on April 27, 2015.

### CHANTICLEER HOLDINGS, INC.

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

KNOW ALL PERSONS BY THESE PRESENTS, that each of the individuals whose signature appears below constitutes and appoints Michael D. Pruitt, as his true and lawful attorney-in-fact and agent, with full and several power of substitution, for him or her and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement, and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully for all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Michael D. Pruitt</u> Michael D. Pruitt	Chief Executive Officer, Chairman, President (Principal Executive Officer)	April 27, 2015
<u>/s/ Eric S. Lederer</u> Eric S. Lederer	Chief Financial Officer (Principal Accounting Officer)	April 27, 2015
<u>/s/ Keith Johnson</u> Keith Johnson	Director	April 27, 2015
<u>/s/ Paul I. Moskowitz</u> Paul I. Moskowitz	Director	April 27, 2015
<u>/s/ Russell Page</u> Russell Page	Director	April 27, 2015

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## EXHIBIT INDEX

Exhibit	Description
2.1	Agreement and Plan of Merger dated September 2013 between the Company and American Roadside Burgers, Inc. (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed with the SEC on October 1, 2013)
2.2	Share Purchase Agreement dated October 2013 between Company and Manchester Wings Limited (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed with the SEC on October 24, 2013)
2.3	Tax Covenant to October 2013 Share Purchase Agreement with Manchester Wings Limited (Incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K, filed with the SEC on October 24, 2013)
2.4	Subscription Agreement dated November 2013 among the Company, JF Restaurants, LLC and the other parties named therein (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed with the SEC on November 5, 2013)
2.5	Assignment, Assumption, Joinder and Amendment Agreement dated December 2013 among the Company, JF Franchising Systems, LLC and the other parties named therein (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed with the SEC on December 12, 2013)
2.6	Asset Purchase Agreement by and among The Burger Company LLC, American Burger Morehead LLC and the Company dated September 9, 2014 (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed with the SEC on September 10, 2014)
2.7	Asset Purchase Agreement by and among Dallas Spoon, LLC, Express Working Capital, LLC and the Company dated December 31, 2014 (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed with the SEC January 6, 2014)
4.1	Form of Common Stock Certificate (Incorporated by reference to Exhibit 4.1 to our Registration Statement on Form S-1 (Registration No. 333-178307), filed with the SEC on December 2, 2011)
4.2	Form of Unit Certificate dated June 2012 (Incorporated by reference to Exhibit 4.2 filed with our Registration Statement on Form S-1/A (Registration No. 333-178307), filed with the SEC on May 30, 2012)
4.3	Form of Warrant Agency Agreement dated June 2012 with Form of Warrant Certificate with \$6.50 Exercise Price (Incorporated by reference to Exhibit 4.4 filed with our Registration Statement on Form S-1/A (Registration No. 333-178307), filed with the SEC on May 30, 2012)
4.4	Form of 6% Secured Subordinate Convertible Note dated August 2013 (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed with the SEC on August 5, 2013)
4.5	Form of Warrant for August 2013 Convertible Note with \$3.00 Exercise Price (Incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K, filed with the SEC on August 5, 2013)

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- 4.6 Form of Warrant for September 2013 Merger Agreement with \$5.00 Exercise Price (Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K, filed with the SEC on October 1, 2013)
- 4.7 Form of Warrant for September 2013 Subscription Agreement with \$5.00 Exercise Price (Incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K, filed with the SEC on October 10, 2013)
- 4.8 Form of Warrant for November 2013 Subscription Agreement with \$5.50 and \$7.00 Exercise Price (Incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K, filed with the SEC on November 13, 2013)
- 4.9 Form of Warrant for January 2015 Subscription Agreement (Incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K/A, filed with the SEC on January 8, 2015)
- 4.10 Form of 8% Convertible Note dated January 2015 (Incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K/A, filed with the SEC on January 8, 2015)
- 4.11 Form of Warrant for February 11, 2015 Subscription Agreement, filed herewith.
- 4.12 Form of Convertible Amended and Restated Note dated March 13, 2015, filed herewith.
- 5.1 Opinion of Libertas Law Group Inc., filed herewith.
- 10.1 Form of Securities Purchase Agreement by and between the Company and Carl Caserta dated February 11, 2015, filed herewith.
- 10.2 Agreement dated April 24, 2015 by and among the Company, AT Media Corp. and Aton Select Fund, Ltd, filed herewith.
- 10.3 Registration Rights Agreement by and between the Company and Carl Caserta dated February 11, 2015, filed herewith.
- 23.1 Consent of Marcum, LLP, Independent Registered Public Accounting Firm, filed herewith.
- 23.2 Consent of Libertas Law Group Inc. (included in Exhibit 5.1)

Our SEC file number reference for documents filed with the SEC pursuant to the Securities Exchange Act of 1934, as amended, is 001-35570. Prior to June 7, 2012, our SEC file number reference was 000-29507.

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THIS WARRANT AND THE COMMON SHARES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "1933 SECURITIES ACT") OR ANY STATE SECURITIES LAWS. THIS WARRANT MAY NOT BE EXERCISED IN THE UNITED STATES (AS DEFINED IN REGULATION S UNDER THE 1933 SECURITIES ACT), NOR MAY THIS WARRANT OR THE COMMON SHARES ISSUABLE UPON EXERCISE OF THIS WARRANT BE SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED, UNLESS THE WARRANT AND THE COMMON SHARES ISSUABLE UPON EXERCISE HEREOF HAVE BEEN REGISTERED UNDER THE 1933 SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR UNLESS AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE AND THE CORPORATION RECEIVES AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO IT TO SUCH EFFECT.

## COMMON STOCK WARRANT

Warrant Shares: \_\_\_\_\_

Initial Exercise Date: \_\_\_\_\_

CHANTICLEER HOLDINGS, INC., a corporation organized under the laws of the State of Delaware (the "Company"), hereby certifies that \_\_\_\_\_ or his permitted assigns (the "Holder"), is entitled to purchase from the Company at any time after the issue date of this Warrant (the "Issue Date") until 5:00 p.m., Eastern Standard Time on \_\_\_\_\_, 2020 (the "Expiration Date"), \_\_\_\_\_ (\_\_\_\_\_) fully paid and non-assessable Common Shares of the Company, at a per share purchase price of two dollars and fifty cents (\$2.50). The purchase price per share, as adjusted from time to time as herein provided, is referred to herein as the "Purchase Price." The number and character of such Common Shares and the Purchase Price are subject to adjustment as provided herein.

As used herein the following terms, unless the context otherwise requires, have the following respective meanings:

- (a) The term "Company" shall include Chanticleer Holdings, Inc. and any corporation which shall succeed or assume the obligations of Chanticleer Holdings, Inc. hereunder.
- (b) The term "Common Shares" includes (a) the Company's Common Shares, \$.0001 par value per share, as authorized on the date hereof, and (b) any other securities into which or for which any of the securities described in (a) may be converted or exchanged pursuant to a plan of recapitalization, reorganization, merger, sale of assets or otherwise.
- (c) The term "Other Securities" refers to any stock (other than Common Shares) and other securities of the Company or any other person (corporate or otherwise) which the holder of the Warrant at any time shall be entitled to receive, or shall have received, on the exercise of the Warrant, in lieu of or in addition to Common Shares, or which at any time shall be issuable or shall have been issued in exchange for or in replacement of Common Shares or Other Securities pursuant to Section 4 herein or otherwise.
- (d) The term "Warrant Shares" shall mean the Common Shares issuable upon exercise of this Warrant.

1. Exercise of Warrant.

1.1. Number of Shares Issuable upon Exercise. From and after the Issue Date through and including the Expiration Date, the Holder hereof shall be entitled to receive, upon exercise of this Warrant in whole in accordance with the terms of subsection 1.2 or upon exercise of this Warrant in part in accordance with subsection 1.3, Common Shares of the Company, subject to adjustment pursuant to Section 3.

1.2. Full Exercise. This Warrant may be exercised in full by the Holder hereof by delivery of an original or facsimile copy of the form of subscription attached as Exhibit A hereto (the "Subscription Form") duly executed by such Holder and simultaneously surrender of the original Warrant to the Company at its principal office, accompanied by payment, in cash, wire transfer or by certified or official bank check payable to the order of the Company, in the amount obtained by multiplying the number of Common Shares for which this Warrant is then exercisable by the Purchase Price then in effect.



1.3. Partial Exercise. This Warrant may be exercised in part (but not for a fractional share) by surrender of this Warrant in the manner and at the place provided in subsection 1.2 except that the amount payable by the Holder on such partial exercise shall be the amount obtained by multiplying (a) the number of whole shares designated by the Holder in the Subscription Form by (b) the Purchase Price then in effect. On any such partial exercise, the Company, at its expense, will forthwith issue and deliver to or upon the order of the Holder hereof a new Warrant of like tenor, in the name of the Holder hereof or as such Holder (upon payment by such Holder of any applicable transfer taxes) may request, the whole number of Common Shares for which such Warrant may still be exercised.

1.4. Company Acknowledgment. The Company will, at the time of the exercise of the Warrant, upon the request of the Holder hereof acknowledge in writing its continuing obligation to afford to such Holder any rights to which such Holder shall continue to be entitled after such exercise in accordance with the provisions of this Warrant.

1.5. Delivery of Stock Certificates, etc. on Exercise. The Company agrees that the Common Shares purchased upon exercise of this Warrant shall be deemed to be issued to the Holder hereof as the record owner of such shares as of the close of business on the date on which this Warrant shall have been surrendered and payment made for such shares as aforesaid. As soon as practicable after the exercise of this Warrant in full or in part, and in any event within ten (10) business days thereafter, the Company at its expense will cause to be issued in the name of and delivered to the Holder hereof, or as such Holder (upon payment by such Holder of any applicable transfer taxes) may direct in compliance with applicable securities laws, a certificate or certificates for the number of duly and validly issued, fully paid and non-assessable Common Shares (or Other Securities) to which such Holder shall be entitled on such exercise, plus, in lieu of any fractional share to which such Holder would otherwise be entitled, cash equal to such fraction multiplied by the then Fair Market Value of one full Common Share, together with any other stock or other securities and property (including cash, where applicable) to which such Holder is entitled upon such exercise pursuant to Section 1 or otherwise.

1.6. Limitations. Notwithstanding anything to the contrary contained herein, the number of Warrant Shares that may be acquired by the Holder upon exercise of this Warrant (or otherwise in respect hereof) shall be limited to the extent necessary to ensure that, following such conversion (or other issuance), the total number of shares of Common Shares then beneficially owned by such Holder and its affiliates and any other persons whose beneficial ownership of Common Stock would be aggregated with the Holder's for purposes of Section 13(d) of the Securities and Exchange Act of 1934, as amended (the "**Exchange Act**"), does not exceed 4.99% of the total number of issued and outstanding Common Shares (including for such purpose the shares of Common Stock issuable upon such conversion). For such purposes, beneficial ownership shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. The Holder, upon not less than 61 days' prior notice to the Company, may increase or decrease the beneficial ownership limitations provision of this Section, provided that the beneficial ownership limitation in no event exceeds 9.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock upon exercise of this Warrant held by the Holder and the provisions of this Section shall continue to apply. Any such increase or decrease will not be effective until the 61<sup>st</sup> day after such notice is delivered to the Company. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended beneficial ownership limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of this Warrant.

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2. Adjustment for Reorganization, Consolidation, Merger, etc.

2.1. Reorganization, Consolidation, Merger, etc. In case at any time or from time to time, the Company shall (a) effect a reorganization, (b) consolidate with or merge into any other person or (c) transfer all or substantially all of its properties or assets to any other person under any plan or arrangement contemplating the dissolution of the Company, then, in each such case, as a condition to the consummation of such a transaction, proper and adequate provision shall be made by the Company whereby the Holder of this Warrant, on the exercise hereof as provided in Section 1, at any time after the consummation of such reorganization, consolidation or merger or the effective date of such dissolution, as the case may be, shall receive, in lieu of the Common Shares (or Other Securities) issuable on such exercise prior to such consummation or such effective date, the stock and other securities and property (including cash) to which such Holder would have been entitled upon such consummation or in connection with such dissolution, as the case may be, if such Holder had so exercised this Warrant, immediately prior thereto, all subject to further adjustment thereafter as provided in Section 3.

2.2. Continuation of Terms. Upon any reorganization, consolidation, merger or transfer (and any dissolution following any transfer) referred to in this Section 2, this Warrant shall continue in full force and effect and the terms hereof shall be applicable to the Other Securities and property receivable on the exercise of this Warrant after the consummation of such reorganization, consolidation or merger or the effective date of dissolution following any such transfer, as the case may be, and shall be binding upon the issuer of any Other Securities, including, in the case of any such transfer, the person acquiring all or substantially all of the properties or assets of the Company, whether or not such person shall have expressly assumed the terms of this Warrant as provided in Section 3.

3. Extraordinary Events Regarding Common Stock. In the event that the Company shall (a) issue additional Common Shares as a dividend or other distribution on outstanding Common Shares, (b) subdivide its outstanding Common Shares, or (c) combine its outstanding Common Shares into a smaller number of Common Shares, then, in each such event, the Purchase Price shall, simultaneously with the happening of such event, be adjusted by multiplying the then Purchase Price by a fraction, the numerator of which shall be the number of Common Shares outstanding immediately prior to such event and the denominator of which shall be the number of Common Shares outstanding immediately after such event, and the product so obtained shall thereafter be the Purchase Price then in effect. The Purchase Price, as so adjusted, shall be readjusted in the same manner upon the happening of any successive event or events described herein in this Section 3. The number of Common Shares that the Holder of this Warrant shall thereafter, on the exercise hereof as provided in Section 1, be entitled to receive shall be adjusted to a number determined by multiplying the number of Common Shares that would otherwise (but for the provisions of this Section 3) be issuable on such exercise by a fraction of which (a) the numerator is the Purchase Price that would otherwise (but for the provisions of this Section 3) be in effect, and (b) the denominator is the Purchase Price in effect on the date of such exercise.

4. Certificate as to Adjustments. In each case of any adjustment or readjustment in the Common Shares (or Other Securities) issuable on the exercise of the Warrants, the Company at its expense will promptly cause its Chief Financial Officer or other appropriate designee to compute such adjustment or readjustment in accordance with the terms of the Warrant and prepare a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based, including a statement of (a) the consideration received or receivable by the Company for any additional Common Shares (or Other Securities) issued or sold or deemed to have been issued or sold, (b) the number of Common Shares (or Other Securities) outstanding or deemed to be outstanding, and (c) the Purchase Price and the number of Common Shares to be received upon exercise of this Warrant, in effect immediately prior to such adjustment or readjustment and as adjusted or readjusted as provided in this Warrant. The Company will forthwith mail a copy of each such certificate to the Holder of the Warrant.

5. Reservation of Stock, etc. Issuable on Exercise of Warrant. The Company will at all times reserve and keep available, solely for issuance and delivery on the exercise of the Warrants, all Common Shares (or Other Securities) from time to time issuable on the exercise of the Warrant.

6. Assignment; Exchange of Warrant. Subject to compliance with applicable securities laws, this Warrant, and the rights evidenced hereby, may be transferred by any registered holder hereof (a "Transferor"). On the surrender for exchange of this Warrant, with the Transferor's endorsement in the form of Exhibit B attached hereto (the "Transferor Endorsement Form") and together with an opinion of counsel reasonably satisfactory to the Company that the transfer of this Warrant will be in compliance with applicable securities laws, the Company at its expense, but with payment by the Transferor of any applicable transfer taxes, will issue and deliver to or on the order of the Transferor thereof a new Warrant or Warrants of like tenor, in the name of the Transferor and/or the transferee(s) specified in such Transferor Endorsement Form (each a "Transferee"), calling in the aggregate on the face or faces thereof for the number of Common Shares called for on the face or faces of the Warrant so surrendered by the Transferor. No such transfers shall result in a public distribution of the Warrant.

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7. Replacement of Warrant. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of any such loss, theft or destruction of this Warrant, on delivery of an indemnity agreement or security reasonably satisfactory in form and amount to the Company or, in the case of any such mutilation, on surrender and cancellation of this Warrant, the Company at its expense, will execute and deliver, in lieu thereof, a new Warrant of like tenor.

8. Transfer on the Company's Books. Until this Warrant is transferred on the books of the Company, the Company may treat the registered holder hereof as the absolute owner hereof for all purposes, notwithstanding any notice to the contrary.

9. Notices. All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (i) personally served, (ii) deposited in the mail, registered or certified, return receipt requested, postage prepaid, (iii) delivered by reputable air courier service with charges prepaid, or (iv) transmitted by hand delivery, telegram, or facsimile, addressed as set forth below or to such other address as such party shall have specified most recently by written notice. Any notice or other communication required or permitted to be given hereunder shall be deemed effective (a) upon hand delivery or delivery by facsimile, with accurate confirmation generated by the transmitting facsimile machine, at the address or number designated below (if delivered on a business day during normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received) or (b) on the second business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur or (c) three business days after deposited in the mail if delivered pursuant to subsection (ii) above. The addresses for such communications shall be: (i) if to the Company to: 11220 Elm Lane, Suite 203, Charlotte, NC 28277, facsimile number (704) 366-2463; and (ii) if to the Holder: [NAME/ADDRESS]. The Company and the Holder may change their respective addresses for notices by like notice to the other party.

10. Miscellaneous. This Warrant and any term hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by the party against which enforcement of such change, waiver, discharge or termination is sought. This Warrant shall be construed and enforced in accordance with and governed by the laws of Delaware without regard to the conflicts of laws provisions thereof. The headings in this Warrant are for purposes of reference only, and shall not limit or otherwise affect any of the terms hereof. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision.

IN WITNESS WHEREOF, the Company has executed this Warrant as of the date first written above.

**CHANTICLEER HOLDINGS, INC.**

By:

\_\_\_\_\_  
Name: Michael D. Pruitt  
Title: Chief Executive Officer

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**Exhibit A**  
**FORM OF SUBSCRIPTION**  
(to be signed only on exercise of Warrant)

TO: CHANTICLEER HOLDINGS, INC.

The undersigned, pursuant to the provisions set forth in the attached Warrant, hereby irrevocably elects to purchase:

\_\_\_\_\_ Common Shares covered by such Warrant.

The undersigned herewith makes payment of the full purchase price for such shares at the price per share provided for in such Warrant, which is \$ \_\_\_\_\_. Such payment takes the form of (check applicable box or boxes):

\_\_\_\_\_ \$ \_\_\_\_\_ in lawful money of the United States.

The undersigned requests that the certificates for such shares be issued in the name of, and delivered to \_\_\_\_\_ whose address is \_\_\_\_\_

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The undersigned represents and warrants that the representations and warranties in Section 2 of the Subscription Agreement (as defined in this Warrant) are true and accurate with respect to the undersigned on the date hereof.

The undersigned represents and warrants that all offers and sales by the undersigned of the securities issuable upon exercise of the within Warrant shall be made pursuant to registration of the Common Shares under the Securities Act of 1933, as amended (the "Securities Act"), or pursuant to an exemption from registration under the Securities Act.

Dated: \_\_\_\_\_

\_\_\_\_\_  
(Signature must conform to name of holder as specified on the fact of the Warrant.)

\_\_\_\_\_  
(Address)

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**Exhibit B**

**FORM OF TRANSFEROR ENDORSEMENT**  
(To be signed only on transfer of Warrant)

For value received, the undersigned hereby sells, assigns, and transfers unto the person(s) named below under the heading "Transferees" the right represented by the within Warrant to purchase the percentage and number of Common Shares of CHANTICLEER HOLDINGS, INC. to which the within Warrant relates specified under the headings "Percentage Transferred" and "Number Transferred," respectively, opposite the name(s) of such person(s) and appoints each such person Attorney to transfer its respective right on the books of CHANTICLEER HOLDINGS, INC. with full power of substitution in the premises.

<u>Transferees</u>	<u>Percentage Transferred</u>	<u>Number Transferred</u>

Dated: \_\_\_\_\_, \_\_\_\_\_

\_\_\_\_\_  
(Signature must conform to name of holder as specified on the face of the Warrant)

Signed in the presence of:

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(address)

ACCEPTED AND AGREED:  
[TRANSFEREE]

\_\_\_\_\_  
(address)

\_\_\_\_\_  
(Name)

THIS NOTE HAS BEEN ACQUIRED FOR INVESTMENT PURPOSES ONLY AND MAY NOT BE TRANSFERRED UNTIL (i) A REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT") SHALL HAVE BECOME EFFECTIVE WITH RESPECT THERETO OR (ii) RECEIPT BY THE COMPANY OF AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY TO THE EFFECT THAT REGISTRATION UNDER THE ACT IS NOT REQUIRED IN CONNECTION WITH SUCH PROPOSED TRANSFER NOR IS IN VIOLATION OF ANY APPLICABLE STATE SECURITIES LAWS. THIS LEGEND SHALL BE ENDORSED UPON ANY NOTE ISSUED IN EXCHANGE FOR THIS NOTE. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES.

Principal Amount: \_\_\_\_\_

Issue Date: March 13, 2015

## CHANTICLEER HOLDINGS, INC.

## 9% CONVERTIBLE PROMISSORY NOTE

FOR VALUE RECEIVED, Chanticleer Holdings, Inc., a corporation organized under the laws of the State of Delaware (hereinafter called "**Borrower**" or the "**Company**"), hereby promises to pay to \_\_\_\_\_, or its permitted registered assigns or successors in interest or order (the "**Holder**"), without demand, the sum of \_\_\_\_\_ (US\$ \_\_\_\_\_) (the "**Principal Amount**"), with simple interest at the annual rate of nine percent (9%) on the Maturity Date (as hereinafter defined) if and to the extent not sooner paid or converted. The "**Maturity Date**" of this Note shall be March 13, 2017, subject to conversion and acceleration as provided in Section 2 or Section 3 hereof.

This 9% Convertible Promissory Note (the "**Note**") has been executed and issued pursuant to the terms of a Securities Purchase Agreement between the Borrower and the Holder dated as of February 11, 2015 (the "**Purchase Agreement**") pursuant to which the Holder acquired this Note and common stock purchase warrants. Unless otherwise separately defined herein, all capitalized terms used in this Note shall have the same meaning as is set forth in the Purchase Agreement. The following terms shall apply to this Note:

ARTICLE I  
INTEREST

1.1. Interest Rate. Interest on this Note shall be compounded annually and accrue at the annual rate of nine percent (9%) per annum. Interest will be payable on the Maturity Date, accelerated or otherwise, at which time the Principal Amount and remaining accrued but unpaid interest shall be due and payable, or sooner as described below. All computations of interest payable hereunder shall be on the basis of a 365-day year and actual days elapsed in the period for which such interest is payable. Accrued interest on the outstanding Principal Amount shall be due and payable on the Maturity Date in cash.

ARTICLE II  
CONVERSION RIGHTS

2.1. Voluntary Conversion Rights. For so long as this Note remains outstanding and not fully paid, the Holder shall have the right, but not the obligation, to convert all or any portion of the then aggregate outstanding Principal Amount of this Note, together with any accrued and unpaid interest thereon, into shares of Common Stock of the Borrower or its successor in interest (the "**Conversion Shares**"), subject to the terms and conditions set forth in this Article II, at the rate of \$2.00 per share of Company's common stock par value \$0.001 (the "**Common Stock**") (as may be adjusted as provided herein, the "**Voluntary Conversion Price**"). The Holder may exercise such right by delivery to the Borrower of a written Notice of Conversion pursuant to Section 2.2.

2.2. Mechanics of Holder's Conversion. In the event that the Holder elects to voluntarily convert any amounts outstanding under this Note into Common Stock the Holder shall give notice of such election by delivering an executed and completed notice of conversion (a "**Notice of Conversion**") together with the Holder's original Note to the Company, which Notice of Conversion shall provide a breakdown in reasonable detail of the Principal Amount, accrued interest. On each Conversion Date (as hereinafter defined) and in accordance with its Notice of Conversion, the Holder shall make the appropriate reduction to the Principal Amount and accrued and unpaid interest, shall issued a replacement Note therefor, and shall deliver such replacement Note to the Holder in accordance with the requirements of the Purchase Agreement. A form of Notice of Conversion to be employed by the Holder is annexed hereto as Exhibit A. No fractional Conversion Shares shall be issued upon conversion of this Note. Instead of any fractional shares that would otherwise be issuable upon conversion of this Note, the Company shall pay a cash adjustment in respect of such fractional share in an amount equal to the same fraction of the Voluntary Conversion Price then in effect.

2.3. Adjustments to Conversion Price.

(a) The number of Conversion Shares to be issued upon each conversion of this Note pursuant to this Section 2 shall be determined by dividing that portion of the Principal Amount and interest to be converted, if any, by the then applicable Voluntary Conversion Price.

(b) The Voluntary Conversion Price and number and kind of shares or other securities to be issued upon conversion shall be subject upon the happening of certain events while this conversion right remains outstanding, as follows:

(i) Adjustment for Reclassification, Reorganization or Merger. In case of any reclassification or change of the outstanding securities of the Company or of any reorganization of the Company (or any other corporation the stock or securities of which are at the time receivable upon the conversion of this Note) on or after the date hereof, or in case, after such date, the Company (or any such other corporation) shall merge with or into another corporation or convey all or substantially all of its assets to another corporation, then and in each such case the Holder, upon the exercise hereof at any time after the consummation of such reclassification, change, reorganization, merger or conveyance, shall be entitled to receive, in lieu of the stock or other securities and property receivable upon the exercise hereof prior to such consummation, the stock or other securities or property to which such Holder would have been entitled upon such consummation if such Holder had exercised this Note immediately prior thereto, all subject to further adjustment as provided in paragraph (b) hereof; in such case, the terms of this Section 2.3(b)(i) shall be applicable to the shares of stock or other securities properly receivable upon the exercise of this Note after such consummation.

(ii) Stock Splits, Combinations and Dividends. If the common stock of the Company are subdivided or combined into a greater or smaller number of shares of common stock, or if a dividend is paid on the common stock by issuance of common stock, the Voluntary Conversion Price shall be proportionately reduced in case of subdivision of shares or stock dividend or proportionately increased in the case of combination of shares, in each such case by the ratio which the total number of common stock outstanding immediately after such event bears to the total number of shares of common stock outstanding immediately prior to such event.

(c) Whenever a conversion price is adjusted pursuant to this Section 2.3, the Company shall promptly mail to the Holder a notice setting forth the Voluntary Conversion Price after such adjustment and setting forth a statement of the facts requiring such adjustment.

2.4 Issuance of Replacement Note. Upon any loss or destruction of this Note, a replacement Note containing the same date and provisions of this Note shall be issued by the Company to the Holder for the outstanding Principal Amount of this Note and accrued interest which shall not have been converted or paid.

**ARTICLE III  
EVENTS OF DEFAULT**

3.1 The occurrence of any of the following events of default ("**Event of Default**") shall, at the option of the Holder hereof, make all sums of principal and interest then remaining unpaid hereon and all other amounts payable hereunder immediately due and payable, upon demand, without presentment, or grace period, all of which hereby are expressly waived, except as set forth below:

(a) Nonpayment. The Borrower shall default in payment, which default continues for five (5) business days after receipt of written notice. In addition, upon an uncured Event of Default, the interest rate shall increase to 21%, or the legal maximum interest rate under New York State Law for such time as the event of default remains uncured.

(b) Nonperformance. The Borrower fails to perform or observe any material agreement, term, provision, condition, or covenant required to be performed or observed by the Borrower hereunder or under any other Transaction Document, including the Purchase Agreement and shall fail to substantially cure such failure within thirty (30) days after the receipt of written notice thereof from the Holder;

(c) Cessation. The Borrower shall liquidate, dissolve, terminate or suspend its business operations; or

(d) Inability to Perform; Bankruptcy/Insolvency. The Borrower shall be or become insolvent, or admit in writing its inability to pay its debts as they mature, or make an assignment for the benefit of creditors; or the Borrower shall apply for or consent to the appointment of any receiver, trustee, or similar officer for it or for all or any substantial part of its property; or such receiver, trustee or similar officer shall be appointed without the application or consent of the Borrower, as the case may be; or the Borrower shall institute any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, liquidation or similar proceeding relating to the Borrower under the laws of any jurisdiction.

(e) Change of Control. The Borrower shall have a change in control or a change in the Chief Executive Officer position, provided, however that each such event may be waived by the Holder. For purposes of this Section 3.1(e), a change of control shall mean the occurrence of any of the following events: (i) any consolidation or merger of the Borrower in which the Borrower is not the continuing or surviving corporation or pursuant to which shares of stock of the Borrower would be converted into cash, securities or other property, other than a consolidation or merger of the Borrower in which holders of its common stock immediately prior to the consolidation or merger have substantially the same proportionate ownership of common stock of the surviving corporation immediately after the consolidation or merger as immediately before; (ii) a sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all the assets of the Borrower; or (iii) the purchase by any person (as defined in section 13(d) of the Securities Exchange Act of 1934, as amended, corporation or other entity, other than the Borrower or a wholly owned subsidiary of the Borrower, of shares pursuant to a tender or exchange offer, to acquire any stock of the Borrower (or securities convertible into stock) for cash, securities or any other consideration provided that, after consummation of the offer, such person, group, corporation or other entity is the beneficial owner (as defined in Rule 13d-3), directly or indirectly, of 50% or more of the outstanding stock of the Borrower.

3.2 Acceleration of Indebtedness. Upon the occurrence of any of the events identified in Sections 3.1(b) through 3.1(e), and the passage of any agreed upon cure periods herein, the Holder may at any time thereafter, upon five days' written notice to the Borrower, declare the unpaid principal balance, together with the interest accrued thereon and other amounts accrued hereunder and under the other Transaction Documents, to be immediately due and payable; and the unpaid balance will thereupon be due and payable.



3.3 Other Remedies. Nothing in this Article III is intended to restrict the Holder's rights under any of the Transaction Documents or at law, and the Holder may exercise all such rights and remedies as and when they are available.

#### ARTICLE IV MISCELLANEOUS

4.1 Failure or Indulgence Not Waiver. No failure or delay on the part of Holder hereof in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege. All rights and remedies existing hereunder are cumulative to, and not exclusive of, any rights or remedies otherwise available.

4.2 Limitations. Notwithstanding anything to the contrary contained herein, the number of Conversion Shares that may be acquired by the Holder upon exercise of this Note (or otherwise in respect hereof) shall be limited to the extent necessary to ensure that, following such conversion (or other issuance), the total number of shares of Common Stock then beneficially owned by such Holder and its affiliates and any other persons whose beneficial ownership of Common Stock would be aggregated with the Holder's for purposes of Section 13(d) of the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), does not exceed 4.99% of the total number of issued and outstanding Common Stock (including for such purpose the shares of Common Stock issuable upon such conversion). For such purposes, beneficial ownership shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. The Holder, upon not less than 61 days' prior notice to the Company, may increase or decrease the beneficial ownership limitations provision of this Section, provided that the beneficial ownership limitation in no event exceeds 9.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock upon exercise of this Note held by the Holder and the provisions of this Section shall continue to apply. Any such increase or decrease will not be effective until the 61st day after such notice is delivered to the Company. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended beneficial ownership limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of this Note.

4.3 Notices. All notices and other communications required or permitted hereunder shall be in writing and shall be effective when delivered personally, provided that a copy is mailed by registered mail, return receipt requested, or when received by the addressee, if sent by Express Mail, Federal Express or other express delivery service (receipt requested) in each case to the appropriate address set forth below:

If to the Borrower:      Chanticleer Holdings, Inc.  
7621 Little Avenue, Suite 414  
Charlotte, North Carolina 28226  
Attn: Michael D. Pruitt

If to the Holder:        At the address set forth on the Signature Page to the Securities  
Purchase Agreement.

4.4 Amendment Provision. The term "Note" and all reference thereto, as used throughout this instrument, shall mean this instrument as originally executed, or if later amended or supplemented or reissued, then as so amended or supplemented or reissued.

4.5 Assignees. This Note, and the conversion rights described herein, shall not be assignable by the Holder without the prior written consent of the Borrower, which shall not be unreasonably withheld. Subject to the restrictions of the preceding sentence, the rights and obligations of the Borrower and the Holder shall be binding upon and benefit the successors, assign, heirs, administrators and transferees of the parties.

4.6 Cost of Collection. In the event that Holder is required to take legal or other action to enforce its rights or obtain collection under this Note, Borrower shall pay the Holder hereof reasonable costs of collection, or enforcement of the terms hereof, including attorneys' fees.

4.7 Governing Law. This Note shall be governed by and construed in accordance with the laws of the State of New York. Any action brought by either party against the other concerning the transactions contemplated by this Agreement shall be brought only in the State Supreme Court of the State of New York, County of New York. Both parties and the individual signing this Agreement on behalf of the Borrower agree to submit to the jurisdiction of such courts. The prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and costs. In the event that any provision of this Note is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or unenforceability of any other provision of this Note.

4.8 Maximum Payments. Nothing contained herein shall be deemed to establish or require the payment of a rate of interest or other charges in excess of the maximum permitted by applicable law. In the event that the rate of interest required to be paid or other charges hereunder exceed the maximum permitted by such law (such as, without limitation, the usury laws), any payments in excess of such maximum shall be credited against amounts owed by the Borrower to the Holder and thus refunded to the Borrower, or if no further amounts are owed by the Borrower to the Holder, shall be refunded to the Borrower.

4.9 Construction and Enforcement. Each party acknowledges that its legal counsel participated in the preparation of this Note and, therefore, stipulates that the rule of construction that ambiguities are to be resolved against the drafting party shall not be applied in the interpretation of this Note to favor any party against the other. This Note reflects an investment made by Holder or its assignor to the Borrower.

4.10 Redemption. This Note may be prepaid by the Borrower, in whole or in part, at any time and from time to time, without premium or penalty, upon 10 days' prior notice to the Holder.

4.11 Shareholder Status. The Holder shall not have rights as a shareholder of the Borrower with respect to unconverted portions of this Note. However, the Holder will have the rights of a shareholder of the Borrower with respect to the Shares of common stock to be received after delivery by the Holder of a Conversion Notice to the Borrower.

4.12 Non-Business Days. Whenever any payment or any action to be made shall be due on a Saturday, Sunday or a public holiday under the laws of the State of New York, such payment may be due or action shall be required on the next succeeding business day and, for such payment, such next succeeding day shall be included in the calculation of the amount of accrued interest payable on such date.

**[Signature pages follow]**

IN WITNESS WHEREOF, Borrower has caused this Note to be signed in its name by an authorized officer as of the 13th day of March, 2015.

**CHANTICLEER HOLDINGS, INC.**

By:

Name: Michael D. Pruitt \_\_\_\_\_

Title: Chief Executive Officer

**[Signature Page to Convertible Promissory Note of Chanticleer Holdings, Inc.]**

**NOTICE OF CONVERSION**

(To be executed by the Registered Holder in order to convert the Note)

The undersigned hereby elects to convert \$ \_\_\_\_\_ of the principal and \$ \_\_\_\_\_ of the interest due on the Note issued by Chanticleer Holdings, Inc., a Delaware corporation (the "Company") into shares of common stock of the Company according to the conditions set forth in such Note, as of the date written below.

Date of Conversion/Exchange: \_\_\_\_\_

Conversion Price: \_\_\_\_\_

Shares To Be Delivered: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_



April 27, 2015

Chanticleer Holdings, Inc.  
7621 Little Avenue, Suite 414  
Charlotte, North Carolina 28226

Re: Registration Statement on Form S-3

Ladies and Gentlemen:

We have acted as counsel to Chanticleer Holdings Inc., a Delaware corporation (the "Company"), with respect to the preparation and filing of the Registration Statement on Form S-3 (File No. 333- ) (as amended, the "Registration Statement") by the Company with the Securities and Exchange Commission (the "Commission") on April 27, 2015. The Registration Statement provides for (i) the offer and sale by certain selling shareholders (the "Selling Shareholders") of up to 500,000 shares of Common Stock (as defined below) issuable upon conversion of certain convertible promissory notes ("Note Shares"), (ii) up to 400,000 shares of Common Stock issuable upon exercise of certain warrants ("Warrant Shares") and (iii) the offer and sale by the Company of the Securities (as defined below) from time to time, pursuant to Rule 415 under the Securities Act of 1933, as amended (the "Securities Act"), of an indeterminate amount and aggregate offering price of:

- (a) common stock of the Company, par value \$.0001 per share (the "Common Stock");
- (b) warrants to purchase Common Stock evidenced by warrant certificates ("Warrants");
- (c) units of Warrants and Common Stock ("Units"); and
- (d) rights to purchase Common Stock or other securities evidenced by rights certificates ("Rights").

Each of the Warrants, Units and Rights may be issued pursuant to an agreement to be entered into between the Company and an entity selected by the Company to act as the agent ("Agent"), which shall be substantially in the form filed as an exhibit to the Registration Statement or as an exhibit to a document filed under the Securities Exchange Act of 1934, as amended, and incorporated into the Registration Statement by reference. The Common Stock, the Warrants, the Units and the Rights are collectively referred to herein as the "Securities" and each, a "Security".

In our capacity as your counsel in connection with such registration, we are familiar with the proceedings taken and proposed to be taken by the Company in connection with the authorization and issuance of the Securities, and, for the purposes of this opinion, have assumed such proceedings will be timely completed in the manner presently proposed. In addition, we have made such legal and factual examinations and inquiries, including an examination of originals or copies certified or otherwise identified to our satisfaction of such documents, corporate records, certificates of officers and representatives of the Company and instruments, and we have made such inquiries of such officers and representatives of the Company, as we have deemed necessary or appropriate as a basis for our opinion. In our examination, we have assumed the legal capacity of all natural persons, the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies and the authenticity of the originals of such latter documents. With your consent, we have relied upon the foregoing and upon certificates and other assurances of officers of the Company and others as to factual matters without having independently verified such factual matters.

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Subject to the foregoing and the other matters set forth herein, it is our opinion that, as of the date hereof:

1. The Common Stock to be issued by the Company, upon receipt by the Company of such lawful consideration therefor as the Board of Directors (the "Board") of the Company (or a duly authorized committee thereof) may determine, will be validly issued, fully paid and nonassessable.

4. The Warrants, upon receipt by the Company of such lawful consideration therefor as the Board (or a duly authorized committee thereof) may determine, will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms.

5. The Units, upon receipt by the Company of such lawful consideration therefor as the Board (or a duly authorized committee thereof) may determine, will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms.

6. The Rights, upon receipt by the Company of such lawful consideration therefor as the Board (or a duly authorized committee thereof) may determine, will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms.

7. The Warrant Shares, subject to issuance by the Company, are duly authorized for issuance and, when issued and paid for in accordance with the provisions of the warrants as described in the Registration Statement, will be validly issued, fully paid, and nonassessable.

8. The Note Shares, subject to issuance by the Company, are duly authorized for issuance and, when issued and paid for in accordance with the provisions of the notes as described in the Registration Statement, will be validly issued, fully paid, and nonassessable.

In rendering the foregoing opinions, we have assumed that: (i) the Registration Statement, and any amendments thereto, will have become effective (and will remain effective at the time of issuance of any Securities thereunder); (ii) a prospectus supplement describing each class and/or series of Securities offered pursuant to the Registration Statement, to the extent required by applicable law and relevant rules and regulations of the Commission, will be timely filed with the Commission; (iii) the definitive terms of each class and/or series of Securities will have been established in accordance with the authorizing resolutions of the Board, its organizational and governing documents and applicable law; (iv) the Company will issue and deliver the Securities in the manner contemplated by the Registration Statement and any Securities will have been duly authorized and reserved for issuance; (v) the resolutions authorizing the issuance, offering and sale of the Securities will have been adopted by the Board and will be in full force and effect at all times at which the Securities are offered or sold by the Company; (vi) a definitive purchase, underwriting or similar agreement with respect to any Securities will have been duly authorized and validly executed and delivered by the Board of Directors of the Company and the other parties thereto; (vii) all Securities will be issued in compliance with applicable federal and state securities laws; and (viii) that any shares of Common Stock issued pursuant to the Registration Statement from time to time will not exceed the maximum authorized number of shares of Common Stock under the current Certificate of Formation of the Company, as the same may have been amended, minus that number of shares of Common Stock that may have been issued and are outstanding, or are reserved for issuance for other purposes, at such time.

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The opinion expressed above is limited by, subject to and based on the assumptions, limitations and qualifications set forth below:

(a) The validity and binding effect of the Securities may be limited or affected by bankruptcy, reorganization, insolvency, fraudulent conveyance, moratorium or other similar laws relating to or affecting creditors' rights generally and by general equitable principles (regardless of whether such validity and binding effect are considered in a proceeding in equity or at law), and may be limited by applicable laws or policies underlying such laws.

(b) The opinion expressed herein is limited to the General Corporation Law of the State of Delaware, including the applicable provisions of the Delaware Constitution and the reported judicial decisions interpreting such law, in each case as currently in effect, and we express no opinion as to the effect of the laws of any other jurisdiction. While we are not licensed to practice law in the State of Delaware, we have reviewed applicable provisions of the Delaware General Corporation Law as we have deemed appropriate in connection with the opinions expressed herein.

To the extent that the obligations of the Company under Warrants, Units or Rights may be dependent upon such matters, we assume that any agreement relating to the Warrants, Units or Rights to be entered into between the Company and the applicable Agent will have been duly authorized, executed and delivered by the Company for purposes of this opinion that each Agent will be duly organized, validly existing and in good standing under the laws of its jurisdiction of organization; that each Agent will be duly qualified to engage in the activities contemplated by the applicable agreement and Securities; that each agreement will be duly authorized, executed and delivered by the applicable Agent and will constitute the legally valid and binding obligation of such Agent, enforceable against such Agent in accordance with its terms; that each Agent will be in compliance, generally and with respect to acting as an Agent under the applicable agreement and with respect to the applicable Securities, with all applicable laws and regulations; and that each Agent will have the requisite organizational and legal power and authority to execute and deliver and to perform its obligations under the applicable agreement and the applicable Securities.

We hereby consent to the filing of this letter as an exhibit to the Registration Statement and to the reference to this firm under the caption "Legal Matters" in the Registration Statement. In giving this consent, we do not hereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act. This opinion is expressed as of the date of effectiveness of the Registration Statement unless otherwise expressly stated, and we disclaim any undertaking to advise you of any subsequent changes in the facts stated or assumed herein or of any subsequent changes in applicable laws after that date.

Very truly yours,  
/s/ Libertas Law Group, Inc.

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## SECURITIES PURCHASE AGREEMENT

This Securities Purchase Agreement (this "Agreement") is dated as of February 11, 2015, between Chanticleer Holdings, Inc., a Delaware corporation (the "Company"), and Carl Caserta or his designated assigns (the "Purchaser").

WHEREAS, subject to the terms and conditions set forth in this Agreement and pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"), and Rule 506 (b) promulgated thereunder, the Company desires to issue and sell to the Purchaser, and the Purchaser desires to purchase from the Company, securities of the Company as more fully described in this Agreement.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and each Purchaser agree as follows:

**ARTICLE I.  
DEFINITIONS**

1.1 Definitions. In addition to the terms defined elsewhere in this Agreement: (a) capitalized terms that are not otherwise defined herein have the meanings given to such terms in the Note (as defined herein), and (b) the following terms have the meanings set forth in this Section 1.1:

"Affiliate" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 under the Securities Act.

"Amended and Restated Notes" shall mean one or more 9% Convertible Promissory Notes in the aggregate principal amount of \$1,000,000, each in the form of Exhibit D attached hereto.

"Board of Directors" means the board of directors of the Company.

"Business Day" means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

"Closing Statement" means the Closing Statement in the form on Annex A attached hereto.

"Collateral Assets" The assets, operations and locations of Townsville and Just Fresh #7.

"Commission" means the United States Securities and Exchange Commission.

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“Common Stock” means the common stock of the Company, par value \$0.0001 per share, and any other class of securities into which such securities may hereafter be reclassified or changed.

“Conversion Price” shall have the meaning ascribed to such term in the Initial Note and Amended and Restated Notes.

“Conversion Shares” shall have the meaning ascribed in Section 2.7.

“Disclosure Schedules” shall have the meaning ascribed to such term in Section 3.1.

“EBITDA” For any determination period shall be the net income of the Company before reductions for income taxes, interest expense, depreciation and amortization determined in accordance with GAAP.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“Financial Statements” shall mean the financial statements of the Company, which shall include balance sheet, income statement, statement of changes in financial position and cash flow statements.

“FMF” shall mean the Florida Mezzanine Fund, LLLP.

“GAAP” shall mean the United States generally accepted accounting principles.

“Initial Subscription Amount” means, as to the Purchaser, the aggregate amount of Two Hundred Thousand Dollars (\$200,000) to be paid for Initial Note and Initial Warrants purchased hereunder as specified below such Purchaser’s name on the signature page of this Agreement and next to the heading “Subscription Amount,” in United States dollars and in immediately available funds.

“Initial Closing” shall occur on the Initial Closing Date on which the Purchaser invests \$200,000 as provided in Section 2.1(a)

“Initial Closing Date” means the Trading Day on which all of the Agreement, Registration Rights Agreement, Initial Note and Initial Warrant have been executed and delivered by the applicable parties thereto, and all conditions precedent to (i) the Purchasers’ obligations to pay the Initial Subscription Amount and (ii) the Company’s obligations to deliver the Initial Note and Initial Warrant, in each case, have been satisfied or waived.

“Initial Note” shall mean a 9% Convertible Promissory Note in the principal amount of \$200,000, in the form of Exhibit A attached hereto.

“Initial Warrant” shall mean the Common Stock purchase warrants delivered to the Purchaser at the Initial Closing in accordance with Section 2.4(a)(i)(C) hereof, which Subsequent Warrants shall be exercisable immediately and have a term of exercise equal to five years, in the form of Exhibit B attached hereto.

“Just Fresh #7” The seventh Just Fresh store anticipated to be opened by the Company, located in Charlotte, North Carolina AKA Ballantyne.

“Maturity Date” the date which is two (2) years from the Closing Date.

“Maximum Rate” shall have the meaning ascribed to such term in Section 5.11.

“Net Income” shall mean the total earnings, calculated by taking revenues and adjusting for the cost of doing business, depreciation, interest, taxes and other operating expenses.

“Person” means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

“Projected Financial Statements” shall consist of three sets of projections for a period of no less than three (3) years; first, the projected Financial Statements of the Collateral Assets; second, the projected Financial Statements of the collateral assets and the Remaining AU Assets; third, the projected Financial Statements of the Company. The projections shall represent the Company’s good faith estimate of the performance of the Collateral Assets, the remaining AU assets and the Company for the periods stated therein based upon assumptions which are believed to be in good faith and reasonable when made.

“Registration Rights Agreement” means the Registration Rights Agreement, dated the date hereof, among the Company and the Purchasers, in the form of Exhibit C attached hereto.

“Registration Statement” shall have the meaning ascribed to such term in Section 2.7.

“Remaining AU Assets” the existing assets, operations and locations the four locations owned by the Company in Australia, operating under Hoot Parramatta Pty. Ltd., Hoot Penrith Pty Ltd., Hoot Campbelltown Pty. Ltd. and Hoot Surfers Paradise Pty. Ltd. and the gaming and management contracts relating thereto.

“Required Minimum” means, as of any date, the maximum aggregate number of shares of Common Stock then issued or potentially issuable in the future pursuant to the Transaction Documents, including any Underlying Shares issuable upon exercise in full of all Warrants or conversion in full of all Note (including Underlying Shares issuable as payment of interest on the Note), ignoring any conversion or exercise limits set forth therein, and assuming that the Conversion Price is at all times on and after the date of determination 75% of the then Conversion Price on the Trading Day immediately prior to the date of determination.

“Rule 144” means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

“SEC Documents” shall have the meaning ascribed to such term in Section 3.1(g).

“Securities” means the Initial Note, Amended and Restated Notes, Initial Warrant, Subsequent Warrant, the Warrant Shares and the Underlying Shares.

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“Security Documents” shall mean the documents and filings required thereunder in order to grant the Purchasers a security interest in the assets of the Company and the Subsidiaries, including all UCC-1 filing receipts.

“Subsequent Subscription Amount” means, as to the Purchaser, the aggregate amount of Eight Hundred Thousand Dollars (\$800,000) to be paid for the \$800,000 Amended and Restated Notes and Subsequent Warrants purchased hereunder as specified below such Purchaser’s name on the signature page of this Agreement and next to the heading “Subscription Amount,” in United States dollars and in immediately available funds.

“Subsequent Closing Date” means the Trading Day on which all of the Agreement, Registration Rights Agreement, Amended and Restated Notes and Subsequent Warrant have been executed and delivered by the applicable parties thereto, and all conditions precedent to (i) the Purchasers’ obligations to pay the Subsequent Subscription Amount and (ii) the Company’s obligations to deliver the Amended and Restated Notes and Subsequent Warrant, in each case, have been satisfied or waived.

“Subsequent Warrant” shall mean the Common Stock purchase warrants delivered to the Purchaser on the Subsequent Closing Date in accordance with Section 2.4(b)(i)(B) hereof, which Subsequent Warrants shall be exercisable immediately and have a term of exercise equal to five years, in the form of Exhibit E attached hereto.

“Subsidiary” means any subsidiary of the Company.

“Townsville”: The store anticipated to be opened by the Company, located in Townsville, Australia operating under Hoot Townsville Pty. Ltd.

“Trading Day” means a day on which the principal Trading Market is open for trading.

“Trading Market” means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE MKT, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange or the OTC Markets (or any successors to any of the foregoing).

“Transaction Documents” means this Agreement, the Initial Note, the Amended and Restated Notes, the Initial Warrant, the Subsequent Warrant, the Registration Rights Agreement, all exhibits and schedules thereto and hereto and any other documents or agreements executed in connection with the transactions contemplated hereunder.

“Transfer Agent” means Securities Transfer Corporation and any successor transfer agent of the Company.

“Underlying Shares” means the shares of Common Stock issued and issuable upon conversion or redemption of the Initial Note and Amended and Restated Notes and upon exercise of the Initial Warrant and Subsequent Warrant and issued and issuable in lieu of the cash payment of interest on the Initial Note and Amended and Restated Notes in accordance with their terms.

“Warrant Shares” means the shares of Common Stock issuable upon exercise of the Initial Warrant and Subsequent Warrant.

## **ARTICLE II. PURCHASE AND SALE**

### 2.1 Closing.

(a) Initial Closing. On or before the Initial Closing Date, upon the terms and subject to the conditions set forth herein, substantially concurrent with the execution and delivery of this Agreement by the parties hereto, the Company agrees to sell, and the Purchaser agrees to purchase, the Initial Note. The Purchaser has delivered to his attorneys trust account the sum of \$200,000, and, on the Initial Closing Date, the Company shall deliver to the Purchaser its Initial Note and Initial Warrant, as determined pursuant to Section 2.4(a)(i), and the Company and the Purchaser shall deliver the other items set forth in Section 2.4(a) deliverable at the Initial Closing. Upon receipt of the original manually signed Initial Note and Initial Warrant and an executed Agreement and Registration Rights Agreement, the Purchaser shall cause his attorneys to wire transfer \$200,000 to the Company that day or if the wire deadline has passed the next business day. The Purchaser’s attorneys have sent an email confirmation to the Company’s attorneys confirming this agreement. Upon satisfaction of the covenants and conditions set forth in Sections 2.4 and 2.5, the Initial Closing shall occur at the offices of Ruskin Moscou Faltischek, P.C., 1425 RXR Plaza, 15<sup>th</sup> Floor, East Tower, Uniondale, New York 11556, or such other location as the parties shall mutually agree.

(b) Subsequent Closing. On or before the Subsequent Closing Date, upon the terms and subject to the conditions set forth herein, the Company agrees to sell, and the Purchaser agrees to purchase, the Amended and Restated Notes. Simultaneously with the issuance of the Amended and Restated Notes, the Initial Note shall be cancelled. On the Subsequent Closing Date, the Company shall deliver to the Purchaser its Amended and Restated Notes and Subsequent Warrant, as determined pursuant to Section 2.4(b)(i), and the Company and the Purchaser shall deliver the other items set forth in Section 2.4(b) deliverable on the Subsequent Closing Date. If the initial Purchaser has assigned all or a portion of the \$1,000,000, the additional Purchasers shall execute the Purchaser's signature page to this Agreement and complete and execute Exhibit F to this Agreement. Upon receipt of the original manually signed Amended and Restated Notes and Subsequent, the Purchaser shall cause his attorneys to wire transfer \$800,000 to the Company that day or if the wire deadline has passed the next business day. Upon satisfaction of the covenants and conditions set forth in Sections 2.4 and 2.5, the Closing shall occur at the offices of Ruskin Moscou Faltischek, P.C., 1425 RXR Plaza, 15<sup>th</sup> Floor, East Tower, Uniondale, New York 11556, or such other location as the parties shall mutually agree. Provided, however, that if the Subsequent Closing Date does not take place on or prior to February 27, 2015, neither the Company nor the Purchaser shall have any further obligations or liability with respect to this Agreement, and the Initial Note shall remain outstanding as an unsecured obligation of the Company in accordance with its terms.

2.2 Use of Proceeds. The proceeds of advances under the Initial Note and Amended and Restated Notes shall be used for the purposes set forth on Schedule 2.2 hereto (the "Use of Proceeds").

2.3 Security Interest. Upon the occurrence of the Subsequent Closing, as security for the payments due under the Amended and Restated Notes, the Company hereby pledges, hypothecates, assigns, transfers, and hereby grants to the Purchaser a continuing security interest (the "Security Interest") as follows: (i) a first priority security interest in and to the assets located at Townsville and Just Fresh #7; (ii) a second priority security interest in the Remaining AU Assets; and (iii) a third priority security interest in and to all assets of the Company subordinated to the Company's current senior bank loan and FMF which shall not exceed the balance as of the date of this agreement which is \$1,200,000 and \$5,000,000 respectively.

Purchaser shall work with the Company and Company's counsel to file the necessary filings representing Purchaser's security interests in the Collateral Assets and Remaining AU Assets.

Upon payment in full of the Amended and Restated Notes and all accrued and unpaid interest thereunder, the Purchaser shall execute and deliver to the Company (or, in the absence of same, hereby authorizes the Company to file on the Purchaser's behalf) such releases of lien, form UCC-3 and other documents that the Company may reasonably require in order to release the security interest hereby granted to the Purchaser relating to the third priority security interest in and to all assets of the Company.

For clarification purposes only, the Security Interest set forth in this Section 2.3 shall apply only if the Subsequent Closing occurs. Unless and until the Subsequent Closing occurs as provided in Section 2.1(b), above, the Initial Note shall remain outstanding as an unsecured obligation of the Company in accordance with its terms.

2.4 Deliveries.

(a) Initial Closing.

- (i) On or prior to the Initial Closing Date, the Company shall deliver or cause to be delivered to the Purchaser the following:
  - (A) this Agreement duly executed by the Company;
  - (B) the Initial Note, in the principal amount of \$200,000 registered in the name of the Purchaser;
  - (C) the Initial Warrant in the name of the Purchaser to purchase 80,000 shares of Common Stock of the Company with an exercise price equal to \$2.50, subject to adjustment therein;
  - (D) the Registration Rights Agreement duly executed by the Company.
- (ii) On or prior to the Initial Closing Date, the Purchaser shall deliver or cause to be delivered to the Company the following:
  - (A) this Agreement duly executed by such Purchaser;
  - (B) such Purchaser's Initial Subscription Amount by wire transfer to the account specified in writing by the Company;
  - (C) the Registration Rights Agreement duly executed by such Purchaser; and
  - (D) an Accredited Investor Questionnaire annexed hereto as Exhibit F duly executed by such Purchaser.

(b) Subsequent Closing.

- (i) On or prior to the Subsequent Closing Date, the Company shall deliver or cause to be delivered to the Purchaser the following:
  - (A) the Amended and Restated Notes, in the principal amount of \$1,000,000 registered in the name of the Purchaser;
  - (B) the Subsequent Warrant in the name of the Purchaser to purchase 320,000 shares of Common Stock of the Company with an exercise price equal to \$2.50, subject to adjustment therein;

- (C) the Security Documents duly executed by the parties thereto; and
- (D) a Certificate of its Chief Executive Officer or other duly authorized officer of the Company that the representations and warranties of the Company contained in Section 3.1 continue to be true and correct.
- (iii) On or prior to the Subsequent Closing Date, the Purchaser shall deliver or cause to be delivered to the Company the following:
  - (A) such Purchaser's Subsequent Subscription Amount by wire transfer to the account specified in writing by the Company;
  - (B) the Security Documents duly executed by such Purchaser;
  - (C) an Accredited Investor Questionnaire annexed hereto as Exhibit F duly executed by such Purchaser;
  - (D) the void and cancelled Initial Note; and
  - (E) the executed Signature Page and Exhibit F.

2.5 Closing Conditions.

(a) The obligations of the Company hereunder in connection with the Initial Closing and Subsequent Closing are subject to the following conditions being met:

(i) the accuracy in all material respects on the applicable Closing Date of the representations and warranties of the Purchaser contained herein (unless as of a specific date therein in which case they shall be accurate as of such date);

(ii) all obligations, covenants and agreements of the Purchaser required to be performed at or prior to the Closing Date shall have been performed; and

(iii) the delivery by the Purchaser of the items set forth in Section 2.4(a)(ii) and 2.4(b)(ii) of this Agreement.

(b) The respective obligations of the Purchaser hereunder in connection with the Closing are subject to the following conditions being met:

(i) the accuracy in all material respects when made and on the Closing Date of the representations and warranties of the Company contained herein (unless as of a specific date therein);

- (ii) all obligations, covenants and agreements of the Company required to be performed at or prior to the Closing Date shall have been performed;
- (iii) the delivery by the Company of the items set forth in Section 2.4(a)(i) and 2.4(b)(i) of this Agreement;
- (iv) there shall have been no Material Adverse Effect with respect to the Company since the date hereof; and
- (v) from the date hereof to the applicable Closing Date, trading in the Common Stock shall not have been suspended by the Commission or the Company's principal Trading Market and, at any time prior to the Closing Date, trading in securities generally as reported by Bloomberg L.P. shall not have been suspended or limited, or minimum prices shall not have been established on securities whose trades are reported by such service, or on any Trading Market, nor shall a banking moratorium have been declared either by the United States or New York State authorities nor shall there have occurred any material outbreak or escalation of hostilities or other national or international calamity of such magnitude in its effect on, or any material adverse change in, any financial market which, in each case, in the reasonable judgment of such Purchaser, makes it impracticable or inadvisable to purchase the Securities at the Closing.

2.6 **Repayment.** The parties acknowledge and agree that the Company (i) will receive sixty (60%) percent of the Net Income from the Collateral Assets upon the commencement of operations at such locations; and (ii) receives sixty (60%) percent of the Net Income from the Remaining AU Assets. After the Subsequent Closing Date, and at such time as the Company begins to receive payments from such Net Income from the Collateral Assets and Remaining AU Assets and until the principal amount of the Amended and Restated Notes and all accrued and unpaid interest of the Initial Note and Amended and Restated Notes are repaid in full, it shall pay to the Purchaser, within five (5) days of receipt of same: (A) eighty (80%) percent of payments of Company's portion of Net Income from the Collateral Assets; and (B) fifty (50%) percent of the Company's portion of Net Income from the Remaining AU Assets; Such payments shall first be applied to interest and all remaining payments shall be applied to principal; provided, however, that the payments required under this Section 2.5 shall be made by the Company only after it has paid to FMF all required principal and interest payments in accordance with Schedule I hereto, however, all Net Income from the Collateral Assets shall only be available to the Purchaser and FMF shall have no claim or priority to their Net Income. The Company agrees, after the Subsequent Closing Date, it shall pay not less than 10% of the net funds raised in all equity or debt offerings of the Company toward any outstanding principal and interest owed to the Purchaser hereunder.

2.7 **Board Rights.** After the Subsequent Closing Date, the Purchaser shall have the right to appoint one person to the Company's Board of Directors as long as the Initial Note, Amended and Restated Notes and/or Initial Warrants and Subsequent Warrants are outstanding.



**ARTICLE III.**  
**REPRESENTATIONS AND WARRANTIES**

3.1 **Representations and Warranties of the Company.** Except as set forth in the Disclosure Schedules, which Disclosure Schedules shall be deemed a part hereof and shall qualify any representation or otherwise made herein to the extent of the disclosure contained in the corresponding section of the Disclosure Schedules, the Company hereby makes the following representations and warranties to the Purchaser:

(a) **Organization and Qualification.** The Company and each of its subsidiaries is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated, with full power and authority (corporate and other) to own, lease, use and operate its properties and to carry on its business as and where now owned, leased, used, operated and conducted. The Company and each of its subsidiaries is duly qualified as a foreign corporation to do business and is in good standing in every jurisdiction in which its ownership or use of property or the nature of the business conducted by it makes such qualification necessary except where the failure to be so qualified or in good standing would not have a Material Adverse Effect. "**Material Adverse Effect**" means any material adverse effect on the business, operations, assets, financial condition or prospects of the Company or its subsidiaries, if any, taken as a whole, or on the transactions contemplated hereby or by the agreements or instruments to be entered into in connection herewith. "Subsidiaries" means any corporation or other organization, whether incorporated or unincorporated, in which the Company owns, directly or indirectly, any equity or other ownership interest.

( b ) **Authorization; Enforcement.** (i) The Company has all requisite corporate power and authority to enter into and perform its obligations under the Transaction Documents and to consummate the transactions contemplated hereby and thereby and to issue the Securities, in accordance with the terms hereof and thereof, (ii) the execution and delivery of the Transaction Documents by the Company and the consummation by it of the transactions contemplated hereby and thereby (including without limitation, the issuance of the Note and the Warrant and the issuance and reservation for issuance of the Conversion Shares issuable upon conversion or exercise thereof) have been duly authorized by the Company's board of directors and no further consent or authorization of the Company, its board of directors, or its stockholders is required, (iii) the Transaction Documents have been duly executed and delivered by the Company by its authorized representative, and such authorized representative is the true and official representative with authority to sign the Transaction Documents and the other documents executed in connection herewith and bind the Company accordingly, and (iv) this Agreement constitutes, and upon execution and delivery by the Company of the Transaction Documents, each of such instruments will constitute, a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms.

(c) No Conflicts. The execution, delivery and performance by the Company of this Agreement and the other Transaction Documents to which it is a party, the issuance and sale of the Securities and the consummation by it of the transactions contemplated hereby and thereby do not and will not: (i) conflict with or violate any provision of the Company's or any Subsidiary's certificate or articles of incorporation, bylaws or other organizational or charter documents, (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, result in the creation of any Lien upon any of the properties or assets of the Company or any Subsidiary (other than the Lien granted pursuant to the Security Documents), or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument (evidencing a Company or Subsidiary debt or otherwise) or other understanding to which the Company or any Subsidiary is a party or by which any property or asset of the Company or any Subsidiary is bound or affected, or (iii) subject to the Required Approvals, conflict with or result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Company or a Subsidiary is subject (including federal and state securities laws and regulations), or by which any property or asset of the Company or a Subsidiary is bound or affected; except in the case of each of clauses (ii) and (iii), such as could not have or reasonably be expected to result in a Material Adverse Effect.

(d) Filings, Consents and Approvals. The Company is not required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any court or other federal, state, local or other governmental authority or other Person in connection with the execution, delivery and performance by the Company of the Transaction Documents, other than: (i) the filings required pursuant to Section 4.6 of this Agreement, (ii) the filing with the Commission pursuant to the Registration Rights Agreement, (iii) if applicable, the notice and/or application(s) to each applicable Trading Market for the issuance and sale of the Securities and the listing of the Conversion Shares and Warrant Shares for trading thereon in the time and manner required thereby, (iv) the filing of Form D with the Commission and such filings as are required to be made under applicable state securities laws, and (v) the filings necessary to perfect the Security Interests (collectively, the "Required Approvals").

( e ) Issuance of the Securities. The Conversion Shares and Warrant Shares, when issued, are duly authorized and reserved for issuance and, upon conversion of the Initial Note, Amended and Restated Notes, Initial Warrant and Subsequent Warrant in accordance with their respective terms, will be validly issued, fully paid and non-assessable, and free from all taxes, liens, claims and encumbrances with respect to the issue thereof and shall not be subject to preemptive rights or other similar rights of stockholders of the Company and will not impose personal liability upon the holder thereof.

(f) Capitalization. As of the December 17, 2014, the authorized capital stock of the Company consists of 45,000,000 shares of Common Stock, of which 7,240,333 shares are issued and outstanding. All of such outstanding shares of capital stock are duly authorized, validly issued, fully paid and non-assessable. No shares of capital stock of the Company are subject to preemptive rights or any other similar rights of the stockholders of the Company or any liens or encumbrances imposed through the actions or failure to act of the Company. As of the date of this Agreement, except as set forth in the SEC Documents (as hereinafter defined) (i) there are no outstanding options, warrants, scrip, rights to subscribe for, puts, calls, rights of first refusal, agreements, understandings, claims or other commitments or rights of any character whatsoever relating to, or securities or rights convertible into or exchangeable for any shares of capital stock of the Company or any of its subsidiaries, or arrangements by which the Company or any of its subsidiaries is or may become bound to issue additional shares of capital stock of the Company or any of its subsidiaries, (ii) there are no agreements or arrangements under which the Company or any of its subsidiaries is obligated to register the sale of any of its or their securities under the Securities Act and (iii) there are no anti-dilution or price adjustment provisions contained in any security issued by the Company (or in any agreement providing rights to security holders) that will be triggered by the issuance of the Note, the Warrant or the Conversion Shares.

(g) SEC Reports; Financial Statements. The Company has timely filed all reports, schedules, forms, statements and other documents required to be filed by it with the SEC pursuant to the reporting requirements of the Exchange Act (all of the foregoing filed prior to the date hereof and all exhibits included therein and financial statements and schedules thereto and documents (other than exhibits to such documents) incorporated by reference therein, being hereinafter referred to herein as the "SEC Documents"). As of their respective dates, the SEC Documents complied in all material respects with the requirements of the Exchange Act and the rules and regulations of the SEC promulgated thereunder applicable to the SEC Documents, and none of the SEC Documents, at the time they were filed with the SEC, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. None of the statements made in any such SEC Documents is, or has been, required to be amended or updated under applicable law (except for such statements as have been amended or updated in subsequent filings prior the date hereof). As of their respective dates, the financial statements of the Company included in the SEC Documents complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto. Such financial statements have been prepared in accordance with United States generally accepted accounting principles, consistently applied, during the periods involved and fairly present in all material respects the consolidated financial position of the Company and its consolidated subsidiaries as of the dates thereof and the consolidated results of their operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments). Except as set forth in the financial statements of the Company included in the SEC Documents, the Company has no liabilities, contingent or otherwise, other than (i) liabilities incurred in the ordinary course of business subsequent to September 30, 2014, and (ii) obligations under contracts and commitments incurred in the ordinary course of business and not required under generally accepted accounting principles to be reflected in such financial statements, which, individually or in the aggregate, are not material to the financial condition or operating results of the Company. The Company is subject to the reporting requirements of the Exchange Act.

(h) Absence of Certain Changes. Since September 30, 2014, there has been no material adverse change and no material adverse development in the assets, liabilities, business, properties, operations, financial condition, results of operations, prospects or Exchange Act reporting status of the Company or any of its subsidiaries.

(i) Absence of Litigation. Except as set forth in the SEC Documents, there is no action, suit, claim, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the Company or any of its subsidiaries, threatened against or affecting the Company or any of its subsidiaries, or their officers or directors in their capacity as such, that could have a Material Adverse Effect. The Company and its subsidiaries are unaware of any facts or circumstances which might give rise to any of the foregoing.

(j) Permits; Compliance. The Company and each of its subsidiaries is in possession of all franchises, grants, authorizations, licenses, permits, easements, variances, exemptions, consents, certificates, approvals and orders necessary to own, lease and operate its properties and to carry on its business as it is now being conducted (collectively, the "Company Permits"), and there is no action pending or, to the knowledge of the Company, threatened regarding suspension or cancellation of any of the Company Permits. Neither the Company nor any of its subsidiaries is in conflict with, or in default or violation of, any of the Company Permits, except for any such conflicts, defaults or violations which, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. Since September 30, 2014, neither the Company nor any of its subsidiaries has received any notification with respect to possible conflicts, defaults or violations of applicable laws, except for notices relating to possible conflicts, defaults or violations, which conflicts, defaults or violations would not have a Material Adverse Effect.

(k) Solvency. The Company (after giving effect to the transactions contemplated by this Agreement) is solvent (i.e., its assets have a fair market value in excess of the amount required to pay its probable liabilities on its existing debts as they become absolute and matured) and currently the Company has no information that would lead it to reasonably conclude that the Company would not, after giving effect to the transaction contemplated by this Agreement, have the ability to, nor does it intend to take any action that would impair its ability to, pay its debts from time to time incurred in connection therewith as such debts mature. The Company did not receive a qualified opinion from its auditors with respect to its most recent fiscal year end and, after giving effect to the transactions contemplated by this Agreement, does not anticipate or know of any basis upon which its auditors might issue a qualified opinion in respect of its current fiscal year.

(l) No Integrated Offering. Assuming the accuracy of the Purchaser's representations and warranties set forth in Section 3.2, neither the Company, nor any of its Affiliates, nor any Person acting on its or their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would cause this offering of the Securities to be integrated with prior offerings by the Company for purposes of (i) the Securities Act which would require the registration of any such securities under the Securities Act, or (ii) any applicable shareholder approval provisions of any Trading Market on which any of the securities of the Company are listed or designated.

3.2 Representations and Warranties of the Purchaser. The Purchaser, for itself and for no other Purchaser, hereby represents and warrants as of the date hereof and as of the Closing Date to the Company as follows (unless as of a specific date therein):

(a) Organization; Authority. Such Purchaser is either an individual or an entity duly incorporated or formed, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation with full right, corporate, partnership, limited liability company or similar power and authority to enter into and to consummate the transactions contemplated by the Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of the Transaction Documents and performance by such Purchaser of the transactions contemplated by the Transaction Documents have been duly authorized by all necessary corporate, partnership, limited liability company or similar action, as applicable, on the part of such Purchaser. Each Transaction Document to which it is a party has been duly executed by such Purchaser, and when delivered by such Purchaser in accordance with the terms hereof, will constitute the valid and legally binding obligation of such Purchaser, enforceable against it in accordance with its terms, except: (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(b) Own Account. Such Purchaser understands that the Securities are "restricted securities" and have not been registered under the Securities Act or any applicable state securities law and is acquiring the Securities as principal for its own account and not with a view to distribution or reselling such Securities or any part thereof in violation of the Securities Act or any applicable state securities law, has no present intention of distributing any of such Securities in violation of the Securities Act or any applicable state securities law and has no direct or indirect arrangement or understandings with any other persons to distribute or regarding the distribution of such Securities in violation of the Securities Act or any applicable state securities law (this representation and warranty not limiting such Purchaser's right to sell the Securities pursuant to a Registration Statement or otherwise in compliance with applicable federal and state securities laws). Such Purchaser is acquiring the Securities hereunder in the ordinary course of its business.

(c) Purchaser Status. At the time such Purchaser was offered the Securities, it was, and as of the date hereof it is, and on each date on which it exercises any Warrants or converts any Note it will be an "accredited investor" as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) under the Securities Act.

(d) Experience of Such Purchaser. Such Purchaser, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Securities, and has so evaluated the merits and risks of such investment. Such Purchaser is able to bear the economic risk of an investment in the Securities and, at the present time, is able to afford a complete loss of such investment.

(e) Purchaser acknowledges that the Purchaser has been offered the opportunity to obtain information, to verify the accuracy of the information received by Purchaser, to evaluate the merits and risks of this investment and to ask questions and receive satisfactory answers concerning the terms and conditions of this investment. The Company has made its officers available to the undersigned to answer questions concerning the Company and the investment being made hereby. Purchaser has received and has carefully read and considered the Use of Proceeds, and the Company's filings with the SEC for at least the last twelve months. In evaluating the suitability of an investment in the Company, Purchaser has not relied upon any representations or other information (whether oral or written) received from the Company, its officers, directors, agents, attorneys, accountants, employees or representatives, except information set forth in this Agreement, the Use of Proceeds or information that is filed with the SEC or obtained from the Company in order to verify such information.

(f) Purchaser understands that its purchase of the Securities may have tax consequences and that Purchaser must retain its own professional advisors to evaluate the tax and other consequences of an investment in the Securities. Purchaser has independently evaluated the merits of its decision to purchase Securities, and Purchaser confirms that it has been afforded the opportunity to consult with its business, tax and/or legal counsel in making such decision and has availed itself of that opportunity to the extent deemed advisable by Purchaser.

(g) The execution, delivery and performance of this Agreement by Purchaser will not result in any violation of, or conflict with, or constitute a default under, any of Purchaser's articles of incorporation or by-laws, if applicable, or any agreement to which Purchaser is a party or by which it is bound.

(h) No consent from any other person is required in order for Purchaser to execute this Agreement and perform its obligations hereunder, or such consent has been obtained and a copy has been provided to the Company.

(i) Purchaser has kept confidential the existence of the Transaction Documents and the information contained therein or made available in connection with any further investigation of the Company.

(j) Purchaser's representations and warranties contained in this Agreement and contained in the Accredited Investor Questionnaire accompanying this Agreement do not contain any untrue statement of a material fact. Purchaser understands that the Company is relying upon the truth and accuracy of the representations, warranties and agreements of Purchaser set forth herein and therein in making its determination that the sale of the Securities is exempt from registration under the Securities Act and state securities laws.

(k) Purchaser is not subscribing for the Securities as a result of any advertisement, article, notice or other communication published in any newspaper, magazine or similar media or broadcast over television or radio, or presented at any seminar or general meeting.

The Company acknowledges and agrees that the representations contained in Section 3.2 shall not modify, amend or affect such Purchaser's right to rely on the Company's representations and warranties contained in this Agreement or any representations and warranties contained in any other Transaction Document or any other document or instrument executed and/or delivered in connection with this Agreement or the consummation of the transaction contemplated hereby.

#### **ARTICLE IV. OTHER AGREEMENTS OF THE PARTIES**

##### **4.1 Transfer Restrictions.**

(a) If permitted by applicable law, certificates evidencing the Underlying Shares shall not contain a restrictive legend: (i) while a registration statement covering the resale of such security is effective under the Securities Act, (ii) following any sale of such Underlying Shares pursuant to Rule 144 or Section 4(a)(1) under the Securities Act, (iii) if such Underlying Shares are eligible for sale under Rule 144 or (iv) if such legend is not required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Commission). If permitted by applicable law the Company shall cause its counsel to issue a legal opinion to the Transfer Agent promptly if required by the Transfer Agent to effect the removal of the legend hereunder. If permitted by applicable law, and if all or any portion of the Note is converted or Warrant is exercised at a time when there is an effective registration statement to cover the resale of the Underlying Shares, or if such Underlying Shares may be sold under Rule 144 or Section 4(a)(1) under the Securities Act or if such legend is not otherwise required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the Commission) then such Underlying Shares shall be issued free of all legends. The Company agrees that following any of the events set forth in (i)-(iv) above or at such time as such legend is no longer required, it will, no later than three Trading Days following the delivery by a Purchaser to the Company or the Transfer Agent of a certificate representing Underlying Shares, as applicable, issued with a restrictive legend (such third Trading Day, the "Legend Removal Date"), deliver or cause to be delivered to such Purchaser a certificate representing such shares that is free from all restrictive and other legends, in addition, the Company shall deliver such Purchaser a copy of such opinion, the instruction letter to the Transfer Agent, the resolution of the Board of Directors authorizing the Transaction Documents and any additional supporting documentation as may be requested by the Purchaser in order to deposit Underlying Shares in accounts with its prime broker (or other brokerage account).

4.2 Securities Laws Disclosure: Publicity. The Company shall (a) by 9:30 a.m. (New York City time) on the Trading Day immediately following the after the Closing Date, issue a press release disclosing the material terms of the transactions contemplated hereby, and (b) on the fourth Trading Day following the Closing Date, file a Current Report on Form 8-K, including the Transaction Documents as exhibits thereto, with the Commission within the time required by the Exchange Act. The Company and the Purchaser shall consult with each other in issuing any other press releases with respect to the transactions contemplated hereby, and neither the Company nor any Purchaser shall issue any such press release nor otherwise make any such public statement without the prior consent of the Company, with respect to any press release of any Purchaser, or without the prior consent of the Purchaser, with respect to any press release of the Company, which consent shall not unreasonably be withheld or delayed, except if such disclosure is required by law, in which case the disclosing party shall promptly provide the other party with prior notice of such public statement or communication. Notwithstanding the foregoing, the Company shall not publicly disclose the name of any Purchaser, or include the name of any Purchaser in any filing with the Commission or any regulatory agency or Trading Market, without the prior written consent of such Purchaser, except: (a) as required by federal securities law in connection with the filing of final Transaction Documents with the Commission and any registration statement contemplated by the Registration Rights Agreement and (b) to the extent such disclosure is required by law or Trading Market regulations, in which case the Company shall provide the Purchaser with prior notice of such disclosure permitted under this clause (b)

4.3 [RESERVED]

4.4 Reservation and Listing of Securities.

(a) The Company shall maintain a reserve from its duly authorized shares of Common Stock for issuance pursuant to the Transaction Documents in such amount as may then be required to fulfill its obligations in full under the Transaction Documents.

(b) If, on any date, the number of authorized but unissued (and otherwise unreserved) shares of Common Stock is less than the Required Minimum on such date, then the Board of Directors shall use commercially reasonable efforts to amend the Company's certificate or articles of incorporation to increase the number of authorized but unissued shares of Common Stock to at least the Required Minimum at such time, as soon as possible and in any event not later than the 75th day after such date.

(c) The Company shall, if applicable: (i) in the time and manner required by the principal Trading Market, prepare and file with such Trading Market an additional shares listing application covering a number of shares of Common Stock at least equal to the Required Minimum on the date of such application, (ii) take all steps necessary to cause such shares of Common Stock to be approved for listing or quotation on such Trading Market as soon as possible thereafter, (iii) provide to the Purchaser evidence of such listing or quotation and (iv) maintain the listing or quotation of such Common Stock on any date at least equal to the Required Minimum on such date on such Trading Market or another Trading Market.



**ARTICLE V.  
MISCELLANEOUS**

5 . 1 Fees and Expenses. Except as expressly set forth in the Transaction Documents to the contrary, each party shall pay the fees and expenses of its advisers, counsel, accountants and other experts, if any, and all other expenses incurred by such party incident to the negotiation, preparation, execution, delivery and performance of this Agreement. The Company shall pay all Transfer Agent fees (including, without limitation, any fees required for same-day processing of any instruction letter delivered by the Company and any conversion or exercise notice delivered by a Purchaser), stamp taxes and other taxes and duties levied in connection with the delivery of any Securities to the Purchaser.

5 . 2 Entire Agreement. The Transaction Documents, together with the exhibits and schedules thereto, contain the entire understanding of the parties with respect to the subject matter hereof and thereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules.

5 . 3 Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of: (a) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth on the signature pages attached hereto at or prior to 5:30 p.m. (New York City time) on a Trading Day, (b) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth on the signature pages attached hereto on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (c) the second (2<sup>nd</sup>) Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as set forth on the signature pages attached hereto.

5 . 4 Amendments; Waivers. No provision of this Agreement may be waived, modified, supplemented or amended except in a written instrument signed, in the case of an amendment, by the Company and the Purchaser or, in the case of a waiver, by the party against whom enforcement of any such waived provision is sought. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any party to exercise any right hereunder in any manner impair the exercise of any such right.

5 . 5 Headings. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

5 . 6 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns. The Company may not assign this Agreement or any rights or obligations hereunder without the prior written consent of the Purchaser (other than by merger). The Purchaser may assign any or all of its rights under this Agreement to any Person to whom such Purchaser assigns or transfers any Securities, provided that such transferee agrees in writing to be bound, with respect to the transferred Securities, by the provisions of the Transaction Documents that apply to the "Purchaser."

5.7 No Third-Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, except as otherwise set forth in Section 4.10.

5.8 Governing Law. All questions concerning the construction, validity, enforcement and interpretation of the Transaction Documents shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement and any other Transaction Documents (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the City of New York.

5.9 Survival. The representations and warranties contained herein shall survive the Closing and the delivery of the Securities

5.10 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

5.11 Usury. To the extent it may lawfully do so, the Company hereby agrees not to insist upon or plead or in any manner whatsoever claim, and will resist any and all efforts to be compelled to take the benefit or advantage of, usury laws wherever enacted, now or at any time hereafter in force, in connection with any claim, action or proceeding that may be brought by any Purchaser in order to enforce any right or remedy under any Transaction Document. Notwithstanding any provision to the contrary contained in any Transaction Document, it is expressly agreed and provided that the total liability of the Company under the Transaction Documents for payments in the nature of interest shall not exceed the maximum lawful rate authorized under applicable law (the "Maximum Rate"), and, without limiting the foregoing, in no event shall any rate of interest or default interest, or both of them, when aggregated with any other sums in the nature of interest that the Company may be obligated to pay under the Transaction Documents exceed such Maximum Rate. It is agreed that if the maximum contract rate of interest allowed by law and applicable to the Transaction Documents is increased or decreased by statute or any official governmental action subsequent to the date hereof, the new maximum contract rate of interest allowed by law will be the Maximum Rate applicable to the Transaction Documents from the effective date thereof forward, unless such application is precluded by applicable law. If under any circumstances whatsoever, interest in excess of the Maximum Rate is paid by the Company to any Purchaser with respect to indebtedness evidenced by the Transaction Documents, such excess shall be applied by such Purchaser to the unpaid principal balance of any such indebtedness or be refunded to the Company, the manner of handling such excess to be at such Purchaser's election.

5.12 Waiver Of Jury Trial. In any action, suit, or proceeding in any jurisdiction brought by any party against any other party, the parties each knowingly and intentionally, to the greatest extent permitted by applicable law, hereby absolutely, unconditionally, irrevocably and expressly waives forever trial by jury.

**ARTICLE VI.  
PAYMENTS MADE AFTER THE LOAN IS REPAYED**

6.1 Payment after the Maturity Date. After the Subsequent Closing Date, and commencing after the Amended and Restated Notes is repaid in full, including all principal and accrued interest, the Purchaser shall receive monthly payments from the Company in the following amounts:

(a) The Purchaser will be paid an amount, in perpetuity equal to fifty (50%) percent of the monthly Net Income that the Company receives from its sixty (60%) percent ownership interest in Townsville and Just Fresh #7; provided however that such monthly payment shall not be less than the amount of the average of the prior 12 month period of the actual Net Income of the Collateral Assets.

(b) The Purchaser will also receive fifty (50%) percent of the sale proceeds received by the Company in the event that Townsville and/or Just Fresh #7 are sold; provided however should the Company close or liquidate the business or affairs of Townsville and/or Just Fresh #7 within a five (5) year period commencing on the Closing Date, then Company shall pay Purchaser a monthly amount equal to the average Net Income generated by the Collateral Assets from their opening until their closing or liquidation; and provided further that Company shall pay Purchaser such amount in thirty-six (36) equal installments.

**ARTICLE VII.  
ADDITIONAL COVENANTS**

7.1 The Company agrees that, after the Subsequent Closing Date, it shall be restricted from the assumption of additional debt related to the Collateral Assets, without the Purchaser's prior written approval.

7.2 The Company shall advise the Purchaser of its intention to retain any investment banks prior to such engagement and shall permit the Purchaser to provide input into any such engagement.

7.3 The Company agrees that after the Subsequent Closing Date all Revenue and Net Income relating to Townsville, Just Fresh #7 and the Remaining AU Assets will be held in a segregated account from all other revenue generated by other assets of the Company.

7 . 4 The Company agrees that after the Subsequent Closing Date it will be restricted from entering into any investor relations contract until January 1, 2016 without the Purchaser's prior approval.

7 . 5 The Company agrees that, until the date all accrued and unpaid interest of the Amended and Restated Notes is paid in full, and/or the Company sells, liquidates or closes Townsville and Just Fresh #7, the Purchaser shall be provided, on a monthly basis, the prior twelve (12) months of the Financial Statements and the Projected Financial Statements, showing the monthly payments made in connection therewith. Purchaser hereby acknowledges that (a) Company's Financial Statement may contain material non-public information regarding Company, and (b) it is aware, and it will advise any and all of its employees who are informed as to the matters which are the subject of this Agreement, that the United States securities laws prohibit any person who has received from an issuer material non-public information from purchasing or selling securities of such issuer or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities.

7.6 The Company shall provide the Purchaser copies of all documentation governing the Company's senior bank facility and the FMF facility.

7.7 Company covenants and agrees that it shall take all commercially reasonable steps, including but not limited to conducting sales of its securities and or assets in order to make timely payments of any or all of the principal amount of the Initial Note and Amended and Restated Notes and interest due thereunder to the Purchaser when such payments are due.

*(Signature Pages Follow)*

IN WITNESS WHEREOF, the parties hereto have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

**CHANTICLEER HOLDINGS, INC.**

Address for Notice:  
7621 Little Avenue, Suite 414  
Charlotte, NC 28226

By: /s/ Michael D. Pruitt  
Name: Michael D. Pruitt  
Title: Chief Executive Officer

Fax: (704) 366-2463

With a copy to (which shall not constitute notice):

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK  
SIGNATURE PAGE FOR PURCHASER FOLLOWS]

[PURCHASER SIGNATURE PAGES TO SECURITIES PURCHASE AGREEMENT]

IN WITNESS WHEREOF, the undersigned have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

Name of Purchaser: Carl Caserta

*Signature of Authorized Signatory of Purchaser:* /s/ Carl Caserta

Name of Authorized Signatory: \_\_\_\_\_

Title of Authorized Signatory: \_\_\_\_\_

Email Address of Authorized Signatory: \_\_\_\_\_

Facsimile Number of Authorized Signatory: \_\_\_\_\_

Address for Notice to Purchaser:

Address for Delivery of Securities to Purchaser (if not same as address for notice):

EIN Number: \_\_\_\_\_

[SIGNATURE PAGES CONTINUE]

**SCHEDULE 2.2**

**Use of Proceeds**

**\$200,000 for Purchase of Initial Note**

- (A) \$170,000 for working capital of the Company
- (B) \$30,000 to DRC Partners, LLC for consulting and investor relations services

**Additional \$800,000 for Purchase of Amended and Restated Notes**

- (A) \$641,000 for working capital of the Company
- (B) \$159,000 to DRC Partners, LLC for consulting and investor relations services

## AGREEMENT

This AGREEMENT effective as of April 24, 2015 (the "Agreement") by and between Chanticleer Holdings, Inc. ("Chanticleer"), AT Media Corp. ("AT Media") and Aton Select Fund, Ltd. ("Aton"). Chanticleer, AT Media and Aton shall be referred to herein individually as a "Party" or collectively as the "Parties."

**WHEREAS**, Chanticleer entered into a Securities Purchase Agreement with AT Media dated as of February 11, 2015 (the "SPA"), whereby AT Media agreed to purchase, and Chanticleer agreed to issue to AT Media, an Initial Note, Initial Warrant, Subsequent Note and Subsequent Warrant (as those terms are defined in the SPA); and

**WHEREAS**, an Initial Closing was held on February 11, 2015 whereby Chanticleer issued to AT Media the Initial Note and Initial Warrant; and

**WHEREAS**, a Subsequent Closing was held on March 13, 2015 whereby Chanticleer agreed to issue to AT Media the Subsequent Note and Subsequent Warrant; and

**WHEREAS**, Chanticleer subsequently consented to an assignment of the Subsequent Note and Subsequent Warrant to Aton; and

**WHEREAS**, the Parties now seek to amend the terms of the SPA, Initial Note and Subsequent Note such that AT Media and Aton shall waive certain rights thereunder in exchange for Chanticleer registering the shares underlying the Initial Note, Subsequent Note, Initial Warrant and Subsequent Warrant, pursuant to the terms and conditions set forth herein;

**NOW, THEREFORE**, in consideration of the mutual covenants, terms and conditions set out herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Capitalized Terms. Capitalized terms used in this Agreement and not otherwise defined have the meanings given to them in the SPA.

2. Registration Rights. On or before April 27, 2015, Chanticleer shall file a registration statement on Form S-3 (the "Registration Statement") registering the shares of common stock underlying the Initial Note, Initial Warrant, Subsequent Note and Subsequent Warrant. Chanticleer shall use its best efforts to cause such Registration Statement to become effective with the Securities and Exchange Commission (the "SEC") as soon as practicable and promptly respond to comments issued by the Staff of the SEC. Each of AT Media and Aton shall furnish to Chanticleer a completed selling stockholder questionnaire in the form attached to this Agreement as Annex A no later than April 23, 2015.

3. Initial Note, Subsequent Note, Initial Warrant and Subsequent Warrant. AT Media shall retain its ownership of the Initial Note and Initial Warrant, and Aton shall retain its ownership of the Subsequent Note and Subsequent Warrant, subject to the terms and conditions contained herein. As soon as practicable upon the conversion of the Initial Note or Subsequent Note or upon the exercise of the Initial Warrant or Subsequent Warrant, in whole or in part, and in any event no later than three (3) Business Days after the Company's receipt of the notice of such conversion or exercise, as applicable, Chanticleer shall deliver to AT Media or Aton (or in accordance with their respective delivery instructions) certificates representing the shares of common stock relating to the conversion of such Initial Note or Subsequent Note or exercise of such Initial Warrant or Subsequent Warrant which shall be transmitted by Chanticleer's transfer agent.

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4. Waiver of Rights. In consideration for the filing of the Registration Statement and the other covenants of Chanticleer referenced in Section 2 hereof, each of AT Media and Aton immediately agree to waive the following rights contained in the SPA, Initial Note and Subsequent Notes: (i) AT Media and Aton shall withdraw all requests for repayment of any portion of the Initial Note and Subsequent Note, and shall not be entitled to any payments or conversion of the interest that has accrued under the Initial Note and Subsequent Note, including but not limited to the right to receive not less than 10% of the net funds raised in all equity or debt offerings of Chanticleer prior to the date hereof toward any outstanding amount owed under the Initial Note or Subsequent Note; and (ii) AT Media and Aton shall waive any right to receive the payment of any interest that may have accrued from the date of issuance of each of the Initial Note and Subsequent Note until such time as the Registration Statement is declared effective by the Securities and Exchange Commission.

In further consideration of the filing of the Registration Statement and the other covenants of Chanticleer referenced in Section 2 hereof, each of AT Media and Aton agree that upon any conversion of the Initial Note or Subsequent Note, in any amount, the following rights contained in the SPA, Initial Note and Subsequent Note shall be deemed immediately waived: (i) neither AT Media or Aton shall retain any security interests rights in Townsville or Just Fresh #7 stores as set forth in Section 2.3 of the SPA (Security Interest); (ii) AT Media and Aton shall waive all rights to the repayment terms set forth in Section 2.6 of the SPA (Repayment), including, but not limited to, the right to receive not less than 10% of the net funds raised in all equity or debt offerings of Chanticleer toward any outstanding amount owed under the Initial Note or Subsequent Note; (iii) AT Media and Aton waive all rights to receive payments relating to the net income derived from Townsville and Just Fresh #7 stores after the full repayment of the Initial Note and Subsequent Note, as well as waive all rights and covenants contained in Section 6.1 of the SPA (Payment after the Maturity Date); (iv) AT Media and Aton waive all rights to all additional covenants and rights contained in Article VII of the SPA (Additional Covenants); and (v) AT Media and Aton waive all rights to appoint any one person to Chanticleer's board of directors as set forth in Section 2.7 of the SPA (Board Rights).

5. Governing Law. All questions concerning the construction, validity, enforcement and interpretation of the Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the City of New York.

6. Entire Agreement. The Agreement contains the entire understanding of the Parties with respect to the subject matter hereof and thereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules.

7. Amendments; Waivers. No provision of this Agreement may be waived, modified, supplemented or amended except in a written instrument signed, in the case of an amendment, by the Parties or, in the case of a waiver, by the Party against whom enforcement of any such waived provision is sought. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any party to exercise any right hereunder in any manner impair the exercise of any such right.

8. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties and their successors and permitted assigns. No Party may assign this Agreement or any rights or obligations hereunder without the prior written consent of the other Parties (other than by merger).

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9 . Counterparts. This Agreement may be signed in counterparts with the same effect as if the signature on each counterpart were upon the same instrument. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “.pdf” signature page were an original thereof.

10 . Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the Parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

**CHANTICLEER HOLDINGS, INC.**

By: /s/ Michael D. Pruitt  
Name: Michael D. Pruitt

Title: Chief Executive Officer

**AT MEDIA CORP.**

By: /s/ Carl Caserta  
Name: Carl Caserta  
Title: President

**ATON SELECT FUND, LTD.**

By: /s/ Carl Caserta  
Name: Carl Caserta  
Title: As Agent for Aton Select Fund, LTD.

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**ANNEX A**

**Selling Stockholder Questionnaire**

See attached.

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8. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties and their successors and permitted assigns. No Party may assign this Agreement or any rights or obligations hereunder without the prior written consent of the other Parties (other than by merger).

9. Counterparts. This Agreement may be signed in counterparts with the same effect as if the signature on each counterpart were upon the same instrument. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.

10. Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the Parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

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**REGISTRATION RIGHTS AGREEMENT**

THIS REGISTRATION RIGHTS AGREEMENT (the "Agreement") is entered into as of February 11, 2015 by and among Chanticleer Holdings, Inc., a Delaware corporation (the "Company"), and Carl Caserta (the "Investor").

**WHEREAS**, pursuant to the terms and conditions set forth in the Securities Purchase Agreement executed by and between the Company and the Investor and dated as of even date herewith (the "SPA"), the Company has agreed to issue and sell to the Investor (i) a 9% convertible note in the principal amount of \$200,000 (the "Initial Note") and a common stock purchase warrant to purchase 80,000 shares of the Company's common stock, par value \$0.0001 per share, exercisable at \$2.50 per share for a period of up to five (5) years from the issuance date (the "Initial Warrant") on the Initial Closing Date, and (ii) a 9% amended and restated convertible note in the principal amount of \$800,000 (the "Amended and Restated Note"), which, when issued the Initial Note shall be cancelled, and a common stock purchase warrant to purchase 320,000 shares of the Company's common stock, par value \$0.0001 per share, exercisable at \$2.50 per share for a period of up to five (5) years from the issuance date (the "Subsequent Warrant") on the Subsequent Closing Date; and

**WHEREAS**, as partial consideration for the Investor's purchase of the Note and Warrant, the Company has agreed to provide the Investor with certain registration rights set forth herein with respect to the resale of the Shares purchased by the Purchasers in the Offering; and

**NOW, THEREFORE**, in consideration of the mutual promises and the covenants as set forth herein, the parties hereto hereby agree as follows:

1. **Definitions.** Unless otherwise separately defined herein, all capitalized terms used in this Agreement shall have the same meaning as is set forth in the SPA. The following terms shall apply to this Note:

"**Agreement**" means this Registration Rights Agreement, as the same may be amended, modified or supplemented in accordance with the terms hereof.

"**Board**" means the Board of Directors of the Company.

"**Common Stock**" means the Company's authorized common stock, as constituted on the date of this Agreement, any stock into which such Common Stock may thereafter be changed and any stock of the Company of any other class, which is not preferred as to dividends or assets over any other class of stock of the Company and which is not subject to redemption, issued to the holders of shares of such Common Stock upon any re-classification thereof.

"**Commission**" means the Securities and Exchange Commission or any other governmental body at the time administering the Securities Act.

"**Company**" has the meaning assigned to it in the preamble of this Agreement.

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“Company Securities” has the meaning any securities proposed to be sold by the Company for its own account in a registered public offering.

“Exchange Act” means the Securities Exchange Act of 1934 (or successor statute).

“Excluded Forms” means registration statements under the Securities Act, on Forms S-4 and S-8, or any successors thereto.

“Investor” has the meaning assigned to it in the preamble of this Agreement.

“Person” includes any natural person, corporation, trust, association, company, partnership, joint venture, limited liability company and other entity and any government, governmental agency, instrumentality or political subdivision.

“Proposed Registration” has the meaning assigned to it in Section 2(a) of this Agreement.

“Public Offering” means a public offering of Common Stock or any other type of equity securities pursuant to an effective registration statement under the Securities Act; provided that a Public Offering shall not include an offering made in connection with a business acquisition or combination pursuant to a registration statement on Form S-4 or any successor form, or an employee benefit plan pursuant to a registration statement on Form S-8 or any successor form.

The terms “register” “registered” and “registration” refer to a registration effected by preparing and filing a registration statement on other than any of the Excluded Forms in compliance with the Securities Act, and the declaration or ordering of the effectiveness of such registration statement.

“Registrable Securities” means (i) the shares of Common Stock issuable from time to time upon the conversion of the Amended and Restated Note, and (ii) the shares of Common Stock issuable and, as may be adjusted from time to time, upon the exercise of the Initial Warrant and Subsequent Warrant.

“Selling Expenses” means all selling commissions, finder’s fees and stock transfer taxes applicable to the Registrable Securities registered by the Investor and all fees and disbursements of counsel for the Investor.

“SEC” means the Securities and Exchange Commission.

“Securities Act” means the Securities Act of 1933 (or successor statute).

“SPA” has the meaning assigned to it in the preamble of this Agreement.

“Warrant” shall have the meaning ascribed to it in the SPA.

2. **Piggyback Registration.**

(a) After the Subsequent Closing date, and each time the Company proposes for any reason to register any of its Common Stock under the Securities Act in connection with the proposed offer and sale of its Common Stock for money, either for its own account or on behalf of any other security holder (a "Proposed Registration"), other than pursuant to a registration statement on Excluded Forms relating to equity securities to be issued solely in connection with any acquisition of any entity or business or equity securities issuable in connection with the Company's stock option or other employee benefit plans, the Company shall promptly give written notice of such Proposed Registration to the Investor and shall offer the Investor the right to request inclusion of its Registrable Securities in the Proposed Registration.

(b) The Investor shall have 15 days from the receipt of such notice to deliver to the Company a written request specifying the number of Registrable Securities such Investor intends to sell in the Proposed Registration and the Investor's intended method of disposition.

(c) In the event that the Proposed Registration by the Company is, in whole or in part, an underwritten Public Offering, the Company shall so advise the Investor as part of the written notice given pursuant to Section 2(a), and any request under Section 2(b) must specify that the Investor's Registrable Securities be included in the underwriting on the same terms and conditions as the shares of Common Stock, if any, otherwise being sold through underwriters under such registration.

(d) Upon receipt of a written request pursuant to Section 2(b), and subject to the limitations under Section 2(e) or 2(f) of this Agreement, if applicable, the Company shall promptly use commercially reasonable efforts to cause all such Registrable Securities held by the Investor to be registered under the Securities Act (and included in any related qualifications under blue sky laws or other compliance), to the extent required to permit sale or disposition as set forth in the Proposed Registration.

(e) Notwithstanding any other provision of this Agreement, if any SEC Guidance (as defined below) sets forth a limitation on the number of Registrable Securities to be registered in a Registration Statement (and the Company has used its reasonable best efforts to advocate with the SEC for the registration of all or the maximum number of Registrable Securities), the number of Registrable Securities to be registered on such Registration Statement will be reduced on a pro rata basis with such other securities being registered on the applicable registration after as full an allocation as possible has been afforded for the securities for which the registration statement has been filed. The Company shall file a new registration statement as soon as reasonably practicable covering the resale by the Investor of not less than the number of such Registrable Securities that are not registered in the Registration Statement. For purposes of this Agreement, SEC Guidance means (i) any publicly-available written guidance, or rule of general applicability of the SEC staff, or (ii) oral or written comments, requirements or requests of the SEC staff to the Company in connection with the review of a Registration Statement.

(f) Priority on Primary Registrations. If a Proposed Registration is initiated as a primary underwritten or directed (placement agency) Public Offering of securities by the Company and the managing underwriters or lead placement agent advise the Company and the holders of Registrable Securities (if any holders of Registrable Securities have elected to include Registrable Securities in such Proposed Registration) in writing that in their opinion the number of Common Shares requested to be included in such Piggyback Registration exceeds the number which can be sold in such offering without adversely affecting the marketability of the offering (including an adverse effect on the per share offering price), then the Company will include in such Proposed Registration (i) first, the number of Common Stock the Company proposes to sell, (ii) second, the Registrable Securities permitted to be included in such registration, and (iii) third, the number of Common Stock requested to be included in such Proposed Registration, in such manner as the Company may determine.

(g) Priority on Secondary Registrations. If a Proposed Registration is an underwritten or directed (placement agency) Public Offering by holders of Common Stock other than Registrable Securities, and the managing underwriters or lead placement agent advise the Company and the holders of Registrable Securities (if any holders of Registrable Securities have elected to include Registrable Securities in such Proposed Registration) in writing that in their opinion the number of Common Shares requested to be included in such Proposed Registration exceeds the number which can be sold in such offering without adversely affecting the marketability of the offering (including an adverse effect on the per share offering price), then the Company will include in such Proposed Registration (i) first, the number of Common Stock relating to the securities sold in the Company's note offering that was conducted in January 2015, (ii) second, the number of Common Stock requested to be included therein by the holders requesting such registration and by the holders of Registrable Securities as to permitted amounts of Common Stock, pro rata from among such holders according to the number of Common Stock (on a fully diluted, as converted basis) and the number of Registrable Securities, as applicable, requested by such holders to be so included, and (iii) third, other Common Stock requested to be included in such registration, in such manner as the Company may determine.

3 . Obligations of the Company. If and whenever the Company is required by the provisions hereof to effect or cause the registration of any Registrable Securities under the Securities Act as provided herein, the Company shall:

(a) use commercially reasonable efforts to prepare and file with the Commission a registration statement with respect to such Registrable Securities and use commercially reasonable efforts to cause such registration statement to become and remain effective;

(b) use commercially reasonable efforts to prepare and file with the Commission such amendments to such registration statement (including post-effective amendments) and supplements to the prospectus included therein as may be necessary to keep such registration statement effective, subject to the qualifications in Section 4(a), and to comply with the provisions of the Securities Act with respect to the sale or other disposition of all Registrable Securities covered by such registration statement during such period in accordance with the intended methods of disposition by the Investor set forth in such registration statement;



(c) furnish to the Investor such number of copies of such registration statement and of each such amendment and supplement thereto (in each case including all exhibits), such number of copies of the prospectus included in such registration statement (including each preliminary prospectus), in conformity with the requirements of the Securities Act, and such other documents, as the Investor may reasonably request, in order to facilitate the public sale or other disposition of the Registrable Securities owned by the Investor;

(d) use all commercially reasonable efforts to make such filings under the securities or blue sky laws of New York to enable the the Investor to consummate the sale in such jurisdiction of the Registrable Securities owned by the Investor;

(e) notify the Investor at any time when a prospectus relating to its Registrable Securities is required to be delivered under the Securities Act, of the Company's becoming aware that the prospectus included in the related registration statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing, and promptly prepare and furnish to the Investor a reasonable number of copies of a prospectus supplemented or amended so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing;

(f) otherwise use commercially reasonable efforts to comply with all applicable rules and regulations of the Commission;

(g) to use commercially reasonable efforts to cause Registrable Securities to be quoted on each trading market and/or in each quotation service on which the Common Stock of the Company is then quoted; and

(h) notify the Investor of any stop order threatened or issued by the Commission and take all actions reasonably necessary to prevent the entry of such stop order or to remove it if entered.

4. **Other Procedures.**

(a) Subject to the remaining provisions of this Section 4(a) and the Company's general obligation to use commercially reasonable efforts under Section 3, the Company shall be required to maintain the effectiveness of a registration statement (under Form S-1 or Form S-3, or successor forms) until such date that is the earlier of (i) the date as of which all of the Holders as selling stockholders thereunder may sell all of the Registrable Securities registered for resale thereon without restriction (including the elimination of the current information requirement) pursuant to Rule 144, or (ii) the date when all of the Registrable Securities registered thereunder shall have been sold, or (iii) three (3) years from the effective date of the Registration Statement. Thereafter, the Company shall be entitled to withdraw such Registration Statement and the Holders shall have no further right to offer or sell any of the Registrable Securities registered for resale thereon pursuant to the respective Registration Statement (or any prospectus relating thereto). The Company shall have no liability to the Investor for delays in the Investor being able to sell the Registrable Securities (i) as long as the Company uses commercially reasonable efforts to file a registration statement, amendments to a registration statement, post-effective amendments to a registration statement or supplements to a prospectus contained in a registration statement (including any amendment or post effective amendments), (ii) where the required financial statements or auditor's consents are unavailable or (iii) where the Company would be required to disclose information at a time when it has no duty to disclose such information under the Securities Act, the Exchange Act, or the rules and regulations of the Commission.

(b) In consideration of the Company's obligations under this Agreement, the Investor agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 3(e) herein, the Investor shall forthwith discontinue his sale of Registrable Securities pursuant to the registration statement covering such Registrable Securities until the Investor's receipt of the copies of the supplemented or amended prospectus contemplated by said Section 3(e) and, if so directed by the Company, shall deliver to the Company (at the Company's expense) all copies, other than permanent file copies, then in the Investor's possession of the prospectus covering such Registrable Securities current at the time of receipt of such notice.

(c) The Company's obligation to file any registration statement or amendment including a post-effective amendment, shall be subject to the Investor furnishing to the Company in writing such information and documents regarding the Investor and the distribution of the Investor's Registrable Securities as may reasonably be required to be disclosed in the registration statement in question by the rules and regulations under the Securities Act or under any other applicable securities or blue sky laws of the jurisdiction referred to in Section 3(d) herein. The Company's obligations are also subject to the Investor promptly executing any representation letter concerning compliance with Regulation M under the Exchange Act (or any successor rule or regulation).

(d) If any such registration or comparable statement refers to the Investor by name or otherwise as a stockholder of the Company, but such reference to the Investor by name or otherwise is not required by the Securities Act or the rules thereunder, then the Investor shall have the right to require the deletion of the reference to the Investor.

(e) In connection with the sale of Registrable Securities, the Investor shall deliver to each purchaser a copy of the necessary prospectus and, if applicable, prospectus supplement, within the time required by Section 5(b) of the Securities Act.

5 . **Registration Expenses.** In connection with any registration of Registrable Securities pursuant to Section 2, the Company shall, whether or not any such registration shall become effective, from time to time, pay all expenses (other than Selling Expenses) incident to its performance of or compliance, including, without limitation, all registration, and filing fees, fees and expenses of compliance with securities or blue sky laws, word processing, printing and copying expenses, messenger and delivery expenses, fees and disbursements of counsel for the Company and all independent public accountants and other Persons retained by the Company.

6. **Indemnification.**

(a) In the event of any registration of any shares of Common Stock under the Securities Act pursuant to this Agreement, the Company shall indemnify and hold harmless the Investor, from and against any losses, claims, damages or liabilities, joint or several, to which the Investor may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any registration statement under which such Registrable Securities were registered under the Securities Act, any preliminary prospectus or final prospectus contained therein, or any amendment or supplement thereto, or any document incident to registration or qualification of any Registrable Securities pursuant to Section 3(d) herein, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading or, with respect to any prospectus, necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or any violation by the Company of the Securities Act, the Exchange Act, or state securities or blue sky laws applicable to the Company and relating to action or inaction required of the Company in connection with such registration or qualification under the Securities Act or such state securities or blue sky laws. If the Company fails to defend the Investor as required by Section 6(c) herein, it shall reimburse (after receipt of appropriate documentation) the Investor for any legal or any other out-of-pocket expenses reasonably incurred by any of them in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the Company shall not be liable to an Investor in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon (i) an untrue statement or alleged untrue statement or omission or alleged omission made in said registration statement, said preliminary prospectus, said prospectus, or said amendment or supplement or any document incident to registration or qualification of any Registrable Securities pursuant to Section 3(d) hereof in reliance upon and in conformity with written information furnished to the Company by the Investor specifically for use in the preparation thereof or information omitted to be furnished by the Investor or (ii) any act or failure to act of the Investor including the failure of the Investor to deliver a prospectus as required by Section 5(b) of the Securities Act.

(b) In the event of any registration of any Registrable Securities under the Securities Act pursuant to this Agreement, the Investor shall indemnify and hold harmless (in the same manner and to the same extent as set forth in Section 6(a)) the Company, each director of the Company, each officer of the Company who signs such registration statement, the Company's attorneys and auditors and any Person who controls the Company within the meaning of the Securities Act, with respect to (i) any untrue statement or omission from such registration statement, any preliminary prospectus or final prospectus contained therein, or any amendment or supplement thereto, if such untrue statement or omission was made in reliance upon and in conformity with written information furnished to the Company by such Investor specifically for use in the preparation of such registration statement, preliminary prospectus, final prospectus or amendment or supplement or (ii) from any other act or failure to act of the Investor.

(c) Promptly after receipt by an indemnified party of notice of the commencement of any action involving a claim referred to in Section 6(a) or (b), such indemnified party shall, if a claim in respect thereof is made against an indemnifying party, give written notice to the Indemnifying Party of the commencement of such action. The indemnifying party shall be relieved of its obligations under this Section 6(c) to the extent that the indemnified party delays in giving notice and the indemnifying party is damaged or prejudiced by the delay. In case any such action is brought against an indemnified party, the indemnifying party shall be entitled to participate in and to assume the defense thereof, jointly with any other indemnifying party similarly notified to the extent that it may wish, with counsel reasonably satisfactory to such indemnified party, and, after notice from the indemnifying party to such indemnified party of its election so as to assume the defense thereof, the indemnifying party shall be responsible for any legal or other expenses subsequently incurred by the indemnifying party in connection with the defense thereof, provided, however, that, if counsel for an indemnified party shall have reasonably concluded that there is an actual or potential conflict of interest between the indemnified and the indemnifying party the indemnifying party shall not have the right to assume the defense of such action on behalf of such indemnified party, and such indemnifying party shall reimburse such indemnified party and any Person controlling such indemnified party for the fees and expenses of counsel retained by the indemnified party which are reasonably related to the matters covered by the indemnity agreement provided in this Section 6; provided, however, that in no event shall any indemnification by an Investor under this Section 6 exceed the net proceeds from the sale of Registered Securities received by the Investor. No indemnified party shall make any settlement of any claims indemnified against hereunder without the written consent of the indemnifying party, which consent shall not be unreasonably withheld. In the event that any indemnifying party enters into any settlement without the written consent of the indemnified party the indemnifying party shall not, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff of a release of such indemnified party from all liability in respect to such claim or litigation.

(d) In order to provide for just and equitable contribution to joint liability under the Securities Act in any case in which under any indemnified party makes a claim for indemnification pursuant to this Section 6, but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case notwithstanding the fact that this Section 6 provides for indemnification in such case, or (ii) contribution under the Securities Act may be required in circumstances for which indemnification is provided under this Section 6; then, in each such case, the Company and such Investor shall contribute to the aggregate losses, claims, damages or liabilities to which they may be subject as is appropriate to reflect the relative fault of the Company and such Investor in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities, it being understood that the parties acknowledge that the overriding equitable consideration to be given effect in connection with this provision is the ability of one party or the other to correct the statement or omission (or avoid the conduct or take an act) which resulted in such losses, claims, damages or liabilities, and that it would not be just and equitable if contribution pursuant hereto were to be determined by pro-rata allocation or by any other method of allocation which does not take into consideration the foregoing equitable considerations. Notwithstanding the foregoing, (i) no such Investor shall be required to contribute any amount in excess of the net proceeds to him of all Registrable Securities sold by him pursuant to such registration statement, and (ii) no Person who is guilty of fraudulent misrepresentation within the meaning of Section 11(f) of the Securities Act shall be entitled to contribution from any Person who is not guilty of such fraudulent misrepresentation.

(e) Notwithstanding any of the foregoing, if, in connection with an underwritten public offering of the Registrable Securities, the Company, any of the Investor and the underwriters enter into an underwriting agreement relating to such offering which contains provisions covering indemnification among the parties, then the indemnification provision of this Section 6 shall be deemed inoperative for purposes of such offering.

(f) Following indemnification as provided for under this Agreement, the indemnifying party shall be subrogated to all rights of the Indemnified Party or Indemnified Person with respect to all third parties, firms or corporations relating to the matter for which indemnification has been made.

7 . **Certain Limitations on Registration Rights.** At any time prior to the effectiveness of any registration statement filed pursuant to this Agreement, if the Company determines to file a registration statement with the Commission for the public sale of its securities and the managing underwriter of such offering offers to purchase the Registrable Securities for its own account at the same price including underwriting discounts and applicable expenses as paid to the Company, the Investor shall either (i) elect to include its Registrable Securities being registered pursuant to this Agreement in the registration statement covering the sale of the Company's securities, or (ii) immediately cease its public sales for a period of 90 days following the effective date of the registration statement covering the sale by the Company. Additionally, no Investor may participate in the registration statement relating to the sale by the Company of its Common Stock as provided above unless such Investor enters into an underwriting agreement with the managing underwriter and completes and/or executes all questionnaires, indemnities and other reasonable documents requested by the managing underwriter. The Investor shall be deemed to have agreed by acquisition of its Registrable Securities not to effect any public sale or distribution, including any sale pursuant to Rule 144 under the Securities Act, of any Registrable Securities and to use its best efforts not to effect any such public sale or distribution of any other equity security of the Company (including any short sale) or of any security convertible into or exchangeable or exercisable for any equity security of the Company (other than as part of such underwritten public offering) within 10 days before or 90 days after the effective date of such registration statement. In such event, the Investor shall, if requested, sign a customary market stand-off letter with the Company's managing underwriter, and to comply with applicable rules and regulations of the Commission.

8. **Rule 144.** The Company covenants that it will file the reports required to be filed under the Securities Act and the Exchange Act and the rules and regulations adopted by the Commission thereunder (or, in the event that the Company is not required to file such reports, it will make publicly available information as set forth in Rule 144(c)(2) promulgated under the Securities Act), and it will take such further action as the Investor may reasonably request, or to the extent required from time to time to enable the Investor to sell its Registrable Securities without registration under the Securities Act within the limitation of the exemption provided by (a) Rule 144 under the Securities Act, as such Rule may be amended from time to time, or (b) any similar rule or regulation hereafter adopted by the Commission (collectively, "Rule 144"). Upon request of the Investor, the Company will deliver to the Investor a written statement as to whether it has complied with such requirements.

9. **Severability.** In the event any parts of this Agreement are found to be void, the remaining provisions of this Agreement shall nevertheless be binding with the same effect as though the void parts were deleted.

10. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. The execution of this Agreement may be by actual or facsimile or other electronic signature.

11. **Benefit.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their legal representatives, successors and assigns.

12. **Notices and Addresses.** All notices, offers, acceptance and any other acts under this Agreement (except payment) shall be in writing, and shall be sufficiently given if delivered to the addressees in person, by Federal Express or similar overnight next business day delivery, or by email delivery followed by overnight next business day delivery, as follows:

To the Company: Chanticleer Holdings, Inc.  
7621 Little Avenue, Suite 414  
Charlotte, North Carolina 28226  
Attn: Michael D. Pruitt

With a Copy to: Ruskin Moscou Faltischek, P.C.  
1425 RXR Plaza  
East Tower, 15<sup>th</sup> Floor  
Uniondale, NY 11556  
Attn: Seth I. Rubin, Esq.

To the Investor: Carl Caserta

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Email:

With a Copy to: Michael D. Harris, Esq.  
Nason, Yeager, Gerson, White & Lioce, P.A.  
1645 Palm Beach Lakes Blvd., 12<sup>th</sup> Floor  
West Palm Beach, FL 33401

or to such other address as any of them, by notice to the other may designate from time to time. Time shall be counted from the date of delivery.

13. **Attorneys' Fees.** In the event that there is any controversy or claim arising out of or relating to this Agreement, or to the interpretation, breach or enforcement thereof, and any action or proceeding relating to this Agreement is filed, the prevailing party shall be entitled to an award by the court of reasonable attorneys' fees, costs and expenses.

14. **Oral Evidence.** This Agreement, together with the other Transaction Documents (as defined in the SPA), constitutes the entire Agreement between the parties and supersedes all prior oral and written agreements between the parties hereto with respect to the subject matter hereof. Neither this Agreement nor any provision hereof may be changed, waived, discharged or terminated orally, except by a statement in writing signed by the party or parties against which enforcement or the change, waiver discharge or termination is sought.

15. **Additional Documents.** The parties hereto shall execute such additional instruments as may be reasonably required by their counsel in order to carry out the purpose and intent of this Agreement and to fulfill the obligations of the parties hereunder.

16. **Governing Law; Disputes.** The provisions of Section 5.8 and Section 5.12 of the SPA shall apply to any controversy, dispute or claim arising out of or relating to this Agreement.

17. **Section or Paragraph Headings.** Section headings herein have been inserted for reference only and shall not be deemed to limit or otherwise affect, in any matter, or be deemed to interpret in whole or in part any of the terms or provisions of this Agreement.

18. **Force Majeure.** The Company shall be excused from any delay in performance or for non-performance of any of the terms and conditions of this Agreement caused by any circumstances beyond its control, including, but not limited to, any Act of God, fire, flood, or accident, interruption of telecommunications facilities, labor dispute, unavoidable breakdown, terrorist event or civil unrest or disruption to the extent that any of such circumstances affect the Company's ability to perform its obligations under this Agreement or the ability of the Commission to perform its responsibilities under the Securities Act.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed personally or by a duly authorized representative thereof as of the day and year first above written.

**THE COMPANY:**

CHANTICLEER HOLDINGS, INC.

By: /s/ Michael D. Pruitt  
Name: Michael D. Pruitt  
Title: Chief Executive Officer

**INVESTOR:**

By: /s/ Carl Caserta  
Name: Carl Caserta

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INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S CONSENT

We consent to the incorporation by reference in this Registration Statement of Chanticleer Holdings, Inc. and Subsidiaries on Form S-3, of our report dated April 14, 2015, with respect to our audits of the consolidated balance sheets and related consolidated statements of operations and comprehensive loss, stockholders' equity and cash flows of Chanticleer Holdings, Inc. and Subsidiaries as of December 31, 2014 and 2013 and for the years then ended appearing in the Annual Report on Form 10-K of Chanticleer Holdings, Inc. and Subsidiaries for the years ended December 31, 2014 and 2013. We also consent to the reference to our firm under the heading "Experts" in the Prospectus, which is part of this Registration Statement.

/s/ Marcum llp

Marcum llp  
April 27, 2015

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